



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 2020

**Separate Audit Report on the Accounts of
Rajiv Gandhi University, Rono Hills, Doimukh, Arunachal Pradesh,
for the year ending 31 March 2020**

We have audited the Balance Sheet of Rajiv Gandhi University, Rono Hills, Doimukh, Arunachal Pradesh, as at 31st March 2020, 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 Draft 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 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. Income and Expenditure Account

1. Income

i. Surplus – ₹ 30.99 crore

The above included ₹ 2.13 crore towards *Prior Period Expenses* (Schedule-22) pertaining to 2018-19. The University accounted outstanding expenses of ₹ 2.13 crore pertaining to 2017-18 as *Prior Period Expenses* during the last Financial Year (2018-19). However, this was wrongly brought forward and added back to *Income over Expenditure* in the current year, which resulted in over-statement of *Surplus* and *Corpus/Capital Fund* to the extent of ₹ 2.13 crore.

2. Expenditure

i. Depreciation (Schedule - 4): ₹ 3.04 crore

As per significant Accounting Policies (Sl. No: 3.8 of Schedule-23), individual value of *Assets* below ₹ 2000/- (except Library Books), are treated as Small Value Assets and 100 *per cent Depreciation* is to be provided in respect of such assets at the time of acquisition. The University acquired Small Value Assets of ₹ 1.64 crore up to Financial Year 2018-19. However, the total *Depreciation* charged as at 31 March 2020, was only ₹ 96.57 lakh, without providing 100 *per cent Depreciation* on such assets. As a result, *Prior Period Expenses (Depreciation)* was under-stated by ₹ 67.42 lakh (₹ 163.99 lakh - ₹ 96.57 lakh) and conversely over-statement of *Surplus* and *Net Block Fixed Assets* by the same amount.

B. General

1. As per Accounting Standard 10, when the life of an *Asset* becomes *NIL*, the value of the *Asset* is disclosed at ₹ 1/- (residual value) in the Accounts. Asset value of *Computer & Peripherals* was carried forward and *Depreciation* provided without writing off the depreciated value of assets.
2. As per commitment made in the Annual Budget, 2019-20, the University transferred ₹ 5.20 crore from the excess of *Income over Expenditure* to recurring Grants. This was not disclosed suitably in the *Notes to Accounts*.
3. The University booked *Previous Expenses* as and when payments were made and accounted as *Prior Period Expenses* in the current Financial Year. This was inconsistent with the Accrual Method of Accounting. Besides, no disclosure was made in *Notes to Accounts*.

4. The University is accounting provision for Retirement Benefits directly into Corpus Fund and not through Income and Expenditure which is in contravention of Uniform Format of Accounts. The same needs to be rectified and done on actuarial valuation.

C. Grants-in-Aid

Out of total available funds of ₹ 230.69 crore, which included Opening Balance of ₹ 93.26 crore, Grants-in-Aid of ₹ 101.31 crore received during the year and Other Receipts of ₹ 36.12 crore, the University could utilize a sum of ₹ 100.17 crore, leaving a Closing Balance of ₹ 130.52 crore as on 31 March 2020.

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 2020; 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: *10 February 2021*

for and on behalf of the C&AG of India


**Pr. Accountant General
Arunachal Pradesh**

Annexure

1. Internal Audit System

The University has an Internal Audit Wing that examines all expenditure proposals before approval from competent authority. However, Internal Audit was not conducted in 2019-20.

2. Internal Control System

The Internal Control Mechanism was found to be adequate

3. Physical verification of Fixed Assets and Inventory

Physical verification of Fixed Assets and Inventory was not conducted for 2019-20

4. Payment of Statutory Dues

Accounting of *Retirement Benefits* was stated to have been done on actuarial basis. However, Audit could not ascertain the method adopted due to lack of Actuary Report.


4. Payment of Statutory Dues

The University was regular in payment of Statutory Dues.

Place: *Itanagar*

Dated: *10 February 2021*

for and on behalf of the C&AG of India


**Pr. Accountant General
Arunachal Pradesh**