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शीघ्र डाक द्वारा

संख्या: ओएडी-4/एस-4/एस.ए.आर./GUDA/2017-18/ OW-280
कार्यालय प्रधान महालेखाकार (सामान्य एवं सामाजिक क्षेत्र लेखा परीक्षा)
एनेक्सी भवन, रेस कोर्स मार्ग, पोस्ट बैग सं. 27, राजकोट - 360001
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ई-मेल: agauGujarat2@cag.gov.in
दिनांक: 11/01/2019

श. वि. अने श. गृ. नि. वि.
રજીસ્ટ્રી
21 JAN 2019
न. 45927

सेवा में,
सचिव, गुजरात सरकार,
शहरी विकास एवं शहरी आवास विभाग,
नया सचिवालय,
गांधीनगर

विषय - गांधीनगर शहरी विकास सत्तामंडल, गांधीनगर के वर्ष 2017-18 के लेखों पर प्रथक लेखा परीक्षा प्रतिवेदन।

महोदय,

उपर्युक्त विषय के संदर्भ में मुझे यह कहना है कि नियंत्रक एवं महालेखापरीक्षक के (कर्तव्यों, शक्तियों एवं सेवा शर्तों) अधिनियम, 1971 के खंड 20(1) के तहत गांधीनगर शहरी विकास सत्तामंडल, गांधीनगर के वर्ष **2017-18** के लेखाओं की स्थानीय नमूना जांच दिनांक **01-11-2018** से **16-11-2018** के बीच की गयी।

आपकी ओर से आवश्यक कार्यवाही हेतु निम्न कागजातों की प्रति को इस पत्र के साथ संलग्न किया गया है।

1. वर्ष 2017-18 के लेखा परीक्षा प्रतिवेदन।
2. वर्ष 2017-18 के प्रमाणित लेखा।

कृपया संलग्नक के साथ इस पत्र की पावती भेजी जाए।

भवदीय,

संलग्न:- यथोपरि

11/1/19
उप महालेखाकार
(सामाजिक क्षेत्र -II)

22/1/19

22-1-2019

19/1/19

Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of Gandhinagar Urban Development Authority (GUDA), Gandhinagar for the year ended 31st March 2018

We have audited the attached Balance Sheet of Gandhinagar Urban Development Authority (GUDA), Gandhinagar as on 31st March 2018 and the Income & Expenditure Account and the Receipt & Payment Account for the year ended on that under Section 20 (1) of the Comptroller and Auditor General's (Duties Powers and Conditions of Service) Act, 1971 read with Section 95 (2) of the Gujarat Town Planning and Urban Development Act 1976. The audit has been entrusted under Section 20 (1) for the period up to 31.03.2022. These financial statements are the responsibility of the GUDA's Management/Authority. 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, in conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Laws, Rules and 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 and Income and Expenditure Account dealt with by this report have not been drawn up in the format approved by the State Government under Section 95 of the Gujarat Town Planning and Urban Development Act 1976.

iii. In our opinion, proper books and other relevant records have been maintained by the Gandhinagar Urban Development Authority, Gandhinagar as required under section 95 of the Gujarat Town Planning and Urban Development Act 1976 in so far as it appears from our examination of such books.

iv. We further report that

A. Balance Sheet-

1. Liabilities

1.1 Current Liability ₹ 81.19 crore
Labour Cess ₹ 1.18 crore

Gandhinagar Urban Development Authority (GUDA) had made payment for Labour Welfare Cess to the Labour and Employment Department, Government of Gujarat of amounting to ₹ 61.61 lakh. The details thereof are as under:

Sr.No.	Voucher No.	Date	Amount(₹)
1	887	19-03-18	19,50,541
2	888	19-03-18	31,54,554
3	886	19-03-18	10,55,546
		Total	**61,60,641**

On scrutiny of Labour Welfare Cess Ledger Account; it was noticed that the voucher no.887, amounting to ₹ 19.51 lakh was debited twice to the account. The same has resulted in understatement of Current Liabilities and Current Assets (Bank Balance) by ₹ 19.51 lakh.

In reply to the Audit observation, the Authority accepted the same and assured that necessary rectifying action would be taken in the next year's accounts.

B. Income & Expenditure Account

1. Expenditure ₹ 556.87 lakh

Expenses mentioned here under includes the project related expenditure of ₹ 556.87 lakh incurred towards the development works of GUDA:-

Particulars	Amount (₹ in Lakh)
Salary and Allowances	174.42
Administrative Expenditure	103.37
Other Expenditure	233.82
Depreciation	45.26
Total	**556.87**

The accounting of the project related expenditure as revenue expenditure resulted in overstatement of expenditure in the Income and Expenditure Account, consequential understatement of surplus being taken to the 'Reserves and Surplus' on the Liability side and also corresponding understatement of 'Investment-Others (Assets)' by ₹ 556.87 lakh on the Assets side of the Balance Sheet.

In reply to the Audit observation, the Authority accepted the same and assured that necessary rectifying action would be taken in the next year's accounts.

C **General**

1. **Non Establishment of the Consolidated Infrastructure Fund**

Section 91 A, which was inserted in the GTP & UD Act 1976 in July 2014, states that any amount which received towards development charges and fees collected under section 7(1)(vii-a), section 12(2)(m) and section 23(1) (vi-a), (ix-a) shall be credited to a fund called the 'Consolidated Infrastructure Fund' which shall be held by the appropriate authority in the trust for the purpose of augmentation, improvement or creation of any infrastructure facility.

Based on the above amendment to the Act *ibid*, Form-Q should have been revised, but the same was not yet done by the State Government. Consequently, development charges and fees amounting to ₹ 4,672.91 lakh collected (2017-18) by GUDA under the relevant sections of Act *ibid* had not been shown under the head 'Consolidated Infrastructure Fund'.

The Authority assured to establish 'Consolidated Infrastructure Fund' from the next year's Annual Accounts.

2. **Non-maintenance of Accounts in Prescribed Format (Form-Q)**

As per section 95(1) of the Gujarat Urban Town Planning and Urban Development Act, 1976, the appropriate authority (here GUDA) shall maintain proper books of accounts and other relevant records and prepare an

annual statement of accounts including the Balance Sheet in such form as the State Government may prescribe.

The Gujarat Urban Town Planning and Urban Development Rules, 1979 prescribed Form-Q which consists of Income and Expenditure Account, Balance Sheet accompanied with Schedule I, II, III and IV as required under Rule 48 *ibid.* However, it was noticed that GUDA did not prepare the Annual Accounts in Form-Q along with Schedules I, II, III and IV as required under Rule-48 *ibid.*

Despite previous audit comments in this regard, GUDA did not prepare the Accounts as per the prescribed format (Form-Q). However, GUDA agreed to prepare the annual accounts of 2017-18 as per the format Form Q.

3. **Accounting Policies and Notes on Accounts**

Accounting Policies and Notes on Accounts should form part of the Annual Accounts for proper understanding of the Balance Sheet and Revenue Account and related account heads.

GUDA has neither disclosed the Accounting Policies nor prepared any Notes on Accounts along with the Annual Accounts, indicating significant accounting policies on matters relating to depreciation, exhibition of assets, write off, investments, system of actual/accrual basis adopted in Accounts etc. along with significant developments related to accounts for the year 2017-18.

The above lapse was pointed out in the previous year also, but no action had been taken by GUDA.

4. **Non provision of pension and leave salary contributions**

The Indian Accounting Standard (Ind AS-19) requires an entity to recognize a liability when an employee has provided service in exchange for employee benefits to be paid in the future.

Audit observed that GUDA has no system of providing for future liability towards employee benefits by charging the annual estimated contribution for such benefits in the Income and Expenditure Account. During the year 2017-18, estimated contributions by GUDA under the employees' benefits schemes viz., leave salary and pension was worked out at ₹ 51.86 lakh for the

employees' serving in GUDA on deputation from their parent departments. Non-provision for such known liabilities is not in agreement with the generally accepted accounting standard also. GUDA should start making provision for such liabilities in future as per Ind AS 19.

GUDA accepted the audit observation and stated that necessary action would be taken in the next year's accounts

D. Grant in Aid

Out of the grants of ₹ 6.45 crore received during the year 2017-18 from Government of Gujarat and carryover of earlier year grants of ₹ 27.50 crore, the Authority utilized a sum of ₹ 10.21 crore, leaving a balance of ₹ 23.74 crore as unutilized grant as on 31st March 2018.

v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Income and Expenditure Accounts 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 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 Gandhinagar Urban Development Authority, Gandhinagar as at 31st March 2018 and

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

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

Place: Rajkot
Date:

(K. R. SRIRAM)
Principal Accountant General (G&SSA)
Gujarat, Rajkot

ANNEXURE-A

1. **Adequacy of Internal Audit System**

   The Authority has no adequate Internal Audit System.

2. **Adequacy of internal control system**

   The Authority has no internal control system

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

   The Authority has no system of physical verification of Assets.

4. **System of Physical verification of inventory**

   Physical verification of inventories is not applicable to GUDA.

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

   All the Statutory dues are being paid in time.

11/1/15

Deputy Accountant General/SS-II