

**SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR
GENERAL OF INDIA ON THE ACCOUNTS OF NATIONAL INSTITUTE OF
UNANI MEDICINE, BANGALORE FOR THE YEAR 2015-16**

We have audited the attached Balance Sheet of National Institute of Unani Medicine (NIUM), Bangalore as at 31 March 2016 and the Income & Expenditure/ Receipts & 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. The audit has been entrusted from 2015-16 to 2019-20. 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 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 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 and Income & Expenditure Account/Receipt & Payment Account dealt with by this report have been drawn up in the format prescribed by the Government of India, Ministry of Finance.

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

iv We further report that:

A) REVISION OF ACCOUNTS :

The institute has revised the annual accounts based on the audit observation. The revised accounts was received on 26-08-2016. The effect of revision of accounts was that the Assets and Liabilities decreased by Rs.1.08 crore and surplus in Income & Expenditure decreased by Rs. 87.41 lakh.

B) GENERAL:

1. The Institute has not made provision of Retirement Benefits viz Gratuity, Superannuation/Pension and Leave Encashment on actuarial basis which is in contravention of AS 15.

2. The Interest income of Rs. 42,61.675/- exhibited in the I&E account includes the interest earned on unutilized grants and internal revenue receipts. The interest income on unutilized grants needs to be worked out exclusively and exhibited along with unutilized grants as liability.

C) GRANTS-IN -AID:

The financial position of the NIUM, Bengaluru funded by Government of India for the financial year 2015-16 is as follows:

(Rs. in crore)

Project	Opening Balance	Grants received 2015-16	Total Grants	Grants Utilized	Grants unutilized
Government of India	NIL	21.00	21.00	20.45	00.55

D) MANAGEMENT LETTER:

Deficiencies, which have not been included in the Audit Report, have been brought to the notice of the Director, National Institute of Unani Medicine, Bangalore through a management letter issued separately for remedial / corrective action.

- v. we report that the Balance Sheet and Income & Expenditure Account / Receipt & 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 with the Accounting Policies and Notes on Accounts, and subject to the 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.
- a. In so far as it relates to the Balance Sheet, of the state of affairs of the National Institute of Unani Medicine, Bangalore as at 31 March 2016; and
- b. In so far as it relates to Income & Expenditure Account, there is surplus for the year ended on that date.


PRINCIPAL DIRECTOR OF AUDIT (CENTRAL)
BANGALORE

ANNEXURE

1. Adequacy of Internal Audit System

There exists no internal audit department in the National Institute of Unani Medicine (NIUM).

2. Adequacy of internal control system

The internal control system of the Institute is inadequate due to:-

- i. The NIUM received funds from Ministry of Health & Family Welfare, New Delhi and supposed to be audited by them. However, the Ministry is yet to take up audit since 2008-09.
- ii. The physical balance of Fixed Assets does not correlate with Asset Register.
- iii. Physical verification of inventory not done.
- iv. The cash book is not maintained properly, overwriting and corrections are made without attestation by DDO and certificates of verification of cash balances not available.

3. System of Physical verification of Fixed Assets.

The institute had noted the physically available fixed assets in a separate file and it was not correlated with the stock register as the stock register did not exhibit opening balances with respect to stocks of drugs during the year 2015-16.

4. System of Physical Verification of Inventory.

Annual physical verification of stocks was not conducted.

5. Regularity in payment of dues

In general, the Institute is regular in payment of its statutory dues.

**PRINCIPAL DIRECTOR OF AUDIT (CENTRAL)
BANGALORE**