

7:5 Annual Accounts/Annual Reports

(i) Audited Annual Accounts for the year 1997-98

In accordance with Section 29 (2) of the NEHU Act 1973, the Annual accounts for 1997-1998 along with Audit Report and replies thereto, are placed before the Executive Council for consideration and comments.

No:Fin.V/Annual Accounts/Approval/93-617

SG/12/4/99)

Audit Certificate

I have examined the Receipts and Payments Account, Income and Expenditure Account only (Balance Sheet not prepared) for the year ended 31 March 1998 and the Statement of Assets and Liabilities ~~as on 31-3-1998~~ of the North Eastern Hill University, Shillong. I have obtained all the information and explanations that I have required, and subject to the observations in the appended Audit report, I certify, as a result, of my audit, that in my opinion these accounts and the statement of assets and liabilities are properly drawn up so as to exhibit a true and fair view of the state of affairs of the North Eastern Hill University according to the best of information and explanation given to me and as shown by the books of the organisation.

Place: Shillong

Date: 30 Mar 1999

s/d

(ROCHILA SAIAWI)

Accountant General (Audit)
Meghalaya, Arunachal Pradesh
and Mizoram

Audit Report on the accounts of the North Eastern Hill University, Shillong for the year 1997-98

Introduction

The North Eastern Hill University (NEHU) with Headquarters at Shillong was established in July 1973 under the North Eastern Hill University Act, 1973. The objectives of the University are to disseminate and advance knowledge by providing instructional and research facilities in such branches of learning as it may deem fit and to pay special attention to the improvement of the social and economic conditions and welfare of the people of the hill areas of the North Eastern region, and, in particular, their intellectual, academic and cultural advancement. Besides Shillong Campus, the University had two campuses one each at Aizwal (Mizoram) and Tura (Meghalaya).

2. Scope of audit

The accounts of NEHU are audited under Section 19 (2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 29 (I) of the North Eastern Hill University Act, 1973.

3. Annual Accounts

(a) The annual accounts of NEHU for the year 1997-98 comprising Receipts and Payments Accounts, Income and Expenditure Account and Statement of Assets and liabilities were submitted to Audit in August 1998 after a delay of 1 (one) month from the due date (June 1998) as recommended by the Committee on papers laid on the Table of the House in its First Report 1975-76.

The annual accounts of the University for the year 1997-98 were approved by the Executive Council on 8 December 1998.

(b) Mention was made in the Audit Report on the accounts of the NEHU for the years from 1973-74 to 1976-77 regarding non-preparation of balance sheet since its establishment. Preparation of balance sheet by the University is a specific requirement of Section 29(1) of the North Eastern Hill University Act, 1973 which provides inter alia that the balance sheet of the University shall be prepared under the directions of the Executive Council as in the case of previous years the the balance sheet as on 31 March 1998 had also not been prepared by the University and as a result provision of Section 29(1) of the NEHU Act, 1973 remained unfulfilled.

(c) The annual accounts for the year 1997-98 were maintained on cash basis as per decision taken by the Finance Committee in its 24th meeting held in May 1986. The University stated (December 1998) that the final decision of the University Grants Commission (UGC) on uniform pattern of accounting was awaited and such the annual accounts for the year 1997-98 were also maintained on cash basis.

4. Financial outlay

Funds for plan and Non Plan expenditure of the University mainly comprised of grants received from the University Grants Commission (UGC). The University's own receipts amounted to Rs. 101.60 lakhs under plan (Rs. 16.63 lakh) and Non Plan (Rs. 84.97 lakh) which constituted only 4.54 percent of the total grants of Rs.2237.91 lakh from the UGC (Plan Rs. 492.21 lakh, Non Plan Rs. 1745.70 lakh)

5. Receipts and Payments Account

(a) Summary of Receipts and Payments Accounts for the year 1997-98 were as follows:-

Head of Account	Opening balance	Receipts	Payments	Closing balance
part I - Maintenance Account (Non-Plan)		8.35	1830.57	1932.79 (-)93.77
Part II - Development Account (Plan)		246.38	488.11	181.04 552.45
		(-) 1.00*		
Part III- Unmarked (Special) Account		241.35	213.58	250.40 204.53
Part IV -Debt,Deposits etc. accounts		(-) 194.86	1844.70	1801.37 (-)151.53
		300.22	4377.06	4165.60 511.68

(b) As per deduction register of forest royalty, total forest royalty of Rs. 0.89 lakh was deducted from the suppliers/contractors bills during the year 1997-98, whereas in the receipts side of Part IV Debt, deposits etc. accounts an amount of Rs. 0.88 lakh was shown as forest royalty awaiting remittance which resulted in understatement of receipts in part IV of the accounts.

The University stated (March 1999) that there was no discrepancy between Royalty deducted and Royalty accounted for this is not tenable as even on the basis of the figures furnished by the University, the Royalty deducted was Rs. 87.701.00 against Rs. 87.529.00 shown in the accounts. Thus, the accounts did not reflect the correct position.

* In the annual accounts of 1996-97 closing balance under Part-II Development (Plan) accounts was overstated by Rs. 1.00 lakh. The same has been rectified by debiting the amount in the opening balance for the year 1997-98.

(c) Scrutiny of Receipts and Expenditure statement of state Resources Centre (SRC) (excluding the head state Resources Centre for Adult and Continuous Education) revealed that grants in aid of Rs. 2.00 lakh received during the year (May 1997) from the Ministry of Human Resources Development (MHRD) was not shown in the receipt of SRC under Part III of the accounts. Further, as per receipts and expenditure statement of SRC, total expenditure was Rs. 15.72 lakh whereas in the annual account it was exhibited as Rs. 1.16 lakh only under Part III SRC accounts. This resulted in understatement of receipt by Rs. 2.00 lakh and expenditure by Rs. 14.56 lakh.

The University stated (March 1999) that due to misclassification the receipts from MHRD was wrongly shown in the accounts and the expenditure of Rs. 1.16 lakh did not relate to the state Resource Centre (SRC). The fact, however, remains that apart from the expenditure of Rs. 22.31 lakh under the head SRC for adult and continuous education, no other expenditure was booked under SRC, while the Receipts and expenditure statement of SRC indicated an expenditure of Rs. 15.72 lakh under salaries, office expenditure and Programme Expenditure, Thus the accounts did not depict the correct picture.

(d) An amount of Rs. 0.56 lakh received by the Computer Centre of the University as hire charge of computer from the Indira Gandhi National Open University (IGNOU), New Delhi was not exhibited in the receipts side of the accounts under Part I NonPlan leading to understatement of receipts by Rs. 0.56 lakh.

The University stated (March 1999) that the amount of Rs. 0.56 lakh will be accounted for in the accounts of 1998-99.

(e) Against Rs. 5.64 lakh realised by the Pachhunga University College (PUC) on account of academic, Examination and Miscellaneous fees during the year Rs. 4.82 lakh was shown as receipts on this account in the annual accounts of PUC. This resulted in understatement of receipts by Rs. 0.82 lakh in the accounts of the PUC as well as in the accounts of NEHU.

6. Income and Expenditure accounts

(a) On a scrutiny of Income and Expenditure accounts of the NEHU with reference to relevant records for the year 1997-98, it was seen that as per income and expenditure accounts book of Guest House the total receipts during 1997-98 were Rs. 2.82

lakh against which expenditure of Rs. 1.73 lakh was incurred during the year.

In the Income and expenditure accounts of the NEHU for the year 1997-98, Rs. 2.66 lakh was shown as income from building which included guest house receipts of Rs. 0.61 lakh only while the balance amount of Rs. 2.21 lakh remained unaccounted for. The expenditure of Rs. 1.73 lakh was also not exhibited in the expenditure side of income and expenditure accounts.

The University stated (March 1999) that the matter was being examined and outcome would be communicated to next audit.

However, the fact remains that both the income and expenditure were understated by Rs. 2.21 lakh and 1.73 lakh respectively in the annual accounts.

7. Statement of Assets and Liabilities.

(a) It was noticed that an amount of Rs. 1.24 lakh pertaining to Student Association Fund was exhibited in the Statement of Assets and Liabilities of the University for the year 1997-98.

The Student Association being an organisation of the NEHU students. This Fund is a private fund and does not form part of the University accounts. As such, the accumulated balance of student association fund is not an asset of the University. Inclusion of the balance in the Assets and Liability Statement resulted in overstatement of assets and liabilities of the NEHU by Rs. 1.24 lakh.

The University state (March 1999) that the Student Association Fund account would be excluded from the annual accounts of the University from 1998-99 onwards.

(b) The asset accounts depict book value of acquisition and do not exclude obsolete, unusable, irreparable and condemned assets and also do not take into account depreciation with corresponding reduction of capital account. Therefore, the capital and asset accounts are overstated accordingly thereby not giving the correct picture.

sd/-

Place: Shillong

Dated: 30 Mar'1999

(ROCHILA SAIAMI)

Accountant General (Audit)
Meghalaya, Arunachal Pradesh
and Mizoram

Replies to the Audit Report on the Accounts of NEHU for the year 1997-98.

1. Introduction

No Comment.

2. Scope of Audit

No Comment.

3. Annual Accounts.

(a) No comment.

(b) As already stated that unless the uniform accounting system and proforma for preparation of Annual Accounts of all the Central Universities of the country, being prescribed by the C & AG of India, is operational, preparation of Balance Sheet is not feasible.

(c) No comment.

4. Financial Outlay.

No comment.

5. Receipts and Payments Accounts.

(a) No comment.

(b) The Royalty statement prepared by the Audit Party is not correct. The royalty deducted from the bill of M/S R. Kharsati is Rs. 47.00 only and not Rs. 1426.00 which includes the figures of other deduction from the bill. Also Audit did not take into account the Royalty deducted from the bill of S. Sawkmie. The amount is Rs. 343.00.

Hence there is no discrepancy between the Royalty deducted and Royalty accounted for. The para may, therefore, be dropped.

(c) The Sale proceed of printed materials to the tune of Rs. 4.12 lakhs has been clearly accounted for in Part - IV Receipts Payments A/C in annual a/c 1997-98 at page 77 under the head "Publication Revolving Fund". Hence the contention of audit that the same has not been accounted for is not correct.

The receipts of 48,000/- as shown in Part - I (non-plan) as internal receipts, is the direct sale of various forms by NEHU, which is not to be linked with receipts of "Publication Recolving Fund".

The para may, therefore, be dropped.

Contd.....2/-

(d) The total receipt from MHRD during the year 1997-98 was Rs. 30,55,910 which has been correctly stated in the annual accounts. There are three schemes under MHRD, and the distribution of the total receipt under the different schemes should have been as under.

1. Financial assistance for Estt and strengthening of SRC	-	Rs.	20,00,000
2. Grant in aid for IPCL Dr. (Mrs) B.L. Laso	-	Rs.	1,00,910
3. Financial Assistance for Population Education Project through SRC Dr. (Mrs) B.L. Laso	-	Rs.	9,55,000
		Rs.	<u>30,55,910</u>

However erroneous there were some mis-classification and the schemes were shown as under

1. Financial Assistance for Estt. strengthening of SRC Dr.(Mrs) B.L. Laso	-	Rs.	7,51,250
2. Grant in aid for preparation printing of IPCL Dr.(Mrs) B.L. Laso	-	Rs.	1,00,910
3. Financial Assistance for Population Education Project through SRC Dr. (Mrs) B.L. Laso	-	Rs.	7,53,750
4. Financial Assistance Grant in aid to voluntary organisation of SRC Dr. (Mrs) B.L. Laso	-	Rs.	14,50,000
		Rs.	<u>30,55,910</u>

With regard to expenditure under SRC, stated to be Rs.22,30,520 in the annual accounts 1997-98. Hence the contention of the Audit that the annual accounts showed a total expenditure of Rs. 1.16 lakhs under SRC is absolutely incorrect.

The expenditure of Rs. 1,15,649 as stated by Audit was expenditure against Grant in aid for preparation of IPCL/ Preparation of literacy kits in Khasi, Garo, Naga & Mizo under Dr. B.L. Laso and not SRC.

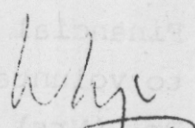
(e) The University has recently decided to include receipts and expenditure of a number of Commercial Centre like that of Computer Centre, as part of the annual accounts. Hence from 1998-99 accounts the total receipts of the Computer Centre as well as expenditure including Rs. 0.56 lakhs as pointed out by Audit, will be shown in the annual accounts under Part - IV Receipts from Computer Centre.

6. Income and Expenditure Accounts

The matter is being examined. The Outcome thereof will be intimated to the next Audit.

7. (a) Since Students Association Fee was collected as part of Revenue of the University which was then transferred to the Students Association Fund, the University had thought it proper to include the accounts of the said fund in annual accounts. However w.e.f. 1998-99, the Students Association Fund accounts will be excluded from the annual accounts of this University consequently. The liabilities and assets of Students' Association Fund shall also not be reflected in the Statement of Asset and Liabilities.

(b) No comments.


(L. Nampui)
Finance Officer
NEHU
Shillong

APPENDIX - 1

7:5- Annual Accounts / Annual Reports.

(i) Audited Annual Accounts for the year, 1997-98.

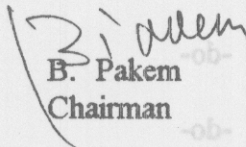
EC:101:99:7:5: (i): The Council considered the audited Annual Accounts for the year 1997-98 and RESOLVED to approve the same.

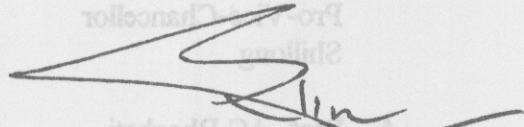
Item No.8

ITEMS FROM THE CHAIR

EC:101:99:8: (i): The Council RESOVLED that Administration may examine the feasibility of extending Telephone facilities to the residences of the Heads of Departments and also the Hostels.

The meeting ended with a vote of thanks from the Chair at 12.00 P.M.


B. Pakem
Chairman


Dr. A. Patton
Secretary

Permanent Invites
Secretary

- 1. Prof. B. Pakem
Vice - Chancellor
- 2. Prof. B. Pakem
Vice - Chancellor
- 3. Prof. MS Sanganma
Vice-Chancellor
- 4. Prof (Ms) KS Jyngdoh
Chancellor
- 5. Prof. B. Bhagwati
Secretary
- 6. Prof. B. Khaisdem
- 7. Prof. DN Bursograin
- 8. Prof. AJ Verma
- 9. Prof. N. Malla
- 10. Prof. SS Khare
- 11. Dr. L. Srinawasia
- 12. Prof. AR Varnan
- 13. Dr. RS Wangu
- 14. Prof. H. Duorah
- 15. Mr. L. Nampui
- 16. Dr. A. Patton