



सत्यमेव जयते

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

FOR THE YEAR 2012-2013

Separate Audit Report of the Comptroller & Auditor General of India on the accounts of Assam Agricultural University, Jorhat for the year ended 31 March 2013

1. We have audited the attached Receipt & Payment Account of Assam Agricultural University (AAU), Jorhat for the year ended 31-3-2013 under Section 19(3) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 40(2) of Assam Agricultural University Act, 1968. The audit has been entrusted for the period upto 2012-13. These financial statements include the accounts of 58 units of the University and are 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 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 Report 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 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 our knowledge and belief were necessary for the purpose of our audit.
- ii. The Annual Accounts dealt with by this report did not include Balance Sheet, Income and Expenditure Account as these have not been drawn up by the University.

- 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

Annual Accounts for 2012-13, did not include Balance Sheet. Thus, assets and liabilities of the University as at 31 March 2013, remained undisclosed due to non-adherence to statutory requirement. This is a persistent observation in earlier audit reports, and the University failed to correct it despite written assurance.

B. Income and Expenditure Account

The Annual Accounts for the year 2012-13 did not include Income and Expenditure for the 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 31st March 2013 could not be known.

C. Receipts and Payments Accounts:

C.1 Receipts:

(a) ICAR **₹57.56 crore**

The University accounted an amount of ₹0.81 crore received in April 2013 from the Indian Council of Agricultural Research (ICAR) as receipts for the year 2012-13, though it was actually received in 2013-14. This had resulted in overstatement of Receipts of ICAR fund for the year 2012-13 and also Closing Balance by ₹0.81 crore.

(b) State Sector: Plan **₹90.91 crore**

An amount of ₹17.96 crore received (Dtd.05.04.2013 and 24.04.2014) under State Plan during the financial year 2013-14 as per the Grant Receipt Register, was however, reflected as received in the accounts for the FY 2012-13. This had resulted in overstatement of receipts and closing balance by ₹17.96 crore to that extent during 2012-13.

(c) State Sector: Non Plan **₹86.27 crore**

An amount of ₹5.76 crore received (Dtd.05.04.2013 and 23.04.2013) under State Plan, during the financial year 2013-14 as per the Grant Receipt Register, was however, reflected as received in the accounts for the FY 2012-13. This had resulted in overstatement of receipt and closing balance by ₹5.76 crore to that extent.

(d)RKVY AAU**₹21.13 crore**

An amount of ₹13.13 crore received (Dtd.12.04.2013) from RKVY, during the financial year 2013-14 as per the Grant Receipt Register, was however, reflected as received in the accounts for the FY 2012-13. This had resulted in overstatement of receipt and closing balance by ₹13.13 crore.

C.1.1 University Receipt/Earning**₹12.01 crore**

(a) The University failed to account for an amount of ₹71.93 lakh, received during the year as interest on TDR. Non-accounting of the interest amount in the Receipts and Payments Account for the year has resulted in understatement of Receipts, for the year and also Closing Balance by ₹71.93 lakh.

(b) In the Bank Reconciliation Statements of Bank Account Nos.10253825316 and 10253820769, an amount of ₹3.62 lakh deposited to these accounts, by way of cheques and challans were yet to be credited by the Bank. As the cheques deposited are more than one year old and the cheques have become stale (more than 6 months), the University should have adjusted these amounts in their accounts. Non-adjustment of the amount has resulted in overstatement of Receipts and also Closing Balance by ₹3.62 lakh.

C.2 Payments:**C.2.1 State Sector: Non plan****₹ 93.15 crore**

The University showed total expenditure of ₹47.92 crore under non plan and ₹43.46 crore under Plan. It was however seen that an amount of ₹69.92 crore was actually incurred under Non-Plan & ₹21.46 crore under Plan. The entire excess expenditure amounting to ₹22 crore (₹69.92 crore - ₹47.92 crore) under non-plan was shown as incurred under Plan allocation. This has resulted in understatement of Non-Plan expenditure and overstatement of Plan expenditure to the extent of ₹22 crore in the annual account for the year 2012-13.

C.3 Non-preparation of Receipts and Payments Account in proper format

Receipts and Payments Account is a summarised Cash Book, wherein a summary of the cash transactions as in the Cash Book are analysed and classified under suitable head of accounts, 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. Further, the Receipts and Payments Account in respect of Grants received from the Government of Assam (GoA), did not have an Opening and Closing Balance. Thus, the Receipts and Payments Account prepared by the University, does not reflect the actual Opening and Closing balances of Cash/ Bank accounts.

D. Grants-in Aid:

Out of the total available grant of ₹323.16 crore (Opening Balance: ₹30.13 crore), ₹293.03 crore received during the year (including University receipt of ₹12.01 crore), the University utilised ₹291.83 crore (including refund of grants of ₹11.56 crore), leaving unutilized balance of ₹31.33 crore as on 31st March 2013.

E. 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 receipt and payment 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 explanation given to us, the University has not drawn up Balance Sheet and Income and Expenditure account, thus together with the significant matters stated above and other matters mentioned in Annexure-1 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

Date:

Place: Guwahati


Accountant General (Audit), Assam

Annexure-I

1. Adequacy in Internal Audit:

Though the internal audit wing is in existence and strengthened by engagement of a Chartered Accountant, no system of checking of records of different department/sections, issue of Inspection Reports and follow up action have been introduced. This indicated inadequacy in Internal Audit System.

2. Adequacy in Internal Control

Internal Control System had the following deficiencies:

a) During audit it was noticed that though the annual accounts has been prepared based on 58 different DDOs but Receipts and Payments accounts of different DDOs has not been prepared with the seal signature of CA engaged by the University. Regular reconciliation accounts/figures booked by each DDO has not been done with the Central accounts maintained by the Comptroller of AAU Jorhat.

b) Besides it was noticed that figures booked in the Receipts and Payment accounts have not been supported by DDO wise detail statement/Annexure of expenditure.

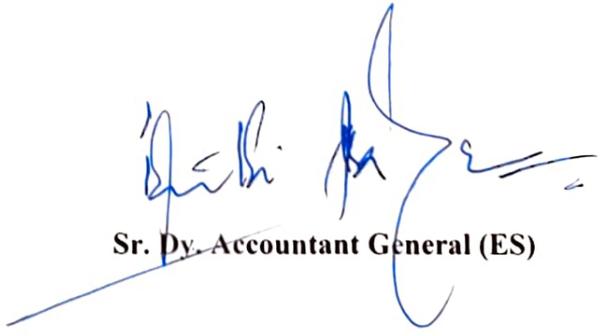
c) Adjustment bills against advances drawn by its staff were not submitted within the permissible period.

3. Regularity in payment of statutory Dues:

No significant delay in payment of statutory dues was observed.

4. System of physical verification of fixed assets/inventory etc.:

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



Sr. Dy. Accountant General (ES)