

Separate Audit Report of the Comptroller and Auditor General of India on the accounts of Indian Institute of Management, Kashipur for the year ended 31 March, 2015.

We have audited the attached Balance Sheet of Indian Institute of Management, Kashipur (IIMK) as at 31 March 2015, Income and Expenditure Account and Receipts and Payments Account for the year ended on that date under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971. The audit has been entrusted for the period up to 2014-15. 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 (C&AG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accountings standards and disclosures 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 and Expenditure Account and Receipts and Payment Accounts dealt with by this report have been drawn in a new format of accounts introduced by Department of Higher Education (MHRD) for the Institute of Higher Education.

iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Indian Institute of Management, Kashipur in so far as it appears from our examination of such books.

iv. We further report that:

(A) General

(A.1) The work in progress as per Schedule 4 of the Balance Sheet was ₹ 32.03 crore, whereas it was ₹ 34.21 crore as per the running account bills. This resulted into a difference of ₹ 2.18 crore which needs to be reconciled.

(A.2) Receipts and Payments Account.

The un-utilised grant of year 2013-14 amounting to ₹ 4.12 lakh was not included in the opening balance shown in Receipts and Payments Account of year 2014-15. This resulted in understatement of receipts by ₹ 4.12 lakh.

(B) Grants-in-Aid

The Institute received Grants-in-aid of ₹ 90.90 crore (Plan) during the year 14-15. Taking opening balance of ₹ 4.12 crore (Plan), the total funds available worked out to ₹ 95.02 crore, out of which the Institute utilized a sum of ₹ 62.81 crore (Plan) leaving a balance of ₹ 32.21 crore (Plan) as un-utilised grant as on 31 March 2015.

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

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

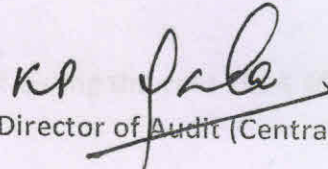
matters mentioned in Annexure to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:

- 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 2015; and
- b. In so far as it relates to Income and Expenditure Account of the 'surplus' for the year ended on that date.

For and on behalf of the C&AG of India

Place: Lucknow

Date: 06/01/16


Principal Director of Audit (Central)

Annexure

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

The Institute does not have its own Internal Audit wing. The internal audit of the Institute was conducted by a Chartered Accountant firm during 2014-15. Besides, the Institute has not prepared its Internal Audit Manual.

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

The Internal Control system in the Institute is inadequate as there is no internal audit manual and payments were made to non-teaching contractual staff without sanctioning of posts.

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

Physical verification of fixed assets was carried out during the year 2014-15.

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

Physical verification of inventory was conducted during the year 2014-15.

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

All statutory dues up to the year ending 31 March, 2015 had been paid by the Institute except the payment of service tax amounting to ₹3.63 lakh and labour cess ₹1.19 lakh.

Dy. Director of Audit (CE)