



## SEPARATE AUDIT REPORT ON THE ACCOUNTS OF SREE CHITRA TIRUNAL INSTITUTE FOR MEDICAL SCIENCES AND TECHNOLOGY (SCTIMST), THIRUVANANTHAPURAM FOR THE YEAR 2023-2024

1. We have audited the Balance Sheet of Sree Chitra Tirunal Institute for Medical Sciences and Technology (SCTIMST) Thiruvananthapuram as of 31st March 2024, the Income & Expenditure Account and the 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) & (3) of the SCTIMST Act, 1980. These financial statements include the accounts of Bio-Medical Technology (BMT) wing of the SCTIMST. These financial statements are the responsibility of the SCTIMST's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. This Draft Separate Audit Report contains the comments of this office 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.
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 and Expenditure Account and Receipts and Payments account dealt with by this report have been drawn up in the format approved by the Government of India,
  - (iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Board, as required, in so far as it appears from our examination of such books.
  - (iv) We further report that:
    - A. Balance Sheet**
    - A. 1 Liabilities**
    - A. 1.1 Understatement of Liabilities-[Sch.3-Rs. 75.89 crore]**

Schedule 3 "Earmarked/Endowment Funds" related to the Balance Sheet were understated due to netting-off the negative balances of Rs. 38.57 lakh against five (5) such projects instead of showing the same as receivable(s) under Schedule-11 "Current Assets, Loans & Advances". This had resulted in understatement of liabilities as well as current assets, both by Rs. 38.57 lakh in the accounts.

**A.2 Assets****A.2.1 Current Assets, Loans, Advances etc- [Sch.11-Rs. 542.39 crore]****A.2.1.1 Understatement of Current Assets**

The “Bank Balance-on Savings Accounts’ of Rs. 22.99 crore (in respect of 22 savings bank accounts being maintained by the institute) was wrongly depicted as Rs. 16.49 crore under Schedule-11 Current Assets due to a wrong entry for an outstanding expenditure of Rs. 6.50 crore during 2023-24. Though no payment was made from the bank, the same was wrongly shown as payment instead of outstanding expenditure under current liabilities, which resulted in understatement of current assets (i.e. balance at bank) besides understatement of current liabilities, both by Rs. 6.50 crore, on account of outstanding expenses (actual payment made during 2024- 25).

**A.2.1.2 Overstatement of Current Assets**

- (i) Contingent Assets shown as receivable As per Accounting Standard-29 related to ‘Provisions, Contingent Liabilities and Assets’, the contingent assets should not be recognized in the financial statements since that would result in recognition of income which might never be realized. However, in contravention to AS-29 cited above, SCTIMST disclosed an amount of Rs. 20.47 crore against Claims Receivable-from Gol on Grants-in-aid (7th CPC arrears) under Schedule-11 “Current Assets, Loans, Advances etc” without acceptance of any claim/balance payable by the administrative department (i.e. DST) in this regard since March 2018. This had resulted in overstatement of current assets besides overstatement of prior period income both by Rs. 20.47 crore.

- (ii) Advances of Rs. 13.20 lakh provided to M/s Inkroma for purchase of LIMS Software and implementation of ERPMS during November 2006 to January 2007 still shown outstanding despite taking action for blacklisting the company and non-completion of the work. This had resulted in overstatement of advances under current assets besides understatement of prior-period- expenditure against loss incurred on this account, both by Rs. 13.20 lakh.

**B. Income & Expenditure Account****B.1 Expenditure [Sch.21 ‘Other Administrative Expenses’ - Rs. 133.81 crore]****B.1.1 Understatement of Expenditure**

No provision was made in the accounts for an expenditure of Rs. 41.67 lakh related to Electricity Charges for the month of March 2024. This had resulted in understatement of expenditure besides understatement of current liabilities on this account, both by Rs. 41.67 lakh.

**B.1.2 Overstatement of Expenditure**

Schedule-21 “Administrative Expenses” included “Others” Rs. 12.38 crore towards difference in package rates to institution’s rate for ‘PMJAY/ KASP Receivables’ pertaining to the year 2022-23 and wrongly taken as expenditure during the year instead of prior-period adjustments. As the expenditure booked on the above account does not pertain to the period 2023-24, this had resulted in overstatement of the expenditure besides understatement of prior period adjustments both by Rs. 12.38 crore in the annual accounts.

**B.2 Income****B.2.1 Understatement of Income [Sch.17 ‘Interest Earned - Rs. 18.56 crore]**



- (i) Bank Certificate(s) (from SBI and UBI) revealed an amount of Rs. 1414.53 lakh towards 'Accrued Interest' as on 31<sup>st</sup> March 2024. However, the same was reported as only Rs. 712.44 lakh under Schedule-11 "Current Assets, Loans, Advances etc". This had resulted in understatement of income/liabilities as well as current assets in the accounts, both by Rs. 702.09 lakh.
- (ii) Non-disclosure of creation of Fund in Notes to Accounts The balance of Rs. 7589.28 lakh shown under Schedule-3 "Earmarked/Endowment Funds" included an income of Rs. 216.77 lakh (GL-5213 "Creation of AMC Fund) created by the institute on its own (through GB approval only) out of consultancy services/faculty time-cost from externally funded projects, Donations etc. The fund was lying deposited as Bank FDRs. Moreover, no disclosure in this regard was made in the accounts under Schedule-25 "Contingent Liabilities and Notes to Accounts". Thus, the fact of creation of AMC fund should be disclosed in Notes to Accounts under Schedule-25 "Contingent Liabilities and Notes to Accounts"

### B.2.2 Overstatement of Income-Interest from project deposits (Central/State Govt.)

- (i) Bank Interest of Rs. 59.66 lakh earned on the Project Balances held as liabilities under Schedule-3 "Earmarked/Endowment Fund" (GL Code-5000 Project Suspense) was transferred to institute's account as its income under Schedule-17 "Interest Earned" from term deposits created out of funds under the projects by central/state Govt. agencies etc. Since, the interest needs to be apportioned among these projects only, this had resulted in overstatement of income besides understatement of liabilities on account of these 'Earmarked/Endowment

Funds' both by Rs. 59.66 lakh.

- (ii) Project interest/balances taken as Institute's income Scrutiny of the project balances shown under Schedule-3 "Earmarked/Endowment Funds" pertaining to the Balance Sheet of SCTIMST revealed that the interest of Rs. 134.22 lakh against project balances and charges for animal studies amounting Rs. 34.35 lakh received during previous years (as per GL 7050&7220 respectively) were transferred as income of the institute during 2023- 24 under the head Others-From Projects (*vide voucher No(s). 1058/699&1059/700d. 31.3.2024*) in Schedule-12 "Income from Sales/Services" pertaining to the Income & Expenditure Account.

Since the income from these earmarked project balances against interest and animal studies was not the income of institute it should be added in earmarked fund. This had resulted in overstatement of income besides understatement of liabilities on account of these 'Earmarked/Endowment Funds' both by Rs. 168.57 lakh in the accounts.

## C. General

### C.1 Disclaimer of Opinion

#### (i) *Suspense Balance(s)*

Suspense Account is an account that can be used temporarily to carry doubtful receipts and reimbursements or discrepancies pending their analysis and permanent classification (i.e. an account in the general ledger in which amounts were temporarily recorded).

However, the scrutiny of the ledgers balances with the figure(s) shown in the annual accounts of SCTIMST revealed six suspense accounts with combined balance of Rs. 289.55 lakh (four with GL



Code 5000-Project Suspense under Schedule-3 and two with GL Code 2780-Suspense for both Hospital as well as BMT) pertaining to liabilities side of the Balance Sheet) against which funds would have been kept lying in the accounts.

As the balance(s) under these ledgers kept since long and transaction-wise details were not maintained for the balance(s) recorded in all six ledgers for ascertaining the actual/permanent classification, audit disclaims any opinion on the correctness of liabilities shown against more than 500 projects under Schedule-3 'Earmarked/Endowment Funds' related to the Balance Sheet of SCTIMST besides the amount held under various unverified suspense balances shown in the accounts. **Details of the unclassified entries against which the funds were held under these suspense balance(s) were not available/not provided to audit.**

**(ii) Incomplete Provident Fund Accounts**

As per the Uniform Format of Accounts prescribed for Central Government Autonomous Bodies, Annual Accounts should have comprised of Receipts & Payment Account, Balance Sheet and Income & Expenditure Accounts of the entity. However, it was noticed during scrutiny of the Annual Accounts of SCTIMST that the institute did not annex/provide the Receipts & Payments and Income & Expenditure Account(s) alongwith the Balance Sheet for the Provident Fund (PF) Account being maintained. As the PF Accounts were incomplete, the same could not be certified in audit. Any possible omission/errors in these accounts are, therefore, disclaimed. **SCTIMST failed to provide any additional information/accounting ledgers/schedule(s) of these accounts.**

**C.2 Non-refund of interest earned and unutilized funds of the Gol**

**(i) Excess NPS balances and interest thereon**

Balance of Rs. 75.89 crore shown under Schedule 3 'Earmarked/Endowment Funds' included statutory liability of Rs. 61.50 lakh against the 'New Pension Scheme' (GL Code- 1014) which included undisbursed NPS contributions (both employer and employees') of only Rs. 6.11 lakh besides earning of interest of Rs. 2.62 lakh during 2023-24. However, the corresponding balance lying in the dedicated NPS bank account (No. 57036244682 in SBI) under the assets was found to be Rs. 82.26 lakh, thereby resulting in difference of Rs. 20.76 lakh. Non-refund of the interest earned to Govt. account.

As there was no other pending amount lying with SCTIMST for disbursement, the amount of Rs. 76.15 lakh lying with the bank in excess of the NPS liability needs to be refunded back to the Gol after reconciliation of the differences in the balances shown in liabilities and assets against NPS balances.

**(ii) Non-utilization of 'Employee Pension Fund'**

In addition to the above, another balance of Rs. 37.01 crore out of the total amount of Rs. 75.89 crore was also depicted as liability towards 'Employee Pension Fund' (GL code 1301) created for releasing the pension dues as per CCS Pension Rules. As the entire disbursement under the above ledger was made out of other sources (i.e. Govt. Grant etc.), no disbursement of pension was made from the accumulated fund. Thus, the balances held with the institute entirely through Govt. grants/contribution should immediately be refunded back to the Govt. of India (i.e. DST).

**(iii) Unutilized Grants-in-aid (Scheduled Tribes component)**

Similarly, the amount of Rs. 17.03 crore against 'Other Current Liabilities' under Schedule-7 "Current Liabilities and Provisions" included



an unspent balance of Rs. 9.08 crore lying with the institute since 2018-19 against annual grants-in-aid (Scheduled Tribes). It was noticed from the accounts that SCTIMST had incurred an expenditure of Rs. 93.84 lakh during 2023-24 for some in-house/intramural projects and newspaper advertisements without obtaining any permission to utilise the funds after 2018-19. Since, no carry-forward permission was granted/obtained for utilization of the grant after 2018-19 as per GFRs, any utilization of this grant would be unauthorized. Therefore, the entire amount lying with the institute needs to be refunded immediately.

### **C.3 Understatement of Current Assets - Value of 'livestock' not accounted-for**

The value of 'Inventories' shown under Schedule-11 "Current Assets, Loans, Advances etc" does not include the 'live-stock' held in Animal House(s) of the BMT division of SCTIMST. This had resulted in understatement of current assets besides overstatement of expenditure towards procurement/breeding/raising of these livestock which could not be quantified due to non-availability/maintenance of the complete information related to the value of livestock with SCTIMST.

### **C.4 Improper depiction of Prior Period Expenditure**

As per the Accounting Standard-5 related to Prior Period Items and changes in accounting policies' the prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods. The nature and amount of prior period items should be separately disclosed in the statement of Income & Expenditure in a manner that their impact can be perceived.

However, SCTIMST had been included the 'Prior-period-expenses' of Rs. 300.49 lakh under its 'Administrative Expenses' under Schedule-21 pertaining to the Income & Expenditure Account without making any disclosure in this regard under the 'Notes to Accounts' annexed with the annual accounts. Thus, the inclusion of prior-period items' under 'Administrative Expenses' directly affected the surplus shown in the Income & Expenditure Account.

C.5 It was noticed from the annual accounts of SCTIMST that against the total of 25 number of schedules as per the Uniform Format of Accounts prescribed for Central Government Autonomous Bodies, Schedule-19 (related to Increased/(Decrease) in stock of Finished Goods and Works-in-Progress) and Schedule-22 {related to Expenditure on Grant, Subsidies etc.) pertaining to Income & Expenditure Account were not-prepared/missing leading to submission of incomplete accounts for the audit certification.

### **D. Grants-in-aid**

Besides opening balance of Rs. 32.38 crore as cash-in-hand/at bank, SCTIMST had received a grant of Rs. 336.27 crore from the DST during 2023-24 through Treasury Single Account (TSA), Rs.144.39 crore as receipts towards Earmarked Funds, Interest Received on Bank deposits & Loans Advances, Patient services, Royalty, Grants received for projects and other receipts etc. Thus out of total available amount of Rs.513.04 crore, the institute was left with a balance of Rs.16.92 crore as its cash-in-hand/at-bank after making payments of Rs.496.12 crore during 2023-24.

In addition to the above, the institute has investments and deposits of Rs. 479.56 crore out of Farmarked Projects/Funds, Funds for procurement of Equipments/construction of new hospital block, LCs from generated funds etc. shown in Schedule(s)-9, 10 & 11 pertained to





the Balance Sheet.

- (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.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the 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 the 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 SCTIMST as of 31 March, 2024.
- b) In so far as it relates to the Income and Expenditure Account of the surplus for the year ended on that date.

**For and on behalf of C&AG of India**

Sd/-

**Date: 07/11/2024**

**Place: New Delhi**

**Director General of Audit Central Expenditure  
(Environment and Scientific Departments)**



**Reply to Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Sree Chitra Tirunal Institute for Medical Sciences and Technology (SCTIMST), Thiruvananthapuram for the year ended 31<sup>st</sup> March 2024.**

Audit Para No	Observation	Reply of the Institute
<p>A. Balance Sheet</p> <p>A.1 Liabilities</p> <p>A.1.1 Understatement of Liabilities- [Sch.3 - Rs. 75.89 crore]</p>	<p>Schedule 3 “Earmarked/Endowment Funds” related to the Balance Sheet were understated due to netting- off the negative balances of Rs. 38.57 lakh against five (5) such projects instead of showing the same as receivable(s) under Schedule-11 “Current Assets, Loans &amp; Advances”. This had resulted in understatement of liabilities as well as current assets, both by Rs. 38.57 lakh in the accounts.</p>	<p>The audit observation for carrying deficit in five completed projects totaling to Rs 38.57 Lakh is noted for corrective action so that the project ledgers are made Zero. The funding agencies for the research projects include DBT, DST, and institute funding for equipment purchases. These projects were completed during the period between year 2011 to 2015 and further fund release to cover the deficit is not likely. The institute will take steps to remove the (-) balance in these five ledgers during 2024-25 against the revenue/savings generated from other closed projects.</p>
<p>A.2. Assets,</p> <p>A 2 1 Current Assets Loans, Advances etc- [Sch.11 – Rs. 542.39 crore]</p> <p>A.2.1.1 Understatement of Current Assets</p>	<p>The ‘Bank Balance–on Savings Accounts’ of Rs. 22.99 crore (in respect of 22 savings bank accounts being maintained by the institute) was wrongly depicted as Rs. 16.49 crore under Schedule–11 Current Assets due to a wrong entry for outstanding expenditure of Rs. 6.50 crore during 2023-24. Though no payment was made from the bank, the same was wrongly shown as payment instead of outstanding expenditure under current liabilities, which resulted in understatement of current assets (i.e. balance at bank) besides understatement of current liabilities, both by Rs. 6.50 crore, on account of outstanding expenses (actual payment made during 2024-25).</p>	<p>Audit may please note that payment vouchers/cheques issued from the Treasury Single Account on 31.03.2024 could not met from TSA due to insufficient funds to the tune of Rs 6.50 crore. This was transferred to the Institute`s other bank account having sufficient balance as a book adjustment. This was done due to the uncertainty of the date of allocation for the next financial year in the TSA. Necessary entry will be passed in the books of accounts during 2024-25 as funds were allotted.</p>



<p>A.2.1.2 Overstatement of Current Assets (i) Contingent Assets shown as receivable</p>	<p>As per Accounting Standard–29 related to ‘Provisions, Contingent Liabilities and Assets’, the contingent assets should not be recognized in the financial statements since that would result in recognition of income which might never be realized. However, in contravention to AS-29 cited above, SCTIMST disclosed an amount of Rs. 20.47 crore against ‘Claims Receivable—from GoI on Grants-in-aid (7th CPC arrears)’ under Schedule–11 “Current Assets, Loans, Advances etc” without acceptance of any claim/balance payable by the administrative department (i.e. DST) in this regard since March 2018. This had resulted in overstatement of current assets besides overstatement of prior period income both by Rs. 20.47 crore.</p>	<p>Audit point is noted for rectification entries. The amount will be reversed during the F. Y 2024-25.</p>
	<p>(i) Advances of Rs. 13.20 lakh provided to M/s Inkroma for purchase of LIMS Software and implementation of ERPMS during November 2006 to January 2007 still shown outstanding despite taking action for blacklisting the company and non-completion of the work. This had resulted in overstatement of advances under current assets besides understatement of prior-period-expenditure against loss incurred on this account, both by Rs. 13.20 lakh.</p>	<p>Audit observation is noted and proper rectification entry will be passed during FY 2024-25.</p>
<p>B. Income &amp; Expenditure Account B.1 Expenditure [Sch.21 ‘Other Administrative Expenses’ – Rs. 133.81 crore] B.1.1 Understatement of Expenditure</p>	<p>No provision was made in the accounts for an expenditure of Rs. 41.67 lakh (Voucher No.-47 dated 04.04.2024) related to Electricity Charges for the month of March 2024. This had resulted in understatement of expenditure besides understatement of current liabilities on this account, both by Rs. 41.67 lakh.</p>	<p>The understatement pointed out by the audit is only 0.1%, which is very negligible based on the materiality concept. However, Audit observation is noted and proper rectification entry will be passed during the F. Y 2024-25.</p>





<p>B.1.2 Overstatement of Expenditure</p>	<p>Schedule-21 "Administrative Expenses" Included Rs. 12.38 crore towards difference in package rates to institution's rate for 'PMJAY/KASP Receivables' pertaining to the year 2022-23 and wrongly taken as expenditure during the year instead of prior-period adjustments. As the expenditure booked on the above account does not pertain to the period 2023-24, this had resulted in overstatement of the expenditure besides understatement of prior period adjustments both by Rs. 12.38 crore in the annual accounts.</p>	<p>Ayushman Bharat - PMJAY scheme was started in the Institute in April, 2022 and on the finalization of the previous year accounts (F. Y 2022-23), it was noted that there is a deficit (non recoverable portion of the scheme i.e. difference between Institute rate and ABPMJAY package rate) is not recognized as the expenditure of the Institute. The matter was discussed in detail in the Finance Committee and Governing Body of the Institute and finally decided to recognize the deficit as an expenditure of the Institute. As such, the deficit of 2022-23, along with the deficit of 2023-24 was recognized as expenditure and entries were made in the books of accounts. Deficits under the scheme for subsequent years will be recognized as expenditures of that year itself and will be reflected duly in the books accordingly.</p>
<p>B.2 Income B.2.1 Understatement of Income [Sch.17 'Interest Earned' – Rs. 18.56 crore]</p>	<p>(i) Bank Certificate(s) (from SBI and UBI) revealed an amount of Rs. 1414.53 lakh towards 'Accrued Interest' as on 31st March 2024. However, the same was reported as only Rs. 712.44 lakh under Schedule-11 "Current Assets, Loans, Advances etc". This had resulted in understatement of income/liabilities as well as current assets in the accounts, both by Rs. 702.09 lakh.</p>	<p>Audit observation is noted for future compliance. However, those investments which have an impact on the Institute's income will be grouped separately and certificates will be obtained.</p>
<p>(ii) Non disclosure of creation Fund in Notes of Account</p>	<p>(iii) The balance of Rs. 7589.28 lakh shown under Schedule-3 "Earmarked/Endowment Funds" included an income of Rs. 216.77 lakh (GL-5213 'Creation of AMC Fund') created by the institute on its own (through GB approval only) out of consultancy services/faculty time-cost from externally funded projects, Donations etc. The fund was lying deposited as Bank FDRs. Moreover, no disclosure in this regard was made in the accounts under Schedule-25 "Contingent Liabilities and Notes to Accounts". Thus the fact of creation of fund should be disclosed in the notes on account under Schedule 25 "Contingent liabilities and Notes to Accounts"</p>	<p>Audit observation is noted for guidance and future compliance.</p>



B.2.2  
Overstatement  
of Income—  
Interest from  
project deposits  
(Central/State  
Govt.)

(i) Bank Interest of Rs. 59.66 lakh earned on the Project Balances held as liabilities under Schedule-3 “Earmarked/Endowment Fund” (GL Code-5000 Project Suspense) was transferred to institute’s account as its income under Schedule-17 “Interest Earned” from term deposits created out of funds under the projects by central/state Govt. agencies etc. Since, the interest needs to be apportioned among these projects only, this had resulted in overstatement of income besides understatement of liabilities on account of these ‘Earmarked/Endowment Funds’ both by Rs. 59.66 lakh.

The audit may please note that the research grants were received from various funding agencies (Governmental, Nongovernmental and foreign agencies) for utilization of the same towards the expenditure of project activities spread throughout the project. The interest earned is only incidental income on holding the funds in Bank account for utilization towards committed expenditure which are payable once it became becoming due. The stated amount does not consist for project schemes funded by DST and DBT, where in Zero Balance Subsidiary Accounts are maintained and as such the question of earning and refund of interest does not arise. In all other cases where the Bank interest earned is refundable as per the terms and conditions of allocation, the same is regularly being transferred to respective funding agencies. Institute had refunded Rs 10.18 Lakh towards Bank interest earned on project grants during FY 2023-24. The stated amount of interest earned is an incidental income earned during the course of temporary holding of funds pending utilization of funds for project activities, when it becomes due. The income on account Bank interest earned on project grants which are not refundable is only transferred to the interest income of the Institute.



	<p>(ii) Project interest/balances taken as Institute's income Scrutiny of the project balances shown under Schedule-3 "Earmarked/Endowment Funds" pertaining to the Balance Sheet of SCTIMST revealed that the interest of Rs. 134.22 lakh against project balances and charges for animal studies amounting Rs. 34.35 lakh received during previous years (as per GL 7050&amp;7220 respectively) were transferred as income of the institute during 2023-24 under the head 'Others-From Projects' (vide voucher No(s). 1058/699&amp;1059/700dt. 31.3.2024) in Schedule-12 "Income from Sales/Services" pertaining to the Income &amp; Expenditure Account.</p> <p>Since the income from these earmarked project balances against interest and animal studies was prior-period income not earned during 2023-24, showing the same as income during the year had resulted in overstatement of income besides understatement of prior-period income/ adjustment by Rs. 168.57 lakh in the accounts.</p>	<p>The Audit may note that the entries were passed as above in line with directives of Finance Audit by C &amp; AG for the period ending 31.03.2023.</p>
<p>C. General C.1 Disclaimer of Opinion (i) Suspense Balance(s)</p>	<p>Suspense Account is an account that can be used temporarily to carry doubtful receipts and reimbursements or discrepancies pending their analysis and permanent classification (i.e. an account in the general ledger in which amounts were temporarily recorded).</p> <p>However, the scrutiny of the ledgers balances with the figure(s) shown in the annual accounts of SCTIMST revealed six suspense accounts with combined balance of Rs. 289.55 lakh (four with GL Code 5000-Project Suspense under Schedule-3 and two with GL Code 2780-Suspense for both Hospital as well as BMT) pertaining to liabilities side of the Balance Sheet) against which funds would have been kept lying in the accounts.</p> <p>As the balance(s) under these ledgers kept since long and transaction-wise details were not maintained for the balance(s) recorded in all six ledgers for ascertaining the actual/permanent classification, audit disclaims any opinion on the correctness of liabilities shown against more than 500 projects under Schedule-3 'Earmarked/Endowment Funds' related to the Balance Sheet of SCTIMST besides the amount held under various unverified suspense balances shown in the accounts. Details of the unclassified entries against which the funds were held under these suspense balance(s) were not available/not provided to audit.</p>	<p>The project suspense account in GL 5000 is in the nature of a suppliers control account where in a credit entry is passed once an RV is issued, which is subsequently debited when the expenditure is accounted and the payment is made. There may be instances of payments to be made during the next financial year, which will lead to substantial reduction in the balance. List of items under suspense accounts duly reconciled with ledger balance will be submitted to audit on finalization of annual accounts for 2024-25.</p>



<p>(ii) Incomplete Provident Fund Accounts</p>	<p>As per the Uniform Format of Accounts prescribed for Central Government Autonomous Bodies, Annual Accounts should have comprised of Receipts &amp; Payment Account, Balance Sheet and Income &amp; Expenditure Accounts of the entity. However, it was noticed during scrutiny of the Annual Accounts of SCTIMST that the institute did not annex/provide the Receipts &amp; Payments and Income &amp; Expenditure Account(s) along with the Balance Sheet for the Provident Fund (PF) Account being maintained. As the PF Accounts were incomplete, the same could not be certified in audit. Any possible omission/errors in these accounts are, therefore, disclaimed. SCTIMST failed to provide any additional information/accounting ledgers/schedule(s) of these accounts.</p>	<p>Audit observation is noted for guidance and implementation while finalizing the Annual Accounts for the F Y 2024-25.</p>
<p>C.2 Non-refund of interest earned and unutilized funds of GoI</p> <p>(i) Excess NPS balances and interest thereon</p>	<p>Balance of Rs. 75.89 crore shown under Schedule-3 'Earmarked/Endowment Funds' included statutory liability of Rs. 61.50 lakh against the 'New Pension Scheme' (GL Code- 1014) which included undisbursed NPS contributions (both employer and employees') of only Rs. 6.11 lakh besides earning of interest of Rs. 2.62 lakh during 2023-24. However, the corresponding balance lying in the dedicated NPS bank account (No. 57036244682 in SBI) under the assets was found to be Rs. 82.26 lakh, thereby resulting in difference of Rs. 20.76 lakh. Non-refund of the interest earned to Govt. account had resulted in blockage of Non-Tax Revenue.</p> <p>As there was no other pending amount lying with SCTIMST for disbursement, the amount of Rs. 76.15 lakh lying with the bank in excess of the NPS liability needs to be refunded back to the GoI after reconciliation of the differences in the balances shown in liabilities and assets against NPS balances without which balance sheet should not get tallied.</p>	<p>The balance lying in the ledger 1014 mainly consists of contributions of employer and of the employees who left the organization over the time before the Registration to NPS. The ledger account is being scrutinized for reconciliation and to confirm the basis of the balance and necessary action would be taken based on the outcome.</p>
<p>(ii) Non- utilization of 'Employee Pension Fund</p>	<p>In addition to the above, another balance of Rs. 37.01 crore out of the total amount of Rs. 75.89 crore was also depicted as liability towards 'Employee Pension Fund' (GL code 1301) created for releasing the pension dues as per CCS Pension Rules. As the entire disbursement under the above ledger was made out of other sources (i.e. Govt. Grant etc.), no disbursement of pension was made from the accumulated fund. Thus, the balances held with the institute entirely through Govt. grants/contribution should immediately be refunded back to the Govt. of India (i.e. DST)</p>	<p>The ledger account is being scrutinized for reconciliation and to confirm the basis of the balance and necessary action would be taken based on the outcome.</p>



<p>(iii) Unutilized Grants-in-aid (Scheduled Tribes component)</p>	<p>Similarly, the amount of Rs. 17.03 crore against 'Other Current Liabilities' under Schedule-7 "Current Liabilities and Provisions" included an unspent balance of Rs. 9.08 crore lying with the institute since 2018-19 against annual grants-in-aid (Scheduled Tribes). It was noticed from the accounts that SCTIMS had incurred an expenditure of Rs. 93.84 lakh during 2023-24 for some in-house/intramural projects and newspaper advertisements without obtaining any permission to utilise the funds after 2018-19. Since, no carry-forward permission was granted/obtained for utilization of the grant after 2018-19 as per GFRs, any utilization of this grant would be unauthorized. Therefore, the entire amount lying with the institute needs to be refunded immediately.</p> <p>Thus, there was a hoarding of Rs. 46.85 crore against the funds provided by GoI without any approval/purpose.</p>	<p>Institute has already initiated action for taking up the matter with Department of Science and Technology for necessary permission to utilize the funds lying under Schedule Tribes component. The outcome will be updated separately.</p>
<p>C 3 Understatement of Current Assets – Value of 'livestock' not accounted-for</p>	<p>The value of 'Inventories' shown under Schedule-11 "Current Assets, Loans, Advances etc" does not include the 'live-stock' held in Animal House(s) of the BMT division of SCTIMST. This had resulted in understatement of current assets besides overstatement of expenditure towards procurement/breeding/raising of these livestock which could not be quantified due to non-availability/maintenance of the complete information related to the value of livestock with SCTIMST.</p>	<p>Audit observation is noted for implementation through necessary entries in the Financial year 2024-25.</p>
<p>C 4 Improper depiction of Prior Period Expenditure</p>	<p>As per the 'Accounting Standard-5 related to prior Period Items and changes in accounting policies' the prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods. The nature and amount of prior period items should be separately disclosed in the statement of Income &amp; Expenditure in a manner that their impact can be perceived.</p> <p>However, SCTIMST had been included the 'Prior-period-expenses' of Rs. 300.49 lakh under its 'Administrative Expenses' under Schedule-21 pertaining to the Income &amp; Expenditure Account without making any disclosure in this regard under the 'Notes to Accounts' annexed with the annual accounts. Thus, the inclusion of 'prior-period items' under 'Administrative Expenses' directly affected the surplus shown in the Income &amp; Expenditure Account.</p>	<p>Audit observation is noted and necessary mentioning in the Notes on Account will be done hereafter.</p>



C 5	It was noticed from the annual accounts of SCTIMST that against the total of 25 number of schedules as per the Uniform Format of Accounts prescribed for Central Government Autonomous Bodies, Schedule-19 {related to Increased/ (Decrease) in stock of Finished Goods and Works-in-Progress} and Schedule-22 {related to Expenditure on Grant, Subsidies etc.} pertaining to Income & Expenditure Account were not-prepared/missing leading to submission of incomplete accounts for the audit certification.	The audit observation is noted for guidance and implementation while finalising the Annual Accounts for 2024-25.
D. Grants-in-aid	<p>Besides opening balance of Rs. 32.38 crore as cash-in-hand/at bank, SCTIMST had received a grant of Rs. 336.27 crore from the DST during 2023-24 through Treasury Single Account (TSA), Rs.144.39 crore as receipts towards Earmarked Funds, Interest Received on Bank deposits &amp; Loans Advances, Patient services, Royalty, Grants received for projects and other receipts etc. Thus out of total available amount of Rs.513.04 crore, the institute was left with a balance of Rs.16.92 crore as its cash-in-hand/at-bank after making payments of Rs.496.12 crore during 2023-24.</p> <p>In addition to the above, the institute has investments and deposits of Rs. 479.56 crore out of Earmarked Projects/ Funds, Funds for procurement of Equipments/construction of new hospital block, LCs from generated funds etc. shown in Schedule(s)-9, 10 &amp; 11 pertained to the Balance Sheet.</p>	Audit observation Noted
E Management Letter (Including annexure I to Separate Audit Report and Annexure to Management Letter)	Deficiencies which have not been included in the Draft Separate Audit Report were brought to the notice of Sree Chitra Tirunal Institute for Medical Sciences and Technology, Thiruvananthapuram through a Management letter issued separately for remedial/ corrective action.	The observations mentioned in the Annexure and in the Management letter have been noted for future guidance as well as for remedial/ corrective action.