



महानिदेशक लेखापरीक्षा(केंद्रीय) का कार्यालय  
सैफाबाद, हैदराबाद-500004.

OFFICE OF THE  
DIRECTOR GENERAL OF AUDIT (CENTRAL)  
SAIFABAD, HYDERABAD - 500 004.

No.DGA(C)/BO-Odisha/CRA-V/SAR.2017-18/AIIMS/BBSR/2018-19/ Date:14.12.2018

To  
The Secretary to Government of India,  
Ministry of Health and Family Welfare,  
Nirman Bhawan, C-Wing,  
New Delhi-110 011

महोदय,

विषय: Separate Audit Report on the accounts of All India Institute of  
Medical Sciences, Bhubaneswar, Odisha, for the year 2017-18

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Separate Audit Report on the Accounts of All India Institute of Medical Sciences,  
Bhubaneswar, for the year 2017-18, Annexure thereof and one copy of the Annual  
Accounts of the year are forwarded herewith for placing before both the Houses of  
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

Sd/-

संल:यथोपरि

महानिदेशक लेखापरीक्षा (केंद्रीय)  
Director General of Audit (Central)

Endt. No.DGA(C)/BO-Odisha/CRA-V/SAR.2017-18/AIIMS/BBSR/2018-19/1012 Date: 13.12.2018  
Copy to the Director, All India Institute of Medical Sciences, Sijua, Patrapada, Bhubaneswar-  
751 019, Odisha, along with one copy of Annual Accounts for the year 2017-18 (English  
version), with a request to furnish Hindi version of the approved Annual Accounts 2017-18 (2  
sets), to Branch Office, Odisha.

संल:यथोपरि

Director /CEA

**Separate Audit Report of the Comptroller & Auditor General of India on the accounts of All India Institute of Medical Sciences (AIIMS), Bhubaneswar for the year ended 31<sup>st</sup> March 2018**

We have audited the attached Balance Sheet of **All India Institute of Medical Sciences (AIIMS), Bhubaneswar** as at 31<sup>st</sup> March 2018, the Income & Expenditure Account and Receipts & Payment Account for the year ended on that date under Section 19 (2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 18 (2) of AIIMS Act 1956 & AIIMS Amendment Act 2012. These financial statements are the responsibility of the AIIMS'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 Receipt & Payment Account dealt with by this report have been drawn up in the format approved by the Ministry of Finance, Govt of India.
- (iii) In our opinion, proper books of accounts and other relevant records have been maintained by All India Institute of Medical Sciences (AIIMS), Bhubaneswar, in so far as it appears from our examination of such books.

(iv) We further report that:

**A. Balance Sheet**

**A.1. Liabilities-Current Liabilities & Provisions ₹ 31.46 crore Sch-7)**

**A.1.1.**This did not include ₹ 87,76,251/- towards provisions for outstanding payment of arrear salaries, wages of faculty members, NPS etc. relating to the accounting year 2017-18 but was paid during 2018-19. This resulted in understatement of Current Liabilities & Provisions/Expenditure by ₹ 87,76,251/- and overstatement of Corpus/Capital Fund to the same extent.

**A.1.2.**This did not include provisions for known liability of ₹ ₹ 1,09,36,535 crore for payment of outstanding expenses towards the cost of goods and services which were procured during the financial year 2017-18 but payments made during 2018-19. This resulted in understatement of Current Liabilities & Provisions/Expenditure by ₹ 1,09,36,535/-and overstatement of Corpus/Capital Fund to that extent.

**A.1.3.** This did not include a net provision of ₹ 48,19,387/-towards Patient Dietary expenses payable to M/s Maa Kanak Durga Enterprises for the period from January 2018 to March 2018 but paid in May 2018 (₹ 30,74,244) and in July 2018 (₹Rs 17,45,143) vide Cheque No- 014249 dt- 17-05-2018 & PFMS date- 20-07-2018 respectively. This resulted in understatement of Current Liabilities and Provisions-Sundry Creditors-Others by ₹ 48,19,387/- and overstatement of Corpus/Capital Fund to that extent.

**A.1.4.**This included a sum of ₹8,65,14,748 being provision towards outstanding payment of salary and Wages, as against the required provision of ₹7,45,25,283. This has resulted in overstatement of Expenditure/Current Liabilities and Provisions and understatement of Corpus/Capital Fund by ₹ 1,19,89,465.

**A.1.5.** GST included in application fees, Rent receipt from Guest House/Bank, Tender processing fees, electricity and water charges, Scrap and waste bill etc., totalling to ₹11,31,664/- was not taken into Statutory Liabilities (Schedule-7-SI-5). This resulted in understatement of Current Liabilities and Provisions by ₹ 11,31,664/- and overstatement of Corpus/Capital Fund to that extent.

## **B. Income & Expenditure Account**

### **B.1. Expenditure**

#### **B.1 Depreciation- Rs. 10.47 crore**

**B.1.1A** A sum of ₹ 1.69 crore was paid to the supplier towards reimbursement of customs duty and release of withheld amount in respect of two medical equipments installed on 27 December 2013 and 28 March 2014. However, depreciation was provided on Pro-rata basis for the year 2016-17 instead from the date of installation of the asset. This had resulted in understatement of depreciation by ₹ 56.52 lakh and consequently understatement of Expenditure/Prior Period Expenses and overstatement of Corpus/Capital Fund and Fixed Assets by that extent.

The above was pointed out during the Financial audit for the year 2016-17 but no corrective action was taken by the Institute.

In view of the above, prior period expenditure/Depreciation was understated by ₹ 56.52 lakh. Consequently, Depreciation/Expenditure for the year 2017-18 was overstated by ₹ 8,47,785/- with corresponding overstatement of Corpus/Capital Fund and assets by ₹ 48.04 lakh (₹ 56.52 lakh – ₹ 8.48 lakh).

**B.1.2** The scientific equipment, "Touch Real Time PCR Detection System" valuing ₹ 17,94,267/- was procured and installed/commissioned in November 2014, but the asset could not be made functional due to want of required chemicals. The asset was put to use on 15 July, 2016 after availability of required chemicals and accordingly the payment was released. However, depreciation of ₹ 96,595/- was provided on a pro-rata basis from the date of payment instead from the date of installation which had resulted in understatement of Prior Period Expenses/Depreciation by ₹ 4.54 lakh and overstatement of Fixed Assets by that extent.

**B.1.3** This has been overstated by ₹ 34,24,955/- due to provision of depreciation on opening balance of Computer Peripherals and Library Books at higher rate (of 60% as against the revised rate of 40%) with corresponding understatement of Fixed Assets by ₹ 34,24,955. Consequently, expenditure was overstated and Corpus/ Capital Fund was under stated to that extent.

## C. GENERAL OBSERVATIONS

**C.1** Bank Reconciliation Statement of Bank Account No.557820110000006 - Bank of India, reflected 23 time barred/un encashed cheques of ₹ 2,32,055/- for the period from 5/2016 to 8/2017, which were not written back in the books of account.

**C.2 Other Administrative Expenses** included prior period expenses of ₹35,87,176/- for the period 2016-17 paid to M/s Khanna Patho Care and ₹ 16,23,462/- paid to M/s Kanaka Durga Enterprises towards patient dietary expenses..

**C.3** Funds to the extent of 554.56 crores was provided to AIIMS, Bhubaneswar directly by the Ministry of Health and Family Welfare, Govt of India and also through AIIMS, Bhubaneswar.

(Amount in ₹)

Sl.No.	Name of the Project	Name of the executing agency	Estimated cost of the project	Expenditure made up to 31.03.2018	Payment made by AIIMS,Bhubaneswar	% of completion	Present status complete/in-complete	Date from which put to use	Date of handing over/taking over
1	2	3	4	5	6	7	8	9	10
Package-I	Medical Collage	M/s CCCL	67.37 Cr.	74.88 Cr.	9,14,38,472/-	100%	Completed	Put to use in phased manner since 2012	Put to use in phased manner since 2012
Package-II	Hospital Complex	M/s L&T	261.65 Cr.	286.20 Cr.	32,76,97,467/- + 1,81,02,836/-	99.45%	Incomplete	Put to use in phased manner since 26.02.2014 in the completed blocks (Inaugurated)	Put to use in phased manner since 26.02.2014 in the completed blocks (Inaugurated)
Package-III	Electrical Services	M/s Jakson Ltd	52.08 Cr.	52.66 Cr.	4,06,46,114/-	100%	Completed	31.07.2015	31.07.2015
Package-IV	Estate Services	M/s IVRCL	47.64 Cr.	36.41 Cr.	11,37,15,577/-	100%	Completed	Put to use in phased manner since 2013	Put to use in phased manner since 2013
Housing complex	Housing Complex	M/s HSCC (I) Ltd	125.82 Cr.	104.15 Cr.	46,37,00,000/-	100%	Completed	Put to use in phased manner between 28.02.2013 to 26.09.2017	Put to use in phased manner between 28.02.2013 to 26.09.2017
		Total	554.56 Cr.	554.30 Cr.	105.53 Cr.				

However, an amount of ₹70.95 crore for four completed works spent by AIIMS, Bhubaneswar, has been shown in capital work-in-progress in the accounts for the year 2017-18 instead of capitalising it as Fixed Asset though the projects have been put to use in different phases during the period 2012-13 to 2017-18.

#### C.4 Investments from Earmarked/Endowment Fund (Schedule – 9)

Fixed Deposits of ₹ 7.00,000 invested in Bank of India has been shown under Current Assets, Loans and Advances- Bank Balance (Schedule-11) instead of Investment from Earmarked / Endowment Fund (Sch-9).

Further, the Interest of ₹ 53.272/-earned against this fund has not been shown against Income from Investment from Earmarked/Endowment Funds (Sch-15) which is in deviation from the format approved by the Ministry of Finance, Govt of India.

C.5 AIIMS, Bhubaneswar has not provided retirement benefits on actuarial basis in contravention of Accounting Standard 15 issued by ICAI

**D. Grants-in-Aid:** Out of total Grants-in-Aid of ₹ 163.15 crore received during the year, together with previous year certified balance of ₹ 135.71 crore & other receipts of ₹17.36 crore, totalling to ₹ 316.22 crore, the Institute utilized a sum of ₹ 220.33 crore leaving a balance of ₹95.89 crore as on 31<sup>st</sup> March, 2018.

(Amount in Crore)

Head	OB (2017- 18)	Receipt (2017- 18)	Total	Interest Accrued	Internal Receipt	Total	Utilisation	Unutilised Balance
Salaries	64.61	41.00	105.61			105.61	82.03	23.58
General	9.92	42.15	52.07			52.07	51.51	0.56
CCA	55.96	80.00	135.96			135.96	86.79	49.17
Interest	5.22	0.00	5.22	7.15		12.37	0.00	12.37
<b>Internal receipts</b>				10.21		10.21		10.21
<b>Total</b>	<b>135.71</b>	<b>163.15</b>	<b>298.86</b>	<b>7.15</b>	<b>10.21</b>	<b>316.22</b>	<b>220.33</b>	<b>95.89</b>

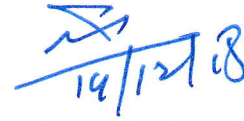
**E. Management Letter:** Deficiencies which have not been included in the Audit Report have been brought to the notice of AIIMS, Bhubaneswar through a management letter issued separately for remedial/corrective action.

(v) Subject to our observations in the preceding paragraph we report that the Balance Sheet, Income & Expenditure Account and Receipts & 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 to this Audit Report give a true & 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 All India Institute of Medical Sciences (AIIMS), Bhubaneswar, as at 31<sup>st</sup> March, 2018.

(b) In so far as it relates to Income & Expenditure Account of the Deficit for the year ended on that date.

Handwritten signature in blue ink, followed by the date 14/12/18.

**Director General of Audit(Central)**

## Annexure-I

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

The Internal Audit system is not adequate and commensurate with the size and nature of the autonomous body in view of the following:

- (i) Non establishment of separate Internal Audit Wing
- (ii) Internal Audit was conducted by the Ministry of Health and Family wing up to 2013-14 on which 16 no of paras are still outstanding.

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

Internal control is not adequate due to the followings

- (i) Non functioning of independent internal audit wing.
- (ii) Non conducting of Annual physical verification of assets/Inventories

3. **System of Physical verification of fixed Assets:**

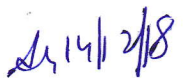
Physical verification of Fixed Assets for the year 2017-18 has not been conducted. Despite being pointed out in the previous Report, physical verification for the year 2016-17 has also not been conducted.

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

Being a premier medical education and patient care institute AIIMS, Bhubaneswar deals with huge stock of inventories for different depts. However, the Physical verification of the same was not conducted for the year 2017-18. Despite being pointed out in the previous Report, physical verification for the year 2016-17 has also not been conducted.

5. **Regularity in payment of statutory dues:**

The institute is regular in depositing the statutory dues with appropriate authorities.

  
Director/CEA