



सत्यमेव जयते



**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 2019**

Separate Audit Report on Accounts of the Rajiv Gandhi University, Rono Hills, Doimukh, Arunachal Pradesh for the year ending 31 March 2019.

We have audited the Balance Sheet of Rajiv Gandhi University, Rono Hills, Doimukh, Arunachal Pradesh, as at 31 March 2019, 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. Grants-in-aid.

Out of total available fund of ₹ 176.78 crore which includes opening balance of ₹ 94.01 crore, Grants-in-Aid of ₹ 61.87 crore received during the year and other receipts of ₹ 20.90 crore, the management could utilize a sum of ₹ 83.52 crore leaving an unutilized balance of ₹ 93.26 crore as on 31 March 2019.

B. Balance Sheet

1. Sources of Funds

i. Current Liabilities & Provision (Sch. 3) - ₹ 104.38 crore

During the year University refunded ₹ 1.61 crore of Security Deposits/Caution Money received from students and contractors. The University showed this amount as Loans, Advances and Deposits instead of deducting the same from Current Liabilities and Provisions. This has resulted in overstatement of both Current Liabilities and Provisions as well as Loans, Advances and Deposits by ₹ 1.61 crore.

C. Income and Expenditure Account

1. Expenditure

i. Depreciation (Sch. 4) - ₹ 5.89 crore

The above does not include ₹ 42.37 lakh due to wrong calculation of depreciation value.

Audit observed that the Institute disclosed depreciation value as ₹ 5.89 crore during the year. However, depreciation value on six¹ items of fixed assets was not charged as per the applicable rate of depreciation which resulted in understatement of depreciation by ₹ 42.37 lakh. Subsequently, excess of income over expenditure, capital fund and fixed assets was also overstated.

ii. Depreciation (Sch. 4) - ₹ 5.89 crore

As per Schedule 23, clause 3.8 of the Uniform Format of Accounts state that assets, the individual value of which is ₹ 2,000 or less (except Library Books) are treated as Small Value Assets, 100 *per cent* depreciation is provided in respect of such assets at the time of their acquisition.

Audit observed that the Institute has Small Value Assets of ₹ 1.64 crore as on March 2019. The depreciation on these assets was charged at ₹ 12.52 lakh only during the year without providing 100 *per cent* depreciation. As a result depreciation was understated by ₹ 1.52 crore (₹ 1.64 crore - ₹ 12.52 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

¹ 1) Building 2) Tube well & Water supply 3) Electrical installation and equipment 4) Furniture, Fixtures & Fittings 5) Library Books & Scientific Journals and 6) E-Journals.

to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India.


vii. In so far as it relates to the Balance Sheet, of the state of affairs of the Rajiv Gandhi University as at 31 March 2019, and

viii. In so far as it relates to Income & Expenditure Account of the surplus for the year ended on that date.

Place: **Itanagar**

Dated: **05 March 2020**

For and on behalf of the C&AG of India


**Accountant General
Arunachal Pradesh**

Annexure

1. Physical verification of the fixed assets and inventory

Physical verification of Fixed Assets and inventory was not done for the year 2018-19.

2. Internal Audit

Internal Audit was not conducted for the year 2018-19.

3. Internal Control Mechanism

Internal Control Mechanism was not adequate as Physical verification of fixed assets and inventory was not done.

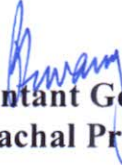
4. Payment of Statutory Dues

The University was found regular in payment of Statutory Dues.

Place: **Itanagar**

Dated: **05 March 2020**

For and on behalf of the C&AG of India


**Accountant General
Arunachal Pradesh**