



**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 2017**

**Separate Audit Report of the Comptroller and Auditor
General of India on the Accounts of Rajiv Gandhi
University, Rono Hills, Doimukh, Arunachal Pradesh, for
the year ended 31st March 2017**

We have audited the Balance Sheet of the Rajiv Gandhi University, Rono Hills, Doimukh, Arunachal Pradesh, as at 31st March 2017, 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 Human Resources Development.
 - 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. Application of Funds:

i. Fixed Assets (Schedule 4) - ₹ 6380.29 lakh

The above does not include ₹ 2115.34 lakh being the value of building viz, 100 seated boys hostel, 100 seated girls hostel and faculty building for physics department completed during 2016-17 but booked under "Capital Work in Progress". Non disclosure of the above assets resulted in understatement of

“Fixed Assets” and overstatement of “Capital Work in Progress” to the extent of ₹ 2115.34 lakh.

ii. Fixed Assets (Schedule 4) - ₹ 6380.29 lakh

The above does not include ₹ 77.48 lakh being the net value of vehicles after charging depreciation as on 31st March 2017 resulting in understatement of “Fixed Assets” and understatement of “Corpus fund” to the extent of ₹ 77.48 lakh.

iii. Fixed Assets (Schedule 4) - ₹ 6380.29 lakh

The above includes ₹ 4.19 lakh being the value of Site Development work completed during 2016-17 but wrongly disclosed under fixed assets of the sub head “Land” resulting in overstatement of land and understatement of “Site Development” to the extent of ₹ 4.19 lakh.

iv. Capital work in Progress - ₹ 6100.00 lakh

The above does not include value of ongoing construction work of OBC Hostel for ₹ 18.46 lakh, Auditorium for ₹ 201.77 lakh, Development of sports infrastructure for ₹ 41.38 lakh and residential building (T-IV) for ₹ 203.16 lakh which were not completed as on 31st March 2017 but disclosed under the fixed assets as additional to land. This resulted in understatement of “Capital Work in Progress” and overstatement of land to the extent of ₹ 464.77 lakh.

v. Investment from Earmarked/Endowment Funds (Schedule 5) - ₹ Nil.

The above does not include ₹ 1708.19 lakh being term deposits made with banks but not disclosed as prescribed in format of MHRD for Central Autonomous Bodies resulting in understatement of Investment from Earmarked/Endowment Funds by ₹ 1708.19 lakh.

vi. Current Assets (Schedule 7) - ₹ 865.42 lakh

The above does not include ₹ 9.25 lakh being the value of closing stock of Cement, Steel and Stationery items lying in the store as on 31st March 2017. Non disclosure of the above stocks has resulted in understatement of “Current Assets” and overstatement of “Deficit” to the extent of ₹ 9.25 lakh.

B. Income & Expenditure Account

1. Income

i. Prior Period Income (Schedule 14) - ₹ Nil.

The above does not include ₹ 3.76 lakh being the income of previous year viz, transportation fees, guest house rent, hostel rent, etc., but received in the current year resulted in understatement of “Prior Period Income” and overstatement of “Deficit” to the extent of ₹ 3.76 lakh.

2. Expenditure

i. Prior Period Expenses (Schedule 22) - ₹ Nil.

The above does not include ₹ 37.28 lakh being expenditure incurred on maintenance of furniture, campus LAN and salary of guest lecturers for the year 2015-16 but paid during 2016-17. Non disclosure of the above expenditure resulted in

understatement of “Prior Period Expenses” and understatement of “Deficit” to the extent of ₹ 37.28 lakh.

C. Significant Accounting Policies

The accounts of the Institute are prepared under Historical Cost Convention unless otherwise stated and generally on the Accrual method of accounting.

- i. The Institute did not compile the following Schedules as prescribed in the prescribed Format of Accounts of MHRD: -
 - a. Schedule 2 – Designated/Earmarked/Endowment Funds.
 - b. Schedule 5 – Investment from Earmarked/Endowment Funds.
 - c. Schedule 14 – Prior Period Income.
 - d. Schedule 22 – Prior Period Expenses.
- ii. The Institute has switched over the method of depreciation on fixed assets from written down value method to straight line method w.e.f. 2015-16. However, the amount of depreciation to be provided on fixed assets could not be ascertained due to non – availability of original cost of the respective assets.
- iii. The University has shown Unutilised Grants of ₹ 8119.06 lakh whereas audit has calculated Unutilised Grants of ₹ 2655.76 lakh as on 31 March 2017. This needs to be reconciled and correct figure should be shown in Accounts.
- iv. The University has not prepared the Schedule 2 of Earmarked/Designated/Endowment Funds as required in revised format of MHRD. This needs to be recasted/prepared with accounts.

- v. The University has shown ₹ 61.30 lakh as Grants Utilised in accounts, however, the data furnished by University shown Grants Utilised as ₹ 4966.20 lakh. This needs to be corrected and reconciled and correct figure should be shown in accounts.

D. Grants-in-Aid

Out of total available funds of ₹ 18748.95 lakh, which included an opening balance of ₹ 8177.21 lakh (includes other receipts), Grants-in-Aid of ₹ 8150.74 lakh received during the year and other receipts of ₹ 2421.00 lakh, the management could utilize a sum of ₹ 10095.88 lakh, leaving an unutilized balance ₹ 8653.07 lakh.


- 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 2017, and
- b. In so far as it relates to Income & Expenditure Account of the surplus for the year ended on that date.

Place: **Itanagar**

Dated: **12th December 2017**

For and on behalf of the C&AG of India



**Principal Accountant General
Arunachal Pradesh**

Annexure

1. Adequacy of Internal Audit

The University had no separate Internal Audit Wing and the internal audit matters in the Finance Branch was looked after by one Section Officer and two Assistants who scrutinized files and bills with relevant records for making payment.

2. System of Physical Verification of Fixed Assets and Inventory

Physical verification of Fixed Assets and Inventory was not done for the year. However, physical verification of Inventory was partially done.

3. Payment of Statutory Dues

The University was regular in payment of Statutory Dues.

Place: **Itanagar**

Dated: **12 December 2017**

For and on behalf of the C&AG of India



**Principal Accountant General
Arunachal Pradesh**