Draft Separate Audit Report on the accounts of the Indian Institute of Science Education and Research (IISER), Berhampur for 2024-25

PART-I- (Introduction)

The audit of office of the Indian Institute of Sience Education and Research (IISER), Berhampur was conducted from 07/07/2025 to 25/07/2025 by the following members of field audit party of office of the Branch: PDA (Central), Hyderabad at Bhubaneswar.

Name	Designation	Member from	Member till
Gouranga Charan Tripathy	Senior Audit Officer	07/07/2025	25/07/2025
Prabhat Kumar	AAO	07/07/2025	25/07/2025

The audit was supervised by the following officers.

Name	Designation	Effective from	Effective to
Gouranga Charan Tripathy	Senior Audit Officer	07/07/2025	25/07/2025

Name of the office inspected	Indian Institute of Science Education and Research, Berhampur
Period of accounts audited	2024-25 (Separate Audit Report)
Time taken for audit	07.07.2025 to 25.07.2025 (15 working days)
Name & designation of the head of the office	Prof. Ashok Kumar Ganguly, Director, IISER, Berhampur
Name & designation of the officer in charge of accounts	Sri Swarup Narayan Behera, Sr. Asst. Registrar(F&A)
Next Higher authority	Ministry of Education, Govt of India
Name of the officers who audited the accounts	Sri Prabhat Kumar, Asst. Audit Officer
Name of the reviewing/ supervising officer	Sri Gouranga Chandra Tripathy, Senior Audit Officer
Scope of audit	A test check and general examination of accounts records pertaining to 2024-25 under section 19(2) of C&AG's DPC Act, 1971

1. Introduction

(i) Setting up of Autonomous Body

Indian Institutes of Science Education and Research (IISERs) were created in 2006 through a proclamation of the Indian government's Ministry of Human Resource Development, aiming to promote quality education and research in basic sciences. Indian Institute of Science Education and Research, Berhampur (IISER Berhampur) is an autonomous public research and science education institute. Established in 2016, the institute is one of the 7 IISERs established by the Ministry of Human Resource Development. IISER Berhampur is recognized as an Institute of National Importance by the Government of India. The institute started functioning from the 2016–17 academic year in August. IISER Berhampur offers a

Bachelor of Science and Master of Science (BS-MS) dual-degree, Doctor of Philosophy (Ph.D.), and Integrated Ph.D. (i-Ph.D.) degrees in Mathematics, Physics, Chemistry, Biology, and Earth Sciences. Students can also pursue minors in fields such as Data Sciences, Bioengineering, and Engineering Physics. Additionally, IISER Berhampur provides opportunities for post-doctoral positions and various other roles, including Research Associate and Junior Research Fellow (JRF).

ii) Audit mandate

The audit has been conducted under section 19(2) of CAG's (DPC) 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.

Opinion of the Comptroller & Auditor General of India on the Accounts of *Indian Institute of Science Education and Research, Berhampur* for the year ended 31 March 2025.

Qualified Opinion

We have audited the financial statements of *Indian Institute of Science Education and Research, Berhampur*, which comprise the statement of financial position as at 31 March 2025and the Income & Expenditure Account/ Receipts & Payment Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies under Section 19(2)of the Comptroller & Auditor General's(Duties ,Powers & Conditions of Service) Act, 1971readwith Section 22(2) of the National Institute of Technology, Science Education and Research (NITSER) Act, 2007 as amended by NITSER amendment Act 2017.

This 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, disclosure norms, etc. Audit observations on financial transactions regarding compliance with the Law, Rules and Regulations (Propriety & Regularity) and efficiency cum performance aspects, etc., if any, are reported through inspection reports/ CAG's audit reports separately.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements of *Indian Institute of Science Education and Research, Berhampur*, read together with the accounting policies and Notes thereon and other matters mentioned in the Separate Audit Report, which follows, **give a true and fair view** of the financial position of the autonomous body as at March 31, 2025, and (of) its financial performance and its cash flows for the year then ended in accordance with uniform format of accounts/format applicable to the AB.

Basis for Qualified Opinion

The annual accounts for the year 2024-25 of the institute present a true and fair view except for certain material issues such as quantification of the misstatement or error (e.g understatement/overstatement of fixed asset, Capital Work-in-progress, inadequate disclosures, incorrect classification of nature of expenditure etc and not pervasive issues.

We conducted our audit in accordance with CAG's auditing regulations/ standards/ manuals/ guidelines/ guidance-notes/ orders/ circulars etc. Our responsibilities are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the autonomous body in accordance with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

Nil

Responsibilities of Management for the financial statements

The Governing Body of IISER, Berhampur is responsible for the preparation and fair presentation of the financial statements in accordance with format applicable to the Institute, and for internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includesour opinion inaccordance withCAG'sauditing regulations/ standards/ manuals/ guidelines/ guidance-notes/ orders/ circulars etc.

For and on behalf of the CAG of India

Director General of Audit (Central), Hyderabad

Place: Date:

Comments on Annual Accounts:

BalanceSheet

A.1 Fixed Assets – Capital Works in Progress - ₹578,93,64,626
A.1.1 Reference Number: OBS-2047019

Two equipments costing ₹4,73,49,191 (₹3,47,91,518 plus ₹1,25,57,673) including IGST were received in the Institute pending installation. However, these equipments were incorrectly included under Advances instead of Capital Works in Progress as mandated in the MoE Format of Accounts. This resulted in understatement of CWIP (Schedule 4) by ₹4,73,49,191 and overstatement of Loans, Advances & Deposits (Schedule 8) to that extent.

A.1.2 Reference Number: OBS-2044047

Understatement of Work in Progress (Schedule-4) and overstatement of advance to contractors/suppliers (Schedule-8) - ₹ 1.28 Crore.

Against the advance of ₹1,28,97,242 paid towards purchase of Workstation with Accesssories, the item was delivered in May 2024 pending installation. However, the advance was incorrectly included under Advance instead of Capital Works in Progress as mandated in the MoE Format of Accounts. This resulted in understatement of CWIP (Schedule 4) by ₹1,28,97,242 and overstatement of Loans, Advances & Deposits (Schedule 8) to that extent.

A. **Income and ExpenditureAccount:** No Comments

B. **Receipts and Payments Account :** No Comments

C. **Accounting Policies :** No Comments

D. **General**

E.1 Reference Number: OBS-2047020

An Expenditure amounting ₹ 3,54,000/- (Paid to M/s Toshniwal Brothers SR Pvt. Ltd.) towards Repair & Maintenance (Lab & Scientific Equipment) relating to the year 2022-23 was incorrectly booked under Repair & Maintenance (Schedule-19) for 2024-25 instead of Prior Period Expenses (Schedule-22).

E. **ManagementLetter :**

F.1 Two Biometric Devices procured at a cost of ₹ 59,032 were incorrectly included under office consumables instead of office equipments.

F.2 Solid waste dustbins (40 nos.) procured at a cost of ₹8,82,000 was incorrectly included under Repair & Maintenance Expenses (schedule 19) instead of Adminisrative Expenses – office consumables (schedule 17).

F. Assessment of Internal Controls

(i) Adequacy of Internal Control System: The internal control system is not adequate and commensurate with the size and nature of the Institute as the physical verification of assets and inventory was not conducted for the years 2023-24 and 2024-25.

(ii) Adequacy of Internal Audit System: Yes, the internal audit system is adequate and commensurate with the size and nature of the Institute. The Internal Audit was conducted by the internal audit team for the period 2018-19 to 2023-24.

(iii) System of Physical verification of fixed assets:Physical verification of the fixed assets has not been conducted for the years 2023-24 and 2024-25.

(iv) System of Physical verification of inventory:Physical verification of the inventory has not been conducted for the years 2023-24 and 2024-25.

(v) Regularity in payment of statutory dues: Yes, the entity is regular in depositing undisputed statutory dues including Provident Fund, Employees'State Insurance,Income Tax, Sales Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities.

(vi) Other matters relating to functioning of the entity: Communication gap between the store & stocks dept. and accounts dept. related to the receipt of equipment/items/assets procured.

G. Grantsinaid (Reference Number: OBS-2024182)

Outof the grants in aid of ₹248.30 crore received during the year and previous year's unspent balance of ₹199.50 crore,the organization could utilize a sum of ₹206.01 crore and refunded ₹0.69 crore leaving a balance of ₹ 241.10 crore as unutilized grant as on 31 March 2025.

H. Lack of response : Nil

Deputy Director /CRA