

DFA/ (by email only)



प्रधान निदेशक लेखापरीक्षा (केंद्रीय), हैदराबाद का कार्यालय-500004
Office of
Principal Director of Audit (Central), Hyderabad - 500 004



No. PDA(C)/CEA/Unit-V/NIEPID/SAR:2023-24/2024-25/

Date: 6.09.2024

सेवा में
सचिव, सामाजिक न्याय और अधिकारिता मंत्रालय,
भारत सरकार,
नई दिल्ली -110 001

महोदय,


विषय: **National Institute for the Empowerment of persons with Intellectual Disabilities (NIEPID), Secunderabad** के वर्ष 2023-24 के लेखों पर पृथक लेखापरीक्षा प्रतिवेदन

Separate Audit Report (SAR) on the Accounts of **National Institute for the Empowerment of persons with Intellectual Disabilities (NIEPID), Secunderabad** for the year 2023-24, Annexure to SAR and one copy of the Annual Accounts of the Institute for the year 2023-24, are forwarded herewith for placing before the Parliament. The dates of presentation of Separate Audit Report in both the Houses of Parliament may please be intimated.

Receipt of this letter along with the enclosures may kindly be acknowledged.

भवदीय,

संल: यथोपरि


(Anindya Dasgupta)
Principal Director of Audit (Central), Hyderabad

Copy to **Director, National Institute for the Empowerment of persons with Intellectual Disabilities (NIEPID), Secunderabad** along with one copy of Annual Accounts for the year 2023-24 (English version), with a request to furnish Hindi version of the approved Annual Accounts 2023-24 to this Office.

संल:यथोपरि



(Ch.V. Sai Prasad)
Director/ Central Expenditure Audit
O/o Principal Director of Audit (Central)

**SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL
ON THE ACCOUNTS OF THE NATIONAL INSTITUTE FOR THE
EMPOWERMENT OF PERSONS WITH INTELLECTUAL DISABILITIES (NIEPID),
SECUNDERABAD FOR THE YEAR ENDED 31 MARCH 2024**

We have audited the attached Balance Sheet of National Institute for the Empowerment of persons with Intellectual Disabilities (Divyangjan) (NIEPID), Secunderabad as at 31 March 2024, the Income & Expenditure Account and Receipts & Payments Account for the year ended on that date under Section 20(1) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971. 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 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 basis, evidences supporting the amounts and disclosure 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 approved by Ministry of Social Justice & Empowerment Government of India, New Delhi.
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by NIEPID, Hyderabad.
- iv. We further report that:

Comments on Accounts

A.Balance Sheet

A.1 Corpus/Capital Fund And Liabilities – ₹133.86 crore

A.1.1 Corpus/Capital Fund – ₹57.08 crore

Reference Number: OBS-1389201

This includes an expenditure of ₹33,44,107 (₹ 23,82,866 incurred on CPWD maintenance works of Noida and Navi Mumbai and ₹ 9,61,241 towards Noida land lease rent) incurred towards Maintenance works. This amount was utilised from the Capital grants and taken to the Capital Fund. This resulted in overstatement of Capital fund by ₹33.44 lakh and understatement of Expenditure by that extent.

A.2 Assets – ₹133.86 crore

A.2.1 Fixed Assets – ₹73.57 crore

Reference Number: OBS-1382083

A.2.1.1 This does not include an amount of ₹62,42,916/- incurred towards the work of Renovation/ upgradation works for DAIL building at NIEPIED, Bowenpally, Secunderabad. Though the work was completed, the same was shown under Work in Progress instead of capitalising and exhibiting under Fixed Assets.

This resulted in overstatement of Work in Progress and understatement of Fixed assets under Schedule 8 in Balance sheet to an extent of ₹62,42,916/.

Reference Number: OBS-1383658

A.2.1.2 This does include an amount of ₹78,88,725 being the expenditure incurred on completed works as detailed below. Though the works were completed, the same were booked under Work in Progress instead of Fixed Assets. This resulted in understatement of Fixed Assets and overstatement of Work in Progress by ₹78,88,725. Further, depreciation is required to be charged on these fixed assets.

S.No.	Name of work as per Form 65	Amount ₹
1	Renovation of toilets and making disabled friendly for PWDs at RC Kolkata(completed in 12/2023	42,67,720
2	Modification and Renovation of Main and Annexe building at RC Kolkata	17,31,005
3	Minor works in the presemises of CRC Kanupur Bit II of Venkatachalam in Nellore	18,90,000
		78,88,725

This resulted in understatement of Fixed assets and over statement of Work in Progress by ₹78,88,725. Further, depreciation is required to be charged on these fixed assets.

A.2.2 Current Assets, Loans, Advances etc. – ₹44.48 crore

Reference Number: OBS-1390709

A.2.2.1 Closing stock of Publications was exhibited as ₹ 89,73,409 instead of ₹ 90,26,965. This resulted in understatement of Current Assets/ Closing stock of Publications to an extent of ₹ 53,556.

Income & Expenditure account

B.1 Expenditure – ₹45.00 crore

Reference Number: OBS-1389564

B.1.1. This includes an amount of ₹50,864 incurred towards the following Fixed Assets procured during the financial year 2023-24. However, the expenditure was treated as a Revenue expenditure instead of capitalising the same.

S.NO	Item purchased	Amount (₹)
1	UPS batteries	15,000
2	UPS	4,450
3	Gas stoves	9,800
4	UPS	2,690
5	Floor cleaning Machine	5,000
6	Session Initiation Protocol phones (2)	13,924
		50,864

This resulted in Overstatement of Revenue expenditure and Understatement of Fixed Assets to an extent of ₹50,864.

Reference Number: OBS-1392795

B.1.2 An expenditure of ₹80,000/- incurred towards affiliation fees of Osmania University for the academic year 2024-25 was incorrectly treated as current year expenditure. This resulted in overstatement of Expenditure and understatement of Current Assets, Loans, and Advances (Schedule 11) by ₹80,000.

Reference Number: OBS-1397368

B.1.3. This includes an amount of ₹ 3,92,269 being expenditure pertaining to the year 2022-23. However, the Institute had booked the same under current year Expenditure instead of exhibiting it under Prior period Expenditure as detailed below:.

Vr.No.	Invoice period	Amount paid/ (prior period expenses) in ₹
CB/93/3-8-23	Security charges and housekeeping to M/s Sharda Protection services for wages to outsourcing staff for February and March 2023	3,10,092
CB/63/266-23	Security charges and housekeeping for the month of March 2023	59,387
CB/1/114-2023	Electricity charges for the month of March,2023	22,790
		3,92,269

C. General

Reference Number: OBS-1387200

C.1 An amount of ₹ 7,50,000/- was received under Awareness Generation & Publicity scheme on 09.11.2023. The same was refunded to Ministry on 18.12.2023 due to cancellation of the Programme. The fund was taken into Earmarked/Endowment fund - Others and consequently shown as expenditure incurred instead of exhibiting in Annexure to Schedule 3 under the head Refund to Ministry.

D. Grants-in-aid: During the year, the Institute had received a Grants-in-aid of ₹ 56.71¹ crore out of which an expenditure of ₹53.21² crore was incurred and ₹3.50 crore were unutilised.

E. Management Letter


Deficiencies meriting attention of management have been brought to the notice of the Director, National Institute for the Empowerment of persons with Intellectual Disabilities (Divyangjan) (NIEPID), Secunderabad, 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 Receipts & Payments Account dealt with by this Report are in agreement with the books of accounts.

¹ Grant received : ₹56,71,05,000 (Capital – ₹17,17,38,000 & Revenue – 39,53,67,000)

² Expenditure incurred : ₹53,21,03,364 (Capital – ₹14,37,95,027 & Revenue – ₹38,83,08,337)

- 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 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 National Institute for the Empowerment of persons with Intellectual Disabilities (Divyangjan) (NIEPID), Secunderabad, as at 31 March 2024; and
- b. In so far as it relates to Income & Expenditure Account, of the *surplus* for the year ended on that date.



(Anindya Dasgupta)
Principal Director of Audit (Central), Hyderabad

ANNEXURE TO SAR

- 1. Adequacy of Internal Audit System:** It does not have its own Internal Audit Wing. Internal Audit has been conducted by Chartered Accountant firms for the year 2023-24.
- 2. Adequacy of Internal Control System:** Internal control system is not adequate as proper accounting of fixed assets were not done
- 3. System of Physical verification of fixed assets:** Annual Physical verification of Fixed Assets has been conducted for the year 2023-24.
- 4. System of Physical verification of inventory:** Annual Physical verification of inventory has been conducted for the year 2023-24.
- 5. Regularity in payment of statutory dues:** Statutory dues were paid regularly.



(Ch.V. Sai Prasad)

Director/ Central Expenditure Audit
O/o Principal Director of Audit (Central)

