1. INTRODUCTION

Maintenance of Accounts is one of the important functions of any organization. The question is how far the accounting system adopted by the organization is effective. Attempts have been made to explore and analyze the provisions and general practices of accounting system adopted by government general degree colleges of Tripura. The study also aims to examine the audit of accounts maintained in general degree colleges in Tripura. Financial accounting and auditing enables an organization to have better control and management of finance. The paper is based on secondary data. To deal with the issues, the paper relied upon appropriate secondary sources in collecting data.

Key Words: Higher Education, Finance, Accounts, Audit
In recent years, with an increase in government expenditure to educational institutions, particularly in the form of concessions and incentives, the greater need is being felt for accountability of the financial resources used by the educational institutions. Moreover, the present system of accounting and financial reporting followed by educational institution does not meet the accountability concerns of the stakeholders, including government as educational institutions in India follow not only diverse accounting practices but also different basis of accounting. Due to these factors, the financial statements of various educational institutions are incomparable. A need is, therefore, being felt for improved accountability of the financial resources used by the educational institution. A sound accounting and financial reporting framework acts as an important ingredient for promoting accountability and for development of the education sector.

2. PRESENT STUDY

There have been marked increases in the number of establishments of higher education in India and Tripura is no exception. The study aims to examine the accounting system practiced and audit of accounts maintained in general degree colleges in Tripura. The paper is based on secondary data. To deal with the issues, the paper relied upon appropriate secondary sources in collecting data. Basic information of government general degree colleges collected from the respective colleges through well-structured proforma. The information collected from the office of Controller and Auditor General (Govt. of India), Agartala, Directorate of Audit, Government of Tripura, Department of Higher Education, Government of Tripura. At present there are 24 general degree colleges in the State of which 22 colleges are exclusively run by the state government under the Department of Higher Education. The two general degree colleges, namely Bhavan’s College of Science and Technology and Holy Cross College are run by private management.

3. ACCOUNTING FOR EDUCATIONAL INSTITUTIONS

Financial accounting enables an organization to have better control and management of finance. It is often argued that since profit is not the objective of educational institutions, the accounting framework, which is relevant for business entities, is not appropriate for educational institutions. The concepts aim to identify the items that should be considered as income, expenses, assets and liabilities by educational institutions, for the purpose of including the same in the financial statements by defining the aforesaid terms. Assets are resources controlled by an entity from which future economic benefits or service potential is expected to flow to the entity. Therefore the definition of ‘asset’ would remain the same whether an entity is a business enterprise or an educational institution, in so far as expectation of the future economic benefits is concerned. In other words, what is considered as an asset by a commercial entity, e.g., Land, Building, Furniture and Equipment, etc., would be considered as an asset by an educational institution also. However, in case of an educational institution, certain items which may not have future economic benefits, but have service potential would also be considered as assets. The other elements of financial statements, viz., income, expenses and liabilities, will also remain the same for educational
institutions as in commercial entities. There is no difference in the application of the recognition principles to commercial entities and educational institutions. Accordingly, the measurement principles for income, assets and liabilities should be the same for commercial entities and not for-profit organizations such as educational institutions. So far as a financial statement is concerned, educational institution generally follows what is known as ‘fund based accounting’ whereas the commercial entities do not follow this system. This is because educational institution may be funded by numerous grants, donations or similar contributions, which may or may not impose conditions on their usage.

The Institute of Chartered Accountants of India (ICAI) has set up a standard format for higher educational institutes of the country. As per the body, all higher education institutes will have to report their financial information in that standard format set by the ICAI. As per the format, the institutes will now have to disclose their balance sheet and the income and expenditure account. The new format will be helpful for presenting general purpose financial statements to ensure proper accountability, financial discipline, end-use of funds and to meet the needs of stakeholders. It will define transparently the revenue earned through various sources – tuition fee and other charges, income from consultancy or from intellectual property owned by the institution.

The proposed new system is a shift from the present cash basis of accounting to accrual-based system. While the balance sheet will include sources and applications of funds along with liabilities and assets, the income and expenditure statement would reflect the academic receipts, grants and donations. With education being a not for profit activity, the MHRD wants to enforce these standards in order to check how much profit the educational institutes are making.

4. GOVERNMENT ACCOUNTING SYSTEM

As the present study deals with government general degree colleges of Tripura, it is necessary to understand the government accounting system. Government accounting is the process of recording, analyzing, classifying, summarizing communicating and interpreting financial information about government in aggregate and in detail reflecting transactions and other economic events involving the receipt, spending, transfer, usability and disposition of assets and liabilities. The purposes of government accounting are:

[1] To carry out the financial business of government in a timely, efficient and reliable manner (e.g. to make payments, settle liabilities, collect sums due, buy and sell assets, etc.) subject to necessary financial controls.

[2] To keep systematic, easily accessible accounting and documentary records as evidence of past transactions and current financial status, so that detailed transactions can be identified and traced and all aggregates can be conveniently broken down into their constituent parts.

[3] To provide periodic financial statements, containing appropriately classified financial information, as a basis for (a) stewardship and accountability and (b) decision-making.
[4] To maintain financial records suitable for budgetary control, internal control and the needs of auditors.

[5] To provide means for effective management of government assets, liabilities, expenditures and revenues.

On the basis of these purposes the government accounting system has to be; relatively uniform, well-documented, simple to operate and easy to consolidate. The mass of government transactions is cash based; hence the cash system of accounting is followed. However, for certain transactions for which Government acts as banker, remitter, borrower or lender, accrual System of Accounting is followed. There are three pillars viz., elements (expense, revenue, receipt, disbursements, liabilities, cash balance), measurement and recognition.

5. BOOKS OF ACCOUNT MAINTAINED BY THE HIGHER EDUCATIONAL INSTITUTIONS IN TRIPURA

For proper reflection of the financial health of an organization, adopting an adequate accounting system is necessary. The accounts should be prepared in such a way that one can radically find the fund-wise position of income, function-wise classification of expenditure and can help to analyze and interpret the financial data generated during the process of record keeping. Conceptual framework of accounting helps to examine the accounting system of an organization. As a general principle, the accounts and financial records are maintained in prescribed forms and registers. Indian universities maintain their accounting records on the single entry system or double entry system. There is no uniformity in the maintenance and preparation of accounts in university institutions in India. Irrespective of the system of accounting followed, most of the university institutions of India prepare receipts and payment account, income and expenditure account and balance Sheet for every financial year to report their financial results and financial position on a particular date.

There are different ways to format or display an account, but the most common way is by using T-accounts. T-accounts format account balances by keeping the debits on the left side and the credits on the right. The overall account balance is then calculated at the bottom. T-accounts also have a title or heading that displays the name and number of the account. Accounts can also be displayed as a listing of transactions in the general ledger. In other words, the cash account might just have a list of all the transactions that affected the cash account during that period. Although the list format ultimately works, T-accounts and similar reports are much easier to read and use. T-accounts are also helpful in the accounting cycle before preparing trial balances. Books of account may be maintained following the rules of Double Entry Book Keeping System and generally accepted accounting practices prevailing in India. Every educational institution should maintain proper books of account with respect to:

(a) all sums received by the educational institution and the matters in respect of which receipts, take place, showing distinctly the amounts received from income generating activities and through grants and donations;
(b) all sums of money expended by the educational institution and the matters in respect of which expenditure takes place;

The educational institutions generally maintain the following books of account:

a) Receipt Book;

b) Journal;

c) Cash Book / Bank Book; and

d) Ledger.

Educational institution with reference to specific requirements may maintain the following additional books of account, as considered necessary for maintenance of proper books of accounts: Purchase Book; Sales Book / Bill Book; Inventory Register; Other Books as deemed necessary. Moreover, following registers and other records like vouchers should also be maintained so as to give information in relation to:

1. Fees received from students (in respect of admission fee, tuition fee, library fee, examination fee, etc.)

2. Grants-in-aid received from various sources.

3. Scholarship and special stipends.

4. Funds such as building, library, laboratory, sports, furniture, equipments, endowment, provident fund, poor students fund, deposits, etc.

5. Immovable properties and other fixed assets.

6. Investments.

7. Minutes of the meetings of the Managing Committee of the educational institution.

8. Stock (for books, stationery, uniform, etc.)

9. Caution money received from students.

6. ACCOUNTING PRACTICES IN GENERAL DEGREE COLLEGES OF TRIPURA

All the colleges of Tripura maintain books and accounts conventionally which do not follow the statutory provisions and general practices followed by all other educational institutions in India. Though Government of India is trying to introduce a uniform accounting system all over the country, but it is observed that general degree colleges of Tripura are not at all aware of the uniform accounting system or procedure what is to be followed. Accountant of the general degree colleges is responsible for maintaining all types of books and records, registers and accounts. It is revealed from the study that most of the employees work as accountants have no accounting background. They perform the function of accountant only have consolidated training programmes of 15 days or like this. As a result, they generally follow what their seniors have done or make the records as they are getting readily available.

Though there is a general practice of maintaining books and accounts as per government accounting rules and accounting standard for educational institutions but the accounts of degree colleges are not maintained in the way as instructed or advised. In most of
the cases matters with less importance are ignored while preparing books and accounts, which is contrary to the statutory provision.

As per the prevailing accounting system in government degree colleges in Tripura they record only cash receipts and payments only in the cash books i.e. only receipts and payment accounts are prepared where as there are provisions of preparing income and expenditure statement and balance sheet which are not prepared even by a single sample college. The accountant of the colleges’ record cash receipts and cash payment only in the cash books, i.e. they prepare only Receipts and Payments Account though there is a provision to prepare income and expenditure statement, balance sheet at the end of every financial year. But no college in Tripura prepares an income and expenditure statement and balance sheet. While there is a provision of keeping registers for various items of assets and stores, but the sample institutions keep few registers only like stock register, GPF register for Gr. D employee. They do not keep register for consumable items and other important items.

As a whole general degree colleges of Tripura do not maintain proper books and accounts as per statutory provisions and also as general practices followed by other educational institutions in India. So there is need to give more attention to develop the existing accounting system followed so as to maintain a parity with the national level, which will obviously support the efforts taken by the government of India in executing uniform accounting system in educational institution throughout the country. ICAI, Government of India recommended accrual basis of accounting system, but the study shows that all the degree colleges maintain their books of accounts using the cash basis of accounting which is almost obsolete. Under cash basis, the actual position of fund receivable, expenditure payable, value of assets and liabilities is not included and disclosed to stakeholders. So the accrual basis of accounting should be followed by the government degree colleges so that the actual position of the institution can be brought to the view of the stakeholders as well as government.

<table>
<thead>
<tr>
<th>Types of registers</th>
<th>Maintain Register Percentage of colleges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill Register</td>
<td>100</td>
</tr>
<tr>
<td>Stock Register</td>
<td>100</td>
</tr>
<tr>
<td>Stipend and Scholarship Register</td>
<td>47</td>
</tr>
<tr>
<td>Fees Register</td>
<td>30</td>
</tr>
<tr>
<td>GPF Register</td>
<td>60</td>
</tr>
<tr>
<td>Telephone Register</td>
<td>0</td>
</tr>
<tr>
<td>Expenditure Register</td>
<td>0</td>
</tr>
<tr>
<td>Register of Valuables</td>
<td>0</td>
</tr>
<tr>
<td>Conveyance Register</td>
<td>0</td>
</tr>
<tr>
<td>LTC Register</td>
<td>100</td>
</tr>
<tr>
<td>Purchase Order Register</td>
<td>53</td>
</tr>
</tbody>
</table>

Sources: Information from Colleges and percent calculated
It is mentioned earlier that the maintenance of documents and financial information is the key area of effective financial management system. As per Government of Tripura circulars and directions issued from time to time every government general degree colleges are supposed to maintain registers of various natures. Therefore, it was investigated during the field survey what kind of registers the colleges maintained. The list of registers maintained in sample colleges is provided by the respective colleges in the prescribed proforma designed for this study. The said list of registers provided by the respective colleges is checked and verified during the personal visit to the colleges during the study period.

Bill register is one of the important registers maintained by the sample colleges. In colleges’ different kinds of bills are raised for making payments. The bills are processed through the account section of the college checked and verified by the drawing and disbursement officer and necessary payment are made with the approval of the competent authority. The summary of such bill is recorded in a register called Bill Register. It is found that all the sample colleges maintain bill register properly, but it is also observed that the proforma of bill register is different in a few colleges.

Similarly, stock register is another important record maintained by the sample colleges. There are two kinds of stock registers; one is stock register for consumable goods and another for non-consumable goods. All kinds of goods procured, consumable or non-consumable, are recorded in the respective stock register. If consumable goods are issued, this also needs to be recorded in the register of consumable goods. Precisely the detail of procurement of consumable goods (quantity, price, quality, supplier’s name, date of delivery, etc.) and the details issue of consumable goods (to whom issued, quantity, date of issue etc.) are recorded in the stock register for consumable goods. On the other hand, stock register for non consumable goods are maintained for recording the summary of purchase of capital items. In this register the nature of capital goods, price, quality, name of supplier, bill register reference etc. are recorded. It is observed that all the sample colleges maintain both the register. On checking the registers it is found that the registers are properly maintained. In many cases it is seen that all the entries are not filled up as per requirement. In case of the register of consumable stock it is often found that the name of the person to whom it is issued is not recorded or the purpose of issuing bulk quantity is also not reported. While discussing this matter with the concern drawing and disbursing officer it is reported that the dealing assistant finalizes the register only before the audit team visit or at the end of the financial year.

Register of valuables is one of the important registers usually maintained by all organizations. The demand draft, cheque, etc. received by the colleges are recorded in the register of valuables. It is unfortunate to note that no government general degree colleges (sample colleges) maintain a register of valuables. In a few cases it is also observed that the concern official does not even aware of maintaining registers of valuables. At the same time it is also found that the internal and external audit has raised the issue of maintenance of register of valuable in a few cases.
Another important aspect is that no sample colleges maintain telephone register and conveyance register. The objective of maintaining registers for telephone bills and conveyance is to put a check on misutilization from the standpoint of accounting control. However, it may be mentioned here that proper bill and vouchers are maintained by the colleges and the transaction are recorded in the cash book.

It is also found that around 53 percent of the sample colleges maintained Purchase Orders Register. Purchase Order Register is maintained to record the summary of purchase orders issued by the college authority. The nature of goods, price, expected time of delivery, advanced payment, etc. is recorded date wise in the register of purchase order.

It is reported by the sample colleges who does not maintain this register that they do not maintain the register because their quantity or value of price is very less in comparison or other large government degree colleges in Tripura.

There are several kinds of stipends and scholarships that are disbursed among the students of sample degree colleges. It is mandatory for every sample college to maintain stipend and scholarship register for each financial year. But it is surprising to note that 50 per cent of the sample colleges maintained stipend and scholarship register during the period of study. While maximum number of students of sample colleges avails benefit of different kind of stipends and scholarship therefore, it seems that maintenance of a register for the stipend and scholarship is most essential in terms of prudent financial management. In this connection the CAG audit raised several objections against most of the colleges regarding the non compliance of government directives and specific guidelines in this regard.

<table>
<thead>
<tr>
<th>Types of Books of Accounts</th>
<th>Maintain Books of Accounts</th>
<th>Percentage of colleges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Book</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Petty Cash Book</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Journal</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Ledger for Capital Assets</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>Ledger for Miscellaneous Payments</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Ledger for Fees and UGC Fund</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Ledger for Non Government Fund</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Any Others Books of Account</td>
<td></td>
<td>15</td>
</tr>
</tbody>
</table>

Sources: Information from Colleges and percent calculated

Maintenance of cash book is perhaps the most important book of accounts maintain by any organization. Proper maintenance of this book of account is considered as the barometer for any organization. All sorts of financial activities of the organization are reflected in cash book.

It is found that all the sample colleges maintain a cash book to record all financial transactions. As the accounting of the sample colleges is maintained under a cash basis.
system of accounting, maintenance of cash book is, thus, inevitable. However the following issues relating to maintenance of cash book is observed:

a) There is no uniformity in the proforma of cash book maintain by the general degree colleges of Tripura.
b) Double column or triple column cash book is used by the different sample colleges as per their convenience due to lack of any specific guidelines from the state government.
c) Cash books are not updated regularly. Even sometimes it is observed that recording of cash transaction in cash book is pending for more than a year in a few cases.
d) Cash books are not always properly signed and verified by the competent officials of the college authority.
e) There is no regular procedure for verification of cash book balance with actual cash.
f) Balances of cash column are not tallied with the balances of bank column.
g) Cash book is also considered as a journal. But it is found that no details of the transaction are recorded in cash book.
h) While recording received of cheque and demand draft or making payment through cross cheque, the details of cheque of demand draft (Cheque No, DD No, Date of issue, issuing bank etc.) are not recorded.

Petty cash book is maintained to record the petty transactions under different heads or sub heads. In managing the sample college, it is observed that many transactions are incurred which is petty in nature. But surprisingly, no colleges maintained any cash book of such kind. Non maintenance of petty cash book may lead to misappropriation of funds and embezzlement of cash as opined by many drawings and disbursing officer of the sample colleges. The Journal needs to be prepared by all organization as it is primary books of account. It is to be stated here colleges do not maintain any journal for recording the financial transaction.

Any transaction in connection with purchase of capital items is recorded in the cash book. Correspondingly the entry should also be made in ledger against the respective capital items.

Colleges received grants from the UGC under different heads. Therefore the colleges’ needs to maintain the records of all transactions incurred out of UGC funds separately following the UGC guidelines in this regard. It is found that all the colleges maintain a separate ledger for UGC transactions.

Fees collected from the students under different heads are kept and maintain separately under the heading ‘Non Government Fund’. A separate ledger is also maintained by all the sample colleges in connection with the said fund.
Keeping books of accounts and maintaining leads to preparation of annual accounts. The government financial year ends on 31st March every year. Therefore, as per provision of the financial rules every government degree colleges (sample colleges) are required to prepare annual accounts. Once the annual accounts are prepared it is being audited internally and externally.

Bank reconciliation statement is one of the important statements required for scrutiny of the transactions. It is found that only 80 per cent of the sample colleges prepare bank reconciliation statement. While discussing the matter with the Drawing and Disbursing Officers of the sample colleges it has come to knowledge that audit team always raises the issue of non availability of bank reconciliation statement. In some cases they themselves prepare the bank reconciliation statement for test checking purpose.

Receipts and payments account is essential in case of sample colleges as the accounts are maintained under cash basis system of accounting. All the sample colleges are found that they prepare annual receipts and payments account in compliance with department’s instruction in this regard.

Income and expenditure statement is essential if the accrual basis of accounting system is followed. No sample colleges thus prepare income and expenditure statement. Similarly balance sheet is also not prepared by the sample colleges. However if the MHRD’s proposed guidelines regarding the uniform accounting system for higher education institutions are implemented, than both income and expenditure account as well balance sheet have to be prepared under new scheme.

In examining the pattern of maintenance of registers and accounts in general degree colleges of Tripura (Table 1, 2 and 3), it has been found that there are explicit ways of maintaining the same in each college. To take the case of maintenance of records first it may be observed that the different goods acquired by the college for its use are categorized in same given pattern. This may not be conforming to practice as is follows in other institutions but it readily serves it purpose. In some cases there may not be some specified registers, but records are maintained in a chronological way in connection with different assets, consumable goods and such other things.

There is some prefix pattern to maintain accounts in an institution. Though the colleges in question do not follow the pattern in an exact way, but a clear idea can be had as cash book, bill register, payroll, fees register etc are maintained regularly. However, strict accounting principle may be absent in the maintenance of such accounts. But still an idea...
about the receipts and payment can clearly be made from the books of account maintained by the college.

7. AUDIT OF ACCOUNTS IN GENERAL DEGREE COLLEGES OF TRIPURA

Audit of Accounts discloses the strength and weakness of the financial system of the organization. Audit is a systematic and independent examination of data, statements, records, operations and performances (financial or otherwise) of an enterprise for a stated purpose. Generally two types of audit practices are being prevailed in the institutions, i.e. internal audit and statutory audit or concurrent audit. Internal audit is the independent appraisal of activities within an organization for the review of accounting, financial and other business practices as a protective and a conductive arm of management. The purpose of the audit is to:
1) provide comfort to management that operations are well managed;
2) identify weakness in the management system and recommend improvements;
3) suggest opportunities to reduce expenditure, increase revenues and better project government assets;
4) analyse the differences between actual and expected performance;
5) report gap between actual and expected performance; and
6) make recommendations to support management in minimizing risk.

It is generally accepted rules to perform the audit function at a regular time gap, i.e. after the completion of every financial year. It is surprisingly followed in both internal and external audit that no such span of time or the periodicity concept is maintained. Besides this the audit function is restricted only in finding out the mathematical mistake and utilization of fund received from various sources. No advisory activities regarding maintenance of prescribed accounting system or development of accounting procedure on the part of both internal and external auditors are noticed.

It is often noticed that two agencies like government auditor and internal auditor carry out their responsibility without any preset accounting standards. The entire task of auditing the accounts and financial management of educational institutions is taken very lightly. The control over effective utilization of scarce resources is often diluted.

Therefore, it is, high time to define the role and responsibilities of auditors of educational institutions and the accounting standards and practices. No doubt the interest of all the aforesaid users of educational institutions must be safeguarded. Internal audit system must be implemented with quality and seriousness; management control system must be perfect and effective. Misappropriation, frauds, misrepresentations must be detected and curbed at their initial stage. Auditors must see whether the accounting standard have been strictly followed by the educational institutions or not.

During the period under study, year wise audit report of all general degree colleges are not available. On scrutiny, it is observed that only five colleges covered under audit only once during the period 2007-2012. On examination of available audit report of general degree colleges of Tripura during the study period following observations are summarized.
Table 4: Observation of Internal Audit conducted by Directorate of Audit, Government of Tripura during 2007-08 to 2011-12

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Observations</th>
<th>Percentage of Colleges</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bank reconciliation statement was not done.</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>Undisbursed amount not deposit to Govt. A/c immediately on expiry of 3 months of its drawl.</td>
<td>80</td>
</tr>
<tr>
<td>3</td>
<td>Collection of non government fund (students fees) not entered in the daily collection register and non government cash book</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>No VAT was deducted from the gross amount of bills at the of making payments to the parties concerned.</td>
<td>60</td>
</tr>
<tr>
<td>5</td>
<td>Undisbursed stipend not refunded or deposited to government account in due time.</td>
<td>60</td>
</tr>
<tr>
<td>6</td>
<td>Non Recordance of office materials in the general stock book or stock register.</td>
<td>20</td>
</tr>
<tr>
<td>7</td>
<td>Requisite details like cheque no., challan no, name of parties etc. Had not been found to be recorded for clear identification and future reference.</td>
<td>40</td>
</tr>
<tr>
<td>8</td>
<td>Payment entries had not been found to be attested by the DDO of the establishment.</td>
<td>20</td>
</tr>
<tr>
<td>9</td>
<td>Cash book maintained in the establishment did not exhibit the correct position of cash balance.</td>
<td>20</td>
</tr>
<tr>
<td>10</td>
<td>Physical verification of library books not conducted and value of the library books so issued had not been recorded in the issue register of the library.</td>
<td>20</td>
</tr>
<tr>
<td>11</td>
<td>A good number of officials did not sign / were reluctant to sign on the acquaintance Roll register with revenue stamp.</td>
<td>20</td>
</tr>
<tr>
<td>12</td>
<td>Using correction fluid were noticed which is against the provision of Rule 77 of CTR</td>
<td>20</td>
</tr>
<tr>
<td>13</td>
<td>There is wide variation between bank balance as per bank statement that of cash book.</td>
<td>0</td>
</tr>
<tr>
<td>14</td>
<td>Regarding UGC fund, utilization certificate not furnished at the end of the financial year.</td>
<td>0</td>
</tr>
<tr>
<td>15</td>
<td>Assets register not maintained properly.</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Internal Audit Report, Government of Tripura

Directorate of Audit, Government of Tripura is entrusted with the audit of all the government departments while the external audit is done by the Accountant General, Tripura. Accordingly the audit of general degree colleges is performed as a part of government departments. It has been observed from the audit report that during 2007-08 to 2011-12, MBB College, BBM College, Womens College, Ramthakur College and GDC, Kamalpur covered under audit of accounts. It is observed from table that:
Bank reconciliation statement is one of the important statements required for scrutiny of the transactions. It is found that 80 percent audited colleges prepared bank reconciliation statement properly.

Undisbursed amount not deposited to Govt. A/c immediately on expiry of 3 months of its drawl by 80 percent colleges.

Fees collected from the students under different heads are kept and maintain separately under the heading ‘Non Government Fund’ but not entered in the daily collection register and non government cash book of 20 percent colleges.

60 percent colleges not deducted VAT from the gross amount of bills at the of making payments to the parties concerned.

60 percent colleges not refunded or deposited undisbursed stipend to Government Account in due time.

Office materials purchased by General Degree College are recorded in the general stock book or stock register by 80 percent colleges.

For clear identification and future reference 60 percent colleges keep record or detail like cheque no., challan no, name of parties etc.

Cash books are not always properly signed and verified by the competent officials of the college authority. Payment entries had not been found to be attested by 20 percent DDO of government general degree colleges.

20 percent colleges maintained cash book did not exhibit the correct position of cash balance.

Physical verification of library books conducted 80 percent colleges.

Value of the library books so issued had not been recorded in the issue register of the library by 20 percent colleges.

About 80 percent of officials of staffs signed on the acquaintance Roll register with revenue stamp.

Only 20 percent colleges used correction fluid for rectification which is against the provision of Rule 77 of CTR.

There is no variation between bank balances as per bank statement that of cash book among all the colleges.

Regarding UGC fund, utilization certificate furnished by every college at the end of the financial year.

20 percent colleges not maintained assets register properly but records are maintained in a chronological way in connection with different assets, consumable goods and such other things.

Thus unaudited colleges cannot take opportunity for correcting their mistakes which will identify by the audit team assigned by the Directorate of Audit, Government of Tripura.
8. CONCLUSIONS

Financial accounting enables an organization to have better control and management of finance. The financial statements of educational institution should reflect income, expenses, assets and liabilities in respect of such funds separately so as to enable the users of financial statements such as the contributors, to assess the usage of the funds contributed by them. The study shows that all the degree colleges maintain their books of accounts using the cash basis of accounting which is almost obsolete. It is found that general degree colleges of Tripura are not at all aware of the uniform accounting system or procedure what is to be followed. There is no uniformity in the proforma of cash book and other books of account maintain by the government general degree colleges of Tripura. In examining the procedure of maintenance of registers and accounts in general degree colleges of Tripura it has been found that there are explicit ways of maintaining the same in each college. There is some prefix pattern to maintain accounts in an institution. Though the colleges in question do not follow the pattern in an exact way, but a clear idea can be had as cash book, bill register, payroll, fees register etc are maintained regularly. However, strict accounting principle may be absent in the maintenance of such accounts.

Regarding audit it is generally accepted rules to perform the audit function at a regular time gap, i.e. after the completion of every financial year, but no such span of time or the periodicity concept is maintained. No advisory activities regarding maintenance of prescribed accounting system or development of accounting procedure on the part of both internal and external auditors are noticed. It is often noticed that two agencies like CAG auditor and internal auditor carry out their responsibility without any preset accounting standards. The entire task of auditing the accounts and financial management of educational institutions is taken very lightly. The control over effective utilization of scarce resources is often diluted. Thus the accounting system in government colleges is founded grossly inadequate. Essential registers and important accounting books are not maintained by the colleges properly. In spite of severe audit observation the college authorities have not changed the defective procedure of keeping accounts and records.

9. REFERENCES


This is certified that the paper entitled "Accounting And Audit Of Higher Education: A Study With Reference To Government General Degree Colleges Of Tripura" Authored by Dr. Sanjoy Das, Associate professor, Department of Commerce, Ramthakur College, Agartala-Tripura (India) has been accepted & published online in IJIFR continuous 61st edition Volume 6-Issue 1, September 2018 under Paper ID: IJIFR/V6/E1/04.

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