Auditor Report

शीघ्र डाक द्वारा

संख्या: ओएडी-4/एस-5/एस.ए.आर./GUDA/ 2015-16/ 010.70
कार्यालय महालेखाकार (सामान्य एवं सामाजिक क्षेत्र लेखा परीक्षा)
एनेक्स भवन, रेस कोर्स मार्ग, पोस्ट बैग सं. 27, राजकोट – 360001
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दिनांक: 19/05/17

सेवा में,

मुख्य कार्यकारी अधिकारी,
गांधीनगर शहरी विकास सत्तामंडल,
ब्लॉक न॰ 18, 4th तल, उद्योग भवन, सैक्टर 11,
गांधीनगर – 382011

विषय –गांधीनगर शहरी विकास सत्तामंडल,गांधीनगर के वर्ष 2015-16 के लेखों पर मसौदा पृथक लेखा परीक्षा प्रतिवेदन।

महोदय,

उपर्युक्त विषय के संदर्भ में मुझे कहना है कि नियंत्रक एवं महालेखापरीक्षक के (कर्त्तव्यों, शक्तियों एवं सेवा शर्तों) अधिनियम, 1971 के धारा 20(1) के अंतर्गत गांधीनगर शहरी विकास सत्तामंडल,गांधीनगर के वर्ष 2015-16 के लेखों की स्थानीय नमूना जाँच दिनांक 13-02-2017 एवं 21-02-2017 के बीच इस कार्यालय द्वारा की गई थी। इन लेखों पर मसौदा पृथक लेखा परीक्षा प्रतिवेदन आपके रिमार्क/ टिप्पणी के लिए प्रेषित किया जा रहा है। कृपया इसे प्राप्ति के 15 दिनों के अंदर प्रस्तुत करें।

इस संदर्भ में आपसे यह भी आग्रह है कि प्रतिवेदन में वर्णित तथ्यों/ आँकड़ों का पुनः सत्यापन करें। यदि आपका उत्तर नियत समय के अंदर मेरे कार्यालय में प्राप्त नहीं होता है, तो यह समझा जाएगा कि इस प्रतिवेदन पर आपको कोई आपत्ति नहीं है और यह लेखा परीक्षा प्रतिवेदन, प्रमाणित लेखों (2015-16) सहित, गुजरात सरकार को जारी किया जाएगा।

भवदीय,

संलग्न:- मसौदा पृथक लेखा परीक्षा प्रतिवेदन

उप महालेखाकार
(सामाजिक क्षेत्र –II)

Draft 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 31 March 2016.

1. Introduction

(i) Establishment and Objective

The Gandhinagar Urban Development Authority, Gandhinagar was established on 12th March, 1996 as a corporate body under Section 22(1) of the Gujarat Town Planning and Urban Development Act,1976 (Act).

(ii) Function

Main function of the authority inter alia includes: -

a) preparations of Development plans under the provisions of the Act for the Urban Development Areas;
b) preparation of Town Planning Schemes under the provisions of the Act;
c) conducting of Survey in the Urban Development Area for preparation of Development Plans and Town Planning Schemes;
d) execution of works relating to providing basic amenities to public in the areas under development (viz. supply of water, disposal of sewerage and providing of other services)
e) to acquire, hold manage and dispose of movable or immovable property, as it may deem necessary; and
f) to guide, direct and assist local authorities for implementation and execution of its functions.

(iii) Audit Mandate

Audit of the accounts of Gandhinagar Urban Development Authority, Gandhinagar has been entrusted under Section 20 (1) of the Comptroller and Auditor General (Duties, Powers and Conditions of Service) Act, 1971 for the period up to 2016-17 and under Section 95(2) of the Gujarat Town Planning and Urban Development Act, 1976.

(iv) Grant

Out of the grants of ₹ 352.43 lakh received during the year 2015-16 from Government of Gujarat and from the carryover of earlier year grants of

₹ 15,352.25 lakh including Capita Expenditure of block grants (2014-15) of ₹ 8029.14 lakhs. the Authority could utilized a sum of ₹ 790.49 lakh, leaving a balance of ₹ 14,914.19 lakh as unutilized grant as on 31st March 2016.

2. Comments on Accounts

2.1 Balance Sheet

2.1.1. Liabilities

2.1.1.1. Capital Receipt-Pipeline Laying Charges- ₹ 19,58,236/-(Schedule-2).

Gandhinagar Urban Development Authority (GUDA) collected an amount of ₹ 7,98,922/- during 2014-15 (August 2014) from GSPC Gas Company Ltd. which included ₹ 5,24,311/-(₹ 52,431/- per year) rent for 10 years (from August 2014) and ₹ 2,74,611 /- for restoration charges for laying of 6" dia steel pipeline network for GIFT City connectivity within the jurisdiction of GUDA area as per agreement entered in August 2014 between GUDA and GSPC Gas Company Ltd.

GUDA incorrectly treated this amount as Capital Receipt and accounted the entire amount of ₹ 7.99 lakh in the Balance Sheet in 2014-15. As GSPC paid advance rent for 10 years, every year ₹ 0.52 lakh should be accounted for as Income as Rent for Pipeline laying Charges under other income. However, the Authority had shown ₹ zero as rent income of pipeline under the other income. This resulted in understatement of Income and overstatement of Liabilities by ₹ 0.52 lakh for the year 2015-16.

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

2.1.2. Assets

2.1.2.1. Fixed Assets-Snorkel Equipment Purchase Account.

Gandhinagar Urban Development Authority (GUDA) procured '42 meter hydraulic telescopic firefighting and rescue platform mounted on 6&4 Volvo Chassis' (Snorkel) out of the grants (₹ 300.00 lakh) received from the

Government of Gujarat (Department of Urban Development) and delivered it to Gandhinagar NP for Fire Station during 2006-07.

However, GUDA has continuously shown the firefighting equipment in its Balance Sheet as an Asset along with depreciation (₹ 12.93 lakh for the year 2015-16), even though it did not have any control over the utilization of the equipment. Simultaneously, the amount of grant and the accumulated depreciation (as a reduction) (₹ 226.72 lakh for the year 2015-16) was also shown under 'Reserves & Surplus' in the Liabilities side.

This resulted in overstatement of Assets and Liabilities by ₹ 73.27 lakh for the year 2015-16.

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

2.2. Income & Expenditure Account

2.2.1. Expenditure

2.2.1.1. Development/ Capital Expenditure ₹ 29,071.86 lakh

As per the prescribed format (Form-Q) for preparation of Annual Accounts by Area/Urban Development Authorities as per Rule 48 of Gujarat Urban Town Planning and Urban Development Rules, 1979) the establishment and other expenditure, including depreciation are to be transferred to the Balance Sheet as Development (Capital) Expenditure under Assets.

Gandhinagar Urban Development Authority (GUDA) incurred the following expenses during the 2015-16, which were shown under Expenditure in the Income and Expenditure Account.

(₹ in lakhs)

Particular and Years	2015-16
Salary & Allowances	120.02
Administrative Expenditure	54.24
Other Expenditure	162.46
Depreciation	46.02
Total	**382.74**

However, the Authority did not transfer the above cited expenditure to the Balance Sheet as Development (Capital) Expenditure under Assets as required. This resulted in overstatement of Expenditure and understatement of Development (Capital) Expenditure by ₹ 382.74 lakh for the year 2015-16

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

2.2.2. Income

2.2.2.1. Interest Income (schedule 14)- ₹ 197146276.97

As per the prescribed format of accounts, Form-Q, for the preparation of Annual Accounts by Area/Urban Development Authorities as per Rule 48 of Gujarat Urban Town Planning and Urban Development Rules, 1979, the interest received is to be transferred to the Balance Sheet for reduction of Development(Capital) Expenditure (Assets) after adjusting interest payable, if any. The interest earned by Gandhinagar Urban Development Authority (GUDA) from the investments in Fixed Deposits with GSFC and Banks for the year 2015-16 was ₹ 1,971.46 lakh.

However, the amount was not taken to the Balance Sheet by GUDA to reduce Development (Capital) Expenditure as required. These amounts were wrongly shown as 'Interest Income' under 'Income' in the Income & Expenditure Accounts.

This resulted in overstatement of Development (Capital) Expenditure and overstatement of Income by ₹ 1,971.46 lakh for the year 2015-16.

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

2.2.1.2. Other Income-Rent Income- pipeline- GSPC

Gandhinagar Urban Development Authority (GUDA) collected an amount of ₹ 30,86,853/- during 2014-15 (August 2014) from GSPC Gas Company Ltd. which included ₹ 19,61,251/-(1,96,125/- per year) rent for 10 years (from August 2014) and ₹ 11,25,602/- for restoration charges for laying of PNG pipeline network for residential/commercial use within the TP Scheme no.19

(Raisan) in GUDA area as per agreement entered in August 2014 between GUDA and GSPC Gas Company Ltd.

Therefore, GUDA should have exhibited ₹ 1.96 lakh as rent income of pipeline from GSPC annually, inspite of this, authority had incorrectly shown ₹ zero in other income for the year 2015-16 and taken entire receipt of ₹ 1,96,125/- as Other Income in the year of receipt i.e. 2014-15 itself. It needed correction.

This resulted in understatement of Income and overstatement of Liabilities by ₹ 1.96 lakh for the year 2015-16.

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

3. General

3.1. 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 prescribed.

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

Despite of previous audit comments in this regard (2013-14), the Authority did not prepare the Accounts as per the prescribed format (Form-Q).

In reply to the Audit observation, the Authority stated that they had prepared the accounts as per standard accounting guidelines and also considered the requirement of disclosure under the IT Act and there is not any deviation from the prescribed contents.

3.2. Accounting Policies and Notes on Accounts.

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

Gandhinagar Urban Development Authority (GUDA), Gandhinagar 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 2015-16.

Despite the assurance given during the audit for the year 2013-14, 2014-15 GUDA did not disclose the accounting policies and notes to accounts in the F.Y. 2015-16.

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

4. Effect of Audit comments on accounts

The net impact of comments given in the preceding paragraphs is that the Assets were overstated by ₹ 1,661.99 lakh and the Liabilities were also overstated by ₹ 75.75 lakh, and in the Income & Expenditure Statement, the Income was overstated by ₹ 1,968.98 lakh and Expenditure was also overstated by ₹ 382.74 lakh as on 31st March 2016.

For and on behalf of CAG of India,

(B. BASANTIA)
Accountant General (G&SSA)
Gujarat, Rajkot

Place: Rajkot
Date: