

**Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Indian Institute of Management, Kashipur for the year ended on 31<sup>st</sup> March 2023**

We have audited the attached Balance Sheet of Indian Institute of Management, Kashipur (Institute) as at 31 March 2023 and Income & Expenditure Account and Receipts & Payment Account for the year ended on that date under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971 read with Section 23(3) of the Indian Institutes of Management Act, 2017. These financial statements are the responsibility of the Institute'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 & 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 the 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 test basis, evidences supporting the amounts and disclosures 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, Income & Expenditure Account and Receipts & Payments Account dealt with by this report have been drawn up in the format of Financial Statements for Central Higher Educational Institutions (format) prescribed by Department of Higher Education, Ministry of Human Resource Development, Government of India; and

(iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Indian Institute of Management, Kashipur as required under Section 23 (1) of the Indian Institutes of Management Act, 2017 in so far as it appears from our examination of such books.

(iv) We further report that:

**(A) Income & Expenditure Account**

**Repairs & Maintenance (Schedule-19)**

**Rs. 1.21 crore**

The Institute has shown Rs. 12.81 lakh as 'IT Maintenance (AMC)' under the head Academic Expenses (Schedule-16.7 Research & Development Expenses) instead of Repairs and Maintenance (Schedule-19). This resulted in overstatement of 'Academic Expenses' by Rs. 12.81 lakh and understatement of Repairs and Maintenance by the same amount.

**(B) General**

**(B.1)** The Institute has incorrectly prepared Schedule-15A 'Employees Retirement and Terminal Benefits'. As per the format the total figure (A+B+C+D+E) in this sub-schedule will be the figure against 'Retirement and Terminal Benefits' in Staff Payments & Benefits (Establishment Expenses) under Schedule-15. The needs to be rectified.

**(B.2)** The cost of Student Residential Building of Rs. 54.50 lakh and Faculty Residential Building of Rs. 10.24 crore, which have been completed and handed over in the year 2018 and 2019 respectively are still included in the 'Work in Progress' instead of 'Fixed Assets'. The Institute needs to rectify the entries and incorporate it suitably.

**(B.3)** The Institute has mis-classified many items<sup>1</sup> of fixed assets into office equipment etc. which do not pertain to the respective heads. The Institute needs to rectify the same.

**(C) Grant in Aid**

The institute has not received any Grant-in-Aid during the year 2022-23.

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<sup>1</sup> Projector, Camera, Water tank, Fire equipment, Cooler, RO water purifier, Refrigerator, Cycle Stand, Air conditioner, Lawn Mower, Grass cutter, Washing Machine, Sport Equipment, Microwave, Microphone, Submersible pump, Speaker, DG Set, Gym Equipment, Bio Gas Plant

**(D) Management letter:** Deficiencies which have not been included in the Audit Report have been brought to the notice of the 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 & Expenditure Account and 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.

**(a)** *In so far as it relates to the Balance Sheet, of the state of affairs of the Indian Institute of Management, Kashipur as at 31 March 2023; and*

**(b)** *In so far as it relates to Income & Expenditure Account of the 'surplus' for the year ended on that date.*

**For and on behalf of the C&AG of India**

**Date:**

**Place: Lucknow**

**Principal Director of Audit (Central)**

## **Annexure**

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

The Internal Audit of the Institute has been conducted for the year 2022-23 by a Chartered Accountant firm.

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

The inadequacy of Internal Control System in the Institute is characterised by the following deficiencies:

- a. Non-filling of six teaching and 29 non-teaching post lying vacant against 52 teaching and 74 non-teaching posts, respectively.
- b. Non-updation of 44 gifted books in the accession register.
- c. Non-maintenance of Cash Book by the Institute.

### **3. System of Physical Verification of fixed assets**

Physical verification of fixed assets has been conducted for the year 2022-23.

### **4. System of Physical Verification of Inventory**

Physical verification of Inventory has been conducted for the year 2022-23.

### **5. Regularity in Payment of statutory dues**

The Institute is regular in payment of statutory dues.

**Deputy Director (CE)**