



BRANCH: DIRECTOR GENERAL OF AUDIT (CENTRAL), HYDERABAD AT
BHUBANESWAR



Date: 22 Sep 2022

To,

Registrar, IISER, Berhampur

Subject: Separate Audit Report on the annual accounts of IISER, Berhampur for the year 2021-22

Sir/Madam,

I am directed to send herewith the copy of Separate Audit Report and Annexure on the accounts of the Indian Institute of Science Education & Research, Berhampur, as sent to Ministry of Education along with one copy of Annual Accounts for the year 2021-22. A Management Letter containing other observations is also sent herewith.

The receipt of the same may kindly be acknowledged

Yours faithfully,

Encls: As above

Dusasana Behera
Director Central Revenue Audit

Copy to:-

- 1 Sr AO/CRA
- 2 Sr AO/CEA, Main office Hyderabad



No. DGA(C)/BO-Odisha/SAR.2021-22/IISER Berhampur/2022-23/

Date- 22.09.2022

To,
The Secretary,
Govt. of India, Ministry of Education,
Department of Higher Education, 'C' Wing,
Shastri Bhawan, Dr. Rajendra Prasad Road,
New Delhi 110001

Sub- Separate Audit Report on the accounts of Indian Institute of Science Education and Research (IISER), Berhampur, Odisha for the year 2021-22-reg.

Madam/Sir,

Separate Audit Report on the accounts of Indian Institute of Science Education and Research (IISER), Berhampur, Odisha for the year 2021-22, Annexure thereof and one copy of Annual Accounts are forwarded herewith for placing before both the House of Parliament.

The dates of presentation of Separate Audit Report in both the Houses of Parliament may please be intimated.

आपसे अनुरोध है कि संलग्नक के साथ इस पत्र की प्राप्ति को स्वीकार करें।

संलग्न- यथोपरि

भवदीय,
हस्ताक्षरित
महानिदेशक लेखापरीक्षा/केन्द्रीय
Director General of Audit (Central)

No. DGA(C)/BO-Odisha/SAR.2021-22/IISER Berhampur/2022-23/322

Date- 22.09.2022

Copy to The Director, Indian Institute of Science Education & Research, Berhampur, Transit campus- Govt. Industrial Training Institute (ITI) Berhampur, Engineering College Junction, NH-59, Berhampur Dist- Ganjam,760010 Odisha, along with one copy of Annual Accounts for the year 2021-22.

संलग्न- यथोपरि

हस्ताक्षरित
निदेशक/सीआरए
Director/CRA

Shri Jitendra S. Karape, IA&AS
Director General of Audit (Central)

No.DGA(C)/CEA/IISER-BPR/SAR-2021-22/2022-23/324

Date:22 /09/2022

Audit of Annual Accounts of Indian Institute of Science Education and Research, Berhampur for the year 2021-22 was conducted during July 2022. Significant comments on accounts are included in the Separate Audit Report issued separately to the Government of India, Ministry of Education, New Delhi and a copy marked to you. The observations which are not included in the Separate Audit Report, meriting the attention of the Management are detailed below to enable your office to take necessary corrective action.

I would like to inform that, minor irregularities in Part 'B' which have been noticed during the current audit and which require the necessary corrective action to be taken by the Management.

Yours sincerely,
हस्ताक्षरित
महानिदेशक लेखापरीक्षा / केन्द्रीय

To,
Prof. K.V.R. Chary, Director,
Indian Institute of Science Education & Research,
Berhampur

Annexure to Management Letter

PART-A

NIL

PART-B

1. Current Liability and Provisions included provisions of ₹9.36 lakh made towards subscription renewals of e-journals to Balani Info Tech Pvt. Ltd. (₹5.09 lakh) and e-journals & Mathscinet database to Globe Publications Pvt. Ltd.(₹4.27 lakh) from 01.01.2022 to 31.12.2022. However, provision for the total expenses was made for the year 2021-22 instead of allocating proportionately i.e., for 3 months (January 2022 to March 2022) for 2021-22 and balance 9 months for 2022-23. This has resulted in overstatement of Current Liabilities and Provisions as well as outstanding expenses & other (Sch-3-6(h)) by ₹7.02 lakh and understatement of corpus/capital fund to the same extent.
2. Current Liability and Provisions included provisions for outstanding rent of ₹1.85 lakh for full month March 2022 but scrutiny of payment vouchers for the March 2022 reveals that rent have already been paid up to 15th March 2022 for the rented premises. Therefore, provisions should have been kept for half month only instead of full month. This resulted in overstatement of current liabilities and provisions/expenditure by ₹0.92 lakh and understatement of Corpus/Capital Fund to the same extent.

हस्ताक्षरित
Director/CEA

Separate Audit Report on the Accounts of Indian Institute of Science Education and Research (IISER), Berhampur for the year 2021-22

We have audited the attached Balance Sheet of Indian Institute of Science Education & Research, Berhampur as at 31 March 2022, the Income & Expenditure Account and Receipts & Payments Account for the year ended on that date under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 22(2) of the National Institute of Technology, Science Education and Research (NITSER) Act, 2007 as amended by NITSER amendment Act 2017. These financial statements are the responsibility of the 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 & 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. 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 & Expenditure Account and Receipts & Payments Account dealt with by this report have been drawn up in the Format of financial statements for the Central Higher Educational Institutions prescribed by the Ministry of Education.

iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Indian Institute of Science Education & Research, Berhampur as required, in so far as it appears from our examination of such books.

iv. We further report that:

Comments on Accounts:

A. Balance Sheet

A.1 Application of Funds

A.1.1 Fixed Assets – Tangible Assets - ₹ 49.36 crore (Schedule-4)

A.1.1.1 Advances amounting to ₹2.00 crore towards 90 *per cent* of purchase cost of three Scientific Equipment were paid to the foreign suppliers. These assets valuing ₹2.36 crore were actually received and installed during 2021-22. However, instead of capitalization, the amount was incorrectly shown under Advances on Capital Account - Schedule 8(3). This resulted in understatement of Tangible Assets (Net) by ₹2.17 crore, Depreciation by ₹0.19 crore, understatement of Current Liabilities by ₹0.36 crore and overstatement of Advances on Capital Account - Schedule 8 (3) by ₹2.00 crore.

A.1.1.2 For the work Construction of 33 KV power supply connectivity to IISER Berhampur, ₹1.61 crore was deposited with SOUTHCO towards advance for supervision charges and ₹0.61 crore with OPTCL Bhubaneswar for feeder bay against which the agencies have not reported any expenditure as of March 2022. However, the total amount was incorrectly shown under Capital Work in Progress (Schedule 4) instead of Advances on Capital Account (Schedule 8). This resulted in overstatement of Capital Work in Progress by ₹2.22 crore and understatement of Advance on Capital Account to that extent.

A.1.2 Loans, Advances & Deposits: ₹ 140.62 crore (Schedule 8)

A.1.2.1 Credit balance of ₹2.83 crore pertaining to Sponsored Projects (Schedule 3a) was incorrectly adjusted against debit balance of ₹0.76 lakh and net credit balance of ₹2.82 crore was shown under Other Current Liabilities (Balances against Sponsored Projects) in Schedule 3 - Current Liabilities & Provisions, instead of accounting the debit balance under Loans, Advances & Deposits (Schedule-8), though mandated as per MoE format of Accounts. This resulted in understatement of Loans, Advances & Deposits as well as Current Liabilities & Provisions by ₹0.76 lakh.

B. Income & Expenditure Account

B.1 Income – Nil

B.2 Expenditure

B.2.1 This includes expenses on Freight & Custom House Agent charges, Transportation charges and other incidental charges of ₹15.41 lakh towards procurement of Lab equipment which has been wrongly booked under Administrative & General Expenses (Sch. 17-(q) Expenses on Outsourcing of services, job work and security instead of booking under Capital Work in Progress Schedule-4- Fixed Assets. This resulted in overstatement of Administrative & General Expenses and understatement of Capital Work in Progress(Schedule-4- Fixed Asset) by ₹15.41 lakh and consequently resulted in understatement of Capital /Corpus Fund to that extent.

D. Grants-in-Aid:-Out of total Grants-in-Aid of ₹229.19 crore and Higher Education Funding Agency (HEFA) Loan of ₹57.60 crore received during the year, interest of ₹2.18 crore (earned on HEFA account) and unutilized balance of ₹93.59 crore of previous year totalling to ₹382.56 crore, the institute utilized ₹227.30 crore and refunded ₹6.69 crore leaving an unutilized balance of ₹148.57 crore.

E. Management Letter: Deficiencies which have not been included in the Audit Report have been brought to the notice of the Director, IISER, Berhampur, through a Management Letter issued separately for remedial/corrective action.

iv. Subject to our observations in the preceding paragraphs, we report that the Balance sheet and Income & Expenditure Account/Receipts & Payments Account dealt with by this report are in agreement with the books of accounts.

v. 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 Indian Institute of Science Education and Research, Berhampur at 31 March 2022; and
- b. In so far as it relates to Income & Expenditure Account of the *surplus* for the year ended on that date.

हस्ताक्षरित
Director General of Audit (Central)

ANNEXURE

1.Adequacy of Internal Audit System: The internal audit was not conducted for the year 2021-22.

2.Adequacy of Internal Control System: Internal Control System was not adequate as internal audit was not conducted and physical verification of assets and inventory was not also conducted. Expenditure control register, Register of Contracts, Medical claim register etc were not maintained and system of capitalization of assets was not proper.

3.Physical Verification of Fixed Assets: The Physical Verification of Fixed Assets was not conducted for the year 2021-22.

4.Physical Verification of Inventory: The Physical Verification of Inventory was not conducted for the year 2021-22.

5.Regularity in the payment of statutory dues: Statutory dues were paid regularly.

हस्ताक्षरित
Director/CRA