



SEPARATE AUDIT REPORT

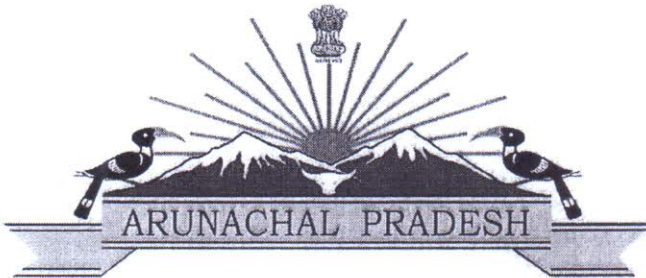
OF THE

**COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

ON ACCOUNTS OF

**RAJIV GANDHI UNIVERSITY
RONO HILLS, DOIMUKH**

ARUNACHAL PRADESH



FOR THE YEAR ENDED
31 MARCH 2021

**Separate Audit Report on Accounts of
Rajiv Gandhi University, Rono Hills, Doimukh, Arunachal Pradesh,
for the year ending 31 March 2021**

We have audited the Balance Sheet of Rajiv Gandhi University, Rono Hills, Doimukh, Arunachal Pradesh, as at 31st March 2021, 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 Management. Our responsibility is to express an opinion on these Financial Statements, based on our Audit.

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

3. We 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 as to 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 Ministry of Human Resource Development, Government of India dated 17 April 2015.
- 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

Sources of Funds

1. Corpus/Capital fund (Schedule – 1) - ₹ 209.50 crore

The above does not include capital expenditure amounting to ₹ 19.51 crore. The University utilized grants amounting to ₹ 19.51 crore (Schedule 10) towards capital expenditure during the financial year 2020-21, however, it was not accounted in the corpus/capital fund. This has resulted in understatement of corpus/capital fund to the extent of ₹ 19.51 crore and understatement of fixed assets by the same amount.

2. Current Liabilities & Provisions (Schedule-3)

Current liabilities – ₹ 72.92 crore

The above does not include unutilized grant amounting to ₹ 20.23 crore. The University accounted the unutilized grants to the extent of only ₹ 69.22 crore which was brought forward from the last financial year (2019-20). In Schedule-10 of the Accounts, the unutilised grants during the current year was ₹ 91.58 crore, however, prior period income of ₹ 2.13 crore was wrongly included under specific/other grant though the same has been accounted under Schedule-14 of the income. Hence, the unutilized grants during the year should be ₹ 89.45 crore¹ instead of ₹ 69.22 crore (Sl. No. of A. 6(d) of Schedule-3). This has resulted in understatement of current liabilities and provisions by ₹ 20.23 crore² and conversely overstated the corpus/capital fund by the same amount.

Application of Funds

3. Fixed Assets (Schedule-4)

i) Tangible Assets- ₹ 151.51 crore

The above does not include ₹ 34.71 lakh being the value of Library Books and Scientific Journals. Audit observed that the University had deducted ₹ 34.71 lakh from Library Books and Scientific Journals during the year 2020-21 resulting in understatement of Fixed Assets by ₹ 34.71 lakh. The above deduction has also resulted in understatement of Depreciation for the year by ₹ 3.47 lakh³ and overstatement of surplus by the same amount.

¹ ₹ 91.58 crore - ₹ 2.13 crore

² ₹ 89.45 crore - ₹ 69.22 crore

³ 10 % of ₹ 34.71 lakh

ii) Capital work-in-progress - ₹ 7.20 crore

The above includes completed works valued ₹ 22.03 lakh. Audit observed that the University had completed the repair and renovation of old Power House (₹ 13.66 lakh and ₹ 1.35 lakh) and repair and renovation of Vice-Chancellor office (₹ 7.02 lakh) during February 2021, however, the works were not capitalized but reflected under work-in-progress. Thus, inclusion of the above mentioned completed works resulted in overstatement of Capital work-in-progress by ₹ 22.03 lakh and conversely understated Tangible Assets as well as Corpus/capital fund by the same amount.

B. Income and Expenditure Account

Income

1. Other Income (Schedule-13) – ₹ 51.58 lakh

The above does not include ₹ 13.18 lakh towards licence fee collection. The University had collected an amount of ₹ 13.18 lakh towards licence fee from university staff during the period 2020-21, however, the same has been accounted as academic receipts. This resulted in overstatement of Academic Receipts (Schedule 9) and understatement of Other Income (Schedule 13) by the same amount.

Expenditure

2. Depreciation (Schedule-4) - ₹ 6.85 crore

The above does not include ₹ 1.67 crore being the depreciation on Tangible Assets for the period 2020-21. Audit observed that the University had wrongly calculated depreciation for the period 2020-21 and had charged ₹ 5.23 crore instead of ₹ 6.90 crore which resulted in understatement of depreciation by ₹ 1.67 crore and overstatement of surplus as well as Fixed Assets-Tangible assets by ₹ 1.67 crore.

3. Other Expenses (Schedule-21) - ₹ 49.79 lakh

The above does not include outstanding expenses amounting to ₹ 76.47 lakh. The University incurred expenses on various activities and procurement of materials during the year 2020-21, however, these outstanding expenses were not ascertained and accounted during the same period. Thus, due to non-accounting of the above outstanding expenses has resulted in understatement of Other Expenses as well as Current Liabilities and Provision by ₹ 76.67 lakh and overstatement of Surplus by the same amount.

4. Prior period expenses (Schedule-22) - ₹ 0.11 lakh

The above does not include ₹ 15.73 lakh being depreciation on assets for the period 2019-20. Audit observed that assets such as Library Books & Scientific journals valued ₹ 1.16 crore, E-Journals valued ₹ 47.42 lakh, Furniture, fixtures and fittings valued ₹ 4.59 lakh and Office equipment valued ₹ 7.10 lakh were procured during 2019-20 but added in the accounts only during the current year (2020-21). Thus, inclusion of the above assets valued ₹ 1.75 crore resulted in understatement of prior period expenses and depreciation for the year 2020-21 by ₹ 15.73 lakh as well as overstatement of surplus by the same amount.

C. General

1. The University received ₹ 8.40 crore from the Government of Arunachal Pradesh towards one time settlement of statutory pension liabilities under GPF-cum-Gratuity (pension) scheme 1972. This was however not disclosed in the Notes to Accounts.
2. The University has not made provision for liability towards retirement benefits on actuarial basis as per Accounting Standard-15.
3. The University held 65 numbers of Fixed/Term Deposit accounts with various Banks for different types of funds. Audit observed that the closing balance as on 31st March 2021 in these Fixed/Term Deposit Accounts was ₹ 79.86 crore, however, Bank Balance in Term Deposit Accounts in the Schedule-7 of the Balance Sheet was shown as ₹ 77.27 crore which is less by ₹ 2.59 crore. The above needs to be reconciled after confirmation of balances from the Banks.
4. The University made payment of ₹ 1.29 crore towards retirement and terminal benefits (₹ 0.80 crore) and leave encashment (₹ 0.49 crore), however, the same was not adjusted from the provisions as per format of accounts (Schedule-15A). The University needs to make adjustment as per the format of accounts.

D. Grants-in-Aid

Out of total available funds of ₹ 279.72 crore, which included Opening Balance of ₹ 130.52 crore, Grants-in-Aid of ₹ 103.33 crore received during the year and Other Receipts of ₹ 45.87 crore, the University could utilize a sum of ₹ 118.73 crore, leaving a Closing Balance of ₹ 160.99 crore as on 31st March 2021.

E. Management Letter

Deficiencies which have not been included in the audit report have been brought to the notice of the University through a management letter issued separately for remedial/correction action.

- v. Subject to our Observations 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 explanations given to us, the said Financial Statements, 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 31st March 2021; and*
 - b. *In so far as it relates to Income and Expenditure Account of the surplus for the year ended on that date.*

Place: **Itanagar**

Dated: **30th March 2022**

for and on behalf of the C&AG of India


Pr. Accountant General
Arunachal Pradesh

Annexure

1. Internal Audit

The University has an internal audit wing and all the expenditure proposals from various department/sections were examined before it is being approved by competent authority. However, no internal audit was conducted during 2020-21.

2. Internal Control Mechanism

The internal control system of the University is found to be inadequate due to the following reasons:

- i) The University did not have any Internal Audit Manual and no internal audit has been conducted.
- ii) The University has a sanctioned post for Internal Audit Officer, however no one has been appointed.
- iii) The University has constituted various Committees to ensure observation/compliance of approved procedure/codal formalities and financial and administrative discipline as the case may be, however, no reports have been prepared and submitted by any of the Committees. Moreover, there was no proper physical verification of fixed assets and store/inventories to ascertain or confirm the status of each item as at the end of the financial year.

3. Fixed Assets

The University had conducted physical verification of fixed assets for 2020-21, however, no report has been prepared.

4. Physical verification of Inventory

Physical verification of consumable stores/inventories was not carried out during the period 2020-21.


5. Payment of Statutory Dues

The University was regular in payment of Statutory Dues.

Place: **Itanagar**

Dated: **30th March 2022**

for and on behalf of the C&AG of India


**Pr. Accountant General
Arunachal Pradesh**