



CHAPTER II

PLANNING, ACADEMIC ACTIVITIES AND FINANCIAL MANAGEMENT

A) PLANNING AND ACADEMIC ACTIVITIES

Planning is essential for a University to manage its financial and human resources to support the academic activities.

2.1. Absence of approved Master Plan

One key indicator in the Quality Indicator framework of National Assessment and Accreditation Council (NAAC) is the existence of an institutional Master Plan defined as a specific, action-oriented medium or long-term plan for making progress towards a set of institutional goals. However, it was found that the University did not have an approved Master Plan.

The Internal Quality Assurance Cell (IQAC) of the University identified (2015) 350 points under eight focal areas³ for improvement under a Master Plan and classified these items under short, mid and long-term Plan heads. The Master Plan was not seen to have been approved by the Syndicate or the Senate. The documented review of the progress made under the Plan was restricted to certain items.

Under the major area “Vision, Framework and Benchmarking” (subhead-Vision, Mission, Policies and Charters), despite mention of Quality Policy, Extension Policy, Library Policy, Innovation Policy, Cyber Policy, Policy for Creating and Enhancing of Infrastructure, 60+ Policy, Gender Policy etc., in the Master Plan framed in 2015, even to date (October 2021) no such Policies have been framed and approved.

The University does have short-term plans such as Academic Calendar, Annual Plan Proposals. However, since these were not reviewed/ updated on a periodic basis, these could not be correlated to the items mentioned under the short-term plan category of the Master Plan.

The National Education Policy 2020 also envisages that each institution will integrate its academic plans ranging from curricular improvement to quality of classroom transaction - into its larger Institutional Development Plan. Kerala University was yet to make such a holistic and integrated Institutional Development Plan, progress against which could be monitored.

The Director, IQAC informed Audit (October 2021) that documented activities were undertaken for certain items, the list of such activities provided by the University is given in **Appendix 2.1**.

³ 1) Vision, Framework and benchmarking 2) Research and Innovation 3) Training, Learning and Evaluation 4) Schools, Departments, Centres and Institutions 5) Student Development 6) Governance 7) Extension 8) Miscellaneous

Government replied (13 December 2021) that the Five-Year Plan Document submitted to the State Planning Board by the University and the Annual Plan Document submitted for each financial year serves as the Master Plan of the University for implementing initiatives/ schemes sanctioned under State Plan Grant. During 2020-21 a Master Plan for the infrastructure development at Palayam Campus had been prepared with the support of the Architectural wing of CET⁴. The preparation of a similar plan for Karyavattom campus was progressing.

The reply of Government does not address the audit finding that the Master Plan was just a collection of several individual proposals rather than the identification of objectives and priorities of the University which is to be implemented in a time bound manner. A Master plan for the University as a whole would have been useful for the University in systematic and timely development of infrastructure, software and timely revision of syllabus; the lacunae in respect of these aspects are depicted in paragraphs 2.3, 5.1 and 5.4 of this Report.

2.2. Functioning of College Development Council

According to the revised UGC guidelines on College Development Council 1985, the University may set up a College Development Council (CDC) as an appropriate body at the University Headquarters for ensuring proper planning and integrated development of affiliated colleges and to provide the colleges with necessary help and guidance. According to Paragraph 2 of the UGC guidelines, the CDC must consist of the Vice-Chancellor, Director of the Council⁵, Principals of some affiliated colleges and senior teachers of University Departments and a representative of the State Government. The CDC was to meet at regular intervals at least twice in an academic year to review the implementation of various programmes and activities. The Director was expected to visit the colleges at least twice a year and to hold meetings of Principals of colleges to apprise them of the ways in which CDC could function effectively for the development of colleges.

The CDC in the University of Kerala was constituted in 1978 and reconstituted in 2007. Audit observed that a full-fledged CDC was not constituted and presently the CDC is a one-member committee. There was no full-time Director for CDC and the Head of Department, Islamic Studies was entrusted with the additional charge. In the absence of a CDC as envisaged, no meeting was held during the period of audit. Thus, a forum envisaged by UGC to ensure proper and integrated development of affiliated colleges remained ineffective due to improper constitution and non-conduct of meetings.

Government replied (13 December 2021) that the CDC at University of Kerala had functioned very effectively during the previous five years in monitoring, supervising and managing the activities of the affiliated colleges. It was also

⁴ The College of Engineering, Trivandrum

⁵ The Director would be selected by a committee consisting of the VC, a nominee of the UGC and a nominee of the Syndicate of the University and the salary would be reimbursed by UGC.

stated that since there were no details in the UGC website about the exact strength and composition of CDC and that UGC was being contacted in this regard for ascertaining the exact provisions for proper reconstitution of CDC.

The reply is not acceptable as the UGC guidelines unambiguously lay down the requirement of constitution of CDC with multiple members. The failure of University to constitute a CDC with multiple members and non-conduct of meetings by the Director resulted in lack of co-ordination and interaction between the University and affiliated Colleges.

2.3. Academic Activities

The University, as part of its mission, aims to ‘emerge as a centre of academic excellence through holistic education and development of right skills’. This would involve planning for excellence, executing the academic activities in a timely manner while simultaneously ensuring the quality of education in order to support the aspirations of students and other stakeholders. Audit looked into the planning and execution of academic activities and observed the following.

- Out of 34 University Institutes of Technology (UITs) with an approximate annual intake of 3,970 students, 17 UITs⁶ were due for accreditation, but none had started the accreditation process. In the absence of accreditation, stakeholders do not have assurance about the quality of education imparted. Audit further noticed several irregularities in the functioning of these institutions, which are detailed in subsequent paragraphs of this Report.

Government replied (13 December 2021) that UITs were established and were being managed directly by the University of Kerala with a vision of providing quality education to the prospective students of rural and neglected remote areas where alternative facilities by way of Government/Aided Colleges were not available. Since University of Kerala was accredited with NAAC, separate accreditation may not be needed for UITs.

The reply is not tenable since the definition of ‘college’ under the UGC Act, 1956 does not exclude any category of higher educational institutions⁷. Further, the University could not contend that separate accreditation may not be required for the UITs on account of the University’s accreditation as details of these self-financing institutions had not been provided to NAAC at the time of the University’s accreditation. The University has also not obtained any clarification from the UGC substantiating their contention.

⁶ Remaining 17 UITs were set up after 2015 and hence not due for accreditation.

⁷ Section 12A(1) of the UGC Act, 1956 defines “college” as any institution, which provides for a course of study obtaining any qualification from a University and which is recognised as competent to provide for such course of study and present students undergoing such course of study for the examination for the award of such qualification.

- As per Chapter 11 of the Kerala University First Statutes, 1977 there should be a Boards of Study (BoS) attached to each subject of study or groups of subjects in the University, to initiate steps to revise the syllabus and restructure the courses in tune with the modern trends and developments in the respective branches of knowledge and make recommendations to the faculties concerned. There were 90 BoS⁸ in the University as of November 2020.

Audit noticed that BoS for 25 out of 27 undergraduate courses and all the 27 postgraduate courses were constituted without having adequate representation of teachers/ experts as specified in the First Statutes. Details are given in **Appendix 2.2**.

Government replied (13 December 2021) that on expiry of Board, due to urgency of the situation, a new board was constituted with minimum number of teachers and the same is reconstituted later if required.

As per the Kerala University Statutes, the BoS should be reconstituted by the Syndicate once in three years. So, the currency of the period of BoS is known to the University in advance and the claim of urgency is not tenable.

- Though UGC had recommended (January 2017) revision of curricula of all academic departments every three years, Audit noticed that syllabus of 28 out of 142 courses were not revised during the last three years (September 2021). Delay in revision of 23 courses ranged from one to five years and five courses ranged from eight to 13 years. The details are shown in **Appendix 2.3**.

The University stated (12 August 2021) that the guidelines for revision of curricula were framed (March 2019) and forwarded to various BoS. It was also stated that steps have been initiated to revise the remaining syllabi which are not yet revised into Outcome Based Education pattern.

- University Grants Commission granted recognition (19 August 2013) to the University for three years 2013-14 to 2015-16 to conduct 45 programmes (UGC approved programmes) through Open and Distance Learning mode and rejected six programmes⁹. According to the terms of recognition, the University was required to submit an affidavit within 30 days.

Audit observed that the School of Distance Education (SDE) conducted 10 programmes¹⁰ during 2013-15 which did not have the recognition of UGC.

⁸ BoS relating to Engineering, Medicine etc., were not analysed by Audit

⁹ As per notification of Ministry of Human Resource Development (June 2013), all responsibilities of Open and Distance Learning (ODL) education system were entrusted to UGC and AICTE in their respective jurisdiction.

¹⁰ besides 45 approved programmes.

Further, the University submitted (March 2014) only an undertaking instead of an affidavit as required by UGC. Since the University could not submit affidavit, despite reminders, UGC withdrew (15 July 2015) the recognition for the academic year 2015-16. Hence, the SDE was not able to conduct courses during 2015-16 and 2016-17. Recognition was reinstated from 2017-18 academic year on submission of affidavit (December 2016).

Government replied (13 December 2021) that the University had been unable to stop the unapproved programmes that had been started as students had already enrolled in these courses. The University had to take effective steps to accommodate those students in SDE and enable them to complete their programmes. These issues had caused the delay in applying for recognition again.

The fact remains that the University continued to offer the courses not approved by UGC and did not take prompt action to comply with the terms and conditions, which resulted in withdrawal of recognition for two years, thereby affecting the future of the students.

Audit observed that the University secured the 23rd rank under National Institutional Ranking Framework (NIRF) for the year 2020 on the basis of following parameters and the score obtained by the University are as given in **Table 2.1**.

Table 2.1: Parameters and score secured by Kerala University under NIRF ranking

Parameter	Weightage	Score
Teaching, Learning and Resources	0.30	73.77
Research and Professional Practice	0.30	19.03
Graduation Outcomes	0.20	86.00
Outreach and Inclusivity	0.10	51.56
Perception	0.10	21.54
Weighted overall score		52.35

(Source: Data obtained from NIRF)

Despite having relatively low interactions with industry (paragraph 3.2), 23 per cent contractual teaching staff (paragraph 3.1.2), non-compliance with UGC requirements of minimum qualification of faculty in several instances (paragraph 3.1.2) and lack of facilities for differently abled students in several Departments (paragraph 5.3), the University could score relatively well under the NIRF ranking system owing to factors such as high scores under graduation outcomes. Contract teachers who had taught in both the semesters of the previous year could be counted towards regular faculty under the NIRF scheme resulting in University getting full score under faculty-student ratio. Percentage of women students and faculty was also favourable in the University.

2.4. Affiliated colleges

The University has approximately 187 affiliated colleges. Audit observed the absence of a system to monitor the functioning of these colleges as discussed below:

2.4.1. Non-conducting of inspection of affiliated colleges

According to Statute 36 in Chapter 24 of the Kerala University First Statutes, 1977, every College shall be subject to inspection from time to time and the report shall be forwarded to the Principal of the College for obtaining explanation before any action is taken on it. It was observed that inspections were conducted only for the purpose of giving affiliation to colleges/ new courses.

University replied (13 September 2021) that the Syndicate decided (11 June 2021) to inspect all the affiliated colleges within a period of four years for ensuring the infrastructure and instructional facilities in accordance with the Statutes/Guidelines of the UGC/ Regulatory Bodies. The Convener, Standing Committee on Affiliation of Colleges was entrusted to constitute the Commission for inspection.

It was observed that the Commission for inspection of affiliated colleges is yet to be constituted and the inspection had not yet commenced.

Government replied (13 December 2021) that University decided to conduct inspections stipulated in Statute 36 in Chapter 24 of Kerala University First Statutes, 1977 within four years. The increase in number of colleges and paucity of time, the pandemic situation and the lockdown had affected the conduct of inspection adversely.

The University neglected its duty to carry out its statutory function of inspecting affiliated colleges from time to time which could result in deficiencies in teaching facilities/ infrastructure remaining unreported.

2.4.2. Non-submission of Reports to Government

According to Section 78 of The Kerala University Act, 1974, at the end of every four years, the Vice-Chancellor is to submit a report to the Government on the conditions of affiliated colleges. A Commission under the chairmanship of Smt. Padma Ramachandran¹¹ also recommended for the submission of a four-year report to Government by the Vice-Chancellor, 'on the conditions of affiliated colleges' since this was a means by which the Government and the University could get first-hand information about the prevailing conditions.

¹¹ Commission set up by the Government of Kerala in March 2000 in exercise of the powers conferred by Section 71 of the Kerala University Act 1974, to enquire into the working of the University of Kerala. The report by the former Chief Secretary Smt. Padma Ramachandran was submitted to Government on 29 November 2000.

However, it was observed that no such reports on affiliated colleges were being submitted.

Government replied (13 December 2021) that University submits a report on its activities and that of the colleges affiliated to the University every year to the Government in the form of annual report, which provides most of the information pertaining to the affiliated colleges. Government colleges are under the direct control of the Director of Collegiate Education (DCE) and hence Government gets first-hand information about the said colleges. Further, the Government while sanctioning new courses in self-financing colleges obtain an assurance from the management of the colleges that they would submit documents to prove that the colleges have adequate infrastructure and human and physical resources to conduct the courses.

The reply is not tenable as the annual reports contain only a brief description of each affiliated college and are prepared based only on the information given by the Principals of colleges concerned. The facilities are not being verified once affiliation is obtained as the annual reports are not based on inspections conducted by the University. Hence, the Government is being deprived of a mechanism to obtain feedback regarding teaching and infrastructure facilities in the affiliated colleges.

B) FINANCIAL MANAGEMENT

Prudent management of finances is crucial for the functioning of any organisation. As part of the audit the finances and management thereof of the University were scrutinised.

As per Section 45(1) of the Kerala University Act, 1974, all grants and loans received from the State Government, the Government of India, the University Grants Commission and from any other source, all revenues of the University, all fees received, all incomes such as rent and profits derived from properties and funds vested in the University, all endowments and donations received from any source whatsoever, all other miscellaneous receipts of the University and all deposits, remittances and service funds, received in connection with the affairs of the University shall form one consolidated fund named “The Kerala University Fund” and shall be employed for the purposes and in the manner laid down in this Act and the Statutes, Ordinances, Rules, By-laws and Orders made thereunder.

The details of receipts and expenditure during the period 2015-16 to 2020-21 was as shown in **Table 2.2**.

Table 2.2: Details of receipts and expenditure of University of Kerala during the period 2015-16 to 2020-21*(₹ in crore)*

Year	Receipts				Expenditure			Savings (percentage of receipts)
	Non-Plan	Plan	Internal sources	Total	Non-Plan	Plan	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) = (5) – (8)
2015-16	205.42	40.40	113.56	359.38	256.25	35.77	292.02	67.36 (18.74)
2016-17	256.77	56.54	112.02	425.33	298.92	42.11	341.03	84.30 (19.82)
2017-18	288.17	29.98	109.15	427.30	331.66	53.71	385.37	41.93 (9.81)
2018-19	310.05	41.51	127.86	479.42	333.12	57.91	391.03	88.39 (18.44)
2019-20	341.06	16.77	144.33	502.16	350.80	28.87	379.67	122.49 (24.39)
2020-21	277.24	16.88	136.85	430.97	348.65	18.16	366.81	64.16 (14.89)
TOTAL	1678.71	202.08	743.77	2624.56	1919.40	236.53	2155.93	468.63 (17.85)

(Source: Annual Accounts of the University)

Findings of Audit relating to finances of the University are detailed in the succeeding paragraphs.

2.5. Loss of General Development Assistance grant

During XIIth Five Year Plan period (2012-17), UGC provided General Development Assistance (GDA) with an objective to improve the infrastructure and basic facilities in the Universities. GDA scheme for State Universities was provided for various infrastructure activities. As per UGC guidelines, first instalment was 20 *per cent* of allocation and the second and subsequent instalments of grants were to be released on receipt of progress report and statement of expenditure/ Utilisation Certificate (UC) of previous grant.

The UGC had allocated an amount of ₹15.76 crore as GDA to the University of Kerala for the XIIth Five Year Plan period (2012-17). An amount of ₹2.50 crore for 2012-13 and ₹3.80 crore for 2013-14 was released by UGC on 31 August 2012 and 25 July 2013 respectively. UGC informed (25 July 2017) that utilisation period for XIIth Five Year Plan grants was extended upto 30 September 2017 and the assistance for construction activities would continue till 31 March 2020 subject to the condition that the construction works had commenced before 31 March 2017. University submitted UC for ₹4.75 crore in February 2017 and consolidated UC for ₹6.29 crore in March 2017 after a lapse of three years from the date of release of funds. In anticipation of receiving balance grant, an expenditure of ₹2.51 crore was incurred by the University till 30 September 2017 of which ₹2.40 crore was reimbursed by UGC on submission of UC. Thus, the University received an amount of ₹8.70 crore against expenditure of ₹8.81 crore. Failure of the University to take up the infrastructure development works as planned resulted in receipt of only ₹8.70 crore (55 *per cent*) against the allocation of ₹15.76 crore resulting in loss of GDA of ₹7.06 crore to the University. It is pertinent to note that the University

is seeking more funds from the Government¹² for infrastructure development, whereas at the same time it is unable to utilise the fund made available by UGC.

The Public Accounts Committee (PAC) in its 43rd Report for 2011-14 while discussing Performance Audit of Functioning of the University of Kerala which featured in the Report of the Comptroller and Auditor General of India (Civil) for the year ended 31 March 2010 had opined that a decisive and precise plan should be formulated by the University authorities for the complete and effective utilisation of funds allocated by UGC for the developmental purposes of the Universities in order to avoid lapse of funds in future.

Government replied (13 December 2021) that UGC had allocated ₹15.76 crore towards XIIth Five Year Plan fund. Out of this ₹6.30 crore was released in two instalments. The University had requested the UGC (20 March 2018) to release the balance grant of ₹9.45 crore including ₹2.51 crore expenditure incurred by the University in anticipation of balance grant for which ₹2.40 crore was released by UGC and UGC informed University that the accounts in respect of University of Kerala had been settled.

The University did not take any decisive action to utilise the GDA sanctioned to them notwithstanding the PAC recommendations which resulted in loss of GDA of ₹7.06 crore to the University.

2.6. Interest loss of ₹21 crore on fixed deposits

All moneys in the Kerala University Funds shall be lodged in the Government Treasury or with the approval of the Government in the State Bank of India (SBI) or its subsidiaries upto such limits as may be fixed by the Government¹³.

The University invested funds in Fixed Deposits in both the Government Treasury and with the SBI and its subsidiaries. The University was unable to provide any documents showing the approval of Government for investing funds in SBI and its subsidiaries. Further, Audit observed that during the period from 2016-17 to 2020-21 the interest rates for Fixed Deposit in SBI declined from 8.25 *per cent* to 5.70 *per cent* while the same for Treasury Fixed Deposits rates remained higher at nine *per cent* to 8.50 *per cent*¹⁴. However, the University continued to invest funds in Fixed Deposits in SBI and its subsidiaries and did not initiate any steps to transfer the funds to Treasury Fixed Deposits to take advantage of the higher interest rates.

A scrutiny of records for the period from 2016-17 to 2019-20 revealed that the continued investment of the University Funds in Fixed Deposits of SBI and its subsidiaries without the approval of Government despite declining interest rates resulted in a loss of interest of ₹21 crore as detailed in **Table 2.3**.

¹² through Annual Action Plan submitted to GoK every year

¹³ according to Chapter VII (Finance), Section 45 (2) Kerala University Act 1974

¹⁴ rates for deposit ranging not less than 1 year but below 2 years

Table 2.3: Loss of interest as a result of not investing funds in Treasury Fixed Deposits

Year	Total amount deposited by University in Fixed Deposits	Amount deposited in SBI and its subsidiaries	Interest earned from Fixed Deposits in SBI and its subsidiaries*	Interest earned if deposited in Treasury [#]	Loss of interest
2016-17	469.28	393.36	27.48	33.04	5.56
2017-18	476.67	382.61	26.52	30.66	4.14
2018-19	719.19	486.36	28.41	35.37	6.96
2019-20	945.66	509.79	28.23	32.57	4.34
Total					21.00

* Figures taken from Annual Accounts for period 2016-17 to 2019-20

[#] Interest was calculated using simple interest rate method with the interest rate for the corresponding period.

(Source: Annual Accounts of the University)

Thus, non-compliance to provisions in the Kerala University Act, 1974 and lack of proper financial planning resulted in a loss of interest amounting to ₹21 crore during the period 2016-17 to 2019-20.

Government stated (December 2021) that as per the Kerala University Act, 1974 (Section 23(iv)) and the Kerala University First Statutes, 1977 (Chapter 6, Section 3(ix) and Section 4(D)), Syndicate was empowered to invest funds belonging to the University in such manner as it may determine from time to time. It is further stated that the Syndicate meeting held on 17 February 2021, it was decided to invest funds with Treasury in a phased manner (to get higher interest rate) after maintaining sufficient funds at its disposal with SBI to meet any urgent expenditure on account of Salary, Pension, conduct of examination etc.

Had the funds been invested prudently the University would not have been deprived of the higher interest. The University needs to prioritise fund management by reviewing the investments from time to time and investing funds in such instruments that earn a better rate of interest.

2.7. Non-receipt of pay revision arrears from Government

GoI decided (31 December 2008) to provide financial assistance to the State Governments which wished to adopt and implement the Sixth UGC scheme including the revision of pay scales to College/University teachers, Physical Education teachers and Librarians in the State. GoI was to provide financial assistance to the tune of 80 per cent of the additional expenditure involved in the pay revision for the period from 01 January 2006 to 31 March 2010 and the balance 20 per cent was to be borne by the State Government. Accordingly, the Government of Kerala (GoK) decided (27 March 2010) to accept the revised UGC scheme for pay scales and stated that the arrears would be released subject to GoI agreeing to the grant of 80 per cent as financial assistance.

GoK decided (22 February 2013) to disburse the arrears of the sixth UGC pay revision in four instalments. GoK released (January 2014) an amount of ₹4.57 crore to the University of Kerala for disbursement of first instalment of arrears for the period from 01 January 2006 to 30 June 2007. GoK sanctioned (06 April 2017) an amount of ₹7.11 crore to the University being the second and third instalments of sixth UGC pay revision arrears for the period from 01 July 2007 to 30 June 2008 and from 01 July 2008 to 30 June 2009. Even though the amount was released to the University, it was resumed by GoK from the non-plan fund of the University. Further, GoK sanctioned (03 March 2019) an amount of ₹2.66 crore being the fourth instalment but the amount was not released and GoK directed (20 June 2019) the University to meet the expenses from the current year's non-plan budget provision. Thus, even though the University expended an amount of ₹14.14 crore for payment of arrears, only ₹4.57 crore was received from the GoK. The balance amount of ₹9.57 crore was utilised from the non-plan fund of the University.

As per Ministry of Human Resource Development (MHRD) guidelines (11 May 2010), it shall be necessary for the Universities and managements of colleges to make appropriate changes in their Statutes, Ordinances, Rules, Regulations etc., to incorporate the provisions of the sixth UGC scheme and a copy each of the same was also to be furnished to the UGC. The claim for Central share was to be accompanied by the copies of the amended documents. As the claims forwarded by GoK were not supported by copies of amended documents, MHRD issued reminders¹⁵ to furnish copies of the amendment made on implementation of UGC pay scales. MHRD vide letter dated 17 November 2016 stated that only those proposals which were complete in all respects and those received before 31 December 2016 would be considered for reimbursement. The University amended the Statutes only on 26 December 2019 and the same was forwarded to GoK on 25 January 2020. Since complete proposals were not furnished by GoK, MHRD vide letter dated 11 July 2018 intimated its decision to close the scheme for reimbursement of central share.

Government accepted (December 2021) the audit observations and stated that the fund of ₹7.11 crore released as second and third instalments of arrears were deducted by Government from the Non-plan grant. Thereafter, the Government had directed the University to release the fourth instalment of arrears from the Non-plan allocation of the year 2018-19 and the University had released the balance arrears accordingly. As GoK had not received the eligible assistance¹⁶ from UGC, the University was deprived of the assistance from GoK.

¹⁵ February 2016 and April 2016

¹⁶ Government of Kerala was entitled to receive an amount of ₹798.85 crore from UGC being arrears of pay revision for the Universities and teachers of colleges in the State, but received only ₹537.25 crore resulting in loss of assistance amounting to ₹261.59 crore.

2.8. Non-collection of lease rent of ₹19.09 crore from National Games Secretariat

Based on direction received from GoK, the Syndicate of the University agreed (25 February 2010) to allot approximately 37 acres of land from the University campus at Karyavattom for the construction of a stadium complex to host the 35th National Games. Sports and Youth Affairs Department accorded sanction (26 September 2011) to award the work for constructing an outdoor stadium at the land owned by the University at Karyavattom on annuity basis to M/s. IL&FS Transportation Network. A concession agreement was executed on 04 April 2012 among University, National Games Secretariat (NGS) and Karyavattom Sports Facilities Ltd¹⁷, by which University granted permission to NGS to develop Green Field Stadium at project site for use in connection with 35th National Games held in Kerala on Design, Build, Operate and Transfer (DBOT) model.

A lease deed for 37 acres of land at Karyavattom campus was executed between the University and NGS on 18 December 2012 for a period of 15 years for the construction of Green Field Stadium. As per Clause (2) of the lease deed, NGS had agreed to pay lease rental equal to 2.50 *per cent* of the market value of the 37 acres in advance on or before December every year. Lease rent was to be subjected to periodical revision every three years on the basis of increase in market value of the land.

The market value of the land as per valuation certificate was ₹2.50 lakh per Are¹⁸ and the value of total land was ₹37.43 crore. Lease rent was fixed at ₹94 lakh per annum and ₹211.24 lakh including tax due for 2012-13 and 2013-14 was paid in advance¹⁹ by NGS. Kerala hosted the 35th National Games between 31 January 2015 and 14 February 2015. Lease rent for 2014-15 due in December 2014 was partly paid to the tune of ₹82.57 lakh in June 2016 after a delay of 18 months. Out of this, an amount of ₹10.77 lakh was remitted as Service Tax. From December 2015 the University revised the lease rent to ₹3.14 crore per annum. Rent due from December 2015 to December 2020 including arrears for December 2014 was ₹19.09 crore²⁰ and GST ₹3.40 crore. However, no amount has been received (September 2021) as lease rent due from December 2015 onwards.

The University had taken up the matter with the NGS and Government several times. Audit observed that Government ordered (September 2016) the dissolution of NGS and entrusted all responsibilities thereunder to the Director, Sports and Youth Affairs. As such, the Principal Secretary, Sports and Youth Affairs Department directed (29 November 2019) the Director, Sports and Youth Affairs to remit ₹3.27 crore (lease rent for the period from December

¹⁷ A company having its registered office at IL&FS Financial Centre, Bandra, Mumbai

¹⁸ One Acre = 40.4685 Are

¹⁹ June 2012 and March 2014

²⁰ Arrear for December 2014 ₹22.20 lakh and rent from 2015 December to 2020 December (@ ₹3,14,45,190 per annum) ₹18.87 crore

2015 to November 2017). However, the amount remains unpaid (September 2021).

As per the agreement, the lease rent was to be revised every three years and it was due for revision in December 2018. However, the rent was not revised till date (September 2021).

Audit observed that in the absence of any provision in the agreement to terminate the contract/ levy penal interest for delayed payment, the University continued to suffer loss on this account.

Government replied (December 2021) that many reminders were sent to the NGS to remit the arrear lease rent of Greenfield Stadium. In the meeting (February 2021) of the Stadium Management Committee of the Greenfield Stadium it was decided to direct the Sports and Youth Affairs Department to disburse the arrear amount due to the University. Steps are being taken to revise the lease rent with effect from 2018. Though there was no clause for levying of interest in the lease deed, the Standing Counsel had opined that the lease arrangement is ultimately one of commercial nature, therefore, the commercial rates can be charged for the delayed payment and penal rates also can be charged even if such clauses were not specifically incorporated in the relevant agreements.

The University has not been able to even recover the lease rent till date (December 2021) and may do the needful within a fixed timeframe to avoid financial loss.

2.9. Non-realisation of Annual Administration fee of ₹11.63 crore

Self-financing and unaided colleges affiliated to the University are required to remit Annual Administration fees (Infrastructure Development and Maintenance fee) as advance amount into the Kerala University fund account before 31 March every year²¹. Scrutiny of the records relating to collection of Annual Administration fee revealed that an amount of ₹11.63 crore was pending collection (August 2021).

Out of the above amount, payment of ₹6.19 crore towards fees has been stayed by High Court based on appeal filed by various institutions. However, Audit observed that an amount of ₹4.83 crore pertaining to colleges offering Engineering, Master of Business Administration (MBA) etc., and ₹0.54 crore pertaining to Medical Colleges, Nursing Colleges etc., were pending collection. The amount to be collected from colleges offering Engineering, MBA etc., relates to the period 2015-19 as the affiliation of these colleges were shifted to Kerala Technological University with effect from 2015-16. Similarly, the fee pending from colleges offering medical education pertains to the period 2010-15 as the affiliation of these colleges were shifted to Kerala University of Health Sciences (KUHS) with effect from 2010-11.

²¹ According to Kerala University First Statutes, 1977

Government replied (13 December 2021) that the Government had granted concurrence to collect proportionate amount of Annual Administration fees from colleges shifted to Dr. A.P.J. Abdul Kalam Technological University in December 2020, and the proportionate amount was being arrived at. Regarding colleges shifted to KUHS, the Syndicate had resolved to proceed with revenue recovery. Regarding the Training Colleges, the Syndicate had entrusted the Standing Counsel to vacate the interim Order.

However, despite these decisions the University is yet to recover the revenue due to it.

2.10. Self-financing Institutions

The University of Kerala decided (20 January 1995) to start self-financing job-oriented courses in the University. University also started 34 University Institutes of Technology (UITs), seven University Institutes of Management (UIM), 10 Kerala University College of Teacher Education (KUCTEs) and one University College of Engineering for conducting job-oriented courses in self-financing mode. At the time of formulating self-financing courses in the University, it was envisaged that the finances of the courses were to be generated from the students. However, Audit noticed that KUCTEs and the University College of Engineering were consistently operating on a loss as shown in **Table 2.4**.

Table 2.4: Details of receipts/ expenditure of KUCTEs and University College of Engineering

(₹ in lakh)

Year	KUCTEs			University College of Engineering		
	Receipt	Expenditure	Loss	Receipt	Expenditure	Loss
2016-17	252.08	372.21	(-)120.13	203.26	234.46	(-) 31.20
2017-18	261.98	385.47	(-)123.49	261.60	227.00	34.60
2018-19	284.25	438.72	(-)154.47	212.20	252.16	(-) 39.96
2019-20	299.90	423.00	(-)123.10	198.62	271.75	(-) 73.13
Total	1098.21	1619.40	(-)521.19	875.68	985.37	(-) 109.69

(Source: Annual Accounts of University of Kerala)

Audit noticed that in the University College of Engineering, out of 990 seats available for the three courses, only 454 out of 495 seats in merit quota were filled and out of 495 seats in management quota where higher fees were charged, only 125 students were admitted during the audit period. This had adversely affected the revenue of the college. Though KUCTEs were functioning with full sanctioned strength, they too were incurring loss. Thus, KUCTEs and the University College of Engineering which were meant to sustain themselves on the basis of self-generated revenues, were in fact creating additional financial burden for the University. The inadequacies in the infrastructure of self-financing institutions are referred in paragraph 5.1 of this Report.

Government replied (December 2021) that the matter regarding the loss incurred by KUCTEs were taken up by the Syndicate and sub-committees had been constituted (29 June 2021) to study about the matter. The report from the

committee was awaited and necessary steps would be initiated on the receipt of the report.

The reply is silent about the remedial measures taken to reduce the loss of the University College of Engineering and the committee is yet to submit the report (March 2022).

2.11. Non-preparation of Demand Collection Balance Statements and non-reconciliation of Bank/Treasury transactions

- As per Article 5 (1) and (2) of Kerala Financial Code, proper records in respect of all items of revenue whether recurring or non-recurring should be maintained to show the assessments and demands made, the progress of recovery and the outstanding amounts due to the Government. The fees collected from students for various purposes is one of the main sources of own revenue to the University. The examination sections are required to maintain the Demand Collection Balance (DCB) statement of examination fees collected from colleges/ UIT/ Training Colleges/ UIMs. It was noticed that examination sections were not preparing DCB statement in respect of examination fees.

The Revenue Audit Section which is in-charge of accounting of Special fees²² was maintaining a Register with details of demand and collection of special fees. However, Audit noticed that the entries in the Register were neither signed nor authenticated by any official. Several pencil entries, which could be subsequently changed were also noticed in the Register.

Government replied (13 December 2021) that based on the observations of Audit, University had started the practice of authenticating the DCB register by the officials concerned. It has also been directed that the Register shall be verified and countersigned by the Joint Registrar (Finance) on a monthly/ bimonthly basis. In the Student Life Cycle Management System²³, proper facility would be provided to generate DCB statements.

A DCB statement is essential for monitoring revenue collection. For ensuring authenticity, it is essential that the entries in the statement are authenticated by a supervisory official.

- Periodic preparation of Bank Reconciliation Statement is a mandatory function of Finance and Accounts wing of every organisation. The purpose of preparing a bank reconciliation statement is to detect any discrepancies between the accounting records of the entity and the bank.

²² Medical inspection fee, Sports affiliation fee, University union fee, student aid fund, Student care fund, Women's study unit and University affiliation fee are termed as Special fees.

²³ A project 'Development and implementation of Student Life Cycle Management System (Examination Management Software)' was entrusted (30 October 2020) to ITI Ltd., Palakkad, a Government of India undertaking, at an agreed amount of ₹1.17 crore. The system will be ready for conduct of security checking by January 2022.

Audit noticed (24 November 2020) that the University was not preparing any reconciliation statements. Subsequently, the Finance Officer directed (11 January 2021) sections concerned to verify the bank account statements on weekly basis and prepare reconciliation statement each month. Audit observed that though Finance Officer had issued directions for preparing reconciliation statements, the same was yet to be complied with (September 2021).

Government replied (13 December 2021) that the work of preparation of Bank Reconciliation Statement was in its early stages and could not be completed fully during the year 2020-21 due to COVID-19 pandemic and related lockdown and other restrictions imposed by the Government. It was expected that the process could be fully streamlined during the financial year 2021-22. The reply is not tenable as the non-reconciliation had been an issue even before the start of the pandemic. The University may put in a suitable mechanism to ensure timely reconciliation in order to avoid exposure of the fund management to the risks of frauds and misappropriation.

2.12. Advances pending adjustment

- Time limit of three months is fixed for the presentation of final bill where provisional advance has been availed²⁴. Otherwise, interest at 18 *per cent* will be charged on the entire amount of advance from the date the amount was withdrawn to the date of recovery of the amount.

On verification of Advance Register, it was observed that advances for an amount of ₹8.81 crore (114 cases) were availed by Heads of Departments and staff of the University for various purposes such as conducting workshops, seminars, Inter Collegiate/ University tournaments etc., which were pending regularisation due to non-submission of final bills. Out of ₹8.81 crore pending, ₹1.37 crore was pending for more than 10 years and ₹0.47 crore was pending for five to 10 years. Since the advances have not been settled, it could not be ensured that the entire amount has been utilised for the purpose for which it was sanctioned and no amount was retained by the official who had availed the advance.

- The probable amount of expenses required for conduct of examinations in each centre and sub centres is calculated on the basis of strength of candidates allotted and advances are sanctioned to the centres²⁵. Before payment of advance to a college, every possible step should be taken to regularise previous advances, if any, paid to the college for examinations conducted during the previous years. It was observed that six colleges which received (2013-15) advance of ₹6.65 lakh had not settled the

²⁴ As per Government order GO (P) No. 419/11/Fin dated 04 October 2011

²⁵ As per University of Kerala, Examination Manual, Chapter V – Conduct of Examinations (Chapter VII of Kerala University First Ordinances, 1978)

amount. Out of the six colleges that received the advance, four colleges were given more than one advance. All advances given to the six colleges were pending for more than five years.

Government replied (13 December 2021) that regularisation process of pending cases was ongoing. The Syndicate had resolved to communicate the details of the defaulters to the Inspection Team constituted for conducting inspection for affiliation in the colleges and to conduct *adalath* for defaulters for one-time settlement. This may be taken up on priority due to the long period of pendency of advances, which may render them difficult to regularise due to lapse of time.

2.13. Drawal of Research fellowship and salary

Each Fellow is expected to be a full-time research worker while holding the fellowship and shall not accept any other remunerative work²⁶. For those who get Fellowship and Contingent Grant from State Government²⁷, the monthly attendance and research work done by the research scholar is verified by the respective guide/ Head of Department. If they determine that the research scholar is eligible for fellowship then online monthly claim is generated for fellowship at the institution level and forwarded to the District Development Office for Scheduled Castes²⁸ with a recommendation for payment.

A full-time Research Fellow pursuing Ph.D under Department of Linguistics since October 2016 had received ₹10.72 lakh as Fellowship and Contingent grant from GoK till September 2020. Audit noticed that while receiving Fellowship he had worked as Lecturer in Computer Science at UITs on contract basis from July 2018 to September 2019²⁹ and drawn ₹1.91 lakh as salary between July 2018 and March 2019. He also had full attendance both at Department of Linguistics and UITs for July to September 2018 period. It was also observed that he was absent from Department of Linguistics during January 2017 to August 2017 and from October 2018 onwards. His name was removed from the attendance register of Department of Linguistics from January 2019, but continued to draw grant till September 2020. He had drawn Fellowship and Contingent grant during his absence from Department of Linguistics as given in **Table 2.5**.

²⁶ Chapter 12, Sl. No. 17 of the First Ordinances of University of Kerala, 1978

²⁷ Students who qualify UGC/GATE will get Fellowship and Contingent Grant from UGC. Those students belonging to Scheduled Caste (SC)/Scheduled Tribe (ST)/Other Eligible Communities (OEC), who have not cleared UGC/GATE but get selected for Ph.D in the University receive Fellowship and Contingent Grant @ 75 per cent of prevailing UGC rates from Government of Kerala.

²⁸ SC Development Department is the implementing agency for OEC Post-matric Educational Assistance.

²⁹ From 04 July 2018 to 28 June 2019 at UIT Malayankeezhu and from 02 July 2019 to 05 September 2019 at UIT Muthukulam.

Table 2.5: Fellowship and Contingent grant drawn by Research Fellow during his absence

Attendance particulars	Period	Amount (in ₹)
Having attendance both at Department of Linguistics and UITs	July to September 2018 (three months)	57,630
During absence from Department of Linguistics	January to August 2017 (eight months) and October to December 2018 (three months)	2,16,675
After name was removed from the Department of Linguistics	January 2019 to September 2020 (21 months)	5,41,750
Total		8,16,055

(Source: Data obtained from University of Kerala and SC Development Department)

It was also noticed that the University appointed the Research Fellow as Lecturer in Computer Science in UITs on contract basis without executing a formal agreement.

It was replied by University (September 2021) that a formal agreement was not executed with the University on the basis of a number of complaints received from Principal/ students. This is not tenable as appointment should be valid only after executing a formal agreement. Hence, payment of salary of ₹1.91 lakh to a contract staff without executing a formal agreement is not in order.

Government replied (13 December 2021) that the Research Fellow was said to be in jail in connection with criminal offence. Hence the Department was not in a position to collect explanation from the Research Scholar. However, action was being taken to recover the amount claimed by the researcher towards fellowship.

Audit observed that there was no system in place to cross-check the occurrence of such instances even within institutions under the control of the University by comparing persons on rolls of the institutions with persons receiving fellowship grants. The instance of an official drawing remuneration concurrently from two institutions under the governance of the University and drawing remuneration for periods when the incumbent was not in the rolls indicates lack of adequate internal control mechanism even within the University.

2.14. University Provident Fund

The deficit in Provident Fund (PF) contribution account of the University had already featured as paragraph 1.2.7.6 of the Report of the Comptroller and Auditor General of India (Civil) for the year ended 31 March 2010. The provident fund deductions effected from the salaries of the employees during the period 1990-95 were not credited to the bank account by the University (due to acute financial stringency) and the amount was utilised for meeting establishment expenditure. Thus, there was a deficit of ₹30.03 crore (October 2010). As per the records, the closing balance of PF account as on 31 March

2021 was ₹81.02 crore while the closing balance as on date in the treasury and bank account opened for depositing the PF amount was ₹73.79 crore resulting in a deficit of ₹7.23 crore.

While discussing the findings of the Performance Audit of 'Functioning of the University of Kerala' which featured in the Report of the Comptroller and Auditor General of India (Civil) for the year ended 31 March 2010, PAC had urged the University authorities to take necessary steps to remit the arrears towards Provident Fund account at the earliest. However, a deficit of ₹7.23 crore still remains.

While accepting the Audit objection, Government replied (13 December 2021) that the University would take necessary steps to regularise the deficit of ₹7.23 crore in the University Provident Fund account maintained with Treasury.

2.15. Unfruitful expenditure on publication of Malayalam Lexicon

The work of Malayalam Lexicon was started in July 1953 under the auspices of the Government of Travancore-Cochin (which subsequently with the integration of the Malabar area became the Government of Kerala in 1956) and the University of Travancore (now the University of Kerala). The first volume was published in 1965. Later, eight more volumes³⁰ were published.

In view of the complaints regarding mistakes/ errors in the Malayalam Lexicon Volume IX published in 2016, the Vice-Chancellor ordered to stop the sale of the same on 22 April 2017. Committee constituted to verify the errors in the Lexicon found (June 2017) that the points mentioned in the complaint were correct. The reasons for the defects as per the Report submitted by the Committee were the absence of permanent editor and non-preparation of a Manual for the preparation of the lexicon.

It was noticed that no Manual for preparation of Lexicon has yet been prepared (August 2021) and the person who has been appointed (13 August 2021) as the Editor-in-Chief/ Director is specialised in a subject (Sanskrit) other than Malayalam.

Government replied (13 December 2021) that a new Advisory Committee had been constituted on 16 November 2021. Steps were also being initiated for the preparation of the Manual which would be finalised in consultation with the members of the Committee. In the meantime, for adding value to the work undertaken by the Department, the University was availing the services of a professor who had multi-lingual expertise along with experience in Linguistics and Lexicon related work.

Though 12 years have elapsed after publication of Volume VIII of Lexicon (2009), the next volume is yet to materialise. The reply of Government is silent about prescribing a time schedule for bringing out the next volume.

³⁰ Volume II in 1970, Volume III in 1976, Volume IV in 1984, Volume V in 1985, Volume VI in 1988, Volume VII in 1997, Volume VIII in 2009 and Volume IX in 2016.

2.16. Preparation of Tamil - Malayalam Dictionary

Assistant Professor and Head, Department of Tamil had forwarded a detailed project proposal (April 2015), with a financial outlay of ₹11.46 lakh, for publishing Tamil-Malayalam Dictionary, which was to be completed within a period of two years. The proposal was placed before the Standing Committee of the Syndicate on Finance at its meeting held on 18 May 2015. The Committee noted that the financial commitment for the project would be ₹10 lakh and recommended allotting ₹ four lakh. Subsequently, an additional amount of ₹ four lakh³¹ was also sanctioned.

During the year 2019-20, the Head of Department, Tamil submitted a proposal for ₹ four lakh for the completion of Tamil-Malayalam Dictionary. The Syndicate decided (25 May 2019) to authorise the Vice-Chancellor to engage two experts (one each from Tamil and Malayalam) to evaluate the project. The Committee evaluated (13 August 2020) the project and commented that the project is progressing satisfactorily and would be a great gain to the Malayalam language on completion. Audit noticed (August 2021) that no amount has since been sanctioned and the project was at a standstill.

Government replied (13 December 2021) that a proposal for ₹ four lakh for the completion of Tamil-Malayalam Dictionary had been placed before the Standing Committee of the Syndicate on Academics and Research for consideration.

The reply of the Government does not clarify on aspects such as any schedule or timeline by which the project is expected to be completed or any Plan of Action for ensuring this project gets completed at the earliest and dictionary or at least a version in soft form is made available for use of students and the common man. Thus, a project which was to be completed within a period of two years remained incomplete even after a lapse of six years.

2.17. Conclusion

The University of Kerala which came into existence in 1937 is yet have an approved Master Plan detailing areas envisaged for development - academic curriculum, research, human resources, physical infrastructure etc., against which progress could be regularly monitored. The College Development Council which was to ensure proper planning and integrated development of affiliated colleges was ineffective due to improper constitution. Curriculum revisions were pending as compared to the schedule prescribed by the University Grants Commission (UGC). Inspections of affiliated colleges as mandated could not be ensured by the University.

Despite the PAC recommending complete and effective utilisation of funds allocated by UGC for the developmental purposes in order to avoid lapse of funds in future, the University failed to optimally utilise the General

³¹ ₹ two lakh in September 2016 and ₹ one lakh each in January 2017 and September 2017.

Development Assistance fund provided by the UGC resulting in loss of assistance. The University did not review that its funds were earning the best interest revenues. The delay on the part of University to amend the statutes resulted in non-receipt of ₹9.57 crore from Government of India being pay revision arrears. Lease rent receivable on account of land provided for construction of stadium was in arrears. The self-financing Engineering College and KUCTEs of the University which were meant to sustain on self-generated revenue were consistently running on a loss. Demand, Collection and Balance Register were not maintained by the University. Advances were pending recovery from staff of the University as well as from the Principals of colleges. There was a deficit of ₹7.23 crore in the University Provident Fund account, inspite of remarks of PAC directing the University authorities to take necessary steps to remit the arrears towards Provident Fund account at the earliest.

2.18. Recommendations

- **The University should periodically monitor progress against approved Master Plan outlining the developments envisaged in key areas including academic curriculum, teaching methodologies, human resources, research and innovation, extension activities and infrastructure (physical and digital).**

(Paragraph 2.1)

- **The University needs to aim for accreditation of all educational institutions under its control within a definite timeframe and work on possible solutions for overcoming existing deficiencies in order to ensure that a certain set of standards is maintained by these institutions.**

(Paragraph 2.3)

- **In order to ensure high quality and relevance of course content, the University may ensure that syllabus of various courses is revised in accordance with the periodicity prescribed by UGC and that the constitution of the Boards of Study is as per the prescribed norms.**

(Paragraph 2.3)

- **The University may conduct periodic inspections of the affiliated colleges based on risk analysis and prepare Reports in prescribed formats covering the areas of risks that may adversely affect the quality of education being provided.**

(Paragraph 2.4)

- **The University needs to put in place an effective monitoring mechanism to ensure that the works undertaken utilising GDA grant as well as funds from other sources are completed without**

delays so that the infrastructure facilities benefit maximum number of students.

(Paragraph 2.5)

- **The University may take prudent decisions while investing the University funds so as to maximise its interest revenue.**

(Paragraph 2.6)

- **University may take steps to ensure that a) long pending advances are settled without delay and that b) advances given in the future, if any, are settled within the prescribed time.**

(Paragraph 2.12)

- **A system may be put in place to ensure that a full-time research scholar while receiving fellowship grant does not take up other remunerative works.**

(Paragraph 2.13)