

**Separate Audit Report of the Comptroller and Auditor General of India on the Account of University of Delhi for the year ended 31 March 2016**

We have audited the attached Balance Sheet of **University of Delhi** as at 31 March 2016, Income & Expenditure Account and Receipts and Payments Accounts 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 read with Section 39(1) of the Delhi University Act No. VIII of 1922. These financial statements include the accounts of University of Delhi, University Press, Hall and Hostels and 13 Maintained Institutions. These financial statements are the responsibility of the Management of University of Delhi. 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 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 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 except stated in report in Comment No. B (Miranda House) and Physical Verification of consumable item in respect of Aryabhatta College and Fixed Assets Register (Ram Lal Anand College), which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii The Balance Sheet, Income & Expenditure Account and Receipts & Payments Accounts dealt with by this report have been drawn up in the format prescribed by the Government of India, Ministry of Human Resource Development.

iii In our opinion, proper books of accounts and other relevant records except FD registers (Miranda House College) and Fixed Assets register (Vallabhbai Patel Chest Institute) have been maintained by University of Delhi in so far as it appears from our examination of such books subject to observations incorporated in the report.

iv We further report that:

**A. Balance Sheet**

**A.1 Source of Funds**

**A.1.1 Designated/Earmarked/Endowment Funds (Schedule-2) – Rs. 535.74 crore**

The above include investment of Rs. 34.55 crore, out of which investment worth Rs.22.95 crore was made under 8% Bonds for which University was receiving interest @ 8%

biannually i.e. on 1<sup>st</sup> of August and 1<sup>st</sup> of February every year. The University has not shown accrued interest for 2 months i.e. February and March 2016 in the accounts and included interest of February and March 2015 of previous year. The University should follow the accrual system of accounting and expenses/income pertaining to current year included in accounts.

**A.1.2 Current Liabilities & Provisions (Schedule-3) – Rs. 2623.29 crore**

The above do not include liabilities for expenses due but not paid amounting to Rs. 1.61 crore. The University should follow the accrual system of accounting and expenses/income pertaining to current year included in Accounts. This has resulted in understatement of Current Liabilities and Provisions as well as Expenditure and overstatement of Capital Fund by Rs. 1.61 crore.

**A.2 Application of Funds**

**A.1.2 Current Assets-(Schedule -7) - Rs. 1082.79 crore**

The above do not include Rs. 0.84 lakh receivable on account of license fee/ electricity charges/ water charges etc. from the various outlets running in the premises of University of Delhi as on 31.03.2016. This has resulted in understatement of Current Assets and Capital Fund by 0.84 lakh. As per Significant Accounting Policy No. 2 (b) Income from Land Buildings and other Property are accounted for on cash basis. This accounting policy is also contravention of the preparation of accounts on accrual basis.

**B. Balance Sheet (Provident Fund Account)**

**B.1 Assets**

**B.1.1 Investment (Bonds) - Rs.116.78 crore**

The University invested funds of GPF/CPF amounting to Rs.116.78 crore under 8% Bonds for which University was receiving interest @ 8% biannually i.e. on 1<sup>st</sup> of August and 1<sup>st</sup> of February every year. The University has not shown accrued interest for 2 months i.e. February and March 2016 in the accounts and included interest of February and March 2015 of previous year. The University should follow the accrual system of accounting and expenses/income pertaining to current year included in accounts.

**C. Contingent Liabilities and Notes on Accounts (Schedule-24)**

An amount of Rs. 14.25 crore was payable to ECIL as balance payment for supplying and commissioning of security equipment related to various venues of DU areas during Commonwealth Games 2010 (against bill amount of Rs. 28.23 crore). The balance payment was stopped by the Ministry of Home Affairs as the matter is sub judice in the Hon'ble Court. The same should be disclosed under the above head.

**D. Halls and Hostels**

**D.1 Aravali P.G. Men's Hostel**

**Balance Sheet**

**Application of Funds**

**Investment- Others (Schedule– 6) - Rs.0.09 crore**

The Hostel invested in FDs Rs. 2.50 lakh on 9.12.2014 and Rs. 7.00 lakh on 17.12.2014 with the maturity date 9.12.2015 and 17.12.2015 respectively. The Hostel further reinvested the same with the maturity value i.e. Rs. 2.89 lakh and Rs. 7.61 lakh for another one year w.e.f. 9.12.2015 and 17.12.2015 respectively. But in the accounts Hostel reflected the investment of Rs 9.50 lakh instead of reinvested value Rs. 10.50 lakh. This resulted in understatement of Investment and Capital Fund by Rs. 1.00 lakh.

## **D.2 Saramati P.G. Men's Hostel**

### **Loans, Advances & Deposits (Schedule-8) – Rs. 0.59 lakh**

- (i) The above do not include accrued interest of Rs. 0.91 lakh on investment of Rs. 42.89 lakh. This has resulted in understatement of Current Assets and Capital Fund by Rs. 0.91 lakh.
- (ii) TDS of Rs. 0.73 lakh was deducted by bank on interest income of investment of Rs. 40.00 lakh but in the accounts the same has been shown as Rs.0.60 lakh. This has resulted in understatement of Current Assets (Claim receivable) and Capital Fund by Rs. 0.13 lakh.

## **D.3 International Students House for Women**

### **(i) Investment- Others (Schedule – 6) - Rs. 80.05 lakh**

As per records of the Hostel a sum of Rs. 87.88 lakh was invested in FDs with the Syndicate Bank during the Financial Year 2015-16 whereas in the accounts Investment was shown as Rs. 80.05 lakh. The difference of Rs. 7.83 lakh needs to be reconciled.

### **(ii) Loans, Advances & Deposits (Schedule 8)-Rs. 14.33 lakh**

The above include accrued interest of Rs. 14.18 lakh which is inclusive of interest received for the year amounting to Rs. 3.97 lakh resulting in overstatement of Loans, Advances & Deposits by Rs. 3.97 lakh

Further accrued interest on FDs amounting to Rs. 14.18 lakh includes accrued interest up to 31.3.2015 amounting to Rs. 6.61 lakh. The interest received out of this during the year 2015-16 needs to be deducted from the figure of accrued interest. The amount could not be quantified.

## **E. General**

### **E.1 Bank-Reconciliation**

- (i) The position of Banks Reconciliation Statements of the 25 bank accounts of University of Delhi as on 31<sup>st</sup> March 2016 is given in Annexure 2.

It can be seen from the annexure that an amount of Rs. 74.28 lakh represents cheques issued but not encashed for the period from May 2007 to December 2015. These cheques have now become time barred but have not been taken back in the cash book and shown as liability.

An amount of Rs. 7.44 crore represents amount debited by bank but not taken in cash book. This needs to be examined further and reconciled.

An amount of Rs. 2.45 crore represents amount credited by bank but not taken in cash book. Thus, amount of Rs. 2.45 crore has remained out of accounts.

An amount of Rs. 87.59 lakh has been shown as cheques deposited in bank but not credited by bank. These cases need investigation with particular emphasis on old cases.

Similarly, direct entries of Rs. 7.74 crore found in cash book, but it was not found in Bank Statement.

Due to non-reconciliation of these bank accounts audit could not verify the correctness of these 25 bank accounts. Therefore, proper action needs to be taken at the earliest to reconcile the same.

(ii) Scrutiny of Bank Reconciliation Statements (BRS) of the following bank accounts of University of Delhi revealed un-reconciled amount as detailed below:

| Sl. No. | Bank Account No.   | Unreconciled amount (Difference) (Rs.) | Remarks   |
|---------|--|--|---|
| 1       | CPDHE<br>(10851299813)   | 7,460                                  | Since 2011-12   |
| 2.      | DU Resource<br>Generation<br>(10851300636)                     | 82,39,122                              | Difference continues from long time, details not available, |
| 3.      | Director of Hindi<br>Medium<br>Implementation<br>(10851299303) | 33,025                                 | Since 1998-99, details not available                        |

The differences are continuing since long and DU has not been able to reconcile the amount.

## F Grants in aid

University of Delhi received grants-in-aid of Rs. 433.95 crore (out of which Rs. 102.86 crore were received in the month of March 2016) from the Ministry of Human Resource Development through University Grants Commission during the year 2015-16. It had an opening balance of Rs. 54.80 crore and generated its own receipts of Rs.108.49 crore. Out of total amount of Rs.597.24 crore, it utilized Rs. 531.22 crore leaving a balance of Rs.66.02 crore.

## Part-II

### Maintained Institutions

#### A. Introductory

During 2015-16, the University of Delhi had 13 institutions (hereinafter referred to as Maintained Institutions), which formed an integral part of the University according to its Statutes. The Maintained Institutions were mainly financed by grants from UGC for maintenance purposes and for specific schemes/projects. The Institutions were partly financed by the University of Delhi and partly by the Union Government (Ministry of Health and Family Welfare or Ministry of Agriculture) and UGC. Other sources of receipts of these institutions were fees realised from students, rent of the buildings, receipts from auxiliary services, etc. The University was maintaining the following 13 Institutions:

(i) Agricultural Economics Research Centre

- (ii) Aryabhata College
- (iii) Dyal Singh College (Morning)
- (iv) Dyal Singh College (Evening)
- (v) Kirori Mal College
- (vi) Miranda House
- (vii) Ramanujan College
- (viii) Ram Lal Anand College (Day)
- (ix) Vallabhbhai Patel Chest Institute
- (x) University College of Medical Sciences
- (xi) School of Open Learning
- (xii) Deshbandhu College
- (xiii) College of Vocational Studies

#### **Comment on Accounts**

##### **A. Non-provision for pension, gratuity and leave encashment**

- (i) As per the Significant Accounting Policy of Agricultural Economics Research Centre and Dyal Singh College (Evening) the retirement benefits are accounted for on cash basis in contravention of Accounting Standard 15 issued by the ICAI and Uniform Format of Accounts.
- (ii) Similarly School of Open Learning, College of Vocational Studies, Dyal Singh College (Day), Deshbandhu College, Kirori Mal College and Ram Lal Anand College had neither disclosed any Accounting Policy nor made any provision for liability towards gratuity, pension and leave encashment of employees as per actuarial valuation which is not in accordance with the uniform format of accounts and AS-15.

#### **Agricultural Economics Research Centre**

##### **A. Balance Sheet**

###### **A.1 Current Liabilities & Provisions (Schedule-3) – Rs. 43.04 lakh**

The above do not include liabilities for expenses amounting to Rs. 4.70 lakh (salaries and wages for the month of March 2016) and included salary of the month of March 2015. Centre should follow the accrual system of accounting.

##### **B. Grant-in-Aid**

The Agricultural Economics Research Centre, University of Delhi received Plan grants-in-aid of Rs. 120.00 lakh from the Ministry of Agriculture during the year 2015-16. It had an opening balance of Rs. 35.39 lakh. Out of the total fund of Rs.155.39 lakh, it utilised Rs. 118.39 lakh leaving a balance of Rs.37.00 lakh.

## Aryabhata College

### A. Balance Sheet

#### A.1. Liabilities

##### A.1.1. Current Liabilities and Provisions (Schedule 3) – Rs. 17.53 crore

The above do not include unutilized Non Plan grant- in- aid of Rs. 11.36 crore (inclusive of internal receipts of the college) resulting in understatement of Current Liabilities and Provisions and Overstatement of Capital Fund by Rs. 11.36 crore.

### B. Income & Expenditure Account

#### B.1. Income

##### B.1.1. Grant/Subsidies (Schedule 10) – Rs. 604.39 lakh

The above do not include Plan grant in aid of Rs. 2.76 lakh (Research Project 0.48 lakh and travel grant teachers Rs. 2.28 lakh) received during the year. This resulted in understatement of Grant/Subsidies by Rs. 2.76 lakh.

#### C. General

**C.1** As per the MHRD format the grant-in-aid utilised for revenue expenditure is to be taken to the Income & Expenditure Account. But the college had taken the entire non-Plan grant-in-aid received during the year amounting to Rs. 20.33 crore to the Income & Expenditure Account. This is contravention of the MHRD format.

**C.2** The schedule 10 has not been correctly drawn as detailed below:-

(i) The opening balance of Non-Plan Grant-in-aid has not been taken in schedule 10. As per the last year audit report the college had unutilised Non-Plan grant-in-aid is Rs. 5.32 crore (inclusive of own receipts of the college). This has resulted in understatement of the unutilised grant-in-aid as on 31/3/2016 in schedule 10.

(ii) Internal receipts of the college has been shown in schedule 10 whereas the schedule 10 pertain to grants/subsidies. Only those receipts which can be attributed to the grant-in-aid such as interest income earned on unutilised grant-in-aid should be shown under this schedule and not the entire internal receipts of the college.

(iii) The Non-Plan expenditure of Rs. 1465.51 lakh shown in the accounts in schedule 10 includes depreciation of Rs.20.59 lakh for which there is not cash outgo and for which grants-in-aid is not sanctioned by the Ministry.

**C.3** As per the format of accounts prescribed by MHRD, payment to contractual employees is to be shown under other Administrative expenses and not under Establishment expenses (staff payments) but the college booked an expenditure of Rs. 3.26 lakh on salary to contractual staff under Establishment expenses (staff payments and benefits). This needs to be rectified.

#### C.4 Bank Reconciliation

Scrutiny of the Bank Reconciliation Statements of Aryabhata College revealed the following discrepancies.

Amount in Rs.

| Sl. No. | Account No. | Cheques issued but not encashed |
|---------|-------------|---------------------------------|
|---------|-------------|---------------------------------|

|          |  |                               |
|----------|--|-------------------------------|
| <b>1</b> | <b>403502010000653</b>                                 | 9,057 (Aug 13)                |
| <b>2</b> | <b>Development Fund Account<br/>(4035020100006060)</b> | 86,490 (May15 to December 15) |
|          | <b>G. Total</b>  | <b>95547</b>                  |

An amount of Rs. 95,547 represents cheques issued but not encashed ranging from August 2013 to December 2015. As these cheques have now become time barred these should be written back and shown as liability in the accounts.

**C.5** Accrued interest on various investments had not been taken in the accounts. The amount could not be quantified.

**D. Grant-in-aid**

The college has an opening balance of grant of Rs. 1187.93 lakh (Non-Plan: Rs. 532.08 lakh and Plan: Rs. 655.85 lakh) and it received grant of Rs. 2036.11 lakh (Non-Plan: Rs. 2033.13 lakh and Plan: Rs. 2.98 lakh) during the year. It had its own receipts of Rs.83.45 lakh (Non-Plan: Rs. 39.78 lakh & Plan: Rs. 43.67 lakh). Out of the total available grants of Rs. 3307.49 lakh (Non-Plan: Rs. 2604.99 lakh & Plan: Rs. 702.50 lakh) the college utilized Rs. 1849.20 lakh (Non-Plan Rs.1468.51 lakh and Plan 380.69 lakh) leaving unutilized grant of Rs. 1458.29 lakh (Non-Plan: Rs.1136.48 lakh and Plan: Rs.321.81 lakh).

**Dyal Singh College (Morning)**

**A. Balance Sheet**

**A.1 Liabilities**

**A.1.1 Current Liabilities & Provision (Schedule 3)-Rs. 30.10 crore**

The above do not include provision for expenses amounting to Rs. 2.26 lakh (Water consumption Bill: Rs. 2.25 lakh for the period Nov 2015 to March 2016 and Telephone bill: Rs. 997 for March 2016) paid/payable in April 2016. This resulted in understatement of Current Liabilities & Provisions as well as expenses and overstatement of Capital Fund by Rs. 2.26 lakh.

**A.2 Assets**

**A.2.1 Fixed Assets (Schedule 4)-Rs. 3603.85 crore**

**A.2.1.1** The above include value of land amounting to Rs. 3602.12 crore. As per the record, the said land is on lease basis allotted by the Land and Development Office, Ministry of Urban Development in 1959 and 1983 and annual lease charges are being paid by the College to Land and Development Department. As the ownership of the land do not belong to the college the fact should be disclosed in Notes to accounts.

**A.2.1.2** The fact that gifted assets amounting to Rs. 427.11 lakh (1687 Laptops: Rs. 415.36 lakh and 25 Projectors: Rs. 11.75 lakh) received in 2013-14 and 2012-13 respectively from University of Delhi was not disclosed in Notes to Accounts. The fact should be disclosed in Notes to Accounts.

Similarly, 48 laptops, 80 Desktop, 2 Servers and one Lex-air-camera-scanner were received by the college from University of Delhi between 2012-2015. The cost of these goods may be assessed and fact should be disclosed in Notes to Accounts.

**A.2.1.3** The above do not include capital expenditure of Rs. 726.07 lakh on construction of new building and renovation etc. from the OBC grants for the period 2008-2016 and completion certificate of these projects have not been issued till date. Neither the amount has been shown under the head “Capital work-in-progress” nor in Current Assets. This resulted in understatement of Work-in-progress and Corpus/Capital Fund by Rs. 726.07 lakh. This was also pointed out in last year report.

**A.2.2 Loans, Advances & Deposits etc. (Schedule 8)-Rs. 0.57 crore**

The above do not include security deposit of Rs. 3.92 lakh paid to DISCOM (BSES) in earlier year for electricity connection. This resulted in understatement of Loans, Advances & Deposits as well as Capital Fund by Rs. 3.92 lakh.

**B. General**

**B.1 Bank Reconciliation Statement**

There were differences in the balances shown in the bank reconciliation statements and as per bank certificate in three accounts as detailed below :-

**Amount in Rs.**

| <b>Account no.</b> | <b>Balance of Bank as on 31.3.2016 as per BRS</b> | <b>Balance as on 31.3.2016 as per bank certificate</b> | <b>Difference</b> |
|--------------------|---|--|-------------------|
| 66013734119        | 13,17,68,223.24                                   | 13,07,06,002.09  | 10,62,221.15      |
| 66013734629        | 2,13,368.00                                       | 2,08,646.00  | 4,722             |
| 66013734652        | 1,25,462.00                                       | 13,69,403.00   | (12,43,941)       |

Due to these differences audit could not verify the bank balances shown in the accounts.

**C. Grants in aid**

The College is financed by the University Grants Commission. During the year 2015-16 it received grant of Rs.5172.71 lakh (Rs. 1530.09 lakh was received in the month of March 2015). It had an opening balance of Rs. 1100.79 lakh. Out of total grant of Rs. 6273.50 lakh, it utilised Rs. 4440.56 lakh leaving a unspent balance of Rs. 1832.94 lakh.

The college had an opening balance of Rs. 24.57 lakh towards grant received under XII Plan Development assistance from UGC. Out of this, college utilised Rs. 3.69 lakh leaving a balance of Rs. 20.88 lakh.

**Dyal Singh College (Evening)**

**A. Balance Sheet**

**A.1 Liabilities**

**A.1.1 Current Liabilities and Provisions (Schedule 3) - Rs. 10.19 crore**

The above include interest income of Rs. 58.81 lakh on investments of Security Account. This amount should be shown as income in the Income & Expenditure Account as this is not



refundable. This has resulted in understatement of income with consequent understatement of Capital Fund and overstatement of Current Liabilities and Provisions by Rs.58.81 lakh.

**A.1.2** The above include unclaimed caution money of Rs. 42.22 lakh under the subhead "Other Funds-Miscellaneous". This should be taken as Income in the Income & Expenditure Account. This has resulted in understatement of income with consequent understatement of Capital Fund and overstatement of Current Liabilities and Provisions by Rs.42.22 lakh.

## **A.2 Assets**

### **A.2.1 Fixed Assets (Schedule 4)-Rs. 25.64 lakh**

The above does not include fixed assets purchased during the year amounting to Rs. 88,695. This has resulted in understatement of Fixed Assets as well as Capital Fund by Rs.88,695 and for Gifted books fact may be disclosed in Notes to Accounts.

## **B. General**

**B.1** Schedule 10 of the Accounts pertaining to Grant /Subsidies has not been correctly drawn:-

(i) College had an opening balance of Non-Plan Grant of Rs. 169.10 lakh as on 1/4/2015 but the same has not been taken in schedule 10.

(ii) The college refunded Plan Grant of Rs.295.96 lakh to the University of Delhi but the same has been shown in schedule 10 as grant utilised for revenue expenditure instead of refund.

**B.2** As per the format of Accounts prescribed by MHRD the grant utilised for revenue expenditure as per the schedule 10 of the accounts is to be taken to the Income & Expenditure Account but the college has taken the entire grant received during the year amounting to Rs. 12.93 crore to Income & Expenditure Account

**B.3** In Schedule 3(c) of the Balance Sheet the Receipts during the year under the head "Grants from State Govt./UNI" is shown as Rs.63,43,520 whereas as per the Receipts and Payments account the amount is Rs. 64,86,861 shown under "Income on investment from OBC Fund". The difference of Rs.1,43,341 needs to be reconciled. Further Receipts and Payments accounts should be made on cash basis.

**B.4** Scrutiny of banks reconciliation statement of Indian Overseas Bank Account No.21901 as on 31<sup>st</sup> March 2016 revealed that cheque amounting to Rs. 26,400 has become time barred. These should be written back and shown as liabilities in the accounts.

**B.5** As per the format of accounts prescribed by MHRD, payment to contractual staff is to be shown under "Administrative Expenses" but the college booked an expenditure of Rs.23,84,747 on salary to contractual staff under "Establishment Expenses-staff payments and benefits". This needs to be rectified.

## **C. Grants-in-aid**

The college is mainly financed by University Grants Commission. During the year 2015-16, Dyal Singh College received grants of Rs.1229.99 lakh (Plan: Nil and Non-Plan: Rs.1229.99 lakh). It had an opening balance as on 01.04.2015 of Rs.1217.73 lakh (Plan: Rs. 1048.63 lakh, Non-Plan Rs. 169.10 lakh). It generated its own receipts of Rs.121.95 lakh (Plan Rs.63.44 lakh, Non-Plan Rs.58.51 lakh).Out of the total funds available, it utilized Rs.1332.18 lakh (Plan

Rs.4.13 lakh, Non-Plan Rs.1328.05 lakh) and refunded Rs.295.96 lakh (Plan Grant) leaving a balance of Rs. 941.53 lakh (Plan Rs. 811.98 lakh and Non-Plan Rs.129.55 lakh).

## **Kirori Mal College**

### **A. Balance Sheet**

#### **A.1 Liabilities**

##### **A.1.1 Current Liabilities and Provisions (Schedule-7) – Rs. 9.53 crore**

The above schedule include an amount of Rs.150 lakh received as advance in two instalments in the year 2012-13 and 2013-14 from UGC for conducting UGC-NET examination. The expenditure incurred by the exam coordinator out of this amount is not supported by the vouchers due to which the college is not in a position to settle the amount shown as advance in the accounts and to render expenditure statement to UGC. The matter is under investigation by the college. This fact should have been disclosed in the Notes on Accounts.

Further, an amount of Rs. 1,71,415 received as interest on Rs. 150 lakh during the period November 2012 to December 2015 remained unaccounted. As per the terms & condition of sanction order of UGC, the amount of interest was the income of UGC as such it was to be shown as income as well as liability of the college.

#### **A.2 Assets**

##### **A.2.1 Fixed Assets**

During the years 2008-09 to 2011-12, fixed assets viz. additions to building, library books, furniture and fixtures and equipments worth Rs. 12.65 crore were acquired out of grants received under OBC reservations. However, these fixed assets were not capitalized during these years resulting in understatement of Fixed Assets and Capital Fund which has been pointed out repeatedly since the audit report of financial year 2011-12.

In response to the audit report for the financial year 2014-15 the college has stated that the remedial action has already been taken in the financial year 2014-15 .However as per the accounts for the year 2014-15 adjustment of assets of Rs. 1.49 crore only (inclusive of assets of Student Aid Fund) has been done leaving a balance of Rs. 11.16 crore yet to be adjusted

### **B. Balance Sheet of College Hostel Fund**

#### **B.1 Liabilities**

##### **B.1.1 Grants/Subsidies (Schedule 10)-Rs. 97.00 lakh**

The above does not include opening balance of Rs. 40.19 lakh which led to minus balance of Rs. 11.95 lakh in the above schedule and the same has been shown as grant receivable from UGC under Loan & Advances (Schedule 8). This has resulted in overstatement of Capital Fund by Rs.40.19 lakh and understatement of Current Liabilities-unutilised grants by Rs. 28.24 lakh and overstatement of Current Assets by Rs. 11.95 lakh.

### **C Significant Accounting Policies & Notes on Accounts**

**C.1** KMC has not disclosed its significant accounting policies with regard to basis of preparation of accounts i.e whether the accounts have been prepared on accrual basis or cash

basis, depreciation, investment, income tax, sponsored projects funds etc. A few accounting policies have been disclosed which have been merged with the Notes on Accounts.

Separate Schedule may be prepared for Significant Accounting Policies where all the accounting policies adopted by KMC in preparation of its accounts may be disclosed. In this regard the format of accounts prescribed by Ministry of HRD for Higher educational Institutions may be referred to.

**D. Grants-in-aid**

During the year 2015-16, Kirori Mal College received Grant-in-aid of Rs.3914.43 lakh (Non Plan-Rs.3914.43 lakh and Nil Plan).It had an opening balance of Rs.363.39 lakh (Plan Rs.19.49 lakh and Non Plan Rs.343.90 lakh). Out of the total funds of Rs.4277.82 lakh, college utilized Rs.4175.87 lakh (Plan Rs.5.28 lakh and Non Plan Rs.4170.59 lakh) leaving a balance of Rs.101.95 lakh (Plan Rs.14.21 lakh and Non Plan Rs.87.74 lakh).

KMC's Hostel received Non Plan Grant of Rs.85.05 lakh. It had an unspent balance of Rs.40.19 lakh of previous year. Out of the total grant of Rs.125.24 lakh, an amount of Rs.96.99 lakh (Non Plan expenditure) was utilized during the year 2014-15 leaving an unspent balance of 28.25lakh.College received grant of Rs.28.62 lakh during the month of March 2016.

**Miranda House**

**A. Balance Sheet**

**A.1 Assets**

**A.1.1 Current Assets (Schedule 7)- Rs. 36.88 crore**

Two fixed deposits STDR account number 10851573318 and 10851575307 worth Rs. 46,000/- and Rs. 20,000/- respectively has been included in the Donation Account as well as Student Fund Account (Schedule -7). The double entries should be reversed.

**B. General**

Fixed Deposit (FD) register was not maintained by the college.

**C. Grants-in-aid**

In the year 2015-16 Miranda House, Delhi University received grants-in-aid of Rs. 4226.41 lakh (Non-Plan). It had opening balance of Rs. 1713.57 lakh (Non-Plan: Rs. 995.19 lakh and Plan: Rs. 718.38 lakh). It had internal receipts of Plan grant of Rs. 72.27 lakh. Out of the total funds of Rs. 6012.25 lakh it utilized Rs. 3921.89 lakh (Non Plan: Rs.3895.81 lakh and Plan Rs.26.08 lakh) leaving a balance of Rs. 2090.36 lakh (Non-Plan: Rs. 1325.79 lakh and Plan Rs. 764.57 lakh).

However in the Schedule 10 of the accounts pertaining to the Grants/Subsidies the unspent balance of Plan grant has been shown as Rs.703.41 lakh .The difference of Rs. 61.17 was due to the opening balance being taken as Rs. 657.21 lakh instead of Rs. 718.38 lakh. The reason for the difference was not explained to audit.

Miranda House Hostel, Delhi University received grants-in-aid of Rs. 103.58 lakh under Non-Plan and had an opening balance of Rs. (15.90) lakh. It utilized Rs. 80.91 lakh leaving a balance of Rs. 6.77 lakh.

## **Ramanujan College**

### **A. Receipts & Payments Accounts**

Receipts and Payments Account includes the entries on accrual basis/ income receivable viz. interest accrued but not due, sundry creditors, sundry debtors, provision of gratuity & pension etc. These entries defeated the purpose of maintaining Receipt & Payment accounts. Receipts and Payment Accounts is prepared on actual basis.

### **B. General**

In Schedule 3 (c) 'Unutilised Grants from UGC, Govt. of India and State Govts', an amount of Rs. 130.00 lakh received from UGC for Plan expenditure was not shown under the sub head UGC grants: Plan. Thus showing minus balance as unutilised grant as on 31 March 2016.

### **C. Grant-in-aid**

During the year 2015-16 college received grant of Rs. 1508.60 lakh (Plan: Rs. 146.31 lakh, Non-Plan: Rs. 1362.29 lakh) out of which Grant of Rs. 205.70 lakh was received in March 2016 from the University Grants Commission. It had an opening balance of Rs.718.96 lakh (Non-Plan : Rs. 734.31 lakh and Plan : Rs. (-)15.35 lakh).The college utilized Rs. 2039.87 lakh ((Plan: Rs. 26.86 lakh, Non-Plan: Rs. 2013.01 lakh)(including provision for retirement benefits of Rs. 879.03 lakh and do not include the actual expenditure on retirement benefits of Rs.274.93 lakh)). Thus leaves an unspent balance of Rs. 187.67 lakh (Plan: Rs. 104.09 lakh and Non-Plan: Rs. 83.58 lakh).

## **Ram Lal Anand College**

### **A.1.1 Fixed Assets (Schedule-4)-Rs. 1.26 crore**

(i) The above do not include work-in progress of Rs. 7.50 crore on extension of library/construction of lift, expansion of staff room and construction of New Academic block. The same has been booked in the accounts as revenue expenditure. This resulted in understatement of Fixed Assets and overstatement of Expenditure by Rs. 7.50 crore.

(ii) The fact assets received as gifts from University of Delhi amounting to Rs. 2.83 crore (1121 laptops in September 2013 and 15 laptops in October 2013) was not disclosed in Notes to Accounts. The fact should be disclosed in Notes to Accounts.

Similarly 82 desktops/servers, 11 projectors and 11 laptops received by the college from University of Delhi on 15.11.2010, 19.07.2012 and January 2013 respectively. Cost of these goods could not be assessed by Audit. The fact should be disclosed in Notes to Accounts.

### **B. Balance Sheet (GPF)**

#### **B.1 Assets**

##### **B.1.1 Accrued interest on investment-Rs. 53.39 lakh**

(i) The above includes interest of Rs. 4.86 lakh on FDR which has matured during the year resulting in overstatement of accrued interest by Rs. 4.86 lakh.

(ii) The above do not include accrued interest of Rs. 12.61 lakh on three FDRs made during the year. This has resulted in understatement of Accrued Interest and Interest Reserve by Rs. 12.61 lakh.

**C. Income & Expenditure Account**

**C.1 Expenditure**

**Administrative & General Expenses (Schedule 17) –Rs. 8.96 crore**

Administrative & General Expenses (Schedule 17) include property tax of Rs. 12.04 lakh pertaining to the year 2014-15 which should have been shown in the accounts as Prior Period expenses. This resulted in overstatement of Administrative & General Expenses by Rs. 12.04 lakh and understatement of Prior Period expenses by the same amount.

**D. General**

As per the format of accounts prescribed by Ministry of HRD the Provident Fund Accounts and the New Pension Scheme Account are to be maintained separately from the Institutions Accounts and are to be attached with the Institution's accounts and a reference regarding this is to be given in the Notes on Accounts. However, the college has prepared only Balance Sheet of NPS Account and PF Accounts separately but no Income & Expenditure Account and Receipts and Payments were prepared. Further nothing was disclosed in the Note on accounts in this regard.

**E. Grants in aid**

As per the schedule 10 of the Accounts the college received grant-in-aid of Rs. 13.43 crore (Non-Plan) during the year and had opening balance of Rs. 9.40 crore (Plan). It also had internal receipts of Rs. 0.71 crore under Plan. Out of the total funds of Rs. 23.54 crore (plan: Rs. 10.11 crore and Non-Plan: Rs. 13.43 crore) it utilized Rs. 22.29 crore (Plan Rs. 8.86 crore and Non-Plan Rs. 13.43 crore leaving unutilized grant-in-aid of Rs. 1.25 crore (Plan).

As per the information furnished during the audit for the year 2014-15 the college had a closing balance of Non-Plan grant of Rs. 7.24 crore as on 31/3/2015 but the same has not been taken as opening balance for the year 2015-16. The college has not clarified the reason for non accounting of opening balance of non plan grant and simply stated that the opening balance is nil as per accounts for the year 2014-15.

**Vallabhbhai Patel Chest Institute**

**A. Balance Sheet**

**A.1 Liabilities**

**A.1.1 Current Liabilities & Provisions (Schedule 3)-Rs. 14.76 crore**

The above do not include unutilized plan grant of Rs. 7.77 crore. The same has been shown under Sch-2 Designated/Earmarked/Endowment Funds. However, as per the format of accounts prescribed by MHRD unutilised grants should be shown under other current liabilities in Sch-3- Current Liabilities & Provisions. This has resulted in understatement of Current Liabilities & Provisions and overstatement of Designated/Earmarked/Endowment Funds by Rs. 7.77 crore.

## A.2 Assets

### A.2.1 Fixed Assets (Schedule 4)-Rs. 27.55 crore

(i) Fixed Assets (Sch.4) depicts addition under Computers & Peripherals and Furniture, Fixture and Fitting as Rs. 14.81 lakh and Rs. 41.03 lakh respectively. However, in the information furnished to audit by store section the amount has been shown as Rs. 14.35 lakh and Rs. 16.30 lakh respectively. These need to be reconciled.

(ii) Expenditure of Rs. 6.46 lakh which was capital in nature had been booked as revenue expenditure in the accounts. This was pointed out in the report of 2013-14 but no rectification has been made in the accounts till 2015-16.

## B. General

**B.1** Opening balance under plan grant in Sch-10 grants/subsidies has been shown as Rs. 6.32 crore whereas in Sch-2 Designated/Earmarked/Endowment Fund it has been shown as Rs. 6.76 crore. The difference of Rs. 0.44 crore may be reconciled.

Similarly, the closing balance of plan grant in schedule 10 of grants/subsidies has been shown as Rs. 7.01 crore whereas in the schedule of Designated/Earmarked/Endowment Funds, it has been shown as Rs. 7.77 crore. The difference of Rs. 0.76 crore needs to be reconciled.

### B.2 Bank Reconciliation

Scrutiny of the Bank Reconciliation statements of Non-plan A/c, SBI Saving Account No.-10851300976 and Scheme/suspense A/c, SBI Saving Account No.-10851300987 maintained by the VPCI, revealed that amount of Rs. 8,88,574 remain unreconciled as on 31.03.2016. These entries should be identified and effect of the same should be taken in the books of the account. The details are given below :

Amount in Rs.

| Sl. No. | Name of Account & A/c No.                                    | Cheques issued but not encashed         | Cheques/Demand Drafts deposited but not credited by Bank                     | Amount debited by bank but not taken in Cash Book | Amount credited by Bank but not taken in Cash Book |
|---------|--|---|--|---|--|
| 1.      | Non-plan A/c<br>SBI Saving Account<br>No.-10851300976        | 2,200 (2 cases)<br>(June 15 & July 15)- | 8,27,291 (52 cases)<br>(July 07-1 case & September 13 to March 16-51 cases)- | 25,112 (2 cases)<br>(April 15 & May 15)           | 12,551 (2 cases)<br>(April 15 & March 16)          |
| 2.      | Scheme/suspense A/c<br>SBI Saving Account<br>No.-10851300987 | -                                       | -  | 21,420 (3 cases)<br>(March 16)                    | -  |
|         | Total  | 2,200                                   | 8,27,291   | 46,532  | 12,551   |

- Cheques amounting to Rs. 2200 issued but not presented for payment have become time-barred and should be written back in the accounts.
- Cheques amounting to Rs. 8,27,291 deposited in bank but not credited by bank need to be pursued with the bank to get credit of these amounts.
- An amount of Rs. 46,532 debited by the banks but not taken in the cash book needs to be investigated.
- An amount of Rs. 12,551 represents amount credited by bank but not taken in cash book ranging from April 2015 to March 2016. Thus, amount of Rs. 12,551 remained out of accounts.

### **C. Grant-in-aid**

During the period 2015-16 the Institute received a total grant of Rs.4760.00 lakh (Plan: Rs. 1760.00 lakh and Non-Plan: Rs.3000.00 lakh) from Ministry of Health & Family Welfare. It had an opening balance of Rs. 675.77 lakh under Plan and Plan internal receipts of Rs. 32.74 lakh during the year 2015-16. It utilized Rs. 4691.25 lakh (Plan: Rs. 1691.25 lakh and Non-Plan: Rs.3000.00 lakh) leaving a balance of Rs. 777.26 lakh under Plan.

## **University College of Medical Science (UCMS)**

### **A. Balance Sheet**

#### **A.1 Corpus/Capital Fund and Liabilities**

##### **Designated/ Earmarked Funds/Endowment Funds (Schedule-2)-Rs. 6.70 crore**

The above do not include accrued interest amounting to Rs.30.59 lakh during the year 2015-16 on FDRs (Student Welfare) of Rs. 3.85 crore. This has resulted into understatement of liability of Student Welfare Fund by Rs.30.59 lakh as well as Current Assets by Rs. 30.59 lakh.

#### **A.2 Current Liabilities & Provisions (Schedule 3)-Rs. 300.27 crore**

The above do not include liabilities for expenses payable amounting to Rs.6.28 crore (salaries for the month of March 2016) and includes salary for the month of March 2015. The University should follow the actual system of accounting.

### **B. General**

**B.1** Fixed Assets Register was not maintained in the Format as prescribed in GFR Form 40 as per rule 190(2) of GFRs. The register did not show the details such as opening balances, addition during the year, closing balances etc. Register relating to Fixed Assets produced to audit has been showing the asset from February 2014 onwards only due to which authenticity of value of fixed assets shown in accounts could not be verified in audit.

**B.2** As per Schedule – 24 Contingent Liabilities and Notes on Account the expenditure on salary is for the period from March 2015 to February 2016. However, as per uniform format of account it should be changed over to accrual system and Rs.4.90 crore (salaries for the month of March 2015) should be shown prior period expenses in the Annual Accounts for the year 2015-16.

**B.3** As per Schedule – 23 Significant Accounting Policies, Retirement benefits i.e pension, gratuity and leave encashment are accounted for on cash basis. However, in the Annual

Accounts for the year 2015-16 it is accounted for on accrual basis. The provision of retirement benefit should be made on the basis of actuarial valuation as prescribed in AS-15.

**B.4** Closing balances of cash book (Student Welfare Fund), Subsidiary cash Book was not certified by the competent authority.

**B.5 Bank Reconciliation**

Out of 7 bank accounts, Bank Reconciliation Statements of 6 bank accounts were provided to audit. Reconciliation Statement of Canara Bank, A/c No. – 3009101051010 (Hostel Fund) was not made available to audit. Scrutiny of the Bank Reconciliation statements revealed the following details:

(Amount in Rs.)

| Sl. No. | Name of Account & A/c No.  | Cheques issued but not encashed               | Cheques/ Demand Drafts deposited but not credited by Bank | Amount debited by bank but not taken in Cash Book | Amount credited by Bank but not taken in Cash Book |
|---------|--|---|---|---|--|
| 1.      | Non-plan A/c (Maintenance Account) Canara Bank Saving Account No.- 3009101060500 | 1,95,572 (55 cases) (April 14 to November 15) | 5,02,411 (21 cases) (January 10 to March 16)              | 3,220 (1 case) (July 2012)                        | 12,732 (6 cases) (April 13 & June 15)              |
| 2.      | OBC Account Canara Bank Saving Account No.- 3009101060307                        | 1,37,229 (09 cases) (May 11 to March 15)      | --  | --  | --   |
| 3.      | Plan Account Canara Bank Saving Account No.- 3009101060501                       | 3,334 (03 cases) (April 15 to August 15)      | --  | --  | --   |
| 4.      | Student Fund Account Canara Bank Saving Account No.- 3009101050382               | 16,660 (04 cases) (January 15 to October 15)  | --  | --  | --   |
| 5.      | Research Cell Canara Bank Saving Account No.- 3009101058328                      | 16,287 (03 cases) (March 2015)                | --  | --  | --   |
|         | <b>Total</b>   | <b>3,69,082</b>                               | <b>5,02,411</b>   | <b>3,220</b>                                      | <b>12,732</b>                                      |

It can be seen from the above that :



- An amount of Rs. 3,220 represents amount debited by bank but not taken in cash book (1 case of July 2012). This needs investigation.
- Cheques amounting to Rs. 3,69,082 issued but not presented for payment have become time-barred and should be written back in the accounts.
- Cheques amounting to Rs. 5,02,411 deposited in bank but not credited by bank need to be pursued with the bank to get credit of these amounts.
- An amount of Rs. 12,732 represents amount credited by bank but not taken in cash book ranging from April 2015 to March 2016. Thus, amount of Rs. 12,551 remained out of accounts.

### **C. Grant-in-aid**

In schedule-10 of accounts, UCMS received grant of Rs. 11850.88 lakh which includes Plan Grant of Rs. 1280.00 lakh and Non Plan grant of Rs.10570.88 lakh. It had an opening balance of Rs. 2921.13 lakh (Plan: Rs. 2687.65 lakh and OBC: Rs. 233.48 lakh). The college had other receipts of Rs. 187.40 lakh (Rs. 138.29 lakh under Plan and Rs. 49.10 lakh under OBC). It utilized Rs. 10763.23 lakh (Plan: Rs. 155.06 lakh, Non Plan: Rs. 10570.88 lakh and OBC: Rs. 37.29 lakh) leaving a balance of Rs. 4196.17 lakh (Rs. 3950.88 lakh under Plan and Rs. 245.29 lakh under OBC).

As per information furnished by the college, the college did not include opening balance of Rs. 478.71 lakh and other receipts of current year of Rs. 74.79 lakh under Non-Plan. It utilized Rs. 10512.17 lakh under Non Plan leaving a balance of: Rs. 612.21 lakh under Non-plan.

The difference between two set of figures needs to be clarified.

## **School of Open Learning**

### **A. Balance Sheet**

#### **A.1 Assets**

##### **A.1.1 Fixed Assets (Schedule 4)-Rs. 4.04 crore**

The above do not include assets amounting to Rs. 13.65 lakh resulting in understatement of Fixed Assets and Capital Fund by the same amount.

### **B. General**

As per Significant Accounting Policy No. 6, the Income and Expenditure of Earmarked/Endowment Funds are accounted on cash basis. It is however, observed that the income on investments has been accounted on accrued basis. Thus, accounting policy needs to be modified accordingly. This was also pointed in the last year report but remedial action has not been taken.

### **C. Grants**

The School of Open Learning is a maintained institution University of Delhi. During the year 2015-16 the school did not receive any grant from University Grants Commission.

## **Deshbandhu College**

### **A. Balance Sheet**

#### **A.1 Assets**

**A.1.1 Fixed Assets:(Schedule 4)-Rs. 14.30 Crore**

(i) The above include Rs. 7.01 lakh as addition to buildings during 2015-16. However, this amount was paid to the surveyor for new building block which is under construction. This resulted in overstatement of Fixed Assets –Building Fund and understatement of Work-in-Progress.

Further, depreciation amounting to Rs. 0.35 lakh has been charged on it. This resulted in overstatement of Expenditure and understatement of Capital Fund by Rs. 0.35 lakh.

(ii) The above do not include an amount of Rs. 1.53 lakh and fact that Gifted Books of Rs. 0.18 lakh was not disclosed in Notes to Accounts.

(iii) The above include advance of Rs. 1.15 lakh (60%) paid for purchase of furniture valuing Rs.1.91 lakh in respect of library. This resulted in overstatement of Fixed Assets and understatement of Loan and Advances & Deposits by Rs. 1.15 lakh.

Further, depreciation of Rs. 0.28 lakh (@ 25%) was also charged on Rs. 1.15 lakh. This resulted in overstatement of Expenditure and understatement of Capital Fund by Rs. 0.28 lakh.

(iv) The above include advance of Rs. 10.32 crore paid to RITES for construction of new building block under work-in-Progress. This resulted in overstatement of Fixed Assets- Work-in-Progress and understatement of Loans, Advances & Deposits by Rs. 10.32 crore.

**A.1.2 Loan, Advances & Deposits (Schedule 8)-Rs. 17.27 crore**

The above do not include security deposit of Rs. 6.06 lakh paid to DISCOM (BSES). This resulted in understatement of Loan, Advances & Deposits as well as Capital Fund by Rs. 6.06 lakh.

**B. General**

**B.1** Schedule-10 has not been drawn properly as detailed below:-

(i) The opening balance of the Non-Plan grant-in-aid as on 1/4/2015 has not been taken in the Schedule.

(ii) An amount of Rs. 25.00 lakh has been shown as receipt during the year in Plan head while this grant pertains to Non-Plan (Non-Salary head).

(iii) The college has refunded plan grant of XI<sup>th</sup> Plan amounting to Rs.17.14 lakh but the same has not been routed through this Schedule.

(iv) The college had opening balance of XII<sup>th</sup> plan grant of Rs. 18.47 lakh and incurred expenditure of Rs. 12.39 lakh during the year leaving a balance of Rs. 6.08 lakh as on 31/3/2016 but these amounts of Plan grants have not been included in Schedule 10

(v) The receipts of Non-Plan grant has been shown on cash basis. It includes grant of Rs. 7.21 crore pertaining to the year 2014-15 but received in April 2015 and does not include grants of Rs. 11. 73 crore pertaining to the year 2015-16 as the same was received in April 2016. The college should follow the accrual system of Accounting.

**B.2** The figures of fixed assets as shown in the annual accounts (Schedule 8) and as per records of individual departments showed difference. As per the accounts the assets of Zoology department is Rs.1,26,827 (Furniture :Rs. 14.913 and Apparatus : Rs.1,11,913) but as per the fixed assets register of the Zoology department the total assets with the Zoology department as

on 31/3/2016 is Rs. 13,37,241. These differences need to be reconciled and correct figure adopted uniformly in both the annual accounts and fixed assets registers of individual departments.

**B.3** Certificate of closing balance at the end of each month was not found recorded in the cash book.

**C. Grants-in-aid**

The College received grant-in-aid of Rs. 3468.25 lakh (Plan: Nil, Non Plan (OBC): Rs. 392.35 lakh and Non Plan (Salary & Pension): Rs. 3075.90 lakh) from University Grants Commission during 2015-16. It had an opening balance of grant-in-aid of Rs. 721.78 lakh (Plan: Rs. 18.47 lakh, Non-Plan: Rs. 686.29 lakh and Non-plan OBC: Rs. 17.02 lakh) and own income of Rs. 123.84 lakh (Non Plan). Out of total income of Rs. 4313.87 lakh, the college utilized Rs. 4030.30 lakh (Plan: Rs. 12.39 lakh, Non-Plan: Rs. 3681.18 lakh and Non-plan OBC: Rs. 336.73 lakh) leaving an unspent balance of Rs. 283.56 lakh (Plan: Rs. 6.08 lakh, Non-plan: 204.84 lakh and Rs. 72.64 lakh under Non-Plan OBC).

**College of Vocational Studies**

**A. Balance Sheet**

**A.1 Liabilities**

**A.1.1 Current Liabilities and Provisions (Schedule 7)-Rs. 17.39 crore**

The above do not include unspent grant-in-aid of Rs. 20.18 crore (inclusive of own receipts) resulting in understatement of Current Liabilities & Provision and overstatement of Corpus/Capital Fund by Rs. 20.18 crore.

**A.2 Assets**

**A.2.1 Fixed Assets (Schedule 8)-Rs. 5.56 crore**

The above do not include incidental expenses (architect fee) related to construction of porta-cabin amounting to Rs. 10.01 lakh which has been booked in the accounts as revenue expenditure. This has resulted in understatement of Fixed Assets and Corpus/Capital Fund by Rs. 10.01 lakh.

**A.2.2 Current Assets, Loans & Advances (Schedule 11) - Rs. 27.93 crore**

The above do not include interest amounting to Rs. 11.05 lakh accrued on FDRs of Rs 10.19 crore of Student Societies Fund. This has resulted into understatement of Current Assets, Loans & Advances and Student Societies Fund by Rs. 11.05 lakh.

**B. Income & Expenditure Account**

**B.1 Income**

**B.1.1 Interest Earned (Schedule 17) - Rs.1.17 crore**

The above do not include interest accrued of Rs. 1.18 lakh on FDRs of Rs 3.96 crore resulting into understatement of Interest Income with consequent understatement of Capital Fund and Current Assets, Loans & Advances by Rs. 1.18 lakh

## B.2 Expenditure

### B.2.1 Other Administrative Expenses (Schedule 21) - Rs. 85.28 lakh

The above include expenditure of Rs. 6.01 lakh on purchase of Library Books while the same has also been shown under Fixed Assets. This has resulted in overstatement of expenditure by Rs. 6.01 lakh. This needs to be corrected by reversing the double entries of same expenditure by increasing the income by same amount.

## C. Receipts & Payments Accounts

**C.1** The opening balance and closing balance of Student Society Account (Canara Bank S.B. A/c No. 17153) wherein Rs. 369.13 lakh and Rs.650.70 lakh respectively were lying has not been shown in the Receipt and Payment Accounts.

**C.2** The opening and closing balance of Security Account (Canara Bank S.B. A/c No. 17154) Rs. 6.12 lakh and Rs.5.99 lakh respectively has not been shown in the Receipt and Payment Accounts.

## D. General

**D.1** In Receipts & Payments Account closing balance in Building Fund Account (Canara Bank SB Account No. 17155) as on 31.03.2016 has been shown as Rs. 78.97 lakh. However, as per cash book it is Rs. 70.86 lakh. The difference of Rs. 8.11 lakh may be reconciled.

**D.2** In Receipts & Payments Account expenditure on purchase of Furniture/Fixture Building has been shown as Rs. 41.19 lakh. However, in Schedule – 8 “Fixed Assets” it has been shown as Rs. 49.29 lakh. The difference of Rs. 8.10 lakh may be reconciled.

**D.3** FDR of Rs. 1.43 crore of OBC Fund was encashed during the year 2015-16 and the encashed amount was taken in Building Fund in place of OBC Fund. This needs to be rectified.

**D.4** Schedules of Balance Sheet and Income & Expenditure Account have not been prepared as per the format of accounts prescribed by the MHRD.

### D.5 Bank Reconciliation

CVS maintains 5 bank accounts. Out of 5 bank accounts, Bank Reconciliation Statements of 3 bank accounts were provided to audit. Reconciliation Statement of these three bank accounts revealed that various entries of Rs. 13.67 lakh remained unreconciled as on 31.03.2016 as detailed below.

(Amount in Rs.)

| Sl. No | Name of Account & A/c No.                                  | Cheques issued but not encashed | Cheques/ Amount deposited but not credited by Bank | Amount debited by bank but not taken in Cash Book | Amount credited by Bank but not taken in Cash Book |
|--------|--|---------------------------------|--|---|--|
| 1.     | Student Society A/c, Canara Bank, SB A/c No. 1768101017153 | --                              | 9,78,746<br>(December 2009 to Feb 2016)            | 1,48,964<br>(July 2009 to October 2014)           | 152638<br>(July 2010 to January 2015)              |

|    |  |                       |                                  |   |                 |
|----|--|-----------------------|----------------------------------|---|-----------------|
| 2. | Maintenance Grant A/c, Canara Bank, SB A/c No. 1768101017149 | --                    | 2,050<br>(July 2015 to Feb 2016) | 61,161<br>(November 2009 to March 2013) | --              |
| 3. | Security Account A/c, Canara Bank, SB A/c No. 1768101017154  | 20,000<br>(June 2015) |                                  | 2951<br>(1 case 2014-15)                | --              |
|    | <b>Total</b>   | <b>20,000</b>         | <b>9,80,796</b>                  | <b>2,13,076</b>                         | <b>1,52,638</b> |

It can be seen from the annexure that an amount of Rs. 2.13 lakh represents amount debited by bank but not taken in cash book. This needs investigation.

An amount of Rs. 9.81 lakh has been shown as cheques/amount deposited in bank but not credited by bank. These cases need investigation.

Similarly, an amount of Rs. 20,000/- represents cheques issued but not encashed. These cheques have now become time barred but have not been taken in the cash book and shown as liability.

Similarly, an amount of Rs. 1.53 lakh represents amount credited by bank but not taken in cash book i.e. Rs. 1.53 lakh remained out of accounts.

Therefore, proper action needs to be taken at the earliest to reconcile the same.

**E Grants-in-aid**

College of Vocational Studies, University of Delhi received grants-in-aid of Rs. 1994.64 lakh (Maintenance Grant- Rs. 1614.86 lakh and OBC Grant-Rs.379.78 lakh) from UGC during the financial year 2015-16. College also has own receipts of Rs. 509.76 lakh and had an opening balance of Rs. 1553.58 lakh under Non-plan. Out of the total funds of Rs. 4057.98 lakh, the College utilized Rs. 2040.44 lakh leaving a balance of Rs. 2017.54 lakh under Non-plan.

The college has not furnished any Utilisation certificate to UGC since 2009-10. The closing balance of the Non-Plan grant-in-aid cash book is reported as the closing balance by the college to UGC for finalisation of budget estimate. The above grant-in-aid para has been prepared on the basis of cash book taking in to account the entire Receipts & Payments and the closing balance as on 31/3/2016 is the closing balance of the cash book.

**Management Letter:** Deficiencies which have not been included in the audit Report have been brought to the notice of the Vice-Chancellor, University of Delhi through a management letter issued separately for remedial/corrective action.

v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet 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 explanation given to us, the said financial statements, read together with the Notes on Accounts and Significant Accounting Policies, 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 they relate to the Balance Sheet of the state of affairs of the University of Delhi as at 31 March 2016; and
- b. in so far as they relate to the Income and Expenditure Account of the surplus for the year ended on that date.

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

**Place: New Delhi  
Date:**

**Director General of Audit  
Central Expenditure**

**Annexure-I**

**1. Adequacy of Internal Audit System**

- The university has an internal audit department.
- During the year, 19 units were planned for audit out of which 11 units were audited.
- The follow up was not adequate as 244 audit paras of internal audit were outstanding as on 31.03.2016.
- Out of 13 maintained institutions only 3 were audited up to 2014-15 and the internal audit of remaining 10 maintained institutions is in arrears.
- 

| <b>S. No.</b> | <b>Name of the Maintained Institutions</b> | <b>Audited up to</b>         |
|---------------|--|------------------------------|
| 1.            | Aryabhatta College                         | 2012-13                      |
| 2.            | Ramanujan College                          | 2012-13                      |
| 3.            | School of Open Learning                    | 2011-12                      |
| 4.            | University College of Medical Sciences     | 2014-15                      |
| 5.            | College of Vocational Studies              | 2014-15                      |
| 6.            | Dayal Singh College (Evening)              | 2011-12                      |
| 7.            | Agricultural Economic Research Centre      | 2010-13                      |
| 8.            | Vallabhbai Patel Chest Institute           | 2012-13                      |
| 9.            | Deshbandhu College                         | 2013-14                      |
| 10.           | Dyal Singh College (Day)                   | 2012-15                      |
| 11.           | Miranda House                              | 2011-12                      |
| 12.           | Kirori Mal College                         | 2014-15                      |
| 13.           | Ram Lal Anand College (Day)                | 2012-13 (Report was awaited) |

**2. Adequacy of Internal Control System**

The internal Control of University of Delhi is inadequate as :

- Follow up action on the Bank Reconciliation Statement is inadequate.
- The Managements response to external audit objections is not effective as 59 paras were outstanding as on 31.03.2016.
- **Maintained Institutions**

Management was not responsive to audit objections of audit reports of the following Institutions/Colleges i.e. Aryabhatta College, College of Vocational Studies, Dyal Singh College (Evening & Morning), Miranda College, Kirorimal College and Ram Lal Anand College (Day)

### **University College of Medical Sciences**

- There is not adequate internal control system as accrual system of accounting was not followed as mentioned in comment No. A.1 & A.2. Further Fixed Assets register was not maintained properly and Bank reconciliation was not done properly.

### **School of Open Learning**

- Post of Assistant Registrar (Accounts) is vacant since May 2014.
- Physical verification of inventory was not done regularly.

### **Vallabhbhai Patel Chest Institute**

- The internal control system of Institute was not adequate as MHRD format was not followed strictly and Capital expenditure was booked as revenue expenditure. Further Bank Accounts was not reconciled and Fixed Assets register was not maintained properly.

### **Dyal Singh College (Evening)**

- The internal control system is adequate.

### **Dyal Singh College (Morning)**

- The internal control system of the college is not adequate as accrual system of accounting was not followed and Capitalization of expenditure was not done.

### **Miranda House**

- Physical verification of inventory was not done regularly.

### **Ram Lal Anand College (Day)**

- Physical verification was not done regularly.

### **Agricultural Economics Research Centre**

- The essential post of Director is vacant since 01.02.2006. Presently Director (Acting) appointed by the University is looking after the centre.

### **Ramanujan College**

- The internal control of the college is not adequate as Rs. 130 lakh received from UGC was not properly accounted.

### **Deshbandhu College**

The internal control system of the college is weak in following areas

- (i) Broadsheet for GPF/ CPF has not been maintained.
- (ii) Certificate of closing balance at the end of each month was not recorded in the cash book.
- (iii) The balances of some ledgers were recorded with pencil.



**3. System of physical verification of fixed assets**

- Physical verification is conducted on annual basis. The physical verification of 52 units out of 125 units was conducted by the internal audit for the year April 2014 to March 2015.

**Maintained Institutions** The position of physical verification of assets and books and publication in Maintained Institutions is as follows:-

| Sr. no. | Name of the Maintained Institutions    | Physical verification conducted upto                 |                     |
|---------|--|--|---------------------|
|         |  | Assets   | Books & Publication |
| 1.      | Aryabhatta College                     | 2015-16  | 2012                |
| 2.      | Ramanujan College                      | March 2016   | March 2016          |
| 3.      | School of Open Learning                | 2014-15  | Under process       |
| 4.      | University College of Medical Sciences | 2015-16  | 2014-15             |
| 5.      | College of Vocational Studies          | 2015-16  | 2012-13             |
| 6.      | Dayal Singh College (Evening)          | 2015-16  | Upto March 2012     |
| 7.      | Agricultural Economic Research Centre  | 2013-14  | 2011-12             |
| 8.      | Vallabhbai Patel Chest Institute       | Land & Building upto 2016<br>Others : upto 2014      | 2011-12             |
| 9.      | Deshbandhu College                     | Land & Building upto Dec 2009<br>Others upto 2003-04 | 2008                |
| 10.     | Dyal Singh Day                         | 2015-16  | 2013-14             |
| 11.     | Miranda House                          | December 2015  | 2015-16             |
| 12.     | Kirori Mal College                     | November 2009  | 2014-15             |
| 13.     | Ram LalAnand (Day)                     | March 2015   | 2003-2006           |

**4. System of Physical Verification of inventory**

- Physical verification is conducted on annual basis. The physical verification of stationery and consumable items of 52 units out of 125 units and physical verification of 8 out of 21 library have been conducted by University of Delhi.
- Out of 13 MIs the physical verification of inventory has been done up to 2015-16 by 10 MIs. 3 colleges (SOL, RLA and Miranda house has done physical verification up to

2014-15 only. The information in respect of Physical verification of inventory like stationery and other consumable items was not furnished to audit by Aryabhata College.

**5. Regularity in payment of statutory dues**

- As per the Accounts, no statutory due over six month was outstanding as on 31.3.2016.

- **Maintained Institutions**

- **College of Vocational Studies**

- As per annual accounts, payment over six months in respect of statutory dues like Labour Cess Rs. 5.37 lakh and TDS Rs. 0.08 lakh etc. were outstanding as on 31.03.2016.