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महालेखाकार का कार्यालय

अरुणाचल प्रदेश

ईटानगर - ७९१ १११

OFFICE OF THE

ACCOUNTANT GENERAL

ARUNACHAL PRADESH

ITANAGAR - 791 111

No. ~~158~~ (NAP)/NERIST/AR/2006-07/158.....

दिनांक/Date..... Dated: 16.12.2008

To

The Secretary to the Government of India
Ministry of Human Resource Development,
(Department of Education),
New Delhi - 110001.

Subject: - Separate Audit Report on the accounts of the North Eastern Regional
Institute of Science & Technology (NERIST), Nirjuli, for the year 2006-07.

Sir,

I am to forward herewith the Separate Audit Report on the accounts of the
North Eastern Regional Institute of Science and Technology (NERIST), Nirjuli for the
year 2006-07 along with a set of Annual Accounts of the University for the year 2006-07.
The Hindi version of the Separate Audit Report will be prepared by the Institute.

2. The date(s) of placing of the Separate Audit Report sent herewith and
Annual Accounts before both the Houses of Parliament may please be intimated in due
course and ten copies of the Report, placed before Parliament, may please be sent to this
office for record.

3. The Separate Audit Report may please be treated as **Confidential** till it is
placed before Parliament.

Kindly acknowledge receipt.

Yours faithfully,

sd/ -

Accountant General

Encl: As Stated above

Speed post

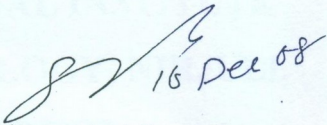
✓ Memo No. REP(AP)/NERIST/AR/2006-07 / 159

Dated: 16.12.2008


A set of Separate Audit Report on the Accounts of the Institute for the year 2006-07 is forwarded to the Director, North Eastern Regional Institute of Science and Technology (NERIST), Nirjuli, for information and necessary action. He is also requested to kindly make necessary arrangement to get the same translated into Hindi Version and issue the same to the Government of India, Ministry of Human Resource Development with a copy to this office.

The Separate Audit Report may please be treated as confidential till it is placed before both the Houses of Parliament.

Kindly acknowledge receipt.


16 Dec 08
Accountant General

Encl: As stated

Reg
For n.a pl

16/12/08

SEPARATE AUDIT REPORT

**ON THE ACCOUNTS OF THE
NORTH EASTERN REGIONAL INSTITUTE
OF SCIENCE AND TECHNOLOGY, NIRJULI,
ARUNACHAL PRADESH**

FOR THE YEAR

2006-07

Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of North Eastern Regional Institute of Science and Technology, Nirjuli for the Year ended 31 March 2007

We have audited the attached Balance Sheet of North Eastern Regional Institute of Science and Technology, Nirjuli as at 31 March 2007 and the Income and Expenditure Account/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 5(a) (xv) and Rule 33(v) of the North Eastern Regional Institute of Science and Technology (NERIST) framed under Memorandum of Association of NERIST (Under Section 3 of UGC Act 1956). The audit has been entrusted for the period upto 2011-12. 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 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 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 a test check 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;
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- ii. The Balance Sheet and Income and Expenditure Account / Receipt and Payment Account dealt with by this report has been drawn up in the format approved by the Board of Management under Rule 33 of the NERIST.
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by the NERIST as required under Rule 33 of the NERIST in so far as it appears from our examination of such books.

iv. We further report that:

A. Balance Sheet:

The net block of fixed assets of the Institute as on 31 March 2007 stood at Rs.73.82 lakh. It was seen in audit that the Institute had constituted a Committee in July 2005 and November 2006 for disposal of damaged/unserviceable materials lying with various departments of the Institute.

Accordingly, the Committee physically verified 291 items (total quantity= 1803 Nos.) of damaged and unserviceable materials bearing original value of Rs. 19.89 Lakh and recommended for write off of the material.

Scrutiny of records of the materials enlisted for disposal revealed that there were large number of damaged/unserviceable materials bearing certain scrap value which was ignored by the Committee due to non-assessment. The depreciated value of the assets was neither deducted from the fixed assets nor was any scrap value accounted for in the annual accounts.

Thus, the Capital and assets accounts of the Institute did not disclose the true and fair picture.

B. Receipts and Payments Account:

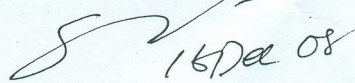
(a) Scrutiny of ledger on CPF Account maintained by the Institute revealed that total receipt on interest on CPF account during 2006-07 was Rs 106.17 lakh of which Rs. 80.64 lakh was earned during the year and Rs.25.53 lakh was the excess interest of the previous year. The amount was to be reflected either in Receipt and Payment Accounts of CPF or Institute's Account. Alternatively, the same was to be reflected in Annual Accounts of the Institution for the year 2006-07 but the organization had neither maintained separate CPF accounts nor the same was reflected in General Account of the Institute which led to understatement of Rs.106.17 lakh in the Receipt

Annexure

1. Internal Control Mechanism:-

The Institute did not have any Audit Manual of its own and no periodical inspection of any of the branches/departments of the Institute was carried out by the Internal Auditor during the year 2006-07 as the Section Officer (Finance) of the Institute was confined to pre-audit only which falls within the routine work of the Institute. Thus, evaluation of compliance to rules and regulations of the Institute was not done due to lack of proper internal control system in the Institute.

For and behalf of the C & AG of India



Accountant General, Arunachal Pradesh