

[Draft]

No. AMG-II-A/SAR/GU/2019-20/852

Dated: 10-03-2021



लोकहितार्थं सत्यं विधातुम्
Dedicated to Truth in Public Interest

भारतीय लेखा परीक्षा और लेखा विभाग
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
प्रधान महालेखाकार (लेखा परीक्षा) का कार्यालय, त्रिपुरा, अगरतला
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT),
TRIPURA, AGARTALA

पिन/ PIN-799006 फैक्स/Fax-0381-2350158

ईमेल/email: agautripura@cag.gov.in

To
The Registrar,
Tripura University,
Suryamaninagar, Tripura West
PIN- 799022.

Compared.
Bij
11/03/2021.

Sir,

I am to send herewith the draft SAR on the Annual Accounts of the Tripura University, Suryamaninagar for the Financial Year 2019-20 with a request to furnish reply/comment within one week from the date of receipt of this report.

Yours faithfully, 1


Sr. Audit Officer/IIQ-II

Bij
10/03/2021.

AAO.
10/03/2021

DRAFT SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ANNUAL ACCOUNTS OF THE TRIPURA UNIVERSITY, SURYAMANINAGAR FOR THE YEAR ENDED 31 MARCH 2020

Compared
By 10/03/2021.

We have audited the attached Balance Sheet of the Tripura University, Suryamaninagar as on 31 March 2020, the Income and Expenditure Account and Receipts and Payments Account for the year ended on that date under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers & Conditions of Service) Act, 1971. These financial statements are the responsibility of the management of the Tripura University, Suryamaninagar. 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 and Auditor General (C&AG) of India 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 and Regulations (Propriety and Regularity) and efficiency-cum-performance aspects etc., if any, are reported through Inspection Reports/C&AG'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 check 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 Balance Sheet, Income and Expenditure Account/ Receipt and Payment Account dealt with by this report have been drawn up in the format prescribed by the Ministry of Education, formerly, Ministry of Human Resources Development (MHRD), the Government of India vide order No. 29-4/2012-FD dated 17 April 2015.

iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Tripura University, Suryamaninagar as far as it appears from our examination of such books.

iv) We further report that:

A. Balance Sheet

Application of Fund

Fixed Assets

Schedule-4

₹ 250.32 crore

Capital work in Progress

₹ 36.00 crore

A.1. The above head includes three capital works valued ₹ 36.00 crore which were completed in December 2018 and taken over from the agency in March 2019. This has resulted in understatement of Fixed Assets- Tangible Assets (Net Block) by ₹ 36.00 crore and understatement of accumulated depreciation of ₹ 1.44 crore. This also resulted in overstatement of Corpus/ Capital fund by ₹ 1.44 crore due to not making any provision for depreciation on these assets.

Tangible Assets

₹ 214.07 crore

Additions during the year

₹ 3.31 crore

A.2. The above head does not include books and journals, equipment and computers amounting to ₹ 69.34 lakh purchased during the financial year though accessions of the books had been completed during the financial year and computers and equipment were put to use. This has resulted in understatement of Fixed Assets- Tangible Assets (Net Block) by ₹ 48.47 lakh and understatement of accumulated depreciation of ₹ 20.86 lakh with understatement of Current Liabilities and Provisions by ₹ 69.34 lakh. This also resulted in overstatement of Corpus/ Capital fund by ₹ 20.86 lakh due to not making any provision for depreciation on these assets.

Equipment (Project)

₹ 1.87 crore

A.3 The above head includes computer/laptop valued ₹ 22.63 lakh purchased during the year and depreciation was charged @ 7.5% instead of 20%. As a result, 'Net Block of Assets' was understated by ₹ 2.83 lakh during the year with understatement of expenditure to the same extent. This has also resulted into overstatement of Corpus fund/ Capital fund by ₹ 2.83 lakh.

Loans/Advances & Deposits

Schedule-8

₹ 66.17 crore

Advance to suppliers

₹ 4.33 crore

A.4 This includes ₹ 3.63 crore advance payments made to National Informatics Centre Services Incorporated, New Delhi for implementation of Hotspot/Wi fi campus Network in Tripura University. The agency had completed the installation in February 2020 with a cost

of ₹ 2.27 crore. But the University has not yet capitalised it as Fixed Assets (Tangible assets). This has resulted in overstatement of the head 'Advance to suppliers' by ₹ 2.27 crore, understatement of Fixed Assets- Tangible Assets – Hot spot/Wifi (Net Block) by ₹ 1.82 crore, understatement of accumulated depreciation by ₹ 45.44 lakh. This also resulted in overstatement of Corpus/ Capital fund by ₹ 45.44 lakh due to not making any provision for depreciation on these assets.

Advance on Capital A/C-Civil Works

₹ 29.60 crore

A.5 This includes ₹ 23.50 crore amount deposited with the Central Public Works Department (CPWD) for execution of five components of works under "Construction of Phase-III project works (Part-I) at Tripura University. According to the progress & expenditure report submitted by the CPWD in January 2020, out of five components, two components were completed and three components were in progress. Financial expenditure as on January 2020 was ₹ 21.68 crore. But the University has not yet booked the expenditure under Capital Work in Progress under Fixed Assets. This has resulted in overstatement of the head 'Advance Capital A/C-Civil Works' by ₹ 21.68 crore and understatement of Capital Work in Progress to that extent.

TDS receivable

₹ 17.20 lakh

A.6 As per Accounting Format issued by the Ministry of Education (formerly MHRD), Gol income of the Institution is exempt from Income Tax under Section 10(23c) of the Income Tax Act. But during 2010-11 to 2019-20 banks had deducted ₹ 81.09 lakh on the interest earned by the University on FD and other agencies had deducted ₹ 1.29 lakh as TDS on the payments made to the University against sponsored projects. The University had engaged a CA firm (October 2018) for realisation of TDS deducted for the period from 2010-11 to 2017-18. Further, the University had filed a refund of ₹ 20.74 lakh for the year 2018-19. Thus, the TDS receivable account is understated by ₹ 65.18 lakh (₹ 82.38 lakh minus ₹ 17.20 lakh), income being interest on FD is understated by ₹ 63.89 lakh and liabilities towards receipts against sponsored projects is understated by ₹ 1.29 lakh.

Current Assets

Schedule-7

₹ 82.24 crore

Cash and Bank Balances (In deposit account)

₹ 50.16 crore

A.7 The above is understated by ₹ 15.96 lakh due to wrong accounting of the face value of the following term deposits:

Sl No	TD A/C No	Name of Bank	Investment date	Investment Amount	Amount considered in the account	Difference	(In Rupees) Remarks
1	30727455086	SBI	31-03-18	77,58,215	73,57,429	4,00,786	Bank deposit understated
2	31749611339		31-07-19	48,78,494	41,35,567	7,42,927	
3	31749596759		31-07-19	30,37,880	25,75,253	4,62,627	
4	33802036623		25-04-19	4,23,974	5,95,423	-1,71,449	Bank deposit overstated
5	33802040368		25-04-19	4,23,974	5,95,423	-1,71,449	
3	30328440692	Bank of Maharashtra	30-03-20	53,33,008	50,00,000	3,33,008	Bank deposit understated
Total:						15,96,450	

This has also resulted in a corresponding understatement of the "Corpus Fund/ Capital fund" to that extent.

Current Assets	Schedule-7	₹ 82.24 crore
Cash and Bank Balances (In savings account)		₹ 31.77 crore

A.8 The above head is understated by ₹ 33.17 lakh due to non-reversal of 201 stale cheques issued during the period from 5 September 2016 to 3 December 2019. This has also resulted in corresponding understatement of liabilities by the same amount against which the cheques were originally issued but remained unpaid.

Sources of fund		
Current Liabilities and Provision	Schedule-7	₹ 215.43 crore

A.9 In terms of instructions issued (13 April 2020) by the University Grants Commission all interests earned against Grants-in-Aid (other than reimbursement) released during 2019-20 to university should be mandatorily remitted to UGC account immediately after finalisation of accounts. Any interest earned out of Grants-in-Aid should not be treated as additional funds over and above the allocation. But in contravention of the instructions issued by the UGC, University had shown the bank interest of ₹ 22.66 lakh received during 2019-20 as income under Schedule 12 instead of showing it under Current Liabilities and Provisions. Thus, Current Liabilities and Provisions is understated by ₹ 22.66 lakh and income is overstated by ₹ 22.66 lakh with corresponding overstatement of Corpus fund/ capital fund to that extent.

A.10 This does not include claims of ₹ 50.03 lakh submitted for Children Education Allowances, medical reimbursement, Telephone bill, LTC, arrear salary, TA/DA (experts) etc. for the year 2019-20. This has resulted in understatement of Current Liabilities by ₹ 50.03 lakh with corresponding overstatement of excess of income over expenditure as well as Corpus/ Capital fund by ₹ 50.03 lakh due to not making any provision against those claims.

Sources of fund

Designated/Earmarked/Endowment funds	Schedule-2	₹ 30.63 lakh
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A.11 The above head does not include Student Welfare Fund of ₹ 18.31 lakh. in contravention of the notification (17 April 2015) issued by the Government of India, rather it incorporates it under Schedule 9- Academic Receipts. This has resulted in understatement of Designated/Earmarked/Endowment Fund and overstatement of Income during the year by ₹ 18.31 lakh with corresponding overstatement of Capital Fund by same amount.

B. Income and Expenditure Account

C. General

Balance sheet

Application of fund

Current Assets

Schedule-7

₹ 82.24 crore

Cash and Bank balances

With Scheduled Banks

In Current Accounts

₹ 31.04 lakh

C.1 Above represents one Current Account (bearing No. 30239002957) in State Bank of India with balance of ₹ 31.04 lakh as on 31 March 2020. Footnote below Annexure-A of Schedule-7 revealed that the account is inoperative since 2008 and no Bank Statement is available on record. But Bank has certified the closing balance against this account as ₹ 22.19 lakh as on 31 March 2020. Reason for differences may be assessed and based on the assessment action may be taken.

In Savings Accounts

₹ 31.77 crore

C.2 The University is having 18 numbers of dormant savings accounts as on 31 March 2020. Necessity of the above dormant savings bank accounts may be assessed and based on the assessment action may be taken for their closure, if required.

Loans/ Advances and Deposits	Schedule-8	₹ 66.17 crore
Advance to employee (Non-interest bearing)	Sub Schedule 8A	₹ 3.30 crore

C.3 The above includes ₹ 34.51 lakh lying with 100 employees against whom no recovery was made during the year of which four had been retired from service or died. Instances of excess recovery of ₹ 5.45 lakh were noticed against 19 employees during the year and earlier years. Further, few advances were still persist though adjusted long before.

Balance sheet		
Sources of fund		
Current Liabilities and Provisions	Schedule-3	₹ 215.43 crore
Sundry Creditors		
Goods & Services		₹ 3.07 crore

C.4 Sundry creditors for Goods and Services includes a provision of ₹ 83.52 lakh made in earlier years of which ₹ 65.15 lakh was still existed at the end of 2019-20. Out of ₹ 65.15 lakh, 16 unpaid bills amounting to ₹ 14.45 lakh pertaining to 2018-19, were shown to audit and bills amounting to ₹ 50.70 lakh could not be traced out. As a result, in absence of records viz., register, working sheet etc, status of the items against which sundry creditors were created could not be verified in audit.

Non settlement of liabilities for years together resulted in overstatement of "Sundry Creditors" under the head "Current Liabilities and Provisions" at the end of 2019-20.

In absence of incurring any expenditure, those liabilities (₹ 50.70 lakh) resulted in an unspent balance till end of 2019-20. The University had already furnished utilization certificates in earlier years in support of utilization of grant which may not depict true picture of unspent balance.

Current Liabilities and Provisions	Schedule-3	₹ 215.43 crore
Deposit from students		₹ 22.28 lakh

C.5 In terms of instructions and accounting principles notified by Ministry of Education (formerly MHRD), the amount of caution money refundable to students during 12 months from the balance sheet date should be shown as 'From current students' and 'From ex-students'. However, the University booked the above under the head "Deposits from students" with no detailed break-up in the Schedule.

Receipts against sponsored projects
Sponsored Fellowship and Scholarships

Schedule 3A
Schedule 3B

₹ 10.95 crore
₹ 7.65 lakh

C.6 The sponsored project has shown a negative individual closing balance ranging from - ₹ 200 to ₹ 5.44 lakh against 27 numbers of projects, which needs reconciliation. Discrepancies were also noticed between closing balances shown against individual projects in Schedule 3A and closing balances shown in the concerned project files. Further, University did not maintain any ledger showing project wise details. As a result, in absence of ledger, authenticity of the closing balances shown against individual projects could not be verified in audit.

Significant Accounting Policies
Contingent liabilities and notes to accounts

Schedule 23
Schedule 24

C.7 As per Accounting Format issued by the Ministry of Education (formerly MHRD), GoI income of the Institution is exempted from Income Tax under Section 10(23c) of the Income Tax Act. But banks have deducted TDS on the interest of FD earned by the University during the year and earlier years. The University had engaged a CA firm (October 2018) for realisation of TDS deducted for the period from 2010-11 to 2017-18 and obtaining exemption certificate from the Income Tax Department u/s 10 (23 C). As on 31 March 2020, the University possessed no exemption certificate from the Income Tax Department under section 10 (23 C) and this fact was not disclosed in the Notes to the accounts.

Contingent liabilities and notes to accounts

Schedule 24

C.8 Point No. 9 of the above discloses that "balances held in New Pension Schemes (NPS) in the Institution in respect of about 13 members will be transferred in instalment basis once the Permanent Retirement Account Numbers (PRAN) are allotted by the agency.

Scrutiny of salary bill of March 2020 revealed that no NPS/GPF had been deducted during the month against 13 employees (8 teaching staff and 5 Non-teaching staff), as detailed in Annexure. Management also stated that notifications were issued to the employees on 14 December 2020 and 4 January 2021. In one case NPS had opened and in one case continued the old GPF account on receipt of pro-rata retirement benefits from the parent department. No PRAN application with respect to the above employees are pending with the Institution as on December 2020.

The above contradictory position may please be checked. The University may ensure that all NPS employees have applied for PRAN and deduction of contribution towards NPS from the salary bills.

Contingent liabilities and notes to accounts Schedule 24

C.9 As per format of Ministry of Education (formerly MHRD), 'The Educational Institutions should host the information regarding number of students, number of teachers/professors, Building funds, sports activities, co-curricular activities, development charges, compliance with statutory dues and salary structure of teachers/ professors to enable all stake holders to have a bird's eye view of the institution capacity and capability. No such disclosures have been made in its Notes to Account.

D. Grant-in-aid

During the financial year 2019-20, the Institute had received ₹ 98.74 crore {Salary (36): 62.16 crore; Recurring (31): ₹ 30.93 crore, Capital Assets: ₹ 5.50 crore and specific development scheme: ₹ 0.14 crore} as Grant-in-Aid from the Government of India. An unspent balance of ₹ 24.23 crore was lying with the Institute as on 1 April 2019 while the internal income of the Institute for the year 2019-20 was ₹ 12.50 crore. Against a total available fund of ₹ 135.47 crore, the Institute could utilize only ₹ 67.82 crore against the GIA during the year leaving an unspent balance of ₹ 67.65 crore (GIA: ₹ 55.15 crore and Internal Income: ₹ 12.50 crore) as on 31 March 2020.

v) Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Income and Expenditure Account and Receipts and Payments 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 the explanations given to us, the said financial statements read with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in *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 University, Agartala as at 31 March 2020.
- b. In so far as it relates to Income and Expenditure Account of the deficit for the year ended on that date.

For and on behalf of the
Comptroller & Auditor General of India

Date : March 2021
Place : Agartala

S. Velliangiri
(S. Velliangiri) 11.3.2021
Accountant General (Audit), Tripura

Annexure

INTERNAL CONTROL AND INTERNAL AUDIT

Audit evaluation of internal control and internal audit system is summarised as under:

1. Adequacy of internal control system:

- (i) The University had not prepared its own accounting manual.
- (ii) It was noticed from the note below Annexure-A of Schedule-7 that one Bank Account (30239002957) namely "SBI Current Account (Central)" is inoperative since 2008. Closing Balances against this account is shown as ₹ 31.04 lakh. But Bank has certified the closing balance against this account as ₹ 22.19 lakh. Reason for differences was neither found on record nor stated to audit. Differences of ₹ 8.85 lakh needs to be assessed and on the basis of assessment appropriate action needs to be taken.
- (iii) Bank Reconciliation Statement indicates presence of stale cheques which needed to be written back.
- (iv) Advances to employees are lying unadjusted for more than one year. During the year no recovery was made against the outstanding amount of ₹ 34.51 lakh lying with 100 employees. Further, excess recovery of ₹ 5.45 lakh was made against 19 employees during the year and preceding years.
- (v) Fixed Deposit face values were not correctly recorded.
- (vi) As on 31 March 2020, the University possessed no exemption certificate from the Income Tax Department under section 10 (23 C).
- (vii) 18 numbers of dormant savings accounts existed as on 31 March 2020.
- (viii) Deduction of contribution towards NPS from the salary bills were not being done as on 31 March 2020.
- (ix) Liability of certain expenditures were not considered while preparing the accounts.
- (x) Working sheet in support of the figures viz., Sundry creditors, agency wise and work wise advance given to contractors for civil works, Capital work-in progress etc. shown in annual accounts was not made available to audit. As a result, in absence of details, status of the items against which advances were given, sundry creditors were created, status of works shown under Capital-Work-in progress could not be verified in audit.
- (xi) There were instances of completion of capital works which were completed and taken over, but these were not transferred to "Tangible Assets". As example, three capital works valued ₹ 36.89 crore were already completed and put to use but in the annual accounts these were shown as Capital work in

Progress. The University has not yet capitalised the above works as Fixed Assets (Tangible assets).

(xii) Against 27 sponsored projects showed in Schedule 3A, closing balances were shown as negative balances ranging from - ₹ 200 to ₹ 5.44 lakh. Discrepancies were also noticed between closing balances shown against individual projects in Schedule 3A and closing balances shown in the concerned project files. Further, University did not maintain any ledger showing project wise details. As a result, in absence of ledger, authenticity of the closing balances shown against individual projects could not be verified in audit.

2. Adequacy of internal audit system:

- (i) Internal audit manual had not been prepared.
- (ii) As stated by the University, there is no Internal audit Wing. A committee had been constituted (5 June 2020) for conducting physical verification and Internal Audit for the financial year 2019-20. Report of the committee is awaited.

3. System of physical verification of fixed assets and inventory

- (i) It was noticed from Schedule-7 that inventories were not accounted for and the fact was also not disclosed.
- (ii) The physical verification report of fixed assets (movable assets) and inventories was prepared (10 December 2020) only for those assets which were damaged or not in working condition. However, steps taken to dispose those assets were not available on record.
- (iii) Physical verification of books and journals procured in earlier years were not conducted at the end of March 2020.

4. The liability of ₹ 50.70 lakh created in the earlier years still existed at the end of March 2020 which reflects a poor internal control of the organisation. The University needs to conduct a review of all such liabilities created in the accounts and correct the accounts as it distorts the true and fair view of statement of affairs of the University. Further, the Institute already had furnished utilization certificates in earlier years in support of utilisation of Grant which did not depict true picture of unspent balance and also it resulted into misreporting to the Government of India.

This suggests that the internal control system of the University was inadequate and needs improvements.


Sr. Audit Officer/UQ-II



भारतमेव एकते

विश्वविद्यालय अनुदान आयोग

University Grants Commission
मानव संसाधन विकास मंत्रालय, भारत सरकार
(Ministry of Human Resource Development, Govt. of India)
बहादुरशाह ज़ाफर मार्ग नई दिल्ली - 110 002
Bahadurshah Zafar Marg, New Delhi-110002
Phone : 011-23604429



ज्ञान-विज्ञान विमुक्तये

March, 2020

7 MAR 2020

No.F.51-3/2019(CU)

The Registrar
Tripura University
Suryamaninagar
Agartala
Tripura – 799 130

Subject: Approval of Grants-in-aid to Tripura University under Grant-in-Aid Capital Assets for the year 2019-2020

Sir,

I am directed to convey the approval of the University Grants Commission for an amount **Rs.1,50,00,000/- (Rupees One Crore Fifty Lakh Only)** to Tripura University, Suryamaninagar, Agartala, Tripura – 799 130 under Grant-in-Aid Capital Assets for the year 2019-2020 as under:-

(Rs. in Lakhs)

Revised Allocation under Capital Assets		Items / Head of Accounts		Grant already released	Grant now sanctioned	Total Grant released so far
Books & Journal	100.00	Grants in aid Capital Assets (35)	CU Gen. I (D) 35	361.60	136.00	497.60
Small Equipments/ Laboratories etc.	100.00					
Campus Dev.	100.00					
Other infrastructure including furniture & fixture	100.00		CU SC I (E) 35	26.40	9.00	35.40
Library Support preferably E-Resource	100.00					
Repair/Renovation/Constructions of Toilets under SBA	50.00		CU ST I (F) 35	12.00	5.00	17.00
Wi-Fi	0.00					
Specific purposes	0.00					
Total	550.00			400.00	150.00	550.00

The sanction letter of the above mentioned grant is being issued separately under General, SC, ST Component.

Yours faithfully

(Kulvinder Kaur)
Deputy Secretary

Copy to:-

1. The Finance Officer, Tripura University, Suryamaninagar, Agartala, Tripura – 799 130
2. Policy File No. F.1-3/2019(CU)
3. Computer File

(V Talreja)
Section Officer