

प्रसार भारती

PRASAR BHARATI

India's Public Service Broadcaster

वार्षिक लेखा

2012-13

Annual Accounts

2012-13



प्रसार भारती
PRASAR BHARTI
INDIA'S PUBLIC SERVICE BROADCASTER



द्वितीय तल, पी टी आई भवन, संसद मार्ग, नई दिल्ली 110001
2nd floor, PTI Building, Parliament Street, New Delhi 110001

Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of Prasar Bharati (Broadcasting Corporation of India) for the year ended 31 March 2013.

We have audited the attached Balance Sheet of Prasar Bharati (Broadcasting Corporation of India) as at 31 March 2013, 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 21(2) of the Prasar Bharati (Broadcasting Corporation of India) Act, 1990. Out of 560 DDOs, audit reports in respect of 11 DDOs had been received from our field offices and considered by us during certification. These financial statements are the responsibility of the Corporation'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 Laws, 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, subject to the observations mentioned in this report, 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, prescribed by the Government of India, Ministry of Finance/Ministry of Information and Broadcasting.

iii In our opinion, proper books of accounts and other relevant records have not been maintained by the Prasar Bharati (Broadcasting Corporation of India) as required under Section 21(1) of the Prasar Bharati (Broadcasting Corporation of India) Act, 1990 in so far as it appears from our examination of such books.

iv We further report that :

A Balance Sheet

A.1 Liabilities

A.1.1 Current Liabilities and Provisions: ₹ 6767.87 Crore

A.1.1.1. Prasar Bharati had shown ₹ 117.24 crore as liability in Schedule 7 under sub head 'advance received under the deposit work'. These advances were received from AIR/DD units by Civil Construction Wing (CCW) which was also a part of the Corporation. Being intra Prasar Bharati transactions, net effect of such transactions should have been zero. As such depiction of ₹ 117.24 crore as liability (advances) in the annual accounts of Prasar Bharati was irregular.

A.1.1.2. Inter office remittances during the year were reflected under the head 'Remittances to/from HQ/DDOs in transit/ reconciliations'. Under this head, payment made by Prasar Bharati Headquarter/ field offices was the receipt of field offices/Headquarter. Hence, in accrual system of accounting, receipts and payments under this head should be equal and the accounts should reflect zero assets/liabilities at the close of the year. Annual Accounts of Prasar Bharati for the year 2012-13 exhibit remittance in transit of ₹ 315.66 crore (current liabilities) as against ₹ 318.51 crore as on 31.3.2012. This needs to be reconciled expeditiously. This matter has been repeatedly pointed out during previous years also.

A.2 Assets

A.2.1 Current Assets, Loans and Advances: ₹ 1863.46 Crore

A.2.1.1. Prasar Bharati had kept the balance of ₹ 9.90 crore of CP Fund in FDRs and ₹ 0.41 crore in Current Account. The Prasar Bharati did not follow the pattern of investment prescribed by the Ministry of Finance in its notification No. F. 5(88)/2006-PR dated 14.8.2008.

B. Grants-in-aid

During the year, Prasar Bharati received grant-in-aid of ₹ 1729.00 crore {Plan: ₹ 79.00 crore and Non-Plan: ₹ 1650.00 crore (₹ 606.55 crore was received during March, 2013)} from the Ministry of Information and Broadcasting. The grant was fully utilised during the year.

C. Management letter: Deficiencies which have not been included in the Audit Report have been brought to the notice of the Prasar Bharati Management 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 and 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, 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 Prasar Bharati (Broadcasting Corporation of India) as at 31 March 2013; and
- b. in so far as it relates to the Income and Expenditure Account of the deficit 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

Date : 28/02/2014

Annexure to Audit Report

1. Adequacy of internal audit system

- Pr. A.O. of the Ministry of Information and Broadcasting was responsible for the internal audit of Prasar Bharati. However, inspection wings of AIR and DD Directorates were conducting internal audit in AIR and DD Directorates only, through their inspection wings. Further, there was no inspection wing in Prasar Bharati which had outsourced its internal audit to a firm of Chartered accountants

2. Adequacy of internal control system.

- PAO, AIR Lucknow had not submitted R & P Accounts in respect of eight stations along with Monthly consolidated Receipt and Payment Accounts of AIR and DD for March 2013. It was noted that instead of asking for the complete consolidated accounts, accounts of the Corporation were finalised with incomplete accounts of PAO, AIR Lucknow indicating inadequate internal control in the Corporation.
- In the absence of details of assets (e.g. fixed assets, inventories, loans and advances, sundry debtors, cash/bank/FDR balance), current liabilities and subsidiary records, the reconciliation of the items as per financial books with subsidiary records was not feasible. Thus, internal control about reconciliation of assets and liabilities is deficient.
- The Corporation did not provide certificate regarding loss due to theft, embezzlement, fire or other natural calamities in respect of its field offices.
- As per Service Tax Rule 6(1), the Service Tax on the services deemed to be provided in the month of March, or the quarter ending in March, as the case may be, shall be paid to the credit of the Central Government by the 31st day of March of the calendar year. Prasar Bharati had shown a liability of ₹ 2.55 crore towards service tax at the close of the year. Moreover, this liability was not shown separately in Schedule 7 under subhead Statutory Liabilities. This was clubbed with Other Expenses under B- Provisions.

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

- Value of fixed assets was accounted for in the books on the basis of a letter received from Chief Controller of Accounts by Prasar Bharati during the year 2002. In notes on accounts for the years 2006-07 to 2012-13, Prasar Bharati stipulated that amount of fixed assets was subject to physical verification and valuation. However, any physical verification and valuation of fixed assets were yet to be done by the Corporation. At field unit level also system of physical verification of assets was nonexistent, as this was found not being done in eight out of 11 units covered by Audit.

4. **System of physical verification of inventory**

- Prasar Bharati had shown inventory of ₹ 12.49 crore in the Accounts. There was no change in the inventory from the previous year. Physical verification reports of inventories were also not available. It was informed that verification report would be provided by 31 December 2013. It was, however, noted during the audit of field units that physical verification of inventory was not conducted in six out of 11 units covered.

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

- No undisputed statutory dues were outstanding against the Corporation at the close of the year.