

11/11/10



CONFIDENTIAL

SPEED POST

OFFICE OF THE
ACCOUNTANT GENERAL
ARUNACHAL PRADESH

1st & 2nd Floor, JNK Building, E-Sector, NH 52A,
Itanagar, Arunachal Pradesh, Pin-791 111

No. REP(AB)/NERIST/SAR/2009-10/519

Dated 01.11.2010

To

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

02 NOV 2010

Subject: - Audit Report on the accounts of the North Eastern Regional
Institute of Science and Technology, Nirjuli for the year 2009-10.

Sir,

I am to forward here with the Audit Report on the accounts of
North Eastern Regional Institute of Science and Technology (NERIST), Nirjuli
for the year 2009-10 along with a set of annual accounts of the Institute for
the year 2009-10. Hindi version of the Audit Report will be prepared by the
Institute.

The Audit Report may please be treated as "Confidential" till it is
placed before the Parliament.

Kindly acknowledge receipt.

Yours faithfully,

Section Officer
Dec 03, 10

Enclo: As stated.

Accountant General

(1) DR (Fin) (2 Copies) for necessary action
(2) Conf. Acct for necessary action

Copy [Signature]

No. REP(AB)/NERIST/SAR/2009-10/ 520

01.11.2010

A set of ~~Separate~~ Separate Audit Report on the accounts of the Institute for the year 2009-10 is forwarded to the Registrar, NERIST, Nirjuli, Arunachal Pradesh 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 Resources Development with 10 copies to this office, for ~~record~~.

The ~~Separate~~ Separate Audit Report may please be treated as **Confidential** till is placed before both the Houses of Parliament.

Kindly acknowledge receipt.

Encl: As stated.

Accountant General

de *11/11/10*



~~DRAFT~~ AUDIT REPORT

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

FOR THE YEAR ENDED
31 MARCH 2010

Audit Report of the Comptroller & Auditor General of India on the Accounts of the North Eastern Regional Institute of Science & Technology, Nirjuli for the Year ended 31 March 2010

We have audited the Balance Sheet of North Eastern Regional Institute of Science & Technology (NERIST), Nirjuli for the year ended 31 March 2010 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 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 NERIST's management and 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 (C & AG) on the accounting treatment only with regard to their 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 our 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 the 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 and Income and Expenditure Account/Receipt and Payment Account dealt with by this report have been drawn up in the format approved by the Government of India, Ministry of Finance.

Audit Report on the accounts of the NERIST, for the year 2009-10

iii. In our opinion, proper books of accounts and other relevant records have been maintained by the NERIST as required under Rule 33 of NERIST in so far as it appears from our examination of such books.

iv. We further report that:

A. Asset:

i) Current Assets, Loans, Advances etc. Rs.486.94 lakh.

The Institute invested Rs. 170.00 lakh on 23.10.2009 in the State Bank of India, Nirjuli for a short period of six months with date of maturity on 23.4.2010 and earned an accrued interest of Rs. 4.07 lakh¹ as on 31.3.10, which had not been provided in the Income & Expenditure Account and Balance Sheet for the year 2009-10. Non-projection of accrued interest of Rs. 4.07 lakh resulted in understatement of Income in the Income & Expenditure Account and Current Assets of Balance Sheet.

ii) Fixed Assets

Building Rs. 60.97 crore (Sch. 4)

The NERIST authority released mobilisation Advance Rs. 270.00 lakh (Rs. 150 lakh on 7.1.10 and Rs. 120 lakh on 31.3.10) to National Project Construction Corporation Ltd. for construction of Silver Jubilee Hall and Academic Block 'B' in Degree Campus at Nirjuli. The entire amount of advance was however shown as payment in Receipts and Payment Account and irregularly charged to fixed Assets.

This led to overstatement of Fixed Asset by Rs. 270.00 lakh by understating Current Assets, Loans & Advances to that extent.

B. Income & Expenditure:

Pay and allowances for Kendriya Vidyalaya Rs. 137.74 lakh (Sch - 11)

As per terms & conditions of Kendriya Sangathan, the NERIST was to pay Rs.123.49 lakh towards Pay and Allowance, but released Rs.137.74 lakh and booked the

No	STDR No./Date	Amount (Rs. In lakhs)	Rate of Interest	Interest accrued on 31.3.2010 (Rs)
1.	TD CS/003 0128822 Dt. 23.10.2009	50.00	5.75	1,19,792
2.	TD CS/003 0128821 Dt. 23.10.2009	50.00	5.75	1,19,792
3.	TD CS/003 0128820	50.00	5.75	1,19,792
4.	TD CS/003 0128823	20.00	5.75	47,916
Total		1,70.00 lakh		4,07,292

Audit Report on the accounts of the NERIST, for the year 2009-10

entire amount as expenditure. Thus, Rs.14.25 lakh² was overbooked as expenditure in Income and Expenditure Account with corresponding understatement in Current Assets, Loans and Advances.

C. General

CPF Account

The Institute had maintained ledger accounts for CPF but neither separate accounts in respect of the transactions being made nor the Assets and Liabilities relating to this fund being incorporated in the accounts. This has resulted in keeping the fund outside the accounts of the Institute. Similarly the Asset and Liability relating to CPF have been kept outside the accounts despite pointing out in the last year's Report.

D. Accounting Policy:

Significant accounting policies and Notes on Accounts of the institute were not appended to the Annual Accounts of the institute for the year 2009-10 despite the suggestion given in the previous Audit Reports.

E. Grants-in-aid:

Project wise details of receipts and utilisation of Grants-in-aid during 2009-10 had not been furnished by the NERIST. However, out of the total Grant-in-Aid of Rs. 43.03 crore (including grants-in-aid received from Government of India: Rs. 40.00 crore, [Rs. 2.05 crore was received in March] and opening balance of Rs. 3.03 crore) during the year, the organisation could utilize a sum of Rs. 42.99 crore leaving a balance of Rs. 0.04 crore as on 31 March 2010.

v. Subject to our observation in the preceding paragraphs, we report the Balance Sheet and Income and Expenditure Account/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 explanation given to us, the said financial statements 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.

² Outstanding Dues as on 1/4/09	- Rs. 14.33 lakh
Add Current years Expenditure	- Rs. 163.43 lakh
Less Expenditure covered by internal receipt	- Rs. 39.27 lakh
Less Payment made on 31/3/08	- Rs. 15.00 lakh
Actual payable amount during 2009-10	- Rs. 123.49 lakh
Actual Fund released	- Rs. 137.74 lakh
Excess release	- Rs. 14.25 lakh

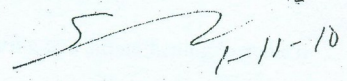
Audit Report on the accounts of the NERIST, for the year 2009-10

- a. In so far as it relates to the Balance Sheet, of the state of affairs of the NERIST as at 31 March 2010; and
- b. In so far as it relates to Income and Expenditure Account of the deficit for the year ended on that date.

Place – Itanagar.

Date –

For and on behalf of the C & AG of India

Handwritten signature and date: 1-11-10

Accountant General
Arunachal Pradesh.

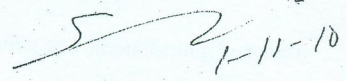
Audit Report on the accounts of the NERIST, for the year 2009-10

- a. In so far as it relates to the Balance Sheet, of the state of affairs of the NERIST as at 31 March 2010; and
- b. In so far as it relates to Income and Expenditure Account of the deficit for the year ended on that date.

Place – Itanagar.

Date –

For and on behalf of the C & AG of India

 1-11-10

Accountant General
Arunachal Pradesh.