



**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 2023**

**Separate Audit Report on Accounts of  
Rajiv Gandhi University, Rono Hills, Doimukh, Arunachal Pradesh,  
for the year ending 31 March 2023**

We have audited the Balance Sheet of Rajiv Gandhi University, Rono Hills, Doimukh, Arunachal Pradesh, as at 31 March 2023, 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 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 as to whether the Financial Statements are free from material misstatements. 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

### Application of Funds

#### 1. Fixed Assets-Tangible Assets (Schedule-4) - ₹ 20472.30 lakh

- i) The above does not include ₹ 30.96 lakh being the value of vehicles procured during the period 2021-22. Audit observed that the entire amount of ₹ 30.96 lakh was yet to be adjusted and was being reflected under Loans, Advances & Deposits (Schedule 8). Thus, non-capitalization of vehicles valued ₹ 30.96 lakh resulted in understatement of *Fixed Assets* and overstatement of *Loans, Advances & Deposits* by ₹ 30.96 lakh. The depreciation amount is also required to be corrected in the books of accounts as per the MHRD format.
- ii) The above includes ₹ 3.90 lakh being the revenue expenses capitalized under various assets such as Scientific & Laboratory equipment (₹ 2.03 lakh), Furniture, fixture & fittings (₹ 0.20 lakh), Computer & peripherals (₹ 1.55 lakh) and buildings (₹ 0.12 lakh). Thus, capitalization of the above mentioned revenue expenses have resulted in overstatement of *Fixed Assets* as well as understatement of *Administrative and General Expenses* by ₹ 3.90 lakh. The depreciation amount is also required to be corrected in the books of accounts as per the MHRD format.

## B. Income and Expenditure Account

### Income

#### 1. Interest Earned (Schedule-12) - ₹ 809.55 lakh

The above includes Interest earned (on Term deposits) amounting to ₹ 6.03 lakh pertaining to 2021-22. Booking of the Interest earned relating to previous year during the period 2022-23, has resulted in overstatement of *Interest Earned* (on Term deposits) and understatement of *Prior period Income* by ₹ 6.03 lakh.

### Expenditure

#### 2. Staff payments and benefits (Establishment expenses) (Schedule-15) - ₹ 8048.86 lakh

The above includes expenditure of ₹ 18.68 lakh (Honorarium for Guest faculty- ₹16.18 lakh, Staff welfare expense (Day care) - ₹1.50 lakh and Salaries and Wages (NSS Salary)- ₹ 1.00 lakh) pertaining to 2021-22. Booking of the expenditure relating to previous year during the period 2022-23, has resulted in overstatement of *Staff payments*

& *Benefits* – Honorarium for Guest faculty, Staff welfare expense (Day care) and Salaries and Wages (NSS Salary) and understatement of *Prior Period Expenses* by ₹ 18.68 lakh.

### 3. Administrative and General Expenses (Schedule-17) - ₹ 380.30 lakh

The above includes expenditure of ₹ 13.56 lakh (Others-Printing and Stationary - ₹ 6.52 lakh pertaining to 2020-21 & Security services - ₹ 5.34lakh pertaining to 2021-22 and Membership fees - ₹ 1.70 lakh pertaining to the period 2019-20 to 2021-22). Booking of the expenditure relating to previous years during the period 2022-23 has resulted in overstatement of *Administrative and General Expenses- Others* (Printing and Stationary & Security services and Membership fees) and understatement of *Prior Period Expenses* by ₹ 13.56 lakh.

### 4. Transportation expenses (Schedule -18) - ₹ 113.77 lakh

The above includes expenditure of ₹ 3.73 lakh towards Transportation Expenses- Insurance Expenses pertaining to the period 2023-24. The University had booked the entire expenditure of ₹ 7.69 lakh during 2022-23 as against the actual expenditure of ₹ 3.96 lakh. This has resulted in overstatement of *Transportation Expenses- Insurance Expenses* by ₹ 3.73 lakh (₹ 7.69 lakh- ₹ 3.96 lakh) besides understatement of *Surplus* and understatement of *Loans and Advances and Deposits-Pre-paid expenses* to that extent.

## C. General

1. The Employees Provident Fund Organization had conveyed (April 2023) to the University about the legal obligation of the University with regard to enrolment of contract and contingency employees under EPF and Miscellaneous Act, 1952. The University is engaging 429 nos. of contract and contingency employees entailing an additional financial implication of ₹ 82 lakh (approx.) per annum toward implementation of the EPF Scheme for the above mentioned employees. The above mentioned proposal is being re-examined by the University, however, the same was not disclosed under *Contingent Liabilities and Notes to Accounts* (Schedule-24).
2. The provision for liability towards retirement benefits was not provided on actuarial basis as per Accounting Standard-15.
3. The University has an outstanding electricity charges amounting to ₹ 10.61 lakh for the month of November 2022 to April 2023. However, no provision has been kept for the outstanding expenses from November 2022 till March 2023.
4. Loans, Advances and Deposits (Schedule-8) includes long term advances to employees (interest bearing) amounting to ₹ 109.59 lakh. The University had not adjusted Vehicle

loan, Home loan and Computer advance correctly during 2022-23. This needs reconciliation and correction.

5. Academic Receipts (Schedule-9) includes Academic receipts – Other Academic fees / Other Miscellaneous fees pertaining to 2021-22. Booking of the income relating to previous year should be done as prior period income.
6. The above includes Other income- Hire charges of Auditorium/ Play Ground/ Convention Centre etc., (Shop rent) amounting to ₹ 2.08 lakh pertaining to 2021-22 and 2022-23. Booking of the income relating to previous year during the period 2022-23 as other income is incorrect. These should be booked under prior period income..
7. As per ‘Significant Accounting Policies’ of the University, depreciation is being calculated on Straight Line Method (SLM) and depreciation is provided for half year on the assets purchased during the year. However as per MHRD format depreciation is to be provided for the whole year on additions during the year. It was further observed that the University is not following SLM of depreciation. Hence, the University is required to follow MHRD format, recalculate depreciation and make appropriate entries in the books of accounts.

#### **D. Grants-in-Aid**

The University had total available fund of ₹ 361.95 crore, which included Opening Balance of ₹ 157.67 crore, Grants-in-Aid of ₹ 143.83 crore received during the year, and Other Receipts of ₹ 60.45 crore. Out of the total available fund, the University could utilize a sum of ₹ 201.57 crore, leaving an unutilized balance of ₹ 160.38 crore as on 31<sup>st</sup> March 2023.

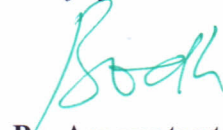
The above figures furnished by the University are not tallying with the Schedule 3(c) and Schedule-10. This needs reconciliation by the University.

- 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 31<sup>st</sup> March 2023; and*

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

*for and on behalf of the C&AG of India*



**Pr. Accountant General  
Arunachal Pradesh**

Place: **Itanagar**

Dated: **08<sup>th</sup> December 2023**

## Annexure

### **1. Internal Audit**

The University has an internal audit wing attached with the Finance branch and all the expenditure proposals from various department/sections are examined/scrutinized before it is being approved by the competent authority. However, no internal audit was conducted during the financial year 2022-23.

### **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.

### **3. Fixed Assets**

The University had conducted physical verification of fixed assets for 2022-23, however, no report has been prepared.


### **4. Physical verification of Inventory**

The University had conducted physical verification of inventories/stores, however, no physical verification report has been prepared. As such, the status of the fixed assets as on 31<sup>st</sup> March 2023 could not be ascertained in audit.

### **5. Payment of Statutory Dues**

The University was regular in payment of Statutory Dues.

*for and on behalf of the C&AG of India*

  
**Pr. Accountant General  
Arunachal Pradesh**

Place: **Itanagar**

Dated: **08<sup>th</sup> December 2023**