



महानिदेशक, लेखापरीक्षा (केन्द्रीय प्राप्ति) नई दिल्ली
का कार्यालय, शाखा-ग्वालियर,

Office of the Director General of Audit (Central Receipt)
New Delhi, Branch-Gwalior

No. AMG-II/SAR-21/LNIPE, G/2018-19/D-78
Date : 11.09.2020

Confidential

प्रति,

कुलपति,

लक्ष्मीबाई राष्ट्रीय शारीरिक शिक्षा संस्थान(LNIPE),

शक्ति नगर, रेस कोर्स रोड,

ग्वालियर-474002

विषय:- लक्ष्मीबाई राष्ट्रीय शारीरिक शिक्षा संस्थान(LNIPE), ग्वालियर के वर्ष 2018-19 के
वार्षिक लेखाओं पर पृथक लेखापरीक्षा प्रतिवेदन।

महोदय/महोदया,

Please find enclosed herewith the Separate Audit Report and Management Letter on the accounts of the Lakshmibai National Institute of Physical Education, Gwalior for the year 2018-19. You are requested to kindly ensure that the SAR and the audited accounts are adopted by the Board of Governors before placing the same before the Parliament.

2. The dates of placement of the above Report on the table of both houses of the Parliament may please be intimated and two copies of the printed material may be provided to the undersigned for information.

3. It may please be noted that the Management Letter is not to be placed before the parliament.

4. Kindly acknowledge receipt.

संलग्न: 1. पृथक लेखापरीक्षा प्रतिवेदन एवं अनुलग्न

2. Management Letter

20-460
21-9-20

LNIPE 2018-19

Registar/FB

18/9/2020

Sup. Miss Shrawati Gupta भवदीय

निदेशक(केन्द्रीय)

Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of the Lakshmibai National Institute of Physical Education (LNIPE), Gwalior for the year ended 31 March 2019.

We have audited the attached Balance Sheet of the Lakshmibai National Institute of Physical Education (LNIPE), Gwalior as at 31 March 2019; the Income and Expenditure Account and the Receipt and Payment Account for the year ended on that date, under Section 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The audit has been entrusted for the period upto 2021-22. These financial statements are the responsibility of the LNIPE'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. Audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. 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 and Expenditure Account and the Receipt and Payment Account dealt with by this report have been drawn up in the format approved by the Ministry of Finance, Government of India.

(iii) In our opinion, proper books of account and other relevant records have been maintained by the LNIPE in so far as it appears from our examination of such books.

(iv) We further report that:-

A. Balance Sheet (LNIPE, Gwalior)

1 Sources of Funds

1.1 Current Liabilities and Provisions (Schedule-7) – ₹ 5.84 crore

This does not include ₹ 53.73 lakh being provision required to be made on account of security (₹ 32.42 lakh), housekeeping (₹ 14.12 lakh) and uniforms (₹ 7.19 lakh) for the year 2018-19 as the same were paid in 2019-20. This resulted in understatement of Current Liabilities and Provisions as well as Expenditure by ₹ 53.73 lakh.

B. Income and Expenditure Account (LNIPE, Gwalior)

1. Expenditure

1.1 Other Administrative Expenses etc.(Schedule-21) – ₹ 16.59 crore

This includes ₹ 1.70 crore being Equipments and Computer peripherals purchased under IISR. This resulted in overstatement of Expenditure by ₹ 1.33 crore and understatement of Fixed Assets by ₹ 1.33 crore (₹ 1.70 crore – ₹ 0.37 crore depreciation) and understatement of Corpus/Capital fund by ₹ 1.33 crore.

C. Receipt and Payment Account (LNIPE, Gwalior)

Receipt – ₹ 99.28 crore

This includes ₹ 469.69 lakh instead of ₹ 536.51 lakh leaving ₹ 66.82 lakh (₹ 536.51 lakh – ₹ 469.69 lakh) being closing balance of Mess (Saving) Account although the same is included in Schedule-11 of Balance Sheet i.e. Current Assets, Loans, Advances etc. under Bank Balances. This resulted in understatement of Receipt as well as Payment by ₹ 66.82 lakh.

D. Balance Sheet (NERC, Guwahati)

Current Liabilities and Provisions (Schedule-7) – ₹ 2.05 crore

This does not include ₹ 3.39 crore being advance given to NBCC (construction agency) on capital account but remain unadjusted at the end of the year. Unadjusted advances meet out from grants-in-aid should be treated as

unspent balance of GIA and therefore should not be classified as Corpus/Capital Fund. This resulted in understatement of Current Liabilities and Provisions (Schedule-7) and overstatement of Corpus/Capital Fund by ₹ 3.39 crore.

E. Income and Expenditure Account NERC, Guwahati)

1. Expenditure

**1.1 Other Administrative Expenses etc. (Schedule-21) – ₹ 18.71 crore
Repair and Maintenance (S. No. 07)**

This includes ₹ 1.36 crore being expenditure incurred on procurement of 'Capital' nature items but classified as expenditure on Repair and Maintenance (S.No.7) under Schedule-21 (Other Administrative Expenses etc.). This resulted in overstatement of Expenditure by ₹ 1.36 crore and understatement of Fixed Assets (excluding depreciation thereon) by ₹ 1.36 crore.

F. General

- F.1** Provisions for gratuity and other retirement benefits have not been made on actuarial valuation basis which is contravention in Accounting Standards-15. Hence accounting policy no.7 of Significant Accounting Policies adopted by Institute that retirement benefits are accounted on cash basis is not in conformity with Accounting Standard 15.
- F.2** Current Assets, Loans, Advances etc. (Schedule-11) ₹ 5.02 crore includes ₹ 4.92 crore on account of GPF under 'Inter Branch' head although separate accounts for GPF are maintained by the Institute, wherein the same amount is shown as liabilities.
- F.3** Confirmation of bank balances/fixed deposits from the respective banks have not been taken by the Institute.
- F.4** There is no details of ₹ 12.31 crore (refer Schedule-2 Reserve & Surplus, point 3 (Special Reserve (for Capital Advances))) such as copy of sanction order, details of work etc. are available.
- F.5** Institute has not provided details of ₹ 25.89 crore (kept as advance on capital account –refer Schedule-11) such as copy of sanction order, details of work etc.
- F.6** Interest of GIA was utilized for regular Expenditure of the institute. No separate account of interest in GIA maintained.

F.7 Routing of Capital Grant (₹ 2.38 crore)¹ through Income and Expenditure instead directly taking to Balance Sheet is not as per generally accepted accounting principal as well as Uniform Format of Accounts.

F.8 Institute is providing depreciation on companies act basis as against the rate of depreciation provided in uniform format of account.

Effect of audit comments

The net effect of the above comments is that Liabilities, Assets, Receipts and Payments were understated by ₹ 186.73 lakh, ₹ 269.00 lakh, ₹ 66.82 lakh and ₹ 66.82 lakh and Expenditure was overstated by ₹ 215.27 lakh respectively.

G. Management Letter

Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of LNIPE, Management through a management letter issued separately for remedial/ correction action.

H. Grants in aid

During the year, the Institute received grants-in-aid of ₹ 45.20 crore². In addition, it had an unspent balance of ₹ 8.35 crore (including ₹ 2.00 crore for NERC, Guwahati) of the previous year. Thus out of the total available fund of ₹ 53.55 crore, the Institute utilized an amount of ₹ 45.00 crore leaving unutilized amount of ₹ 8.55 crore at the end of the year.

(v) Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income & Expenditure Account and the Receipt & Payment 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 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:

¹ ₹ 1.56 crore and ₹ 0.82 have been incurred for acquisition of Capital Assets and Special Repair and Maintenance.

² (₹ 0.20 crore for projects (LNIPE, Gwalior and NERC, Guwahati) + ₹ 12.98 crore for NERC, Guwahati + ₹ 32.02 crore for LNIPE, Gwalior)

- (a) In so far as it relates to the Balance Sheet, of the state of affairs of the Lakshmibai National Institute of Physical Education, Gwalior as at 31 March 2019 and;
- (b) In so far as it relates to Income & Expenditure Account of the deficit for the year ended on that date.

For and on behalf of the Comptroller and Auditor General of India

Place: - New Delhi

Date: - 11/09/2020



**Director General of Audit
(Central Receipts)**

Annexure

1. **Adequacy of Internal Audit System:**

Internal Audit was conducted regularly. No internal audit manual in use.

2. **Adequacy of Internal Control System:**

The internal control system was found to be inadequate due to:

- (i) The response of the Management towards compliance audit objections was not effective as there were 64 paras pending pertaining to the period from 1996-97 to 2018-19 (up to December 2018).
- (ii) The response of the Management towards comments of previous SAR (2017-18) was not effective as no corrective action has been taken.
- (iii) There is not similarity in budget heads of LNIPE, Gwalior and its North East Regional Centre (NERC) at Guwahati.
- (iv) Confirmation of debtors/loans and advances from respective parties have not been taken.
- (v) Categorization for debtors outstanding for more than 6 months and otherwise have not been made.
- (vi) Finance Committee did not meet during 2018-19. As per Memorandum of Association, Finance Committee should meet two times in a year.
- (vii) Fixed Assets register has not been maintained in prescribed format GFR – 40.
- (viii) A difference of ₹ 31,177/- (₹ 82,817- ₹ 51,640) on account of write off value of Fixed Assets was noticed between the Annual Accounts (Fixed Assets) and Physical Verification Report.

3. **System of Physical verification of fixed assets:**

Physical verification of fixed assets has been conducted during the year. No consolidated physical verification report was prepared by the LNIPE.

4. **System of Physical verification of inventories:**

Physical verification of inventories has been conducted during the year. No consolidated physical verification report was prepared by the LNIPE.

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

No irregularity was noticed in payment of statutory dues.

[Signature]
11/03/2020
Sr. Audit Officer /AMG-II

Office of the Director General of Audit (Central Receipt), New Delhi
Branch office - Gwalior

No. AMG-II/SAR-21/LNIPE, Gwalior/2018-19/78

Dated: 11/09/2020

To

Prof. Dilip Kumar Dureha
Vice-chancellor
Lakshmibai National Institute of Physical Education (LNIPE),
Gwalior - 474002

Subject:-Management letter on the annual accounts of the Lakshmibai National Institute of Physical Education, Gwalior for the year 2018-19

Sir,

The annual accounts of the Lakshmibai National Institute of Physical Education, Gwalior for the year 2018-19 were audited and the audit report issued thereon. During the course of audit, following deficiency was noticed which needs to be corrected.

1. Assets

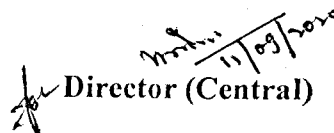
1.1 Current Assets, Loans, Advances etc. (Schedule-11) – ₹ 39.39 crore

1.1.1 This includes ₹ 2520763.00 being deposit held with Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Ltd (MPMKVVCL) (erroneously depicted as MPSEP instead of MPMKVVCL in ledger) instead of ₹ 2424031.00 as per electricity bill for the month of March 2019. This resulted in overstatement of Loans, Advances & Deposits as well as Corpus & Capital Fund by ₹ 96732.00 (₹ 2520763.00 – ₹ 2424031.00).

1.1.2 This does not include ₹ 18.02 lakh being Ad-hoc bonus for the year 2015-16 to 2017-18 irregularly paid to the regular employees during 2016-17 to 2018-19 although no such orders for payment of Ad-hoc bonus to the employees of Autonomous Bodies were issued by the Ministry of Finance for the year 2015-16 to 2017-18. The above amount of ₹ 18.02 lakh is recoverable/realisable. This fact is neither reflected in the accounts of the Institute nor disclosed in the notes to accounts. This resulted in understatement of Current Assets, Loans, Advances etc. (Receivables) and Corpus/Capital Fund by ₹ 18.02 lakh.

You are, therefore, requested to kindly take necessary corrective action and intimate to us in due course.

Yours faithfully,


Director (Central)

Annual Accounts 2018-19
Reply of Separate Audit Report on the Accounts of Lakshmibai National Institute of Physical Education, Gwalior
For the year 2018-19

S.No.	Audit Observation	Reply of Management
01	<p>We have audited the attached Balance sheet of the Lakshmibai National Institute of Physical Education (LNPIE), Gwalior as on 31 March 2019, the Income & Expenditure Account and the Receipt & Payment Account for the year ended on that date, under Section 20 (1) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971. The audit has been entrusted for the period upto 2021-22. These financial statements are the responsibility of the LNPIE's management. Our responsibility is to express an opinion on these financial statements based on our audit.</p> <p>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 Report separately.</p>	No Comments
02	<p>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. 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</p>	No Comments
3.		No Comments

	<p>provides a reasonable basis for our opinion. Based on our audit, we report that:</p> <p>(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.</p> <p>(ii) The Balance Sheet, Income & Expenditure Account and the Receipt & Payment Account dealt with by this report have been drawn up in the format approved by the Ministry of Finance, Government of India.</p> <p>(iii) In our opinion, proper books of accounts and other relevant records have been maintained by the LNIPE, Gwalior in so far as it appears from our examination of such books.</p> <p>(iv) We further report that :-</p> <p>A. Balance Sheet (LNIPE, Gwalior)</p> <p>1. Sources of Funds</p> <p>1.1 Current Liabilities and Provisions (Schedule-7) Rs.5.84 crore</p> <p>1.1.1 This does not include Rs.53.73 lakh being provision required to be made on account of security (Rs.32.42 lakh), housekeeping (Rs.14.12 lakh) and uniforms (Rs.7.19 lakh) for the year 2018-19 as the same were paid in 2019-20. This resulted in understatement of Current Liabilities and Provisions as well as Expenditure by Rs.53.73 lakh.</p>	
4.		No Comments
		No Comments
		No Comments
		No Comments

<p>B. Income and Expenditure Account (LNIFE, Gwalior)</p> <p>1. Expenditure</p> <p>1.2 Other Administrative Expenses etc.(Schedule-21)-Rs.16.59 crore</p> <p>1.2.1 This includes Rs. 1.70 crore being Equipments and Computer peripherals purchased under IISR. This resulted in overstatement of Expenditure by Rs. 1.330 crore and understatement of Fixed Assets by Rs. 1.33 crore (Rs. 1.70 crore, Rs. 0.37 crore depreciation) and understatement of Corpus/Capital fund by Rs. 1.33 crore.</p>	<p>Necessary adjustment of Rs.1.33 crore have been capitalized in 2019-20 Final Accounts.</p>
<p>C. Receipt and Payment Account (LNIFE, Gwalior)</p> <p>1. Receipt-Rs.99.28 crore</p> <p>This includes Rs. 469.69 lakh instead of Rs.536.51 lakh leaving Rs.66.82 lakh (Rs.536.51 lakh - Rs.469.69 lakh) being closing balance of Mess (Saving)Account although the same is included in Schedule-11 of Balance Sheet i.e. Current Assets, Loans, Advances etc. under Bank Balances. This resulted in understatement of Receipt as well as payment by Rs.66.82 lakh.</p>	<p>Necessary adjustment of Rs.66.82 lakh has been made in Receipt and Payment Accounts for FY 2019-20.</p>
<p>D. Balance Sheet (NERC, Guwahati)</p> <p>1. Current Liabilities and Provisions(Schedule-7)-Rs.2.05 crore</p> <p>1.1 This does not include Rs.3.39 crore being advance given to NBCC (construction agency) on capital account but remain unadjusted at the end of the year. Unadjusted advances meet out from grants-in-aid should be treated as unspent balance of GIA and therefore should not be classified as Corpus/Capital Fund. This resulted in understatement of Current Liabilities and Provisions (Schedule-7) and</p>	<p>No comments</p>

<p>overstatement of Corpus/Capital Fund by Rs.3.39 crore.</p> <p>E. Income and Expenditure Account NERC, Guwahati</p> <p>1. Expenditure</p> <p>1.1 Other Administrative Expenses etc.(Schedule-21)- Rs. 18.71 crore</p> <p>Repair and Maintenance (S No. 07)</p> <p>1.1.1 This includes Rs.1.36 crore being expenditure incurred on procurement of 'Capital nature items but classified as expenditure on Repair and Maintenance under Schedule-7 (Other Administrative Expenses etc.). This resulted in overstatement of Expenditure by Rs.1.36 crore and understatement of Fixed Assets (excluding depreciation thereon) by Rs.1.36 crore.</p> <p>F. General</p> <p>F.1 Provisions for gratuity and other retirement benefits have not been made on actuarial valuation basis which is contravention in Accounting Standards-15. Hence accounting policy No. 7 of significant Account Policies adopted by the Institute that retirement benefits are accounted on cash basis is not in conformity with Accounting Standard 15</p> <p>F.2 Current Assets, Loans, Advances etc. (Schedule-11) Rs. 5.02 crore includes Rs.4.92 crore on account of GPF under 'Inter Branch' head although separate accounts for GPF are maintained by the Institute, wherein the same amount is shown as liabilities.</p> <p>F.3 Confirmation of bank balances /fixed deposit from respective banks have not been taken by the Institute.</p>	<p>No comments.</p> <p>No Comments,</p> <p>No comments</p> <p>No comments</p>
---	---

F.4 There is no details of Rs. 12.31 crore (refer Schedule-2 Reserve & Surplus point 3 (Special Reserve(for Capital Advances))) such as copy of sanction order, details of work etc are available.

No Comments

F.5 Institute has not provided details of Rs. 25.89core (kept as advances on Capital account-refer Schedule-11) such as copy of sanction order, details of work etc.

No Comments

F.6 Interest of GIA was utilized for regular Expenditure of the Institute. No separate account of Interest in GIA maintained.

No Comments

F.7 Routing of Capital Grant (Rs. 2.38 crore) through Income and Expenditure instead directly taking to Balance Sheet is not as per generally accepted accounting principals as well as Uniform Format of Accounts.

No Comments

F.8 Institute is providing depreciation on companies basis as against the rate of depreciation provided in Uniform Format of Accounts.

No Comments

Effect of audit comments

The net effect of the above is that Liabilities, Assets, Receipt and Payment were understated by Rs. 186.73 lakh, Rs. 269.00 Lakh, Rs. 66.82 Lakh and Rs. 66.82 Lakh and Expenditure was overstated by Rs. 215.27 Lakh respectively.


II. Grant-in-Aid

During the year, the Institute received Grant-in-aid of Rs. 45.20 crore in addition, it had an unspent balance of Rs.8.35 crore (including Rs.2.00 crore for NERC, Guwahati) of the previous year. Thus out of the total available fund of Rs.53.55crore, the

No comments.

		Institute utilized an amount of Rs.45.00 crore leaving unutilized amount of Rs.8.55 crore at the end of the year.	No Comments
	(v)	Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income and Expenditure Account and the Receipt & Payment Account dealt with by this report are in agreement with the books of accounts.	No Comments
	(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 to 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:	No Comments
	a.	In so far as it relates to the Balance Sheet of the state of Affairs of the Lakshmi Bai National Institute of Physical Education, Gwalior as at 31 st March 2019 and;	No Comments
	b.	In so far as it relates to Income & Expenditure Account of the deficit for the year ended on that date	No Comments


Finance Officer



Registrar

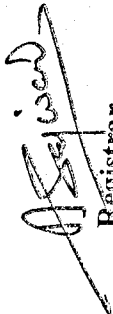

Vice Chancellor

Annexure

	<p>1. Adequacy of Internal Audit System : Internal Audit was conducted regularly. No internal audit manual in use.</p> <p>2. Adequacy of Internal Control System : The Internal Control System was found to be inadequate due to :</p> <p>(i) The response of the Management towards compliance audit objections was not effective as there were 64 paras pending pertaining to the period from 1996-97 to 2018-19 (up to December 2018)</p> <p>(ii) The response of the Management towards comments of previous SAR (2017-18) was not effective as no corrective action has been taken.</p> <p>(iii) There is not similarity in budget heads of LNIPE, Gwalior and its North East Regional Centre (NERC) at Guwahati.</p> <p>(iv) Confirmation of debtors/loans and advances from respective parties have not been taken.</p> <p>(v) Categorization for debtors outstanding for more than 6 months and otherwise have not been made.</p> <p>(vi) Finance Committee did not meet during 2018-19. As per Memorandum of Association, Finance Committee should meet two times in a year.</p> <p>(vii) Fixed Assets register has not been maintained in prescribed format GFR 40.</p>	<p>No Comments</p> <p>No Comments</p> <p>No Comments</p> <p>No Comments</p> <p>No Comments</p> <p>No Comments</p> <p>It relates to commercial organization not for Education Institute.</p> <p>It relates to commercial organization not for Education Institute.</p> <p>Noted for future compliance.</p> <p>No Comments</p>
--	---	--

<p>(viii) A difference of Rs. 31.177/-(Rs. 82,817-Rs. 51640) on account of write off value of fixed Assets was noticed between the Annual Accounts (Fixed Assets) and Physical Verification Report.</p> <p>3. System of physical verification of fixed assets: Physical verification of fixed assets has been conducted during the year. No consolidated physical verification report was prepared by the LNIPE.</p> <p>4. System of physical verification of inventories: Physical verification of inventories has been conducted during the year. No consolidated physical verification report was prepared by the LNIPE.</p> <p>5. Regularity in payment of statutory dues: No irregularity was noticed in payment of statutory dues.</p>	No Comments
	No Comments


Finance Officer


Registrar


Vice Chancellor
23/10/2020