

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

UNSTARRED QUESTION NO:4099
ANSWERED ON:05.09.2012
FINANCIAL ACCOUNTING CRITERIA
Singh Shri Pashupati Nath

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

- (a) whether the present system of financial accounting in the higher educational institutions in the country neither addresses the concerns of the Government, other parties, management personnel, organising divisions, self help groups, common people and other beneficiaries nor meets the accounting criteria;
- (b) if so, the details thereof;
- (c) whether the comparative study of the financial accounting of various educational institutions cannot be done according to the report of the Institute of Chartered Accountants of India (ICAI) related to financial accounting criteria of the higher educational institutions;
- (d) if so, the details thereof and if not, the reasons therefore;
- (e) whether there is a need to make the system of financial accounting better on the part of the large number of such institutions; and
- (f) if so, the details thereof and the criteria being adopted by the Government for the same?

Answer

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

(a) & (b) No, Sir, not adequately. Ministry of Finance, Government of India in May, 1999, constituted a committee with the Controller General of Accounts as the Chairman and representatives from Institute of Chartered Accounts of India, Indian Cost and Works Accountants of India among others to work out the common format of accounts for central autonomous organizations. The uniform format of accounts recommended by this committee was approved by C&AG. Govt. of India issued an order to all Ministries in 2002 for its implementation. Central autonomous educational institutes are following the uniform accounting format as approved by C&AG. In respect of non-governmental higher educational institutions, there is no uniformity in preparation and presentation of financial statements.

(C) & (d) In May 2011, Ministry of HRD constituted a Working Group to look into applicability of accounting standards in all educational institutions so as to bring more accountability and transparency in accounting system and to ensure uniformity and comparability.

(e) Yes Sir. Due to lack of uniformity in presentation of financial statements, disclosure practices, proper reporting, diversity in terminology and accounting policies by various educational institutions, a uniform approach is required.

(f) Ministry of HRD has agreed in principle to implement the recommendations of the Working Committee in all educational institutes across India. Steps are being taken in this regard to consult State Governments, Central Autonomous Organizations and regulatory bodies such as UGC, AICTE, CBSE etc.