

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

UNSTARRED QUESTION NO:1608  
ANSWERED ON:06.03.2013  
NEW ACCOUNTING SYSTEM  
Punia Shri P.L.

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

- (a) whether a new accounting system has been introduced for various institutions affiliated to or under UGC, AICTE, NCTE and CBSE;
- (b) if so, the details thereof; and
- (c) whether the proposed steps would help in curb profiteering from the educational institutions and if so, the details thereof ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (DR. SHASHI THAROOR)

(a) & (b):Yes, Madam. 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) The accounting standards issued by the Institute of Chartered Accountants of India (ICAI) should be made mandatory for all educational institutions.
- iii) Fund-based accounting should be introduced for Earmarked/Designated Funds.
- iv) All educational institutions should follow a common format for the presentation of their general purpose financial statements to ensure proper accountability, financial discipline, end use of funds and to meet the needs of stakeholders.

( c) Yes, Madam. The introduction of a new accounting system in the educational institutions is likely to result in accountability and transparency in the end use of funds by them.