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प्रधान महालेखाकार (लेखा परीक्षा) का कार्यालय,
मेघालय - शिल्लोंग - 793 001
OFFICE OF THE
PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
MEGHALAYA, SHILLONG - 793 001
Email : agauMeghalaya@cag.gov.in
Tele No. (0364) 222 4171
Fax No. (0364) 222 3494

संख्या

No. ES-II/4-3/NEIGRIHMS/2019-20/99

दिनांक

Date 03 October 2019

To,

The Secretary to the Government of India,
Ministry of Health and Family Welfare,
Nirman Bhavan, New Delhi - 110001.

Sub: Separate Audit Report on the accounts of the North Eastern Indira Gandhi Regional Institute of Health & Medical Sciences, Shillong for the year ended 31 March 2019.

Sir,

I am to forward the Separate Audit Report on the accounts of the North Eastern Indira Gandhi Regional Institute of Health & Medical Sciences (NEIGRIHMS), Shillong for the year 2018-19 and a set of audited Annual Accounts of the NEIGRIHMS for the year 2018-19.

2. The Hindi version of the Separate Audit Report will be prepared by the NEIGRIHMS.
3. The Separate Audit Report and the Annual Accounts sent may please be placed before both Houses of Parliament as soon as possible. The date(s) of placing of the Report and Accounts may please be intimated and ten copies of the Report, placed before Parliament, may please be sent to this office for record.
4. The Separate Audit report may please be treated as Confidential till it is placed before the Parliament.

Kindly acknowledge receipt.

Encl: As stated above

Yours faithfully,

sd/-

Pr. Accountant General (Audit)

DDA

for needful

9/10/2019

AAO(A)
9/10/19

No:ES-II/4-3/NEIGRIHMS/2019-20/100

Date: 03 October 2019

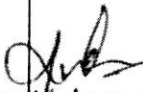
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Copy of the Separate Audit Report on the accounts of the North Eastern Indira Gandhi Regional Institute of Health & Medical Sciences (NEIGRIHMS), Shillong for the year 2018-19 are forwarded for information and necessary action to:

✓ The Director,
North Eastern Indira Gandhi Regional Institute of Health & Medical Sciences,
Mawdiangdiang,
Shillong – 793018.

2. Necessary arrangement may please be made for preparation of Hindi version of the Separate Audit Report and issue of the same to the Government of India, Ministry of Health and Family Welfare, with copy to this office.
3. The date(s) of placing the Separate Audit Report and Annual Accounts before both Houses of Parliament may please be intimated.
4. The Separate Audit Report sent herewith may please be treated as **confidential** till it is placed before both Houses of Parliament.

Kindly acknowledge receipt.


3/10/2019
Deputy Accountant General
Economic Sector-II

Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of the North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences (NEIGRIHMS), Shillong for the year ended 31 March 2019

We have audited the attached Balance Sheet of the North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences (NEIGRIHMS), Shillong as at 31 March 2019, the Income and Expenditure Account and Receipt and Payment Account for the year ended on that date under section 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of service) Act, 1971 read with Rule 31 (2) of the Memorandum of Association of the Institute. The audit has been entrusted to us for the period up to 2019-20. These financial statements are the responsibility of the NEIGRIHMS's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the proposed comments of the Comptroller and 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 and 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 mis-statements. An audit includes examining, on a 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 the Receipt & Payment Account dealt with by this report have been drawn up in the format approved by Ministry of Finance.
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by the NEIGRIHMS, Shillong, as required under Rule 31(1) of the Memorandum of Association of the NEIGRIHMS, in so far as it appears from our examination of such books.

(1102)

We further report that:

A. Balance Sheet

Capital Fund and Liabilities

Current Liabilities & Provisions (Schedule-7)

Provisions: ₹21.37 crore

Others: NIL

A1: The above does not include an amount of ₹0.40 crore being building permission fees payable to Meghalaya Urban Development Authority (MUDA) for the various major civil construction works being undertaken by the Institute as on 31 March 2019. This has resulted in understatement of Provisions and Capital work-in-progress by ₹0.40 crore each.

B. Income and Expenditure Account

Income

Grants (Schedule - 13)

Meghalaya Health Insurance Scheme Phase II: ₹0.82 crore

B1: The above does not include an amount of ₹2.05 crore receivable by the Institute from Insurance Companies against services provided under Meghalaya Health Insurance Scheme (MHIS). Non provision for the same has resulted in understatement of Income and Current Assets –Receivables for the year by ₹2.05 crore each.

Income from Sales/Services (Schedule-12)

Labour and Processing Charges: ₹5.93 crore

B2: The above does not include ₹0.82 crore being income earned from the services provided to the beneficiaries of MHIS which was wrongly accounted as Grants. This has resulted in understatement of Income from Sales/Services and overstatement of Grants by ₹0.82 crore each.

Increase/(decrease) in stock of finished goods and works-in-progress (Schedule-19):

₹-0.94 crore

B3: The above includes ₹1.56 crore being the value of Closing Stock of Consumables & Medicines' as on 31 March 2019. However, as per Physical Verification Reports of Consumables for the Financial Year 2018-19, the value of Closing Stock of Consumables & Medicines were ₹2.18 crore. Thus, there was difference of ₹0.62 crore (₹2.18 crore - ₹1.56 crore) between the figures of Annual Accounts 2018-19 and Physical Verification Reports of Closing Stock of Consumables & Medicines which needs to be reconciled.

Expenditure

Establishment Expenses (Schedule 20)

Expenses on Employee's Retirement & Terminal Benefit: ₹0.45 crore

B4: The above does not includes ₹6.95 crore being provisions for Accumulated Leave Encashment as on 31 March 2019 which the Institute did not quantify in the Annual Accounts 2018-19. This has resulted in understatement of Expenses on Employee's Retirement & Terminal Benefit and Deficit for the year by ₹6.95 crore with corresponding understatement of Provisions – Accumulated Leave Encashment by the same amount.

(117c)

Other Administrative Expenses (Schedule 21)

Repairs and Maintenance

Main Building: ₹1.89 crore

B5: The above does not include ₹50.09 lakh being the amount of work which were completed on 31 January 2019 but was yet to be accounted in the books of accounts. Non-accountal of the same has resulted in understatement of expenses on Repair and Maintenance and Current Liabilities for the year by ₹50.09 lakh each.

C: Grants-in-aid:

C1: Out of the grants of ₹243.21 crore received during the year & unutilised grant of ₹202.91 crore from previous year, the Institute had utilised a sum of ₹337.49 crore during the year leaving a balance of ₹108.63 crore as unutilised grant as on 31 March 2019.

D: **Management letter:** Deficiency which have not been included in the Audit Report have been brought to the notice of the Institute through a management letter issued separately for remedial/corrective action.

v. Subject to our observation in the preceding paragraphs, we report that the Balance Sheet and Income and Expenditure Account and Receipt and 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 I to the 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 North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences as at 31 March 2019:
and
- (b) In so far as it related to the Income and Expenditure Account of the Surplus for the year ended on that date.

**For and on behalf of the Comptroller and
Auditor General of India**



(Stephen Hongray)

Principal Accountant General (Audit)

Place: Shillong

Date: 03 October 2019

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Annexure I to Separate Audit Report

1. Adequacy of Internal Audit System:

The Institute is having 37 departments under Basic Science, Medical Speciality, Surgical Speciality, Medical Super Speciality, Surgical Super Speciality and Other Services. However, inspite of having large number of departments and huge volume of expenditure, the Institute does not have any Internal Audit Wing to cover all activities of the Institute. The Institute had not framed any Internal Audit Manual till date.

2. Adequacy of Internal Control System:

The internal control system was not adequate and commensurate with the size and nature of the Institute. The deficiencies and weakness in the internal control system are as follows:

(i) As per the Bye-Laws of the Institute, the following Council/Committees had to conduct meetings as per the following:

Sl No.	Type of Committee	Meeting to be conducted	Meeting held during the year 2018-19
1.	Governing Council	Once in six months	NIL
2.	Executive Committee	Once a year	NIL
3.	Standing Finance Committee	Once in six months	NIL

From the above table, it can be observed that the Governing Council, Executive Committee and Standing Finance Committee had not conducted any meeting during the year 2018-19. Hence, the above Committees failed to monitor the overall control of administration and review of all works and activities of the Institute.

(ii) There are many discrepancies between the book balances of Store Ledgers and the physical balances which shows the lack of internal control and internal check on the functioning of the Stores Department.

(iii) There is no system of surprise check of the cash being maintained in all 37 departments.

(iv) The Institute has not yet developed any Manual relating to Accounts and Audit for effective Internal Control Systems.

3. System of Physical verification of fixed assets:

(i) The Institute conducted Physical Verification of Fixed Assets as on 31 March 2019. However, after the physical verification, the physically verified assets were not compared with the assets in its books of accounts.

(ii) The Comparative /shortcoming report should be made available to audit.

The Physical Verification Report of Fixed Assets as on 31 March 2019 did not specify the details such as stock in hand as per Fixed Asset Registers, available physical stock, differences, rate, etc.

(iv) The Physical Verification Report of Fixed Assets failed to report the discrepancies between book balances of Fixed Assets and physical balances and also failed to recommend remedial action.

(v) There is no system of covering all the assets in physical verification.

4. System of Physical verification of inventory:


(i) The Institute conducted Physical Verification of Consumables as on 31 March 2019. However, there are many items which were short than what were available as per book balances of Store Ledgers.

(ii) There were also many items which were more than what were available as per book balances of Store Ledgers. Some of the items were not physically available at all whereas there were available as per book balances of Store Ledgers.

(iii) The Institute failed to write off with in the books of accounts for the material deficiencies that were noticed on physical verification of Consumables as on 31 March 2019.

5. Regularity in payment of Statutory Dues

The Institute was regular in payment of its statutory dues.


**Sr. Audit Officer
Economic Sector-II**

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कार्यालय प्रधान महालेखाकार (लेखापरीक्षा)
मेघालय शिलांग , - 793 001
OFFICE OF THE
PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
MEGHALAYA, SHILLONG-793 001

EPABX- 0364-2228861/62/63; FAX-2223494

Email: agauMeghalaya.gov.in

Ltr.No. ES-II/4-3/Annual Accounts/NEIGRIHMS/2019-20/102

Date: 03 October 2019

To,

The Director,
North Eastern Indira Gandhi Regional Institute of Health & Medical Sciences,
Mawdiangdiang,
Shillong – 793018.

Sub: Management Letter on Separate Audit Report on the Accounts of North Eastern Indira Gandhi Regional Institute of Health & Medical Sciences (NEIGRIHMS), Shillong for the year 2018-19.

Sir,

I am to invite a reference to the subject above and to state that during the course of **Financial Audit of North Eastern Indira Gandhi Institute of Health & Medical Sciences, Shillong for the year 2018-19**, the following were observed:

1. Interest earned includes interest amount of ₹13.81 lakh pertaining to prior period 2017-18 which was paid by the Bank during the year 2018-19. A separate disclosure for the same should have been made in the Income & Expenditure Account in line with instructions stated in the Uniform Format of Accounts for Central Autonomous Bodies.

2. Interest earned does not include interest accrued during the year amounting ₹9 lakh on the Savings Bank Account.

3. Salary and wages includes payment of Ad-hoc Bonus (Non-productivity Linked Bonus) to the employees in Groups 'C' and 'D' and all non-gazetted employees in Group 'B' who are not covered by any Productivity Linked Bonus Scheme amounting to ₹1.66 crore (2015-16 – ₹0.52 crore, 2016-17 – ₹0.56 crore and 2017-18 ₹0.58 crore) without obtaining the approval from Ministry of Finance (MoF) which are recoverable.

4. The Institute has issued supply orders for procurement of various fixed assets amounting ₹5.04 crore which was yet to be received as on 31 March 2019. However, the contingent liability against these supply orders was not stated in the Notes on Accounts as required by Instructions for Compilation of Financial Statements.

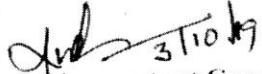
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5. Advances have been carried forward year after year from 2012-13 onwards without any adjustment and the Institute has not produced any details of the above to Audit. As such, immediate action may be taken to expedite settlement of the following Advances.

Sl. No.	Particulars	Amount (₹)	Year
1	Inspection Fees (Director, RIO, CEA)	1,00,000.00	2012-13
2	M/s. NICSI, New Delhi	1,35,888.00	2012-13
3	National Aids Control	25,000.00	2012-13
4	Dr. Star Pala, Asst. Prof.	15,000.00	2012-13
5	Smt. N. Das, Principal Nursing	3,71,000.00	2012-13
TOTAL		6,46,888.00	

I, therefore, request you to kindly take necessary corrective steps on the above observation.

Yours faithfully,


Deputy Accountant General
Economic Sector-II



पूर्वोत्तर इंदिरा गांधी क्षेत्रीय स्वास्थ्य एवं आयुर्विज्ञान संस्थान, शिलांग
NORTH EASTERN INDIRA GANDHI REGIONAL INSTITUTE OF HEALTH & MEDICAL SCIENCES, SHILLONG

(भारत सरकार, स्वास्थ्य एवं परिवार कल्याण मंत्रालय, स्वायत्त संस्थान)
(An Autonomous Institute, Ministry of Health and Family Welfare, Government of India)

सिदेशक ब्लॉक, मावदीयांगडीयांग, शिलांग - 793018 मेघालय
Director's Block, Mawdiangdiang, Shillong - 793018 Meghalaya

E-mail - info.neighms@nic.in
www.neighms.gov.in
EP/ABX : (0364) 2538025
Tel : 0364-2538013/2538010
Fax: 0364-2538003

NEIGR/A/21/2017/

Dated: 29th July 2019

To
The Sr Audit Officer
ES- II
O/o the Principal Accountant General (Audit)
Meghalaya, Shillong

Handwritten signature
m/ra II
31/7/19

Sub: Submission of replies to Aide Memoire of the Accounts of the North Eastern Indira Gandhi Institute of Health & Medical Sciences (NEIGRIHMS) Shillong for the financial year 2018-2019

Sr,

Enclosed please find enclosed herewith is the replies to Aide Memoire of the Accounts of the North Eastern Indira Gandhi Institute of Health & Medical Sciences (NEIGRIHMS) Shillong for the financial year 2018-2019 for your information and kind perusal please

Thanking you

Yours faithfully

Handwritten signature
29/7/2019
[Prof (Dr). D M Thappa]
Director

Encl: As stated



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**RELIES TO AIDE-MEMOIRE OF PROPOSED COMMENTS ON THE ACCOUNTS OF
NORTH EASTERN INDIRA GANDHI REGIONAL INSTITUTE OF HEALTH & MEDICAL SCIENCES, SHILLONG
FOR THE YEAR 2018-19**

SN	POS No.	Provisional Comments	Reply of the Institute
1.	<p>Income and Expenditure Account</p> <p>Income</p> <p>Income from Sales/Services (Schedule-12)</p> <p>Income from Services</p> <p>Labour and Processing Charges: ₹ 5.93 crore</p> <p>The above does not include ₹ 0.82 crore being income earned from the services provided to the beneficiaries of Meghalaya Health Insurance Scheme (MHIS) which was wrongly accounted as Grants. This has resulted in understatement of Income from Sales/Services and overstatement of Grants by ₹ 0.82 crore each.</p>	<p>It may be stated that the above amount has no effect on the Income & Expenditure Account. However, as pointed by the C& AG (Audit) the comment is noted and the same will be accounted under Income from Sales/Services in the Annual Accounts (Balance Sheet) from 2019-2020 onwards.</p> <p>In view of the above, the observation may kindly be dropped</p>	
2.	<p>Income and Expenditure Account</p> <p>Income</p> <p>Interest Earned (Schedule-17): ₹ 10.24 crore</p> <p>The above includes interest amount of ₹ 13.81 lakh (Detailed in Annexure-I) pertaining to prior period 2017-18 which was paid by the Bank during the year. Separate disclosure for the same should have been made in the Income & Expenditure Account in line with instructions stated in the Uniform Format of Accounts for Central Autonomous Bodies.</p>	<p>The observation does not have an effect on Income & Expenditure A/c. However, as pointed out by Audit separate disclosure will be shown separately on account of interest earned from saving bank from the current financial year (2019-2020) onwards.</p> <p>In view of the above the observation may kindly be dropped</p>	

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3	<p>Income and Expenditure Account Income Grants (Schedule - 13) Meghalaya Health Insurance Scheme Phase II: ₹ 0.82 crore</p> <p>The above does not include an amount of ₹ 2.05 Crore receivable by the Institute from Insurance Companies against services provided under Meghalaya Health Insurance Scheme. Non provision for the same has resulted in understatement of Income and Current Assets -Receivables for the year by ₹ 2.05 Crore each.</p>	<p>Noted for future guidance</p> <p>In view of the above the observation may kindly be dropped</p>
4	<p>Balance Sheet Capital Fund and Liabilities Current Liabilities & Provisions (Schedule-7) Provisions Others: NIL</p> <p>The above does not include an amount of ₹ 0.40 Crore being building permission fees payable to Meghalaya Urban Development Authority for the various major civil construction works being undertaken by NEIGRHMS as on 31 March 2019. This has resulted in understatement of Provisions and Capital work-in-progress by ₹ 0.40 Crore each.</p>	<p>As pointed out the observation is noted.</p> <p>In view of the above the observation may kindly be dropped</p>
5	<p>Income and Expenditure Account Income Interest Earned (Schedule-17): ₹ 10.24 Crore</p> <p>The above does not include interest accrued during the year amounting ₹ 9,11,516.67/- on the Savings Bank Account detailed in Annexure-II. This has resulted in understatement of Interest Earned under Income and other assets by ₹ 9,11,516.67/- each.</p>	<p>The Institute recorded the Interest earned from saving bank whenever it is realized in the bank account and hence no receivable of interest from saving bank is shown in the books during the year.</p> <p>However as pointed by C & AG (Audit) the same will be rectify from this financial year onwards 2019-2020</p>

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6	<p>Balance Sheet Assets Investments (Schedule- 10) Others: Mutual Fund with SBI: ₹ 2.10 Crore</p>	<p>In view of the above the same may kindly be treated as dropped.</p>																												
7	<p>The above is the purchase value of investments and does not reflect the value as on 31 March 2019 which was ₹ 2,10,96,502.84/- (as detailed below). This has resulted in understatement of Investments and Income for the year by ₹ 96,502.84/- each as per details given below:</p> <table border="1" data-bbox="641 724 1063 1375"> <thead> <tr> <th>Investment Portfolio Details</th> <th>Cost of Investment (A)</th> <th>Current Value (B)</th> <th>Differential amount (B) - (A)</th> </tr> </thead> <tbody> <tr> <td>LD055A SBI Nifty Index Fund- Dir Growth</td> <td>₹ 70,00,000.00</td> <td>₹ 70,43,397.76</td> <td>₹ 43,397.76</td> </tr> <tr> <td>LD040A SBI Magnum Gilt Fund Direct Growth</td> <td>₹ 35,00,000.00</td> <td>₹ 35,13,465.13</td> <td>₹ 13,465.13</td> </tr> <tr> <td>LD069G SBI Magnum Medium Duration F Dir Gr</td> <td>₹ 35,00,000.00</td> <td>₹ 35,15,601.65</td> <td>₹ 15,601.65</td> </tr> <tr> <td>LD72SG SBI Liquid Fund Direct Growth</td> <td>₹ 35,00,000.00</td> <td>₹ 35,07,478.93</td> <td>₹ 7,478.93</td> </tr> <tr> <td>LD099G SBI Magnum Multicap Fund- Dir G</td> <td>₹ 35,00,000.00</td> <td>₹ 35,16,559.37</td> <td>₹ 16,559.37</td> </tr> <tr> <td></td> <td>₹ 210,00,000.00</td> <td>₹ 210,96,502.84</td> <td>₹ 96,502.84</td> </tr> </tbody> </table> <p>Contingent Liabilities and Notes on Accounts Capital Commitments</p>	Investment Portfolio Details	Cost of Investment (A)	Current Value (B)	Differential amount (B) - (A)	LD055A SBI Nifty Index Fund- Dir Growth	₹ 70,00,000.00	₹ 70,43,397.76	₹ 43,397.76	LD040A SBI Magnum Gilt Fund Direct Growth	₹ 35,00,000.00	₹ 35,13,465.13	₹ 13,465.13	LD069G SBI Magnum Medium Duration F Dir Gr	₹ 35,00,000.00	₹ 35,15,601.65	₹ 15,601.65	LD72SG SBI Liquid Fund Direct Growth	₹ 35,00,000.00	₹ 35,07,478.93	₹ 7,478.93	LD099G SBI Magnum Multicap Fund- Dir G	₹ 35,00,000.00	₹ 35,16,559.37	₹ 16,559.37		₹ 210,00,000.00	₹ 210,96,502.84	₹ 96,502.84	<p>The Institute does not have the value of Investment as on 31 March 2019. The value stated by audit is as on 3rd April 2019.</p> <p>In view of the above the same may be considered and treated as dropped.</p>
Investment Portfolio Details	Cost of Investment (A)	Current Value (B)	Differential amount (B) - (A)																											
LD055A SBI Nifty Index Fund- Dir Growth	₹ 70,00,000.00	₹ 70,43,397.76	₹ 43,397.76																											
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7.	<p>The Institute has issued supply orders for procurement of various fixed Assets amounting ₹ 5.04 Crore (supporting document enclosed) which was yet to be received as on 31 March 2019. However, the contingent liability against these supply orders was not stated in the Notes on Accounts as required by</p>	<p>Noted for future compliance</p> <p>The amount does not have an effect on the</p>																												

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<p>Instructions for Compilation of Financial Statements. This has resulted in understatement of Contingent Liabilities for the year by ₹ 5.04 crore.</p>	<p>Income & Expenditure A/c. The observation made will be disclosed in the Contingent Liabilities from the current financial year 2019-2020 onwards.</p>
<p>8</p>	<p>In view of the above the observation may kindly be treated as dropped.</p>
<p>Income and Expenditure Account Expenditure Other Administrative Expenses (Schedule 21) Repairs and Maintenance Main Building: ₹ 1.89 Crore</p> <p>The above does not include ₹ 50,09,078/- being the amount of work relating to 'Water Proofing of Auditorium, Teaching Block and OPD Block' which were completed on 31.01.2019 but is yet to be accounted in the books of accounts. Non-accountal of the same has resulted in understatement of expenses on Repair and Maintenance and Current Liabilities for the year by ₹ 50,09,078/- each.</p>	<p>It may be stated that the Institute has provided ₹ 79.59 Crore as Current Liabilities-A during the year 2018-2019, but due to oversight the amount of ₹ 50,09,078/- was not accounted for as Current Liabilities. As pointed out by C & AG (Audit) the same will be treated as prior period item as and when the payment is made.</p>
<p>9.</p>	<p>In view of the above the observation may kindly be dropped.</p>
<p>Income and Expenditure Account Expenditure Establishment Expenses (Schedule-20) Salary and Wages: ₹ 133.94 Crore</p> <p>The above includes payment of Ad-hoc Bonus (Non-productivity Linked Bonus) to the employees in Groups 'C' and 'D' and all non-gazetted employees in Group 'B' who are not covered by any Productivity Linked Bonus Scheme amounting to ₹ 1.66 Crore (2015-16 – ₹ 0.52 Crore, 2016-17 – ₹ 0.56 Crore and 2017-18 ₹ 0.58 Crore). The orders from Ministry of Finance (MoF) for the grant of Ad-hoc bonus to Autonomous Bodies are being issued separately every year. Further, such orders for the grant of Ad-hoc</p>	<p>Relies for the same is enclosed herewith for your kind information.</p> <p>In view of the above the same may kindly be dropped.</p>

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	<p>bonus to Autonomous Bodies had been issued upto the year 2014-15 by MoF and further orders had not been issued till date. However, the Institute paid Ad-hoc bonus to the employees for the period 2015-16 to 2017-18 without obtaining the approval from MoF which are receivable. This has resulted in understatement of Current Assets - Receivables (Current Period ₹ 0.58 Crore and Prior Period ₹ 1.08 Crore) and understatement of Income by ₹ 1.66 Crore.</p>																													
10.	<p>10 Balance Sheet Assets</p>																													
	<p>Current Assets, Loans, Advances, etc. (Schedule-11) Loans, Advances, etc.: ₹ 21.34 Crore</p>	<p>This include ₹ 6,46,888.00 being the following advances:</p> <table border="1" data-bbox="609 829 852 1711"> <thead> <tr> <th>SN</th> <th>Particulars</th> <th>Amount (₹)</th> <th>Year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Inspection Fees (Director, RIO, CEA)</td> <td>1,00,000.00</td> <td>2012-13</td> </tr> <tr> <td>2</td> <td>M/s. NICSI, New Delhi</td> <td>1,35,888.00</td> <td>2012-13</td> </tr> <tr> <td>3</td> <td>National Aids Control</td> <td>25,000.00</td> <td>2012-13</td> </tr> <tr> <td>4</td> <td>Dr. Star Pala, Asst. Prof.</td> <td>15,000.00</td> <td>2012-13</td> </tr> <tr> <td>5</td> <td>Smt. N. Das, Principal Nursing</td> <td>3,71,000.00</td> <td>2012-13</td> </tr> <tr> <td colspan="2">Total</td> <td>6,46,888.00</td> <td></td> </tr> </tbody> </table>	SN	Particulars	Amount (₹)	Year	1	Inspection Fees (Director, RIO, CEA)	1,00,000.00	2012-13	2	M/s. NICSI, New Delhi	1,35,888.00	2012-13	3	National Aids Control	25,000.00	2012-13	4	Dr. Star Pala, Asst. Prof.	15,000.00	2012-13	5	Smt. N. Das, Principal Nursing	3,71,000.00	2012-13	Total		6,46,888.00	
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	<p>It may be stated that the power of the Director to write off such losses is only ₹ 10,000/-. As pointed out by C & AG (Audit) the Institute will place before the Executive Committee (EC) for approval and to write off such losses. However, it may be stated that the amount of ₹ 1,00,000/- will be put up to the Director to consider as prior period income since the said amount is towards security charges for using the Auditorium.</p>	<p>In view of the above the observation may kindly be dropped.</p>																												
11.	<p>11 Income and Expenditure Account Expenditure Establishment Expenses (Schedule 20) Expenses on Employee's Retirement & Terminal Benefit: ₹ 0.45 Crore</p>	<p>The above does not includes ₹ 6.95 crore being provisions for Accumulated Leave Encashment as on 31 March 2019 which the Institute did not quantify in the Annual Accounts 2018-19 as per details enclosed in</p>																												

Noted for future compliance

(12)th

Annexure. Though the Institute had disclosed in the Notes to Accounts that the Retirement benefits could not be done on actuarial calculations. However, the provisions for Accumulated Leave Encashment as on 31st March 2019 was not quantified. This has resulted in understatement of Expenses on Employee's Retirement & Terminal Benefit and Deficit for the year by ₹ 6.95 crore with corresponding understatement of Provisions - Accumulated Leave Encashment by the same amount.

12. **Income and Expenditure Account**

Income

Increase/(decrease) in stock of finished goods and works-in-progress (Schedule-19):
₹ -0.94 Crore

The above includes ₹ 155.76 Lakh being the value of Closing Stock of Consumables & Medicines as on 31 March 2019. However, as per Physical Verification Reports of Consumables for the Financial Year 2018-19, the value of Closing Stock of Consumables & Medicines are as follows:

SN	Particulars	Value as on 31 March 2019 (₹ in Lakh)
1.	Sanitary and General Consumables	6.78
2.	Stationeries	20.35
3.	Hospital Consumables	20.60
4.	Accessories, Spares and Consumables	15.74
5.	Forms, Prospectus, etc	3.82
6.	Clothing	9.36
7.	Electrical Fittings & Appliances	8.11
8.	Plumbing Items	5.25
9.	Utensils, Crockery, etc	3.08
10.	Reagent	16.26
11.	Surgical Instruments	3.20
12.	Medicines	3.55
13.	Medicines Stores	28.41
14.	Surgical & Disposables	18.57
15.	ICU's Medicines	3.55
16.	Medicines Stores: Surgical & Disposables	51.14

The gross figure of closing stock as on 31st March, 2019 requires rectification, as due to oversight Medicines indicated at Sl. - 12 "as medicines" is repeated at Sl. - 15 as "ICU medicines" resulting increased value of closing stock of consumables and medicines by ₹ 3.55 lakhs.

Once the above is reduced/ corrected, the closing value of consumables shall be ₹ 214.21 lakhs, as per the closing balance in respect of stock of finished goods and work-in-progress, forwarded by Stores. The above is approximately in-line with the value of finished goods submitted by the store as on 31st March, 2019.

CPA

	<p style="text-align: center;">Total</p> <p style="text-align: right;">217.77</p> <p>Thus, there was difference of ₹ 62.01 lakh (₹ 217.77 lakh - ₹ 155.76 lakh) between the figures of Annual Accounts 2018-19 and Physical Verification Reports of Closing Stock of Consumables & Medicines. This needs to be reconciled.</p>	
13.	<p>Grants-in-Aid:</p> <p>Out of the grants of ₹ 243.21 Crore received during the year & unutilised grant of ₹ 202.91 Crore from previous year, the Institute had utilised a sum of ₹ 337.49 Crore during the year leaving an balance of ₹ 108.63 Crore as unutilised grant as on 31st March 2019.</p>	No Comments
14.	<p>1. Adequacy of Internal Audit System:</p> <p>The Institute is having 37 departments under Basic Science, Medical Speciality, Surgical Speciality, Medical Super Speciality, Surgical Super Speciality and Other Services. However, inspite of having large number of departments and huge volume of expenditure, the Institute does not have any Internal Audit Wing to cover all activities of the Institute. The Institute had not framed any Internal Audit Manual till date.</p> <p>2. Adequacy of Internal Control System:</p> <p>The internal control system was not adequate and commensurate with the size and nature of the Institute. The deficiencies and weakness in the internal control system are as follows:</p> <p>(i) As per the Bye-Laws of the Institute, the Council/Committees had to conduct meetings as per the following:</p>	<p>The Institute is presently having an Internal Audit Wing which was notified vide letter No NEIGR-GAD/97/2012/117 Dated 29th May 2019. As noted from the C &AG report, the Institute Internal Wing will frame the Internal Audit Manual.</p> <p>Noted for future guidance.</p>

1700

	<p>Thus, there was difference of ₹ 62.01 lakh (₹ 217.77 lakh - ₹ 155.76 lakh) between the figures of Annual Accounts 2018-19 and Physical Verification Reports of Closing Stock of Consumables & Medicines. This needs to be reconciled.</p>	No Comments																
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SN	Type of Committee	Meeting to be conducted	Meeting held during the year 2018-19															
1.	Governing Council	Once in six months	NIL															
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CPB.

SN	Type of Committee	Meeting to be conducted	Meeting held during the year 2018-19
1.	Governing Council	Once in six months	NIL
2.	Executive Committee	Once a year	NIL
3.	Standing Finance Committee	Once in six months	NIL

From the above table, it can be observed that the Governing Council, Executive Committee and Standing Finance Committee had not conducted any meeting during the year 2018-19. Hence, the above Committees failed to monitor the overall control of administration and review of all works and activities of the Institute.

(ii) There are many discrepancies between the book balances of Store Ledgers and the physical balances which show the lack of internal control and internal check on the functioning of the Stores Department.

(iii) There is no system of surprise check of the cash being maintained in all 37 departments.

It may be stated that the Institute did not sanction to all 37 Department but only 13 Department and the amount sanction is only 2,000/- only for 12 Department and 5000/- only to 1 Department, so the total sanction of imprest money to 13 Department is only 30,000/- only. The amount sanctioned is to meet the unforeseen expenses in the hospital in order to run the hospital smoothly. It may also be stated that as and when the imprest amount is exhausted the Institute use to insist to submit the statement along with the bills/vouchers and to show the availability of cash in hand (Enclosed for ready reference in 5 cases). At the year end the imprest holder has to submit bills/vouchers along with the unspent balance to the Accounts Section as part of the control measures and internal control system for cash. (Statement of the same is also enclosed herewith atleast 5 cases

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		for your ready reference). In view of the above and also considering the total imprest amount of only ₹ 30,000/- and sanction to 13 Department the observation may kindly be dropped.
	<p>(iv) The Institute has not yet developed any Manual relating to Accounts and Audit for effective Internal Control Systems.</p> <p>(v) However, proper books of accounts and other relevant records have been maintained by the Accounts Department of the Institute.</p> <p>(vi) The Institute used to submit the Annual Accounts in time every year for Audit.</p> <p>3. System of Physical verification of Fixed Assets:</p> <p>(i) The Institute conducted Physical Verification of Fixed Assets as on 31 March 2019. However, after the physical verification, the physically verified assets were not compared with the assets in its books of accounts.</p> <p>(ii) In the absence of such comparative report, the authenticity of the value and numbers of Fixed Assets in the accounts could not be verified in audit.</p> <p>(iii) The Physical Verification Report of Fixed Assets as on 31 March 2019 did not specify the details such as stock in hand as per Fixed Asset Registers, available physical stock, differences, rate, etc.</p> <p>(iv) The Physical Verification Report of Fixed Assets failed to report the discrepancies between book balances of Fixed Assets and physical balances and also failed to recommend remedial action.</p> <p>(v) There is no system of covering all the assets in physical verification.</p> <p>4. System of Physical verification of inventory:</p>	As pointed out the same is noted for future compliance
		It is to confirm that the availability of stores as

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	<p>(i) The Institute conducted Physical Verification of Consumables as on 31 March 2019. However, there are many items which were short than what were available as per book balances of Store Ledgers.</p> <p>(ii) There were also many items which were more than what were available as per book balances of Store Ledgers. Some of the items were not physically available at all whereas there were available as per book balances of Store Ledgers.</p> <p>(iii) The Institute failed to write off with in the books of accounts for the material deficiencies that were noticed on physical verification of Consumables as on 31 March 2019.</p>	<p>on 31st March, 2019, while entering of few data, due to clerical errors/ oversight the entry of few non-moving/ slow moving items, which were stocked/ stored separately were physically not accounted/ verified and indicated as "blank" in the physical verification report.</p>
	<p>5. Regularity in payment of Statutory Dues The Institute was regular in payment of its statutory dues.</p>	<p>In respect of financial terms, there are no actual deficiencies and materials of alternate sizes are available and will be suitably indicated/ noted as per Rule 209 of GFR 2017.</p>
		<p>No comments</p>