

Savitribai Phule P. U. University
Inward No. 5970
02 JAN 2018
FAO
FINANCE & ACCOUNTS DEPT.

Smt- Shaikh

प्रधान महालेखाकर का कार्यालय (लेखापरीक्षा)-I, महाराष्ट्र
पुणे विभागीय कार्यालय, नयी मध्यवर्ती इमारत, पहली मंजिल, पुणे-411001
दूरध्वनी: 020 26122288

क्र. सा.क्षे.॥ व सा.क्षे./पु.वि.का./प्रभार ॥ पी 201718045/1385 दिनांक: 22-12-17

सेवा मे,
कुलगुरु
सावित्रीबाई फुले पुणे विद्यापीठ,
पुणे- 411007.

मा. कुलगुरु यांचे कार्यालय
सावित्रीबाई फुले पुणे विद्यापीठ

आवक दिनांक: 01 JAN 2018

आवक क्रमांक व्हीसी 12

जावक दिनांक: 21/01/18

Registrar
FAO
21/1/18

विषय:- 01/04/2012 से 31/03/2016 अवधि तक की आपके कार्यालय के लेखाओं का निरीक्षण अहवाल।

महोदय / महोदया,

उपरोक्त लेखाओं का निरीक्षण अहवाल इसके साथ भेज रहा हूँ / रही हूँ जिसका निरीक्षण स्थानीय लेखापरीक्षा दल द्वारा दिनांक 14/08/2017 से 30/09/2017 तक किया गया था एवं आपसे निवेदन है की इसमें शामिल किए गए सभी परिच्छेदों का पूर्ण रूप से दस्तावेजों सहित उत्तर इस कार्यालय में शीघ्र भेज दिया जाए और आपके कार्यालय में इस अहवाल के मिलने की तारीख से किसी भी परिस्थिति में एक माह से अधिक विलंब नहीं हो जैसा की वित्त विभाग के सरकारी अधिसूचना सं. बी.जी.एल.1161 / 91 दिनांक 20/05/1981 में निर्धारित किया गया है।

(Signature)

लेखापरीक्षा अधिकारी / पु.वि.का. पुणे

Inspection Report on the accounts and records of the Savitribai Phule Pune University, for the period from 01/04/2012 to 31/03/2016 under Section 14 (2) of the CAG's (DPC) Act, 1971.

PART I: Introduction

The University of Pune was established in the year 1949 under the Poona University Act. The University was renamed as Savitribai Phule Pune University (SPPU) with effect from 31st July, 2014 (Maharashtra Ordinance No. 16 of 2014). The University houses 46 academic departments and has about 307 recognized research institutes. In order to provide a unified pattern for the constitution and administration of Non-agricultural and Non-technological universities in the State of Maharashtra, an act known as Maharashtra Universities Act, 1994 was enacted by State Legislatures which came into force from 21 July 1994. As per Section 115 (1) of the Act of 1994, the Pune University Act, 1974 (Maharashtra Act no. XXIII of 1974) stood repealed at the commencement of Maharashtra Universities Act, 1994. In the year 2016, to provide for academic autonomy to non-agricultural and non-medical universities in the State of Maharashtra and to make better provisions the State Government enacted the Maharashtra Public Universities Act, 2016 (w.e.f 1st March 2017) repealing the Maharashtra Universities Act, 1994.

The jurisdiction of SPPU extends over the districts of Pune, Ahmednagar, Nashik [Section 3(1) and 6(1) Maharashtra Public Universities Act, 2016, Part I of Schedule. The SPPU, being a State University, is eligible to receive Central assistance under Section 12 (B) of the UGC Act, 1956. Although development of State Universities is primarily the concern of State Governments, development grants, including grants under special schemes, are provided to all eligible state universities by the UGC. Such grants facilitate the creation, augmentation and up-gradation of infrastructural facilities that are not normally available from the State government or other sources of funds.

Personnel

- a) The following personnel held the charge of the post of Vice Chancellor for the audit period

Name of the Vice Chancellor	Period
Shri Sanjay.A.Chahande (acting Vice Chancellor)	16/09/2011 to 15/05/2012

Shri. W. N. Gade	16/05/2012 to 15/05/2017
Shri Nitin Karmalkar	16/05/2017 till date

Arrangement for Annual Audit and Publishing audited accounts

According to the provisions of Sub Section 1 & 2 of Section 103 of the Maharashtra Universities Act, 1994, the accounts of the University should be audited at least once in every year and in any case within six months from the close of the financial year by the auditors appointed by the Management Council from amongst the firms of Chartered Accountants. Similarly, audited accounts should be published together with copy of auditors report and copy thereof should be submitted to the Chancellor, State Government. The Senate should consider and pass such Resolutions thereon as it thinks fit.

Arrangement for Internal Audit

The detailed procedure for conducting internal audit of the accounts of the University has been prescribed in Chapter XVIII of the University of Pune Account Code, 1966. Internal audit includes pre-audit as well as post-audit of receipts, salary bills, works expenditure, physical verification of cash and stock etc.

Arrangement of receipts and accountable of funds and expenditure there from

The funds received from all sources are first accounted for in Central Finance Department under respective head and, thereafter these funds are transferred to the respective department as per their requirement, which in turn incur expenditure as per budget provision and submit quarterly receipt and payment accounts. All the departments who have been declared as D.D.O.s are authorized to operate bank accounts and make payment by cheques.

On the basis of receipt and payment account received in Central finance Department the consolidated Receipt and Payment, Income and Expenditure and Balance Sheets were being prepared.

a. Grant and Expenditure

Details of grants received by the University & expenditure there on incurred during the period from 2012-13 to 2015-16 were as follows.

a) Grant received from Funding Agencies

(in lakh)

	2012-13		2013-14		2014-15		2015-16	
Grant	Receipt	Exp	Receipt	Exp	Receipt	Exp	Receipt	Exp
CSIR	155.01	150.49	131.25	139.01	138.07	152.91	135.32	156.38
GOI	2675.90	1184.58	1024.69	1378.26	1271.48	1255.98	2229.95	1718.63
OIB	86.34	86.83	132.36	169.85	197.87	142.85	173.30	197.62
State	1409.64	215.67	158.42	240.20	251.24	812.08	237.48	665.84
UGC	2333.12	1745.31	1729.66	1857.61	1191.60	2985.63	1460.70	3272.34
Total	6660.03	3382.91	3176.40	3784.95	3050.28	5349.47	4236.78	6010.83

b) Salary Grant for Teaching/Non-Teaching staff from State Government

(in lakh)

2012-13		2013-14		2014-15		2015-16	
Receipt	Exp	Receipt	Exp	Receipt	Exp	Receipt	Exp
4523.89	5674.49	7735.60	6747.86	9183.89	8701.86	6889.24	8245.87

(2) Audit Scope and Objectives

A test check of the accounts and records of the Savitribai Phule Pune University (SPPU), Pune for the period 2012-16 under Section 14(2) of the CAG's (DPC) Act, 1971 was conducted locally from 14/08/2017 to 30/09/2017 by Shri G.S. Sunthakar (14/08/2017 to 12/09/2017), Smt S.P.Dhone, AAOs, Shri A.A.Sheikh, Sr. Auditor under the supervision of Shri S.R.Sapkal, Sr. Audit Officer with a view to ascertain whether the University was complying with all the Rules, Regulations, Manuals, Resolutions, Instructions, Circulars issued by the Government from time to time and to see that all sanctions and grants were issued after following proper procedures and the implementation of schemes were properly monitored. The audit was conducted based on the provisions of Maharashtra Universities Act, 1994, Maharashtra Budget Manual, General Financial Rules, Bombay Financial Rules, Government Orders, Circulars, Instructions, etc. issued from time to time. The audit findings have been incorporated in Part II of this Report.

(3) Disclaimer Certificate

The Inspection Report has been prepared on the basis of information furnished and the records made available by SPPU, Pune. The office of the Principal Accountant General (Audit)-I, Maharashtra, Mumbai disclaims any responsibility for any non-information and/or misinformation on the part of the auditee.

Part II: Audit under Section 14 (2) of the CAG's (DPC) Act, 1971.

Part II A: Significant Audit findings

Para 1: Underutilization of the University Press resulted into losses amounting to Rs 3.9 crore during the years 2013-16.

The Examination Confidential Division under the University monitors the work of printing examination question papers. Similarly, the Godam Division is responsible for monitoring of the work of printing of examination answer sheets. The Savitribai Phule Pune University (SPPU), Pune has its own Printing Press with a strength of 17 working staff.

Scrutiny of records revealed that the two Divisions of the University mentioned above outsourced the work of printing of question papers and answer sheets required for holding various examinations by the University. The expenditure on this outsourcing work during the years 2012-16 is shown in the following table:

Year	Expenditure on printing of Question Papers	Increase in actual expenditure in comparison to the expenditure incurred in the previous year	Percentage of excess expenditure in comparison to expenditure in the previous year
2012-13	21215446.00		
2013-14	30565013.00	9349567	44
2014-15	55673705.00	25108692	82
2015-16	51500368.00	-4173337	-7
Total	158954532.00		

The following table shows the work carried out by the University's Printing Press, during the years 2013-16:

Year	Branches of the University for which the work was carried out			Other income	Total Income	Expenditure	Loss
	Academic	Examination	Office				
2013-14	2588398	4303450	2023065	15000	8929913	13775248	4845335
2014-15	3301050	5392835	2001192	0	10695077	25559780	14864703
2015-16	3704409	2086665	2338970	176736	8306780	27714084	19407304
							39117342

The following audit observations are made in this regard:

1. Despite availability of additional capacity with the indigenous printing press, the University chose to outsource the printing work. As can be seen from the table above, during the year 2013-14 there was a increase of outsourcing work by 44

per cent in comparison to the work awarded during the previous year and in the year 2014-15, the increase was a whopping 82 *per cent*. At the same time, the University's printing press continued to incur losses which increased by 67 *per cent* in the year 2014-15 and 24 *per cent* in the year 2015-16. The increase in the loss was indicative of the fact that the output of the press was not commensurate with the expenditure required to run it. Further analysis reveals that there was a decrease in the sale of printing work for the Examination Division by 61 *per cent* during the year 2015-16.

2. No effort had been taken by the University to prepare a 'Cost-Benefit-Analysis' of the printing press to evaluate the extent to which its capacity could be utilized to at least achieve the 'Break-even' point. The University also did not make a move towards modernization of the press for better utilization of the already available resources in the form of man-power, space, equipments, etc.
3. The University also appointed an independent auditor for conducting an audit exclusively of the expenditure incurred by the Examination Confidential Department. No specific reasons were assigned by the University for appointing an Auditor for conduct of this audit. There was no provision for a special audit of the expenditure incurred by the Examination Confidential Department in the Maharashtra Universities Act, 1994 (Section 103).

When the above points were raised during audit by bringing attention to the cumulative loss of Rs 3.9 crore during the years 2013-16 by the press, the Manager of University Printing Press agreed that the press required modernization. He however, emphasized on the timely completion of all the printing tasks assigned to the press during the years 2013-16 and concurred upon the audit observation that the capacity of the press was underutilized and the press would be better off if more work was assigned to it by the Exam Division, Academic and Administrative Department.

Further, the Director, Examination and Evaluation attributed the rise in printing expenditure of question papers in the year 2014-15 to Introduction of Bar coding of Answer sheets from April 2014.

The reply by the Director, Examination and Evaluation that the introduction of bar coding led to rise in expenditure is not acceptable since no breakup of costing related to bar code

system was furnished in justification of the same. Further, the bar-coding was done on the answer sheets, whereas, the increase in printing expenditure pointed out by audit related to the question papers.

A more specific reply on the issues highlighted in the audit observation may be furnished along with copies of the relevant documents.

Para 2: Splitting of works to avoid sanction of the higher Authorities and entrustment of works to the State Public Works Department.

The SPPU's Estate Ordinance number 30 of 01/06/2013 stipulates that if an individual work is estimated to cost more than Rs 5 crore (which was Rs 2.50 lakh as per the Ordinance 30 of 30/04/2008), it shall be entrusted to the State Public Works Department on payment of agency charges as may be fixed between the Government and the University. Further, it also stipulates that the Management Council was authorized to accord administrative approvals and expenditure sanction for works costing more than Rs 5 crore. The Ordinance also stipulates that for works costing more than Rs 50 lakh e-tendering was necessary.

The Maharashtra Universities Account Code stipulates¹ that the University may execute major works which are not complicated and the concerned structure is upto ground plus three floors with the prior approval of the Chancellor.

The following two construction projects were taken

1. The Deputy Commissioner of Police, Special Branch, Pune city, Pune, consequent to a security inspection conducted by his office recommended (09/01/2014) construction of compound wall with a height of 10 feet with a coiled blade wire fencing of three feet height above the wall as a security measure in the University campus.

The University had taken up construction of compound wall at various locations within the campus, details of which is shown in the following table:

TABLE NO. 1: Statement showing works awarded for construction of compound wall

(Rs in 'l)

Sr. No.	Name of the contractor	Location of construction of the compound wall	Date of work order	Contract value
1.	M/s Mahimna Constructions, Pune.	Construction of Compound wall behind Chhatrapati Shivaji Statue, Department of Environment Science, Geography, Geology, Statistics, Commerce, Classroom complex at SPPU, etc.	12/03/2016	252.79
2.	M/s Kohinoor Constructions, Pune	Construction of Heritage type compound wall around VC Lodge and upto Gate near Board of Sports	22/04/2016	159.57
3.	M/s Kishor Bauskar, Pune	Compound Wall for Social Sciences – II complex	23/04/2016	58.25
4.	M/s Sai	Heritage type compound wall around	23/04/2016	80.68

¹ Section 5.8.C) (ii) (iii) of Chapter V under the Caption "Major Works to be executed by the University"

	Constructions, Ahmednagar	University Guest House and PVC Bungalow premises.		
5.	M/s Krishna Construction Co., Latur	Construction of RCC compound wall from Kothi Gate to IUCAA Gate (Near Boy's Hostel No. 6)	23/04/2016	167.93
6.	M/s Sai Constructions	Construction of compound wall along the main road from Environment Science to Main Building	14/06/2016	134.53
7.	M/s Bhate Builders, Pune	Construction of Heritage type compound wall and allied civil work around Quarry	22/06/2016	49.68
		Total		903.43

2. A Competitive Examination Centre for candidates belonging to the Scheduled Caste community had been functioning under the SPPU since the year 1971. However, no hostel facilities were available for the candidates in the University campus. After due consideration, Government of Maharashtra in Social Justice and Special Assistance Department accorded (17/03/2012) Administrative Approval of Rs 12.46 crore for two separate buildings for boys and girls i.e. Rs 6.23 crore for each building. Scrutiny of records revealed that a composite estimate for Rs 12.46 crore for both the buildings had been prepared. However, the following works were awarded in this regard:

TABLE NO. 2: Statement showing works awarded for construction of compound wall

(Rs in lakh)

Sr. No.	Name of work	Name of contractor	Date of work order	Estimated cost
1.	SC/ST Ladies Hostel	M/s. Harsh Construction	57 20/11/2013	490.53
2.	Electrification of SC/ST Ladies Hostel	M/s. Ramesh Electricals	Not available	00.00
3.	Entrance gate & Rector Office at Ladies hostel campus	M/s. Bhate Builders	49 25/07/2014	39.60
4.	SC/ST Gents Hostel – Ph I Ground + 3 floor	M/s Harsh Constructions	60 20/11/2013	477.21
5.	SC/ST Gents Hostel – Phase II 4 th and 5 th floor	M/s. Sourabh Constructions	64 11/09/2015	337.04
6.	Electrification of SC/ST Gents hostel	M/s Ramesh Electrical	Not available	00.00
7.	Interior of SC/ST Gents Hostel	M/s. Bhadane	117 26/03/2016	136.12
				1480.50

3. The Jayakar Library was functioning from an independent building with Ground + one floor structure in the University Campus. It was decided to vertically extend the building by constructing additional four floors. Further scrutiny revealed that the

work was awarded to a contractor under two contracts for construction of two floors under each contractor. The contracts were awarded to M/s Arch Nirman Pvt. Ltd. (work order 93 dated 25/09/2008 at a contract cost of Rs 2.34 crore and 44 dated 08/08/2009 at a contract cost of Rs 2.32 crore. The works were completed at a total cost of Rs 6.35 crore (Rs 2.98 crore + Rs 3.37 crore) i.e. Rs 1.69 crore above the estimated cost of Rs 4.66 for both the works.

As regards the works awarded as shown in Table 1 above, it is to state that:

- a. The recommendations made by the Deputy Commissioner for providing better the security within the University Campus was disregarded by the University and instead of providing a compound wall to the Campus premises, individual buildings within the premises were compounded.
- b. During the year 2015-16, seven contracts were awarded for construction of compound wall at the different locations in the University campus shown in the above table. The total value of the contracts awarded was Rs 9.03 crore. The contracts were awarded to seven different contractors in a span of four months (March 2016 to June 2016). Thus, instead of preparing a single estimate for all these works, separate estimates were prepared and awarded to different contractors to avoid obtaining the approval of the Management Council.
- c. The splitting of the works also meant that the value of the works was kept below the threshold value of Rs 5 crore to avoid entrustment of the construction works to the State Public Works Department.
- d. Out of the seven works awarded, e-tendering procedure was followed only in case of the M/s Sai Constructions.

As regards the works awarded as shown in Table II above, it is to state that:

- i) The value of the works were split in such a manner so as to avoid the entrustment of these works to the State Public Works Department and obtaining the approval of the Management Council for expenditure sanctions.
- ii) The Gents Hostel was split in such a manner that the construction of first three floors was awarded (20/11/2013) to M/s Harsh Constructions (Value of

contract Rs 4.77 crore) and the construction of the fourth and fifth floor of the same building was awarded (11/09/2015) to M/s Sourabh Constructions (Value of contract Rs 3.37 crore). Thus, awarding of contracts of construction of the same building to two different contractors was fairly indicative of the fact that it was done to avoid the entrustment of work to the State PWD and the expenditure sanction from the Management Council.

As regards the works awarded in respect of Jayakar Library Building, it is to state that:

- a) The two contracts were awarded in the year 2008-09 for construction of the same building to a single contractor (two floors each in both the contracts) in the same month. The total value of the contracts awarded was Rs 4.66 crore which was much above Rs 2.50 crore and was therefore to be considered as 'Major Work' as per the Ordinance in vogue at that time. Thus, instead of preparing a single estimate for the building extension work, separate estimates were prepared and awarded under two different contracts to avoid obtaining the approval of the Management Council.
- b) Not only was the cost of each contract kept below Rs 2.50 crore to avoid entrustment of the same to the Public Works Department, but at the same time the approval of the Chancellor was not taken for construction of building which was more than three floors.

The project-wise reply and the audit opinion is detailed in the following table:

Project name	Universities Reply	Audit Opinion
Construction of the compound wall for the University Campus.	In reply to the points relating to the construction of the compound wall at different locations within the campus, the Executive Engineer (Estate) replied that the decision to construction of compound wall for individual department within the campus was taken based on their demands. The main reason given for such	The reply given by the Executive Engineer (Estate) are not acceptable because the Deputy Commissioner of Police is an Authority who is better equipped to understand matters relating to the security arrangements. He had made the

	<p>demands was that cattle were damaging the landscape works / gardens in precincts of the department buildings. He further stated that providing compound walls to individual departments was more secure than providing compound wall to the entire campus and also added that the compound wall constructed previously at the campus periphery was vandalized by unscrupulous elements. Finally, he stated that the approval had been obtained from the Building Works Committee as well as the Management Councils for the works.</p>	<p>recommendation for the construction of the periphery wall considering the fact that several untoward incidences had occurred in the campus premises in the past. Thus, disregarding the Authorities recommendation was not correct. Thus, expenditure incurred on inner compound walls was avoidable and the work of construction of outer compound wall should have been prioritized instead. Although he stated that the Management Council's approval had been taken, the same was neither furnished with the replies nor was furnished during audit.</p>
<p>Construction of Hostel Building for SC/ST Girl's and Boy's enrolled in the Competitive Examination Centre</p>	<p>As regards the building works, the Executive Engineer (Projects) stated that proposals for the girl's hostel and the boy's hostel were submitted separately and completed by using fund provided by different Authorities. The works were awarded to separate contractors for achieving better results.</p>	<p>The Executive Engineer (Projects) reply that separate contracts were awarded for obtaining better results lacked substantiation. Further, the construction of building by the University having more than three floors without the explicit approval of the Chancellor was totally irregular.</p>
<p>Vertical Extension of Jayakar Building work</p>	<p>The Executive Engineer (Estates) replied that due procedure was followed by calling open tenders. He further stated that there was a gap of one year in awarding both the contracts. As the cost of estimates was within Rs 5 crore, the approval of BWC was obtained and therefore there was no violation of any Ordinance issued by the University.</p>	<p>The reply is not acceptable because as it was decided to provide vertical extension to the building by adding four floors, a single contract could have been awarded. The say of the Executive Engineer that there was a gap of one year between both the contracts as a justification for splitting the work was not correct. The works orders were deliberately staggered to limit each contract cost within the prevailing BWC's sanctioning limit of</p>

		Rs 2.50 crore purportedly to avoid the sanction from the Management Council. Further, no justification was given for not obtaining the approval of the Chancellor for executing the building work beyond three floors.
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Comments of the Secretary, Higher and Technical Education may be furnished in this regard.

Para 3: Non deduction of Defined Contribution Pension Scheme subscription Rs 11.54 crore from the salary of staff.

Government of Maharashtra, Finance Department (FD) Resolved(31/10/2005)to bring the employees who are recruited on or after 01/11/2005 in the any recognized and aided Educational Institutions, non Agricultural Universalities and Affiliated Non-Government Colleges and Agricultural Universities etc. under the Defined Contribution Pension Scheme (DCPS). Subsequently, the FD also Resolved² (07/07/2007) that the contribution payable by employees towards the Scheme i.e. under Tier-I shall be recovered every month at the rate of 10per cent of the basic pay + Dearness Pay, if any + Dearness Allowance,(rounded off to the nearest rupee) from the pay bills of the employees who are recruited on or after 01 November 2005. Such recovery of employee's contribution shall start from the sa for the month subsequent to the month of joining services.

However, scrutiny revealed that as of September 2016, Rs 5.63 crore in respect of 245 non teaching and Rs 5.91 crore in respect of 50 teaching employees (Total Rs 11.53 crore)was pending to be recovered from their salaries towards Pension Contribution, as their DCPS accounts were not opened.

When pointed out, the Assistant Finance Officer stated that as the University had not received the DCPS account number from the Joint Director, Pune Region's office.

The reply is not acceptable as sustained efforts were not taken to obtain the DCPS accounts from the office of the Joint Director of Higher Education, Pune Region, Pune so that the monthly recovery of the Pension Contribution from the employees recruited after November 2005 could be started.

The comments of the Joint Director of Higher Education, Pune Region, Pune may be furnished.

²Resolution Number CPS 1007/18/SER4

Para 4: Improper maintenance of records by the Estate Department.

The main function of the Estate Department is to develop the infrastructure such as construction of roads, development of University Campus area and constructions of building for residential / official purpose.

Scrutiny of records relating to the Estate Department revealed the following omissions/irregularities in maintenance of records:

1. Tender register was not maintained properly, i.e. one or all the details such as the name of the contractor to whom the work was awarded, the tendered cost, **the** contract cost, etc was not written against the agreement numbers in the register.
2. The progress in respect of the individual works were not recorded in the Agreement register due to which audit could not ascertain whether a particular work had been completed or not nor could the status of completion could be ascertained. The cost-over-runs due to time-over-runs could not be test-checked.
3. The tender papers related to works, estimates, work-wise correspondence file / running account bills was not being maintained due to which audit could not ascertain the progress of work and extent to which they had been completed. Monthly, quarterly, six monthly and annual progress reports of the works was **not** maintained.
4. Immovable property register is also not being maintained for assets created out of University fund, UGC fund and other Central and Government funds. As per Section 5.61 of the Maharashtra Universities Account Code, the University Engineer is required to maintain register of immovable properties in respect of all lands, buildings, and other immovable property of the University. This register will show the cost of construction or acquisition, cost of subsequent additions and alterations other than repairs made from time to time.

In reply, Executive Engineer (Projects) stated that the documents were maintained in a manner suitable to the University's requirements. Further, it was stated that the records could not be furnished in a timely manner because of transfer of official in the Estate Branch.

The reply is not acceptable because the maintenance of records should be done in a manner which has a fair audit trail.

Para 5: Non commencement of construction of Students Facilitation Centre (SFC) resulting in Blocking of Funds to the tune of Rs 8 crore and loss of Interest amounting to Rs 3.06 crore and depriving the benefits to the students

The SPPU's Management Council accorded (22/04/2013) administrative approval of Rs 18.88 crore for Construction of Student's Facilitation Centre (SFC) with the following objectives:

- 1) Facilitation of hassle free transactions with the university under one roof with the help of technology and streamlined process.
- 2) Through SFC students can make payments and obtain various documents from university
- 3) To increase the efficiency of time and cost savings for all the stakeholders in their interactions with the university authorities for obtaining the relevant documents and permissions for a variety of purpose
- 4) Provisions to make online applications and payments along with door delivery of the documents ensures student friendly delivery of essential services.

At the time of audit, the SFC was functioning from a staff quarter in the SPPU campus. As per the stipulation in the SPPU's Ordinance, the execution of the major work (As per the Ordinance 30 all works costing more than Rs 2.50 crore) was entrusted as a Deposit Contribution Work to Public Works Department (PWD) and Rs 8 crore was released to them on 05/06/2013.

Further, it was observed that the Pune Municipal Corporation had demanded 'Development Charges' for giving clearance for construction of the building. However, the SPPU claimed exemption from payment of these charges on the plea that as per MRTP Act no such charges are exempted for Government land. The issue stood unresolved as of October 2017.

Thus, though there was no approval to the sub centre, the University Authorities took a hasty decision to construct the compound wall eventhough no approval had been received from the Higher and Technical Education Department.

In reply, the Department sated that as there was encroachment on the plot, the University appointed an 'One-man Committee' and constructed the compound wall.

The reply is not acceptable as the condition laid down for not starting any construction in respect of the sub centre without obtaining the sanction of Higher and Technical Education Department was breached. Further, the purpose for which the compound wall was raised was also not achieved because the encroachments on the land could not be prevented.

Government comments (Higher and Technical Education Department) awaited.

Para 7: Incorrect fixation of pay and Irregular change in staffing pattern and pay scales in the non teaching staff of SPPU – Irregular payment of arrears from University Fund – Rs. 2.50 crore.

The Maharashtra Universities Act, 1994 , Section 8 (1), prohibits grant of any special pay, allowance or other extra remuneration of any description whatsoever, including ex-gratia, payment or other benefits having financial implications, to any of its teachers, officers or other employees, without the prior approval of State Government.

On 7th October, 2009, the Government of Maharashtra made Rules invoking its power under the provisions of the Section 8(3)[8] of the Maharashtra Universities Act, 1994 which authorises the State to make rules providing for the various aspects of employment of officers, teachers and other employees of the Universities, affiliated colleges and recognised institutions. It further declares that when such Rules are made they would prevail over any other subordinate legislation made by any statutory authority functioning under the Act. Rule 2(1) of the said Rules stipulates that those rules apply to the full time non-teaching employees of 12 specified non-agricultural universities. Rule 11 of the Oct,09 notification further vests the entire responsibility of pay fixation of non teaching employees/ officers of the University on the concerned University and requires the University to carefully scrutinize the proposals before sending to the Government.

A) During scrutiny of documents, following irregularities were observed in fixation of pay and changes in staffing pattern :

1. The Government of Maharashtra sanctioned staffing pattern for SPPU (along with 8 other Universities) vide GR dated 6 July 2009 , as per point no. 7 of the said GR, the Universities were to urgently send detailed proposal as per the newly sanctioned staffing pattern. In response, SPPU sent the proposal for changes in designations and pay, as per the sanctioned staffing pattern for 1235 posts within 5 days i.e. on 11 July, 2009 to the Department of Higher and Technical Education, Government of Maharashtra. While recommending changes in Designations and Pay scales of its non teaching employees, a) the University has not given justification about the reasons to upgrade the designations , b) comparative analysis of the existing pay scale, revised pay scale and reasons to change the

Thus, before obtaining the clearance from the PMC, Rs 8 crore was released to PWD. In this, not only the University has lost interest to the extent of Rs 3.18 crore³ considering a minimum interest rate of nine *per cent*.

Further, non-commencement of the construction of building has not only resulted in blocking of Rs 8 crore for a period of nearly five years but has also deprived the benefits of better facilities to the students. The cost-over-run due to time-over-run could also not be ruled out.

In reply, it was stated that the clarification in respect of the development charges sought by PMC was sought from the Secretary, Urban Development Department, which was awaited.

The reply is not acceptable because all clearances should have been sought before releasing money to the PWD.

Further progress in the matter awaited.

³(8,00,00,000 * .09)* 53 months from 05/06/2013 to 31/10/2017

Para 6: Hasty decision to construct compound wall resulted in non-adherence to the conditions laid down for allotment of land and further resulted in non-achievement of the objective of preventing encroachment on the earmarked.

The SPPU's Students Facilitation Centre at Ahmednagar functions from a rented accommodation belonging to a District Maratha Vidya Prasarak Samaj.

The SPPU requested (11/07/2008) the Collector to allocate the land at Baburdi Ghumat in Ahmednagar District for setting up of Sub Center at Ahmednagar. The said land was handed over (14/09/2012) to SPPU. One of the conditions on which the land was handed over was that approval of the Technical and Higher Education Department's approval for opening of Sub-centre was required to be obtained.

The Vice Chancellor sought the approval from the Director of Higher and Technical Education for setting up of sub centre at Ahmednagar as district was having 114 colleges and 33 Accredited Institutes. However, the approval was awaited as of October 2017.

In a meeting of the Building Works Committee held on 24/10/2013, it was Resolved to construct a RCC compound wall around the land acquired for Ahmednagar sub-centre at Baburdi Ghumat in District Ahmednagar at an estimated cost of Rs 4.61 crore (without centages) and Rs 4.84 crore (with centages).

The work was awarded (05/02/2014) to M/s Sai Construction at 16.47 *per cent* below the tendered cost of Rs 3.85 crore with a stipulated date of completion of nine months i.e. 19/11/2014.

The contractor had made several requests⁴ for fore closure of work after incurring an expenditure of Rs 3.93 crore as the plot of Gut No 344/2-87 and 244/2 was already encroached and which was not removed by the SPPU. The Committee finally accepted the contractor's request and decided (31/03/2017) to fore close the contract.

⁴vide his letters Nos Sai Angr /2016-17/112,113,114 and 115 dated 15/3/2016,31/08/2016,21/09/2016 and 23/12/2016 respectively

nature of work was not provided by SPPU c) the eligibility conditions and mode of recruitment (whether direct or through promotion, including percentage of direct and promoted recruits), the nature of duties, and the need to change the existing staffing pattern was not thoroughly analysed by the University while suggesting changes to the Government.

2. As per GR dated 27 August, 2009, the Higher and Technical Education Department, Government of Maharashtra approved the proposal of changes in staffing pattern submitted by SPPU on 11 July, 2009. Later, vide notification dated 07 Oct, 2009, Revised Pay rules, 2009 for Non Teaching staff at Universities were framed by the State Government. In the schedule of the Revised pay rules, 2009, the existing pay scales (as per 5th pay commission scales) were incorrectly shown and revised pay structure was fixed accordingly. SPPU too had submitted proposals to the Government with incorrect existing pay scales, for example, the Designation of System Analyst had a scale of 10000-15200 as per 5th pay scale chart, but while sending the proposal to the State Government for change in the Designation of System analyst to Incharge Computer Centre, the existing pay scale was incorrectly shown as 12000-18300. The reasons to fix pay of some of the posts in SPPU to higher scales (including that of the University Press) is called from comments from the Higher and Technical Education Department, Government of Maharashtra.
 3. Thus, incorrect fixation of pay had resulted in a permanent recurring burden to Government and in providing undue benefit to some of the employees. The scales also revised from the 5th pay Commission. No rationale was provided by SPPU to upgrade the designations of its non teaching staff.
- B) Further, the difference of pay arrears was not received from the Government. In this regard, vide Management Council sanctioned⁵Rs 2.50 crore for payment of arrears of these non teaching staff from University fund.

⁵Resolution No. M:428/311015

The decision to pay arrears from University fund was uncalled for as the decision was taken by the Government to increase the pay by revising the scale, and it was the responsibility of the Government to make provision and release the amount payable to the officials. Further, the provisions of the Maharashtra University Act, 1994 strictly discourage making such payments. Had the University authority invested the said amount, it could have been earned an interest at minimum on Rs 2.50 crore. From the language of sub-section (8) to Section 14, of the Maharashtra Universities Act, 1994, the Vice- Chancellor could have issued such order if only the Universities Act authorised making of Statutes, Ordinance or Regulations dealing with the grant of any special pay, allowance, or arrears to the employees of the Universities. No specific provision under the said Act which authorised making of either Statutes, Ordinance or Regulations dealing with the Vice Chancellor or Management Council's powers to grant arrears to the employees of the University (including the non teaching employees) is brought to our notice. On the other hand, Section 8 (1), expressly states that grant of any special pay, allowance or other extra remuneration of any description whatsoever, including ex-gratia, payment or other benefits having financial implications, to any of its teachers, officers or other employees, shall not be allowed, without the prior approval of State Government. Therefore, in our opinion, the order of the Vice-Chancellor to grant arrears to the University's Non-teaching employees is superfluous and without any authority.

In reply, the department stated that the proposals were submitted frequently to the Government for revision of designation. However, from the scrutiny, the proposals were sanctioned very hastily as there is no mention about a concurrence obtained from the General Administration Department which deals with the sanction of the posts, scales or any changes therein. No justification was provided to change designations of the existing posts and also to revise the pay scale of some posts to higher pay scales.

In respect of irregular payment of advance for arrears payment, the department did not reply. Thus, undue advantage has been extended to the employees from University Fund.

The matter may be taken up to government for thorough investigation and comments.

Para 8 : Slow progress of the Construction works in Savitribai Phule Pune University

During scrutiny of records of Construction works made available to audit in Savitribai Phule Pune University it is observed that Construction of works amounting to Rs.54.16 crore (As detailed in statement attached) is incomplete even after the lapse of stipulated period of completion. This has not only resulted in deprivement of better facilities to students for academic purpose but also due to price variation, escalation charges will increases day by day which will be the extra burden on the economy of University. Till the date of audit, as per the documents made available, an amount of Rs. 3,04,13,162/- was paid on account of the escalation charges to the contractor for various works during the period 2012-13 to 2014-15 which was avoidable.

Further scrutiny revealed that in case of many construction works, the site of work was handed over to the contractor before the issue of work order, which is highly irregular as there was no proper acceptance of contract awarded to the contractor.

It is also observed that in many cases the period given for stipulation completion was not appropriate with the proportion of expenditure. The above facts were brought to the notice for comments and compliance.

Reply is awaited.

Para 9: Lack of firm policy about installation of Statues in the campus of SPPU resulted in avoidable expenditure (capital and revenue) for installation of Statues

The committee constituted for the policy decision of the installation/erection of statues in the campus of Savitribai Phule Pune University (SPPU) recommended in its meeting held on 27th August, 2010 that the permission for erection of statues in the campus of SPPU should not be granted thereafter and no any objection can be taken about the statues already erected so far. The recommendation was approved by the Management Council of SPPU.

Further it is observed that Management council has granted permission for erection of the statue of Mahatma Jyotirao Phule and full statue of Dr. Babasaheb Ambedkar in the campus of SPPU on July 30, 2011. This shows that there is uncertainty in policy regarding the erection of statues in the campus of SPPU.

It is observed that there is an huge expenditure on erection of statues and construction of surrounding structures, compound walls, landscape work which includes gardens around the statues and additional expenditure on security staff employed for protection of statues from anti-social elements. The expenditure on the maintenance is recurring type of expenditure. This expenditure on the erection and maintenance of the statues in the campus of SPPU could have been avoided. As per work orders issued for installation and allied civil works, the total expenditure was to be incurred to the tune of Rs 60141298/-. However, in this regard actual expenditure (capital and recurring) on installation of statues and allied works in the campus of SPPU may please be furnished to audit.

It was further observed that University has constructed Buddha Vihar, Mandir and Mosque and other religious structures from University funds.

In this regard, it is observed that there are no provisions w.r.t construction of statues and religious structures in the Maharashtra Universities Act, 1994 under section 5 which speaks about duties and powers of the University.

Reply is awaited

Para 10: Irregular appointment of Contractual staff, without prior approval of State Government, and by relaxing the eligibility conditions as prescribed in the Standard Code Rules, 1984

As per Section 5 (11) of the Maharashtra Universities Act, 1994 the University has a power to create non-teaching skilled, administrative, ministerial and other posts and prescribe the qualifications and pay-scales with prior approval of the State Government.

As per Section 51 (8) of the Act, the Statutes of the University may provide for qualifications, recruitment, workload, code of conduct, terms of office, duties and conditions of service of teachers, officers and other employees of the university and the affiliated colleges as approved by the State Government.

As per Section 8 (3) of the Universities Act 1994, The State Government for the purpose of securing and maintaining uniform standards, by notification in the *Official Gazette*, prescribe a Standard Code providing for the classification, manner and mode of selection and appointment, and other conditions of service of the officers, teachers and other employees of the universities and the teachers and other employees in the affiliated colleges and recognized institutions (other than those managed and maintained by the State Government, Central Government and the local authorities). When such Code is prescribed, the provisions made in the Code shall prevail, and the provisions made in the Statues, Ordinances, Regulations and Rules made under this Act, for matter included in the Code shall, to the extent to which they are inconsistent with the provisions of the Code, be invalid.

The Standard Code Rules, 1984 were applicable to all non teaching employees of Non-Agricultural Universities of Maharashtra who were appointed on time scale of pay. After 20.05.2010, Maharashtra Civil Service Rules were made applicable to non teaching employees.

As per the Standard Code, 1984 appointments can be made to Class I posts on nomination subject to fulfillment of following eligibility conditions:

- a) Who are not less than 30 years of age and unless already in the Service of the Universities or affiliated colleges, not more than 40 years of age;
- b) Who possess a degree of any Statutory University and in addition the qualifications prescribed by the competent authority for specific post;

- c) Who have administrative experience of not less than 5 years in similar capacity
- d) The selected candidate shall be on probation for a period of two years during which he shall have to pass the Departmental Exam according to the rules prescribed.

Test check of records revealed that SPPU had advertised for the position of Dy. Engineer (Civil) on 26.06.2007 for which the eligibility conditions prescribed were as follows :

- a) Degree in Civil Engineering with Second class or
Diploma in Civil Engineering with Second class
- b) Supervisory Experience of major construction related work – 10 yrs for Graduates and 15 yrs for Diploma Holders
- c) Experience of tenders, letters, budget related work

Subsequent to the advertisement and selection procedure, Mr. Abhimanyu Mali was selected for the position of Dy. Engineer (Civil) who did not possess the requisite qualification as prescribed by the Standard Code, 1984 which was applicable then for Non-teaching employees of Maharashtra Non-Agricultural Universities. The selected Dy. Engineer (Civil) was appointed for Class I position who had attained his BE (Civil) in May 2004 and could not have attained 5 years of post qualification, administrative experience till the date of appointment i.e. 29th Feb, 2008, as prescribed in the Standard Code. Further, the aforesaid Engineer was also granted continuation of service till 31st March, 2022 and was granted Contributory Pension Fund Scheme from the date of appointment.

Following irregularities were noticed in the appointment of contractual employees through University Fund

- 1) The appointments to contractual posts were made to same pay scales to that of regular employees, but while doing so, the eligibility conditions were relaxed without approval of the State Government. The Standard Code Rules, 1984 which were required to be followed for appointment of Group I employees back then, were also not followed. It was also observed that University has been granting extension to contractual employees for further periods (5-15 years).
- 2) Also, it was observed that there were no duty lists for non-teaching staff of the University. Further, in case of Estate (Projects) Department, work allocation and

execution of almost all major works was carried out under the supervision of aforesaid Dy. Engineer who was appointed on contract and the permanent Dy. Engineers of the University were allotted minor works/ no work.

Reply is awaited.

Para 11 : Deficiencies in the Evaluation of Answer sheets

As per Section 18 (1) (b) of the Maharashtra Universities Act, 1994, The Controller of Examinations (COE) is the principal officer-in-charge of the conduct of examinations and tests of the University and declaration of their results. The candidates who appear in the University Examinations are permitted to apply for revaluation, photo copy of answer scripts on payment of specified fees. The details of answer scripts submitted for revaluation by the students during 2012-16 and the percentage of change of answer books are given in Table below :

PHOTOCOPY, VERIFICATION & REVALUATION SECTION
Examination (Revaluation)

Sr. No	Month & Year	Total Applications	Total Answerbook	No Change Of Answer book	Change of Answerbook	% of Change
1	Oct,2012	-	59933	51561	8372	13.96
2	April,2013	-	63290	53776	9514	15.03
3	Oct,2013	1492	3675	2723	952	25.90
4	April,2014	8669	28209	23932	4277	15.16
5	Oct,2014	2851	5547	4295	1252	22.57
6	April,2015	6302	11853	9832	2021	23.95
7	Oct,2015	3128	4467	3337	1130	25.29
8	April,2016 Engineering	17886	32919	22257	10662	36.10
9	April, 2016 Other's	7749	18282	10460	7822	

From April 14- April 16 , the number of applications for revaluation has increased three fold and the percentage of answer sheets showing change of marks has increased from 15.16 for April 2014 Exam to 36.10 for April 2016 Exam.

As per Circular no.84 of 2016 of SPPU, from April/ May 2016, the benefit of revaluation is given to candidate only if the marks obtained after evaluation exceed by 5 % than original marks (earlier it was 10 %).

As the changes in marks on revaluation on the basis of applications received from students was more than 36 per cent, chances in change of marks of those who had not applied for revaluation due to various reasons could not be ruled out.

The increasing trend in the percentage of revaluation applications and the percent of scripts involving changes in marks of revaluation exposed weaknesses in the valuation system.

Further, as per Annexure A of Circular no. 239 of 2013 of SPPU, the result of revaluation is binding on the student. As per the Section 72 of the Universities Act 1994, the University shall declare the results within 45 days. If for any reasons whatsoever the university is unable to finally declare the results of any examination within the aforesaid period of 45 days, it shall submit a report incorporating the detailed reasons for such delay to the Chancellor and to the State Government.

It was observed that there was inordinate delay in declaring revaluation results within 45 days (after submitting application for revaluation). Further, the Ordinances issued by the University from time-to-time were silent on declaring revaluation results in a time bound manner.

Reply is awaited.

Part II B: Other incidental findings

Para 12: Failure to recover the outstanding advances.

Scrutiny of Balance Sheet as on 31/03/2016 revealed the following points:

- a) An amount of Rs 3.22 crore given to contractor was pending for adjustment / recovery, of which, an amount of Rs 53.07 lakh pertained to period ranging from three to 12 years as detailed below:

(Rs in lakh)

Sr. No	Name of the Department	Name of the Contractor	Date of issue	Amount
1.	Estate	M/s P.M.Alkutkar	21/05/2005	00.97
2.	Estate	M/s Engineers India Ltd	15/02/2008	20.00
3.	Estate	Ex.Engineer P.W.D Pune	09/10/2014	12.30
4.	Estate	Ex.Engineer P.W.D Pune	13/10/2014	19.80
			Total	53.07

- b. Under the head loans, advances, other deposits and other advances it was observed that an amount of Rs 7.44 lakh was shown to be outstanding, of which Rs 2.15 lakh pertained to the period from 1997 to 2014.

When it was pointed out that such old advances have been kept pending for adjustment/recovery, the Executive Engineer (Estates) replied that an advance of Rs 13.48 lakh given to M/s Engineers India Ltd. was adjusted on 08/02/2017 and the advance amount relating to M/s P.M.Alkutkar could not be settled due to non-availability of measurement book. It was further stated that the amounts shown as advances to Executive Engineer PWD, Pune were given for execution of some works, which were since fully utilized. In respect of the outstanding advances under point b) above, the Finance and Accounts Officer replied that proposals to adjust the advances were submitted to the Finance and Accounts Committee and in a meeting held on 22/08/2017, it was decided to adjust all the advances after obtaining the approval of the Vice Chancellor.

The reply of the Department is not acceptable as the records showing the adjustment / recovery of advance given to M/s Engineers India Ltd. was not shown to audit nor were copies of any document to support was furnished along with reply. No details of the works executed by the PWD against the advances were furnished. It was also necessary to trace the

misplaced measurement book so that the advance given to M/s P.M.Alkutkar could be adjusted or suitable orders from higher Authorities in this regard should be sought.

Further progress is awaited.

Para 13: Delay in utilisation of Grants received from UGC under the University with Potential for Excellence Scheme(UPE).

The University Grants Commission (UGC) approved⁶ (01/12/2011) Rs 25 crore to SPPU under the Phase-II of University with Potential for Excellence scheme (UPE) which was based on the recommendations of the Standing committee to whom a presentation was made by SPPU to the UGC's Standing Committee on 08/10/2011. The grants were meant for i) One project costing Rs 7.50 crore for the Focused Area and eight projects costing Rs 12 crore under the Holistic Development and six projects costing Rs 5.50 crore for Infrastructure development.

As per the terms and conditions mentioned in the Grant Release Order, the Utilization Certificate shall be furnished to the UGC by the SPPU as soon as possible after the close of the financial year. Further, the orders stipulated maintenance of a 'Register of Assets' in prescribed form showing the details of the assets acquired wholly or substantially from the grant

The UGC recommended that the University should conduct an annual self-assessment exercise and the post the report on the University and UGC's website in the link showing "Progress made under UPE Scheme". The First installment of Rs 10 crore was disbursed on 19/07/2012.

Scrutiny of records in this regard revealed that there was a delay in utilisation of grants for a period ranging from 24 to 51 months in some of the projects as detailed as under:

⁶UGC DO letter no F-14-2/2008(NS/PE)

(Rs in crore)

Sr. No	Particulars	Details	Amount	Date on which grants were released	Expenditure incurred as on	Delay in utilization of grants since disbursement (in months)
1	Holistic Development	1) Books and Journals	1.00	19/06/2012	08/2015	36
		1) Equipment				
		a) 500MZ,NMR spectrometer	2.00	19/06/2012	02/2016	44
		b) Micro-Raman Spectrometer	1.00	19/06/2012	07/2014	24
		2) Networking of the Campus	1.00	19/06/2012	03/2015	32
2	Infrastructure	1) Visiting scholars complex	1.00	19/06/2012	09/2015	38
		2) Common seminar facility for Social Science Department	1.00	19/06/2012	10/2016	51
		3) Building for Central instrumentation facilities	1.00	19/06/2012	2/16	44
		4) Building for CSSH	1.00	19/06/2012		
		5) Students Hostel /Facility centre	1.00	19/06/2012	10/15	39

Thus, there was a delay in utilisation of grants for the period of 24 to 51 months. As the subsequent release of grants by the UGC, the above delay in spending also resulted in delay in further release of grants. The status of submission of the UCs to the UGC could not be ascertained by audit as the same were not found on records.

Further, the Register of Assets of University has not been produced to audit in spite of repeated reminders.

In justifying the delay in carrying out the expenditure under the scheme, it was stated that due sufficient time was actually required for assessment of requirement of various department considering the magnitude of the expenditure. Further it was stated that the Asset register was maintained by each department.

The reply is not acceptable as the inordinate delay indicated inadequate planning also contravened the terms and conditions mentioned in the grants release orders. Although it was stated in reply that the Assets Register was maintained, the same was not furnished to audit.

Further compliance awaited.

Para 14: Undue advantage to contactors by according extensions without calling fresh tenders and suspected duplication of scanning work.

The Examination Department maintains the ledger in respect of results of different examination conducted by the University since the year 1949. Due to the difficulty experienced in handling the ledger due to daily wear and tear due to constant requests from the external students for old information and also due inadequate space in the examination section, it was decided to computerize the 9000 ledgers (approximately 17 lakh pages) by scanning and preparing the CD of the data.

The SPPU, after calling quotations awarded (18 August 2003) the contract for the work of scanning and image data base to M/s Marshal Microcare Pvt. Ltd. After calling quotations, the Vice Chancellor directed (02/07/2003) to invite only two firms out of the quotations received from six firms for negotiations with Purchase Committee. The same firm was again continued from October 2006 to October 2008 without calling any quotation as their work was satisfactory and they were ready to work in old rates. Once again, the work of Data conversion and data linking for the period of 2008 to April 2010 was awarded to the same company Marshal Microware Pvt Ltd Limited (Name changed to M/s Fusion one info) was given.

In this regard the following audit observations were made:

- a. The tendering procedure for the working of Data Conversion and Data Linking was avoided and the same contractor was preferred on the pretext that the firm had accepted to work at the earlier offered rates. The selection of the firm in the year 2003 was also on the basis of quotations and not tendering.
- b. There was no proper justification in the records against the remarks of the Section Officer (Accounts) made in office notes submitted to the Vice Chancellor in February 2007 and August 2009 wherein it was stated an Expert had opined (January 2007) that the MIC Section in the SPPU was already having digital data and thus questioned the need for scanning the Ledgers again. Later, to ascertain the requirement of scanning of documents, the University had appointed a technical expert who had stated that scanning of 4500 ledgers was required and

estimated a cost of around Rs 10 lakh. The SPPU, however, continued the scanning work disregarding the recommendations made by the Experts. From the year 2009-17, an expenditure of Rs 3.65 crore had been incurred. The detailed break-up of the expenditure was not found on records due to which audit could not ascertain the quantum of Ledgers scanned and the corresponding expenditure incurred on it. As no justification for the scanning was given, the duplication of work of scanning could not be ruled out.

Further, the work of printing of 'Degree Certificates' was awarded (January 2009) to M/s Fusion One Info IT Pvt. Ltd., Pune. The tender papers for finalization of the contractor for this work were not found on records.

During the year 2010-11, quotations were called for the work of Printing of Degree Certificates and once again the same firm, being L1 i.e. M/s Fusion One Info IT Private Ltd., Pune was awarded the work for three years. However, in the year 2013, the contract was once again extended upto December 2013 without calling quotations or following tendering procedure. The extension was justified by stating that there a Convocation Ceremony was to be held in February 2013 and thus the printing of the Degree Certificates was urgent. Again the same firm was selected through an e-tendering process held during the year 2016.

In reply the Deputy Vice Chancellor stated that proper procedure for awarding contracts was followed.

The reply is not acceptable because there was no proper justification in awarding the scanning work to the firm when the SPPU already had such data in digital format. Extending the contract for the Degree Certificate Printing work in the year 2013 citing urgency as a justification is not acceptable because the Convocation was known in advance and the tendering process could have been taken up earlier.

Pointwise reply awaited.

Para 15: Delay in utilization of grants amounting to Rs.31610244/-of YCNISDA

In order to create a Centre devoted to the study of National and International security at Pune University campus a proposal for the establishment of an Institute for International Security and Defence Analysis (IISDA) was forwarded (05/10/2001) to the University Grants Commission (UGC) by University of Pune (UOP). The UGC approved (08/01/2002) the proposal and allotted a seed money of Rs 5 crore under the condition that it was to be utilized during a period of five years i.e. during 2002-07. Another condition was that no expenditure should be incurred out of this until the UGC gives approval after the visit of Expert committee.

The Expert Committee after reviewing the proposal recommended that the initial focus of the new Centre should be primarily in four areas: 1) Network Security, 2) Modeling Stimulation, 3) Non traditional areas of security and 4) The creation of resource/ data center

The UGC conveyed (17/12/2003) its approval for incurring expenditure on Recurring (Rs 405.50 lakh) and Non-recurring components (Rs 127.50 lakh) upto 31/03/2007.

Scrutiny of records revealed that UGC had, in fact, approved the utilization of unspent grants amounting to Rs 2.66 crore and communicated (23/05/2014) the same to SPPU with instructions to utilize that amount by 31/03/2015. It was further mentioned that the UGC had decided not to continue the Centers under the new scheme. However, it was observed that an amount of Rs 3.20 crore⁷ was lying unutilized as on 02/06/2015.

Thus, the amount of Rs 5 crore disbursed to be utilized during the period from 2002-07 was not utilized even after a period of 10 years had elapsed since the year 2007. Thus, due to non utilization of grants the very purpose of providing fund was defeated.

In reply, it was stated that although efforts were made for timely utilization of the funds, it couldn't be done since YC- NISDA mandate mainly focussed on Social Sciences.

Reply is not tenable as YC-NISDA had clearly earmarked (17/12/2003) the purposes for which the funds released to SPPU were meant. Although, the Department had been given

⁷(Principal 20428961+11617000 Interest component on Rs.5.00 Cr.)

an extension by the UGC to spend the unspent grants by 31/03/2015, the grant amount under 'New Scheme' was still lying unspent. The University was therefore required to spend the balance grants sanctioned under 'New Scheme' after getting an approval from the UGC or surrender the grant amount alongwith interest accrued over the period back to the UGC.

Para 16: Non observance of procedure to purchase of solar power

The SPPU entered (13/06/2014) into a Power Purchase Agreement with M/s Sunroofs Solar Power Projects LLP⁸ for Construction and Commissioning of a Solar Power Plant. The contract was valid for 25 years from the date of signing of the agreement. However, no tenders were called for by the University Authority as per SPPU's Ordinance number 151 of 23/04/2012.

In this connection, following observations are made :

- i) In Article 6, Tariffs and Charges, the University authority agreed to pay Rs. 9.00 per kWh and after the completion of each period of five years after the Commissioning Date, the Tariff will increase by 15%. Therefore, in the 20 years term of the contract, the tariff will rise, by 15%, at the beginning of the 6th, 11th and 16th year after the Commissioning Date. For the sake of simplicity the second year shall begin from the first date of the month following completion of one year from the Commissioning Date so as to maintain a monthly billing cycle.
- ii) Additionally, the Power Producer shall also collect any taxes or duties applicable to this transaction at the point in time which includes Electricity Duty, Cross Subsidy Surcharge (if applicable), and/or other taxes, duties or levies applied by the government at the point in time. In this connection, it is observed that the rates fixed for per kWh is quite high as it seen from one of the agreement deed, that the rates quoted for is Rs.3.62 per Kwh. Thus rate quoted found in excess by Rs.5.38 per Kwh. This is long term recurring loss to the University. As yet from 31.11.2014 to 31.8.2014, the reading is 393155

⁸ An I.LP registered under the I.LP Act, 2008 and having its registered office at 13 A, The peregrine, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025

and an amount of Rs. 3538395/- has been paid to the company. Thus, an amount of Rs.1903955.10 has been paid to supplier in excess.

Para 17 : Unauthorised occupation of staff quarters and non recovery of rent amounting to Rs 12.50 lakh

The Executive Engineer (Projects) allocates staff quarters at SPPU under the guidance of the University's 'Quarter Allotment Committee'. The SPPU's Estate Management Ordinance no. 180 of 26 December 2001 directs eviction of unauthorized occupants from the premises of the University. Any occupation of the staff quarters more than two months (subject to approval of Vice Chancellor for occupying the quarters for two months) after the date on which the occupant ceased to be in the services or employment of the University due to any reason whatsoever was to be treated as 'un-authorized'. The rent equivalent to prevailing market rates⁹ was applicable during the period of unauthorized occupation.

Scrutiny of records revealed that although one Shri Santosh Kamble, former Assistant Professor at SPPU who resigned from service and was officially relieved from his duties on 29/09/2012, had unauthorizedly overstayed at staff quarters until 06/06/2017 (Eviction order signed by the Vice Chancellor on 02/05/2017).

The University failed to recover the rent from the official since July 2012. Thus, upto May 2017, a total amount of Rs 12.50 lakh was recoverable from the unauthorized occupant. The amount included recovery of rent at market rates during the period from September 2012 to May 2017.

Thus, there was a considerable delay in serving the eviction notice and in following the stipulations of the SPPU's Ordinance, *ibid*. Further, the rent as applicable was not recovered regularly from the unauthorized occupant leading to accrual of unrecovered rent to the extent of Rs 12.50 lakh.

⁹Market rates was to be decided by the University

When pointed out, the Executive Engineer (Projects) agreed that the rent was not recovered from the un-authorized occupant. He further assured that the accrued amount would be recovered.

The Department's reply is not acceptable because undue benefit had been passed on to the unauthorized occupant for considerable period of time by allowing him to overstay and also due to not carrying out the recovery of rent regularly, it would not be easy for the University to recover the amount of such magnitude at this juncture.

Further progress in the matter awaited.

Para 18 : Non functioning of Internal Audit Wing.

Government of Maharashtra, Universities Account Code stipulates that the University shall constitute an 'Internal Audit Wing' (IAW) headed by the Finance and Accounts Officer. The IAW shall have unrestricted right of access to all vouchers documents book of accounts and computer data and to any other information which is considered relevant to its enquiries and which is necessary to fulfill its responsibilities. The internal audit shall be conducted on a continuous and perennial basis.

As per University's Ordinance 151, the IAW shall also audit all bills before making payment above Rs 50,000/.

The following audit observations were made in this regard:

1. Although the University has constituted a separate IAW, no internal audits were carried out due to not filling up the posts sanctioned for the IAW.
2. The pre-audit for payments above Rs 50,000/- was also not being carried out by the staff of the IAW, but was being done by the Supervisory officers of the respective departments.
3. Due non-availability of staff required for the functioning of the IAW, the control over the bank accounts was de-centralized and therefore, the IAW had no role in their monitoring.

In reply to the above audit observations, the Deputy Vice-Chancellor stated that efforts had been taken to fill up the sanctioned posts in the IAW during the period since October 2010. However, due changes in policies relating to 'Reservation' the posts could not be filled up.

The reply is not tenable as there was considerable delay in filling up of the sanctioned posts of the IAW. In absence of an IAW, the important functions like auditing all bills before making payment could not be exercised in the manner envisaged in Maharashtra Universities Account Code Chapter – I General Principal Para No 1.49. A strong IAW provides considerable assurance of the accounting system followed and in ensuring a check on

correctness, authenticity, application of appropriate procedures, obtaining of appropriate sanctions, etc. are followed.

Further progress in the matter of filling up of sanctioned posts for the IAW awaited.

Part III: Follow up on Findings outstanding from the Previous IRs:

Following paras from the previous Inspection Reports are still outstanding for want of full and final compliance, which may be expedited

Inspection Report for the period from 2007-08 to 2011-12 under Section 14(2) of the CAG's (DPC) Act

Sr. No	Period of IR	Para No.	Subject in brief	Remarks of IO	Remarks of Sr. DAG
1	2009-10 to 2011-12	13	Non fulfilling of teaching posts as per sanctioned strength	Para may be retained for full and final compliance.	

Part IV: Best Practices

Savitribai Phule Pune University (SPPU) is Accredited with A + grade by the National Assessment and Accreditation Council (NAAC) and has been ranked 10th amongst Indian Universities by the National Institutional Ranking Framework (NIRF). The University had published 4088 publications in last five years and had registered a total of 195 patents and is a recipient of various awards such as E-Governance Excellence Award in 2013, Solar Thermal Award, 2013 by the Ministry of New and Renewable energy (MNRE).

Part V: Acknowledgement

The audit team acknowledged the co-operation extended by Smt. Vidya Gargote, Finance and Accounts Officer, Savitribai Phule Pune University (SPPU) and her team of staff in timely furnishing the records and replies for smooth conducting the audit within the schedule.

Part VI: Test Audit Note

A test audit note containing minor irregularities, which could not be settled on the spot, was handed over separately to the department. The compliance thereof may be kept ready and shown during the next audit for verification.




**Audit Officer
PZO/SSII&GS**

STATEMENT OF EXPENDITURE ON MAJOR CONSTRUCTION WORKS

R. No.	WO. No.	Date	Name of Contractor	Name of Work	Accepted Tender Cost	Stipulated date of Completion	RA bill No.	Expenditure upto date (Rs)	R. No.	Date	Year	Final Excess Saving Sanctioned.
1	67	10/10/2012	B. K. Khose	Construction of Academic college Guest house Ph-I	24715039	31/03/2014	Final	30561659	437	28/08/2017	2012-13	9th & Final 34724265/-with Escallation
2	1	09/04/2013	Jagdamba Construction	Balance work for Tennis Court At sports Complex	14390193	31/04/2014	Final	15097639	115	21/05/2015	2013-14	15100472/- With Escallation
3	24	26/07/2013	Sai Construction	Construction of Education Extention Dept. Building	26619617	28/02/2015	6	20299897	1055	20/03/2017	2013-14	-
4	57	20/11/2013	Harsh Construction	SC/ST ladies Hostel Funded to So. Welfare Dept. Govt. Of Maha.	48831834	19/11/2015	Final	46939728	668	13/11/2017	2013-14	13Th Final Bill Rs. 50668302/-
5	58	20/11/2013	Harsh Construction	Class III Qtr. Building - A	48786205	19/11/2015	11	475712090	901	31/01/2017	2013-14	-
6	59	20/11/2013	B. K. Khose	Class IV Qtr. Ph-II	39296527	19/11/2015	6	34471890	436	26/0/2017	2013-14	-
7	60	20/11/2013	Harsh Construction	SC/ST Gents Hostel Funded to So. Welfare Dept. Govt. Of Maha.	47505843	19/11/2015	11	43018403	401	26/08/2016	2013-14	-
8	61	20/11/2013	Shriya Civil Engineer	Class III Qtr. Building - B	46448583	19/11/2015	13	43511547	864	14/01/2017	2013-14	-
9	81	28/01/2014	S. S. Sathe	Construction of CAP Bhavan	42040565	28/07/2015	Final	35182056	110	12/05/2016	2013-14	8th & Final with Escallation Rs 35182056
10	85	05/02/2014	Sai Construction	Construction of Compound Wall A.Nagar Campus	38480755	19/11/2014	5	39254683	1130	31/03/2017	2013-14	-
11	97	27/03/2014	S. S. Sathe	Const. Of DRDO ISRO Cell	36097239	20/03/2016		0	-	-	-	-
12	12	19/05/2014	M. Devang	Repairs to Main Building	46706688	27/04/2015	14	91662997	612	14/10/2017	2014-15	-
13	17	23/05/2014	Shriya Civil Engineers	Class III Qtr. Building - D	46678365	19/11/2015	7	19932337	584	21/10/2016	2014-15	-
14	23	03/06/2014	Suyog Construction	Construction of Aditorium	46848324	30/11/2015	7	34408319	1054	20/03/2017	2014-15	-
15	24	03/06/2014	Suyog Construction	Construction of Library Building	30496377	30/11/2015	8	40311117	628	16/10/2017	2014-15	-
16	26	09/06/2014	Harsh Construction	Class III Qtr. Building - C	48250689	12/06/2016	9	32144164	259	22/06/2017	2014-15	-
17	27	09/06/2014	Harsh Construction	Academic Staff College Building So. Sci. Complex.	48723118	12/06/2016	9	45114193	405	18/08/2017	2014-15	-
18	39	09/09/2014	B. K. Khose	Construction of Academic Staff College Guest House Ph-II	26716192	02/04/2016	Final	25018821	172	01/06/2017	2014-15	5th & Final Bill Rs. 25018821/-
19	50	29/10/2014	S. S. Sathe	Construction of Canteen Building	44288012	21/02/2016		0	-	-	-	-
20	57	19/12/2014	Krishna Construction	LandScape of Area Development in fornt of Adminisrative Building	11122980	14/06/2015	6	9427530	994	02/03/2017	2014-15	-
21	62	20/01/2015	B. K. Khose	Const. of IDS Bldg. 1st floor on CMS Bldg.	24508455	04/07/2016	5	17487964	569	10/10/2017	2014-15	-
22	63	24/01/2015	Hemang Construction	LandScape Delopment Along the main arteril road SPPII	15300000	30/01/2018	3	7493261	536	04/10/2017	2014-15	-

23	73	10/03/2015	Kohinoor Construction	Compound Wall Chhatrapati Shahu Maharaj Statue.	11144378	30/11/2015	5	11691621	487	18/09/2017	2014-15	As per BWC Meeting Date 22/02/16 Rs. 11929103
24	43	03/07/2015	Suyog Construction	Construction of Admin + IDS (CSSH) Building	51968583	14/01/2017	5	25098978	373	26/07/2017	2015-16	
25	44	03/07/2015	Suyog Construction	Construction of Canteen Building So Sci. Complex	27150247	14/07/2016	3	12147806	371	25/07/2017	2015-16	
26	63	11/09/2015	Saurabh Construction	CAP Bhavan Ph- I 1st, 2nd, 3rd Floor	42377740	07/03/2017	4	41007907	406	18/08/2017	2015-16	
27	64	11/09/2015	Saurabh Construction	Gents Student Hostel Ph- II 4th & 5th Floor for Competitive Exam	29305365	07/09/2016	4	33962072	385	03/08/2017	2015-16	As per Revised Rs. 367597197
28	65	12/09/2015	Harsh Construction	Const. of Adult Continuing Education at Social Sci. Complex	51167415	28/02/2017	4	15005430	380	31/07/2017	2015-16	
29	66	12/09/2015	Harsh Construction	Const. of Physical Education dept. Bldg. At Social Sci. complex	51117903	28/02/2017	4	28774419	723	30/11/2017	2015-16	
30	67	12/09/2015	Harsh Construction	Const. of Psychology Building dept. At Social Sci. complex	51095884	28/02/2017	2	5527480	407	18/08/2017	2015-16	
31	68	14/09/2015	Everest Const.	Const. of SET Admin Bldg. at social Sci Complex	36517066	29/04/2017		0	-	-	2015-16	
32	79	03/11/2015	Suyog Construction	Const. of Annex Bldg. Ph-II for Chemistry Dept.	51052175	15/06/2017	1	3416383	592	12/10/2017	2015-16	
33	95	11/02/2016	Saurabh Construction	Const. Of Bldg. For Placement Cell	46239777	08/08/2017	1	3694811	899	31/01/2017	2015-16	
34	100	22/02/2016	V. M. matere	Const. of Indoor Hall Sports Complex	46969278	30/08/2017	5	13936209	563	10/10/2017	2015-16	
35	113	12/03/2016	Mahimna Const.	Const. of Compound wall Behind Shivaji Maharaj Statue	25278578	14/03/2017	4	10157142	719	30/11/2017	2015-16	
36	115	26/03/2016	R. K Sawant	Const. of Compound Wall Nashik Sub Centre	26979113	17/04/2018		0	-	-	2015-16	
				Total	1351215102			1311470553				


 Asstt. Audit Officer/LAP