



**SEPARATE AUDIT REPORT  
ON THE ACCOUNTS OF THE  
ASSAM AGRICULTURAL UNIVERSITY, JORHAT**

**FOR THE YEAR 2014-15**

## **Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Assam Agricultural University, Jorhat for the year ended 31 March 2015**

We have audited the attached Receipts & Payments Account of Assam Agricultural University, Jorhat (University) for the year ended 31 March 2015 under Section 19(3) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 40(2) of the Assam Agricultural University Act, 1968. The audit has been entrusted for the accounting periods upto 2021-22. These financial statements include the accounts of 58 units of the University and preparation of this is the responsibility of the 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 & Auditor General of India (CAG) on the accounting treatment only with regard to 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 & 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 misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 Annual Accounts dealt with by this report have not been drawn up as envisaged under Section 40(2) of the Assam Agricultural University Act, 1968.**

- iii. In our opinion, proper books of accounts and other relevant records have been maintained by the University except those commented below as required in so far as it appears from our examination of such books.
- iv. We further report that:

**A. Balance sheet:**

Despite being regularly pointed out in the Audit Reports for earlier years, the University has not prepared its Balance Sheet in violation of section 40(2) of the Assam Agricultural University Act, 1968. The University had assured (May 2017) that the task of preparation of Balance Sheet was being entrusted to Chartered Accountant (CA). However, the Annual Accounts for 2014-15 submitted in January 2019, did not include Balance Sheet. Thus, assets and liabilities remained undisclosed due to non-adherence to statutory requirement.

**B Income and Expenditure**

The Annual Accounts prepared by the University for the year 2014-15 did not include Income and Expenditure for that year. Thus, the net result of the activities of the University i.e., surplus or deficit, as the case may be, for the year ended 31<sup>st</sup> March 2015, remained undisclosed to its stakeholders.

**C. Receipts and Payments Accounts:**

**C.1 Receipts:**

**C.1.1 Indian Council of Agricultural Research-₹ 59.27 crore**

The University accounted for an amount of ₹ 29.64 lakh received during 2014-15 from the ICAR as receipts for the year 2013-14. Similarly, receipt of ₹0.70 lakh received during 2015-16 from the ICAR was accounted for as receipts during 2014-15. This resulted in understatement of receipt under ICAR by ₹28.94 lakh during 2014-15 with corresponding overstatement of Opening and Closing balance by ₹29.64 lakh and ₹ 0.70 lakh respectively.

**C.1.2: Government of India and Others-₹ 21.11 crore.**

Opening balance under the above does not include ₹5.95 lakh received during 2013-14. Further, it includes ₹4.36 lakh actually received during 2015-16 from Government of India and Others. This resulted in understatement of both receipt and Closing balance by ₹ 1.59 lakh under the head.

**C.1.3: University Receipts/Refund-₹ 10.47 crore**

Receipt of ₹17.79 lakh during current year was accounted for as receipt during 2013-14. Further, receipt of ₹6.70 lakh actually received during 2015-16, was however

accounted for as receipt during 2014-15. This resulted in understatement of receipt during 2014-15 by ₹11.09 lakh under the head University Receipts/Refund with corresponding overstatement of both Opening and Closing balance by ₹17.79 lakh and ₹6.70 lakh respectively.

**C.1.4. Director, Bio-Technology, AAU interest amount-₹ 20 lakh.**

The above is understated by ₹ 2.90 lakh as the actual interest receipt from Director, Bio-Technology (DBT), AAU Axis Bank account was ₹22.90 lakh. This also understated the closing balance to that extent.

**C.2: Payments:**

**C.2.1:** Despite the fact that it was pointed out in earlier Audit Reports regarding adjustment of minus balance of ₹ 41.73 lakh under stock, the same was included as part of summary of the Receipts and Payments Account and led to the closing balance under Receipts and Payments Account being understated by that amount.

**D.1 Non-preparation of Receipts and Payments Account in proper format**

Receipts and Payments Account is a summarised position of Cash Book, wherein a summary of the cash transactions as in the Cash Book are analysed and classified under suitable heads, including the Opening and Closing Balances. The University has prepared Receipts and Payments Account; however, the details of Cash and Bank balances were not included in the accounts. The Opening and Closing balances shown in the accounts, are scheme-wise and not as per Cash/Bank accounts. Thus, the Receipts and Payments Account for the year 2014-15 prepared by the University, does not reflect the actual Opening and Closing balance of Cash/Bank accounts. The deficiency persisted despite this being pointed out in the Audit Reports for previous years.

**D.2 Significant Accounting Policies**

Despite the fact that it was pointed out in earlier Audit Reports, significant accounting policies on accounts were not spelt out in the Annual accounts for the year-2014-15.

**E. Grants-in-aid:**

Out of the total available fund of ₹310.42 crore (grants-in-aid ₹304.36 <sup>2</sup>crore received during the year, University receipt of ₹10.68 crore and after adjustment of previous

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<sup>2</sup> Including ₹19.62 crore received during March 2015

years' balance of (-) ₹ 4.62 crore), the University utilized ₹318.77 crore resulting in negative balance of ₹8.35 crore as on 31 March 2015.

**F. Management Letter**

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

v. Subject to our observations in the preceding paragraphs, we report that the Receipts & Payments Account dealt with by this Report is 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 read together with the significant matters stated above and other matters mentioned in **Annexure** to this Audit Report, **do not give a true and fair view** in conformity with accounting principles generally accepted in India.

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

**Place Guwahati**

**Date:-09 August 2019**



**Accountant General**

## ANNEXURE

**1. Adequacy in internal audit and internal control system:**

Though the Internal Audit Wing is in existence and strengthened by engagement of a Chartered Accountant, system of checking of records of different departments/sections, issue of Inspection Reports and follow up action, if any, were not produced to Audit.

**2. Regularity in payment of statutory dues:**

No significant delay in payment of statutory dues was observed.

**3. System of physical verification of fixed assets/inventory etc.:**

Physical verification of assets/inventory was not undertaken during the year.



**Deputy Accountant General(ES)**