

**GOVERNMENT OF INDIA  
HUMAN RESOURCE DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:2451  
ANSWERED ON:28.03.2012  
NEW ACCOUNTING SYSTEM  
Dharmshi Shri Babar Gajanan

**Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:**

- (a) whether the Government has any plan to make mandatory to all government higher educational institutions to follow a new standardized accounting system from the 2013 academic year;
- (b) if so, the details thereof;
- (c) whether the Government has negotiated with private institutions for making the system mandatory for them;
- (d) if so, the details thereof; and
- (e) if not, the steps taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (Dr. D. PURANDESWARI)

(a) to (e) : Yes, Sir. It has been decided to implement the new accounting standards in the educational institutions within the purview of this ministry from the financial year 2013-14. The new accounting system is based on the recommendations of the Working Group constituted by this Ministry. Some of the recommendations of the Working Group are:-

- i) All educational institutions should be mandated to apply accrual basis of accounting.
- ii) Accounting standards issued by the ICAI should be made mandatory for educational institutions.
- iii) Fund based accounting be introduced for Earmarked/Designated Funds.
- iv) All educational institutions should follow a common format for presentation of its general purpose financial statements to ensure proper accountability, financial discipline, end use of funds and to meet the needs of stakeholders.

Steps have been initiated for dissemination of the accounting standards to educational institutions and to organize appropriate consultations by the Administrative Bureaux in the two Departments of Higher Education and School Education and Literacy of this Ministry in respect of the institutions in their administrative purview. Process of obtaining approval of the Comptroller & Auditor General of India, through the office of Controller General of Accounts has been initiated.