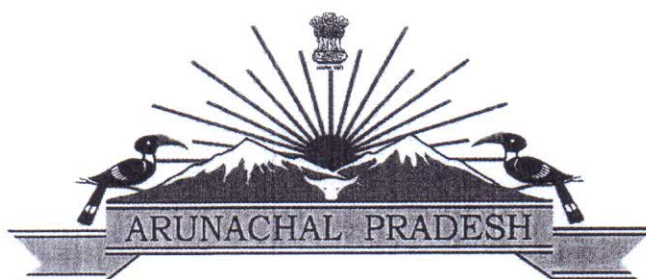




**SEPARATE AUDIT REPORT
OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA**

**ON THE ACCOUNTS OF THE
RAJIV GANDHI UNIVERSITY (RGU)
RONO HILLS, DOIMUKH
ARUNACHAL PRADESH**



**FOR THE YEAR ENDED
31 MARCH 2016**

**Separate Audit Report of the Comptroller and Auditor
General of India on Accounts of Rajiv Gandhi University,
Rono Hills, Doimukh, Arunachal Pradesh, for the year
ended 31st March 2016**

We have audited the Balance Sheet of Rajiv Gandhi University, Rono Hills, Doimukh, Arunachal Pradesh, as at 31st March 2016, and the Income & Expenditure Account/Receipt & Payment Account for the year ended on that date under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, read with Section 34(1) of the Rajiv Gandhi University Act, 2006. These financial statements are the responsibility of the Rajiv Gandhi University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the comments of the Comptroller and Auditor General of India (CAG) on the accounting treatment only with regard to their classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc;. Audit observations on financial transactions with regard to compliance with the Law, Rules and Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc, if any, are reported through Inspection Reports/CAG's Audit Reports separately.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by

the management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. The Balance Sheet and Income & Expenditure Account/Receipt & Payment Account dealt with by this report have been drawn up in the format approved by the Government of India, Ministry of Finance.
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Rajiv Gandhi University, as required under Section 34 of the Rajiv Gandhi University Act, 2006, in so far as it appears from our examination of such books.
- iv. We further report that:

A. Balance Sheet

1. Sources of Funds

Endowment Funds (Schedule-2) - ₹ 39.15 crore

The Institute did not classify the interest earned from the investments and considered the total amount of interest earned as interest from Endowment Fund as Income in Income & Expenditure Account. As per the approved format, the income from investment out of the said fund flows back to the fund. Due to non-classification of interest amounting to ₹ 4.31 crore reflected in Schedule 11 of the current year account 2015-16, the impact of interest amount in the Endowment Fund could not be quantified.

2. Application of Funds:

Current Assets (Schedule 7) – ₹ 81.77 crore

The above does not include ₹ 0.71 crore being the value of 132 MT of Steel lying in the Store as on 31st March 2016. Non-inclusion of the above stock of steel in the Closing stock resulted in the understatement of “Current Assets” to the extent of ₹ 0.71 crore. Similar comment was also reflected in the Separate Audit Report for the year 2014-15; however, the Institute is yet to comply with audit comments.

B. Income & Expenditure Account

1. Income

Other income (Schedule- 13) – ₹ 7.86 crore

The Institute has changed the method of Depreciation from Written Down Value to Straight Line Method w.e.f 2015-16. The effect of change in Depreciation was not accounted in the accounts. Non accountal of change/excess Depreciation resulted in the understatement of income and understatement of Fixed Assets by ₹ 1.12 crore and contravention of provision of Accounting Standard – 6.

D. Grants-in-Aid

Out of total available funds of ₹ 170.33 crore, which included an opening balance of ₹ 72.05 crore, Grants-in-Aid of ₹ 74.83 crore received during the year and other receipts of ₹ 23.45 crore, the management could utilize a sum of ₹ 88.56 crore, leaving an unutilized balance ₹ 81.77 crore.

- v. Subject to our observation in the preceding paragraphs, we report that the Balance Sheet and Income & Expenditure Account/Receipt & Payment Account dealt


with by this report are in agreement with the books of accounts.

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements and subject to the significant matters stated above and other matters mentioned in the Annexure to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India.
- a. In so far as it relates to the Balance Sheet, of the state of affairs of the Rajiv Gandhi University as at 31 March 2016, and
- b. In so far as it relates to Income & Expenditure Account of the Deficit for the year ended on that date.

Place: Itanagar

Dated: 3rd January 2016

For and on behalf of the C&AG of India


Principal Accountant General
Arunachal Pradesh

Annexure

Adequacy of Internal Control Mechanism – It was deficient due to: -

- Non following the approved format strictly.
- Non inclusion of steel lying in closing stock.
- The effect of change in Depreciation was not accounted in books.
- Physical verification of Fixed Assets and inventories was not done.
- No separate Internal Audit Wing.

Place: Itanagar

Dated: 3rd January 2017

For and on behalf of the C&AG of India


Principal Accountant General
Arunachal Pradesh