



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

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

No.DGA(C)/CEA/Unit.V/SAR-MANAGE/2016-17/148

Date: 07.10.2016

सेवा में
सचिव महोदय,
भारत सरकार, कृषि और सहकारिता विभाग,
कृषि मंत्रालय, कृषि भवन, डॉ. राजेन्द्र प्रसाद रोड,
नई दिल्ली -110 001

महोदय/ महोदया,

विषय: राष्ट्रीय कृषि विस्तार प्रबंधन के संस्थान (MANAGE), हैदराबाद, के वर्ष
2015-16 के लेखों पर पृथक लेखापरीक्षा प्रतिवेदन

Separate Audit Report (SAR) on the Accounts of National Institute of Agricultural Extension Management (MANAGE), Hyderabad, for the year 2015-16, Annexure to SAR and one copy of the Annual Accounts of the Institute for the year 2015-16, 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.

संल:यथोपरि

भवदीय,

-Sd/-

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

Endt. No.DGA(C)/CEA/Unit.V//SAR-MANAGE/2016-17/149 Date: 07.10.2016

Copy to the Director General, National Institute of Agricultural Extension Management (MANAGE), Hyderabad 500 030, along with one copy of Annual Accounts for the year 2015-16 (English version) and D.O Manager Letter, with a request to furnish Hindi version of the approved Annual Accounts 2015-16 (2 sets), to this Office.

संल:यथोपरि

उपनिदेशक/ केन्द्रीय स्वायत्त निकायों
Deputy Director/CEA

**Separate Audit Report of the Comptroller & Auditor General of India,
on the Accounts of National Institute of Agricultural Extension
Management (MANAGE), Hyderabad, for the year ended 31 March 2016**

We have audited the attached Balance Sheet of National Institute of Agriculture Extension Management (MANAGE), Hyderabad, as at 31 March 2016, the Income & Expenditure Account and Receipts & Payment 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. The audit has been entrusted for the period up to 2017-18. 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 & Payment account dealt with by this report have been drawn up in the format approved by Ministry of Finance, Government of India.

iii. In our opinion, proper books of accounts and other relevant records have been maintained by the MANAGE, as required under Section 19(a) of the Financial Bye-laws of MANAGE.

iv. We further report that:

A. Consolidated Balance Sheet

A.1 Assets

A.1.1 Fixed Assets: ₹ 11.07 crore (Schedule-8)

A.1.1.1 This includes advance amount of ₹ 2.88 crore (₹ 379.04-90.63 lakh) paid to CPWD during the year towards Deposits works, which was incorrectly classified as Capital Works-in-Progress. This resulted in understatement of Current Assets, Loans, Advances etc, and overstatement of Fixed Assets by ₹ 2.88 crore.

B. Grants-in-aid: Out of grants-in-aid of ₹ 10.16 crore¹ received during the year (₹ 1.86 crore received in March 2016), together with previous year unutilised balance of ₹ 4.88 crore, totaling ₹ 15.04 crore, the Institute utilised a sum of ₹ 9.53 crore, leaving a balance of ₹ 5.51 crore unutilised as on 31st March 2016. Further, out of the total grants-in-aid of ₹ 18.96 crore received during the year in respect of Agri Clinic & Agri Business Centre cell (including Accrued Grant of ₹ 1.50 crore sanctioned in March 2016), fee received of ₹ 0.25 crore during the year in respect of PGDAEM and together with total

¹ Including Grants of ₹ 55,61,550/- for creation of Capital Assets (installation of 100kWp Solar Rooftop Power Grid System in MANAGE)

² (i) AC&ABC: ₹ 2.14 crore and (ii) PGDAEM: ₹ 1.19 crore

³ (i) AC&ABC: ₹ 15.71 crore and (ii) PGDAEM: ₹ 1.44 crore fully utilised { ₹ 1.19 crore (+) ₹ 0.25 crore }

⁴ AC&ABC: ₹ 5.39 crore

previous year unutilised balance of ₹ 3.33 crore², totaling ₹ 22.54 crore, a sum of ₹ 17.15 crore³ was utilised, leaving a balance of ₹ 5.39 crore⁴ unutilised as on 31st March 2016.

C. Management Letter


Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of the Director General, National Institute of Agriculture Extension Management (MANAGE), Hyderabad, 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 & 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 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 of Agriculture Extension Management (MANAGE), Hyderabad, as at 31 March 2015; and

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


02/10/16
अध्यक्ष निदेशक लेखापरीक्षा (केंद्रीय)
Director General of Audit(Central)

ANNEXURE

1. **Adequacy of Internal Audit System:** The Institute had appointed Chartered Accountants as Internal Auditors of the Institute. M/s. B Srinivasa Rao & Company, Chartered Accountants, Hyderabad was the Internal Auditors for the Financial Year 2015-16.
2. **Adequacy of Internal Control System:** Internal controls were in-adequate to the extent that huge funds allotted to Nodal Training Institutes (under AC & ABC project) located at various parts of the country and expenditure incurred by them were included in the annual accounts based on the certification made by the Chartered Accountant. Payment vouchers were not called for. Hence, MANAGE accounted the expenditure without any supporting vouchers.
3. **System of Physical verification of fixed assets:** Annual Physical verification of Stores and Stock for 2015-16 in respect of all departments was completed.
4. **System of Physical verification of inventory:** Annual Physical verification of Stores and Stock for 2015-16 in respect of all departments was completed.
5. **Regularity in payment of statutory dues:** Statutory dues were paid regularly.



उप निदेशक/ केन्द्रीय स्वायत्त निकायों
Deputy Director/CEA

REPLIES OF MANAGE TO SEPARATE AUDIT REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF NATIONAL INSTITUTE OF AGRICULTURAL EXTENSION MANAGEMENT (MANAGE), HYDERABAD FOR THE YEAR ENDED 31 MARCH 2016.

Sl.No.	Audit comments	Replies furnished
1	We have audited the attached Balance Sheet of National Institute of Agricultural Extension Management (MANAGE), Hyderabad, as at 31 st March 2016, the Income & Expenditure Account and Receipts & Payment 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. The audit has been entrusted for the period upto 2017-18. 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.	No reply is necessary
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.	No reply is necessary

3	<p>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.</p>	No reply is necessary
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;	No reply is necessary
ii	The Balance Sheet, Income & Expenditure Account and Receipts & Payment Account dealt with by this report have been drawn up in the format approved by Ministry of Finance, Government of India.	No reply is necessary
iii	In our opinion, proper books of accounts and other relevant records have been maintained by the MANAGE as required under Section 19 (a) of the Financial Bye-Laws of MANAGE.	No reply is necessary
iv	We further report that;	

A	Consolidated Balance Sheet	
A.1	Assets	
A.1.1	Fixed Assets : Rs. 11.07 crore (Schedule-8)	
A.1.1.1	This includes advance amount of Rs. 2.88 crore (Rs. 379.04-90.63 lakh) paid to CPWD during the year towards Deposit works, which was incorrectly classified as Capital-Works-in-Progress. This resulted in understatement of Current Assets, Loans and Advances etc. and overstatement of Fixed Assets by Rs. 2.88 crore.	It is submitted that the deposits with CPWD have been consistently showing under the head "Civil works in progress (CPWD)" under Fixed Assets in the balance sheet till completion of the entire work. The suggestion of the audit is noted and the same will be corrected in the annual accounts for the financial year 2016-17.
B	Grants-in-aid	
	Out of grants-in-aid of Rs. 10.16 crore received during the year (Rs. 1.86 crore received in March 2016) together with previous year unutilized balance of Rs. 4.88 crore, totaling Rs. 15.04 crore, the Institute utilized a sum of Rs. 9.53 crore, leaving a balance of Rs. 5.51 crore unutilized as on 31 st March 2016. Further, out of the total grants-in-aid of Rs. 18.96 crore received during the year in respect of Agri Clinic & Agri Business Centre cell (including Accrued Grant of Rs. 1.50 crore sanctioned in March 2016), fee received of Rs. 0.25 crore during the year in respect of PGDAEM and together with total previous year unutilized balance of Rs. 3.33 crore, totaling Rs. 22.54 crore, a sum of Rs. 17.15 crore was utilized, leaving a balance of Rs. 5.39 crore unutilized as on 31 st March 2016.	Out of grants-in-aid of Rs. 10.1562 crore received during the year together with opening balance of Rs. 0.06 crore, the institute utilized Rs. 9.529 crore for MANAGE. Out of grants-in-aid of Rs. 18.9633 crore received during the year together with opening balance of Rs. 2.143 crore, the institute utilized Rs. 15.7126 crore for AC&ABC.

C	Management Letter	
	Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of the Director General, National Institute of Agricultural Extension Management (MANAGE), Hyderabad, through a Management letter issued separately for remedial/corrective action.	The deficiencies pointed out in the management letter are in the nature of internal control mechanism and exhibition of the items pointed out therein the subsequent year's accounts. These instructions have been taken note of for implementation in the annual accounts for the next year.
(v)	Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income & Expenditure Account and Receipt & Payment Account dealt with by this Report are in agreement with the books of accounts.	No reply is necessary
(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 and fair view in conformity with accounting principles generally accepted in India :	No reply is necessary
	a. In so far as it relates to the Balance Sheet, of the state of affairs of National Institute of Agricultural Extension Management (MANAGE), Hyderabad, as at 31 March 2016, and	No reply is necessary
	b. In so far as it relates to Income & Expenditure Account of the Surplus for the year ended on that date.	No reply is necessary

ANNEXURE TO SEPARATE AUDIT REPORT

Sl.No.	Audit comments	Replies furnished
1	<p>Adequacy of Internal Audit System :</p> <p>The Institute had appointed Chartered Accountants as Internal Auditors of the Institute. M/s. B. Srinivasa Rao & Company, Chartered Accountants, Hyderabad was the Internal Auditors for the Financial Year 2015-16.</p>	<p>Facts are confirmed.</p>
2.	<p>Adequacy of Internal Control System :</p> <p>Internal controls were in-adequate to the extent that huge funds allotted to Nodal Training Institutes (under AC &ABC Project) located at various parts of the country and expenditure incurred by them were included in the annual accounts based on the certification made by the Chartered Accountant. Payment vouchers were not called for. Hence, MANAGE accounted the expenditure without any supporting vouchers.</p>	<p>MANAGE has been considering the Audited Utilization Certificate along with the Statement of Expenditure submitted by the Nodal Training Institutes which was audited by the Chartered Accountants as per the AC&ABC Scheme guidelines.</p>
3.	<p>System of Physical verification of Fixed Assets :</p> <p>Annual Physical verification of Fixed Assets for 2015-16 in respect of all departments was completed.</p>	<p>Facts are confirmed.</p>
4.	<p>System of Physical verification of Inventory :</p> <p>Annual Physical verification of Stores & Stock for 2015-16 in respect of all departments was completed.</p>	<p>Facts are confirmed.</p>
5.	<p>Regularity in payment of statutory dues :</p> <p>Statutory dues were paid regularly.</p>	<p>Facts are confirmed.</p>

ASSISTANT ACCOUNTS OFFICER

DIRECTOR GENERAL