

Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of School of Planning and Architecture New Delhi for the year ended 31 March 2024

We have audited the attached Balance Sheet of School of Planning and Architecture (SPA) New Delhi as of 31 March 2024, the Income & Expenditure Account and Receipts & 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 read with section 25 (3) of the School of Planning and Architecture Act, 2014. These financial statements are the responsibility of the School of Planning and Architecture'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 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 a test basis, evidence 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 was necessary for our audit subject to observations in the report.

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

iii. In our opinion, proper books of accounts have been maintained by the SPA in so far as it appears from our examination of such books subject to observation in the report.

iv. We further report that:

A. Balance Sheet

A.1. Liabilities

A.1.1 Current Liabilities and Provisions (Schedule 3)-Rs. 55.78 crore

As per actuarial valuation of Pension liability as on 31st March 2024 the present value of obligation as at the end of the period (31st March 2024) is Rs. 190.56 crore. However, the provision for the same has not been made by SPA. This has resulted in understatement of Current Liabilities and Provisions and overstatement of Capital Fund by Rs. 190.56 crore.

A.2 Assets

A.2.1 Fixed Assets (Schedule 4)-Rs. 14.77 crore

Capital Work in progress- Rs. 1.14 crore

The above includes Rs. 37.56 lakh spent on the construction of the boundary wall at Vasant Kunj site. The work has been completed by the CPWD and settlement has also been done

on 12.04.2021 but the same has not been transferred to Fixed Assets-Building. This has resulted in understatement of Fixed Assets-Building by Rs. 35.31 lakh, understatement of Depreciation by Rs. 2.25 lakh (for 3 years @ 2%) and overstatement of Work-in-Progress by Rs. 37.56 lakh.

The details of the remaining work-in-progress of Rs. 75.96 lakh was not furnished to audit, therefore, audit could not verify the Capital Work-in-Progress of Rs. 75.96 lakh.

A.2.2 Loans, Advances and Deposits (Schedule 8) -Rs. 33.87 crore

(i) The above includes departmental advances of Rs. 3.43 crore. The party-wise and year-wise details of departmental advances of Rs. 3.43 crore has not been furnished to audit in absence of which the same could not be verified. The same amount is being reflected in the accounts since 2020-21. This is being pointed out since 2017-18 but remedial action has not been taken.

(ii) The above includes claim receivable relating to research project and other receivables of Rs. 4.09 lakh which are pending since 2011-12. These needs to be reconciled/recovered or written off. This is being pointed out since 2018-19 but remedial action has not been taken.

(iii) The above includes an amount of Rs. 0.25 lakh as security deposit with BSES Rajdhani and Yamuna Power Ltd. whereas as per records furnished to audit the security deposits is Rs.3.16 lakh. This has resulted in understatement of Loans, Advances and Deposits and Capital Fund by Rs. 2.91 lakh. This is being pointed out since 2014-15 but no action has been taken.

(iv) The amount of the following advances are same as the previous year:

Sl. No.	Type of Advance	Amount
1.	Festival Advance	2,03,636
2.	Bicycle Advance	67,800
3.	Vehicle Loan	54,750
4.	Home Loan	2,77,480
5.	Fan Advance	3,550
6.	Other Funds (SPA First)	25,00,000

Year wise and party wise information of these advances alongwith the reasons for non settlement of these advances has not been furnished to audit. In the absence of information/records audit is not able to verify these advances shown in the accounts.

B. Significant Accounting Policies (Schedule 21)

The Significant Accounting Policy No. 5 which states that provision of Pension benefits are not necessary, is in violation of Accounting Standard 15 issued by ICAI and in contravention of the format of accounts prescribed by Ministry of Education which provides that employees' benefits/obligations are to be provided on the basis of Actuarial Valuation.

C. Balance sheet of GPF/CPF

An amount of Rs. 29.70 lakh has been shown as opening balance of CPF as on 1st April 2023. The amount appearing in the accounts does not match with the opening balance- Rs. 108.14 lakh shown in the CPF broadsheet. The difference of Rs. 78.44 lakh was not clarified to Audit, due to which the audit is not able to verify the CPF fund of Rs. 85.72 lakh shown in the accounts.

D. General

D.1 An amount of Rs.13.86 lakh has been shown as 'Advance recoverable from GPF' in the Balance Sheet of GPF/CPF. This amount is appearing in the accounts since 2010-11. Details of the same was not furnished to audit due to which the amount could not be verified. This is being pointed out since 2017-18 but remedial action has not been taken.

D.2 As per the format of accounts prescribed by Ministry of Education, separate NPS accounts are to be maintained by the organisation. SPA has not maintained Balance Sheet, Income & Expenditure and Receipts & Payments Accounts of NPS. This is being pointed out in the SAR since the year 2021-22 but remedial action has not been taken.

E. Grants-in-Aid

During the year 2023-24, the School of Planning and Architecture New Delhi received grant-in-aid of Rs. 68.49 crore (Recurring: Rs. 68.49 crore and Non-Recurring: Nil) from the Ministry of Education. It had an opening balance of non recurring grant of Rs. 1.93 crore as on 1st April 2023. Out of the total available funds of Rs. 70.42 crore, SPA utilized grant of Rs. 69.31 crore (Recurring Rs. 68.49 crore and Non recurring Rs. 0.82 crore) and leaving unspent balance of Non Recurring grant of Rs. 1.11 crore as on 31 March 2024..

F. Management Letter

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Director, School of Planning and Architecture 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 & 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 together with the Accounting Policies and Notes on Accounts, and subject to the **A.1.1 and , A.2.2 (i)** and other 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 School of Planning and Architecture as at 31 March 2024; and

b. and in so far as it relates to Income & Expenditure Account of the surplus for the year ended on that date.

For and on behalf of the C &AG of India

**Director General of Audit
Central Expenditure**

Place: New Delhi

Dated: 16.10.24

Annexure to Audit report

1. Adequacy of Internal Audit System

- The internal audit of school has not been done by the Pay and Accounts Office of Ministry of Education. However, the School has appointed a Chartered Accountant (C.A) who is engaged in conducting internal audit of the school.

2. Adequacy of Internal Control System

The Internal Control System of School needs to be strengthened due to the following shortcomings:

- No reconciliation and non-settlement of advances of previous years.
- Outstanding debit balances in various sponsored projects.
- The management response to external audit objections is not effective as 55 paras pertaining to the period from 1994-95 to 2020-21 were outstanding as on 31.03.2024.
- Non conduct of Physical verification of Fixed Assets and Inventories since 2013-14.
- Non maintenance of Expenditure Control Register.
- Non mention of voucher number on the vouchers.

3. System of physical verification of assets

The physical verification of fixed assets (Land and Building) has been conducted up to 2021-22 while the physical verification of fixed assets (Furniture and Fixture, Vehicles, Plant and Machinery, Computer and Accessories) has been conducted up to 2012-13 only. The physical verification of Books and Publications has been conducted up to 2018.

4. System of physical verification of inventory

Physical verification of inventory like stationery and consumables was conducted up to 2012-13 only.

5. Regularity in payment of statutory dues

No statutory dues at the close of financial year outstanding for more than six months.