

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

UNSTARRED QUESTION NO:917

ANSWERED ON:16.07.2014

FINANCIAL MISMANAGEMENT IN UGC

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

- (a) whether widespread financial mismanagement and lack of transparency on financial issues in the University Grants Commission (UGC) have come to the notice of the Government;
- (b) if so, the details thereof and the action taken by the Government thereon;
- (c) whether UGC has evolved any mechanism to check such financial mismanagement;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the steps taken/being taken by the Government to address the issue?

**Answer**

MINISTER OF HUMAN RESOURCE DEVELOPMENT (SMT. SMRITI ZUBIN IRANI)

(a) & (b): The University Grants Commission (UGC) has reported that instances have come to its notice wherein Colleges, which were not eligible for UGC grants, were issued sanction letters by the UGC Secretariat and grants also issued to these Colleges. The Ministry of Human Resource Development has written to the UGC for a thorough investigation of these matters, fix responsibility for the acts of omission and commission leading to the issue of such sanctions and grants and devise an effective internal control to avoid such lapses. Subsequently, two First Information Reports (FIRs) have been lodged by UGC officials and police investigations are underway. Departmental action against two erring UGC officials has also been initiated by the UGC.

Also, the Draft Inspection Report of the audit of the University Grants Commission (UGC) for the year 2012-13, conducted by the Director General of Audit, Central Expenditure has brought out irregularities in the nature of large number of pending audit paras with the UGC, funds remaining unutilized with the Universities since long, lack of monitoring and weak internal control mechanism in the UGC, etc.

The Ministry of Human Resource Development had written to the Chairman, UGC to ensure submission of replies to the pending audit paras, to ensure required inspections to happen and to report the outcomes of such inspections and expenditure status before the Commission from time to time.

(c) to (e): The UGC has reported that it has introduced a system of internal mechanism of checks and balances to safeguard against irregular sanctions and grants. An Integrated Finance Division has also been created in the UGC which examines files relating to release of grants and vets the proposal of colleges to certify that the beneficiary college(s) is/are eligible for such sanctions.

The Ministry of Human Resource Development had written to the Chairman, UGC to ensure submission of replies to the pending audit paras, to ensure required inspections to happen and to report the outcomes of such inspections and expenditure status before the Commission from time to time. The Commission in its 501st meeting held on 13th June, 2014 has taken note of the number of pending audit paras of the several year and directed its Secretariat to promptly send replies to the pending paras.