

SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF THE SCHOOL OF PLANNING AND ARCHITECTURE, VIJAYAWADA FOR THE YEAR ENDED 31 MARCH 2023

We have audited the attached Balance Sheet of the School of Planning & Architecture, Vijayawada as at 31 March 2023, Income & Expenditure Account and Receipts & Payments Account for the year ended on that date under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971. These financial statements are the responsibility of the Institute's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/CAG's Audit Reports separately.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Institute.

iv. We further report that:

A. Balance Sheet

A.1 Sources of Funds – ₹194.14 crore

A.1.1 Schedule 3 Current Liabilities & Provisions – ₹28.08 crore

A) This includes an amount of ₹3.29 crore being Non -refundable fee received from the students. The same was exhibited under Schedule-3 Current Liabilities¹ instead of treating it as Income of the Institute. The details are as follows:

| Institute's Fee head | Closing Balance |
|------------------------------|------------------------|
| School Development Fee | 9857500 |
| Hostel Seat Rent / Fee | 13394200 |
| Co-Curricular Activities Fee | 9446074 |
| SPA Stores Association Fee | 235000 |
| Total | ₹3,29,32,774 |

This resulted in Overstatement of Current Liabilities and Understatement of Capital Fund to an extent of ₹3.29 crore.

B) Out of ₹3.29 crore an amount of ₹1,62,58,016 pertains to the Current year's income of the Institute which should be shown under Schedule 9 – Academic Receipts.

This resulted in Understatement of Income to an extent of ₹1.62 crore.

A.2 Application of Funds – ₹194.14 crore

A.2.1 Schedule 5 Investments from Earmarked/Endowment Funds

This does not include an amount of ₹1,47,67,000 being investment made out of Earmarked/Endowment Funds. An amount of ₹1,47,67,000 was shown as investment made under Schedule-2 Designated Earmarked /Endowment Funds. The same was exhibited under Schedule 7 – Current Assets instead of Schedule 5 – Investments from Earmarked/Endowment Funds.

This resulted in Understatement of Schedule 5 and Overstatement of Current Assets by ₹1,47,67,000.

¹ Included under Item No.xix – Student Fee Liabilities – ₹4,13,00,685

A.2.2 Schedule 4 Fixed Assets – ₹114.49 crore

This includes an amount of ₹4.42 lakh being short computation of depreciation on Plant & Machinery and Electric Installations. The depreciation of Plant & Machinery and Electric Installations was charged at the rate of 10 percent instead of 15 percent.

This resulted in short computation of depreciation to an extent of ₹4,42,760 as detailed below:

(in ₹)

| Class of fixed asset | Depreciation rate | Opening balance | Additions before 30.09.2022 | Addition after 30.09.2022 | Total depreciation to be claimed | Depreciation claimed | Short computation of depreciation | Written down value of asset |
|------------------------|-------------------|-----------------|-----------------------------|---------------------------|----------------------------------|----------------------|-----------------------------------|-----------------------------|
| Electric installations | 15 % | 6142559 | 294896 | 303327 | 988368 | 658870 | 329498 | 5752414 |
| Plant and machinery | 15% | 1594578 | - | 1334060 | 339241 | 225979 | 113262 | 2589397 |
| Total | | | | | 1327609 | 884849 | 442760 | |

This also resulted in overstatement of Capital Fund and Overstatement of fixed assets to an extent of ₹4,42,760.

B. Income & Expenditure

B.1 Income – ₹31.04 crore

B.1.1 Schedule 9 Academic receipts – Other fees – ₹24.29 lakh

An amount of ₹10,76,250 was received towards School Internet Fee and an amount of ₹11,05,719 was incurred towards Internet charges. The income was set off against the expenditure incurred and a debit balance of ₹29,469 only was exhibited under Other fees – Internet charges.

This resulted in Understatement of Income by ₹10,76,250 and Understatement of Expenditure to an extent of ₹11,05,719.

B.1.2 Schedule 11 Income from Investments – ₹3.29 crore

An amount of ₹1.47 crore was invested in term deposit from Earmarked/ Endowment Funds. The interest earned in the year was ₹11,15,955 which was accounted for under Schedule 11- Income from Investment “Other Investment” instead of “Earmarked/Endowment Fund.”

This resulted in Understatement of Schedule 2 – Income from investments and Overstatement of Schedule -11 Income from Investments to an extent of ₹11,15,955.

C. General

C.1 Receipts and Payments Account not prepared on cash basis.

It was disclosed by the Institute in Schedule - 23, Significant Accounting policies that Receipts and Payments Account was prepared considering total credits and debits in the accounts. Receipts and Payments Account should be prepared on cash basis.

D. Grant-in-aid: During the year, Institute received Grant-in-Aid of ₹23.63 crore² and utilized a sum of ₹21.48 crore³ as on 31st March 2023.

E. Management Letter: Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of the Director, School of Planning & Architecture, Vijayawada through a Management letter issued separately for remedial / corrective action.

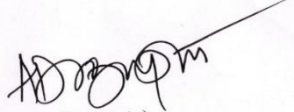
Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income & Expenditure Account and Receipts & Payments Account dealt with by this Report are in agreement with the books of accounts.

v. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the 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:

² GIA Capital – ₹6,78,00,000 + GIA Salary – ₹6,85,00,000 + GIA General – ₹10,00,00,000 = ₹23,63,00,000

³ Revenue Expenditure – ₹16,85,00,000(Salary Expenditure– ₹6,85,00,000 and General Expenditure – ₹10,00,00,000) Capital Expenditure – ₹4,63,69,644 totalling to ₹21,48,69,644

- a.** In so far as it relates to the Balance Sheet, of the state of affairs of School of Planning & Architecture, Vijayawada as at 31 March 2023; and
- b.** In so far as it relates to Income & Expenditure Account of the *deficit* for the year ended on that date.



(Anindya Dasgupta)
Principal Director of Audit (Central), Hyderabad

ANNEXURE TO SAR

1. **Adequacy of Internal Audit System:** Internal Audit is conducted by CA firm.
2. **Adequacy of Internal Control System:** Internal control system is adequate.
3. **System of Physical verification of fixed assets:** Physical verification of Fixed Assets has been conducted for the year 2022-23.
4. **System of Physical verification of inventory:** Not applicable
5. **Regularity in payment of statutory dues:** Statutory dues were paid regularly.



(Ch.V. Sai Prasad)

Director/ Central Expenditure Audit
O/o Principal Director of Audit (Central)