

INTERNATIONAL MANAGEMENT INSTITUTE - BHUBANESWAR

INTERNAL AUDIT REPORT

For the year ended 30 September 2021

CONDUCTED BY

BHATIA & BHATIA, CHARTERED ACCOUNTANTS

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AUDIT TEAM

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Meaning and Scope of Internal Audit

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal audit activity has the potential of strengthening of internal control as a result of management response.

We have conducted the Internal Audit at IMI-Bhubaneswar and came across some key areas towards which we want to draw the attention of the management. The scope and objective of the audit has been determined after having discussion with the management which primarily focuses on the policies and procedures which need to be commensurate with the SOPs and Service Rules. We have emphasized on the processes and the effectiveness of the internal controls in parallel with the working of management to ensure the achievement of targets.

The Scope of the Audit has been decided by the management and Internal Audit has been conducted in accordance with the rules and regulations specified as per the guidelines and delegation of powers vested with the management of the Institute.

The period of review for the present audit was from 1st October, 2020 to 30th September, 2021.

We are presenting the comparative analysis of admissions undertaken in the batches 2020-22 and 2021-23 as under:

Batch	Courses Offered	Duration	Intake
2020-22	PGDM	2 years	91
2021-23	PGDM	2 years	111

Comparative analysis of Income and Expenditure incurred is as follows:

Particulars	October 2019- September 2020	October 2020-September 2021	Difference	Increase/ (Decrease) in %	Remarks
Income					
<u>Direct Income- Fee collected</u>					
Part time PGDM	35,00,000	-	(35,00,000)		There is no Income from this programme during October 2020 to September 2021 as no student enrolled for this course.
PGDM	9,03,01,562	11,70,78,985	2,67,77,423		
FPM	2,74,000	6,96,000	4,22,000		
<u>Indirect Income</u>					
MDP	2,02,890	13,60,519	11,57,629		IMI Delhi share for joint programme transferred to IMI Delhi in Mar-2020.

<u>Other Indirect Income</u>					
Hostel fee	86,31,100	45,79,547	(40,51,553)		Hostel fees reduced as students were studying through online mode during the pandemic period.
Mess fee	40,58,907	29,30,899	(11,28,008)		Mess fees reduced as students were studying through online mode during the pandemic period.
Interest Received	24,46,997	22,96,000	(1,50,996)		
Miscellaneous receipt	2,83,845	4,44,249	1,60,404		
Student fine	73,995	58,048	(15,947)		
Room rent	1,24,023	14,050	(1,09,973)		Room rent reduced as no guest visited during the pandemic period.
Other Income	10,22,745	30,94,801	20,72,056		
Total	11,09,20,064	13,25,53,099	2,16,33,035	20%	
<i>Expenditure</i>					
<u>Direct Expenses</u>					
Advertisement	34,95,149	74,05,200	39,10,051		Major Advertisement amount paid to M/s Guide Me education services LLP and M/s Forms Adda for student counselling
<u>Indirect Expenses</u>					

Campus maintenance	74,14,010	85,14,400	11,00,390		
PGDM expenses	10,69,987	66,31,639	55,61,652		Increase due to rise in Students scholarship, honorarium to faculty and placement expenses.
Mess Charges	24,45,565	7,83,006	(16,62,559)		Mess charges reduced as students were studying through online mode during the pandemic period.
MDP expenses	35,098	2,038	(33,060)		
Salaries	5,81,97,844	6,16,10,083	34,12,239		
Internet Broadband Expenses	8,43,222	9,67,549	1,24,327		
Electricity Charges	55,62,012	46,82,914	(8,79,098)		
Security Service Charges	57,37,018	53,54,442	(3,82,576)		
Library Expenses	42,58,394	21,89,937	(20,68,457)		Decrease in expenses is due to purchase of Bloomberg software for library in Mar-20.
Admission Expenses	31,49,811	11,36,116	(20,13,695)		
Leave Travel Allowance	17,48,725	24,46,247	6,97,522		

PF Contribution	59,21,149	61,73,513	2,52,364		
Rent-Directors Residence	21,99,352	16,53,750	(5,45,602)		
Other Expenses	52,79,112	66,72,280	13,93,169		
Total	10,73,56,448	11,62,23,114	88,66,666	8%	

The income has been increased by 20% and expenditure in current year has increased by 8% respectively as compared to previous year.

The significant audit observations requiring corrective actions are summarized and reported in the following format. The observations also disclose the monetary impact in respect of the significant observations:

S.No.	AREA	OBSERVATION	AUDIT RECOMMENDATION	MANAGEMENT RESPONSE
1.	CONTRACTUAL ANALYSIS	<p>I) AGREEMENT FOR SECURITY SERVICES BETWEEN M/S QUANTUM GLOBAL INFRATECH LIMITED AND INTERNATIONAL MANAGEMENT INSTITUTE –BBSR</p> <p>➤ Background</p> <p>IMI Bhubaneswar has entered into a contract with M/s Quantum Global Infratech Limited for providing the security services. The various clauses of the agreement and observation with respect to the same is as under:</p>		

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		<p>Clause 3 provides that the security personnel shall be deployed round the clock in 3 shifts at the Institute to safeguard the premises.</p> <table><tr><th>No. of Shifts</th><th>Personnel Allotted</th></tr><tr><td>A Shift</td><td>9</td></tr><tr><td>B Shift</td><td>8</td></tr><tr><td>C Shift</td><td>12</td></tr></table> <p>Further, clause 27 of the contract provides that the agency shall arrange to maintain at the security desk/ booth, the daily shift wise attendance record of the security personnel deployed by it showing their arrival and departure time. Further, the agency shall submit to the Chief Administrative officer / CAO, IMI Bhubaneswar an attested photocopy of the attendance record and enclose the same with the monthly bill.</p> <p>Further as per the provisions of THE MINIMUM WAGES (CENTRAL) RULES, 1950 clause 24 the number of hours which shall constitute a normal working day shall be 9 hours.</p>	No. of Shifts	Personnel Allotted	A Shift	9	B Shift	8	C Shift	12		
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A Shift	9											
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		<p><u>Observation:</u></p> <p>On review of the monthly bills, the following has been observed:</p> <p>It has been observed that various security personnel are continuously working for 2 shifts i.e., 16 hours. Some of the instances have been enclosed at Annexure 1.</p> <p>➤ Background</p> <p>As per Schedule I of the agreement, the Service provider shall deploy 29 personnel at all times at the Institute. The Service provider shall maintain an attendance record of the staff deployed and the same shall be charged in the invoice accordingly. Further, the penalty clause of the agreement reads as under:</p> <p><i>"If the agency is not able to provide the requisite number of personnel, a penalty for shortage of attendance will be imposed as under:</i></p> <ul style="list-style-type: none"> • 90% and above, no penalty • 86% to 90% - Rs. 50/- per day per person • 81% to 85% - Rs. 100/- per day per person 	<p>It is recommended that the attendance sheet should be properly maintained. Further, strict action should be taken on the continuous no. of shifts as this will hamper the efficiency of security personnel & the security of the Institution.</p>	

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		<ul style="list-style-type: none"> • 76% to 80% - Rs. 150/- per day per person • 71% to 75% - Rs. 200/- per day per person • 66% to 70% - Rs. 300/- per day per person • 60% to 65% - Rs. 400/- per day per person • Below 60% - Rs. 500/- per day per person” <p><u>Observation: -</u></p> <p>On scrutiny of the invoice of Quantum Infratech (Security Guard) for the months of October, November, December, 2020 and January, 2021, it has been observed that Quantum has supplied less than 90% of the requisite amount of manpower. However, no penalty has been charged by the Institute for breach of the contract terms. The penalty chargeable for the non-adherence of the contractual terms was INR 1,35,050/- for this period. The detailed calculation of penalty has been enclosed as Annexure 2.</p>	It is recommended that the Institute should recover the penalty charges at the earliest & to charge penalty in case of any Non-compliance in the future.	

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		<p>➤ Background</p> <p>Clause 10 also provides that some of the security staff should be trained in handling & monitoring CCTV surveillance system.</p> <p><u>Observation:</u></p> <p>On interviewing the supervisor on duty, it has been informed to us verbally that training sessions are conducted by the service provider on time-to-time basis, however no records are maintained for the same.</p> <p>II) AGREEMENT FOR HOUSEKEEPING BETWEEN M/S PROFESSIONAL CATERING SERVICES AND INTERNATIONAL MANAGEMENT INSTITUTE –BBSR</p> <p>Duration of Contract: - 01stAug, 2021 to 31stJuly, 2024</p> <p>➤ Background</p> <p>As the Housekeeping vendor has been changed from Quantum Global Infra-tech limited to Professional Catering Services this matter should be put forward in the purchase committee meeting to consider the viability of Professional Catering</p>	<p>It is recommended that all necessary training be provided to the security personnel to ensure their quality of performance & safety. Further proper documentation should be maintained to substantiate the same.</p>	

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		<p>Services-Vendor and problems which Institute was facing with Quantum Global Infra-tech which leads to change in vendor selection.</p> <p><u>Observation:</u> During the course of audit, while reviewing the purchase committee minutes we found that this matter is not considered in any meeting held during the year which is a major deficiency in the Internal control.</p> <p>➤ Background</p> <p>As per Clause 5 of the contract, a schedule and checklist shall be prepared in consultation with the Institute for all functional areas and the supervisor will be required to sign the checklist daily.</p> <p><u>Observation:</u> During the course of audit, while reviewing the agreement with Professional Catering Services, we observed that detailed SOPs regarding scope of housekeeping, monitoring and controls over daily cleaning etc. is not incorporated in the agreement.</p>	<p>It is recommended to consider this type of matters in purchase committee so that every aspect regarding the deficiencies in previous vendor and how the same are overcome by the new vendor along with additional benefits which new vendor is providing to the Institute is considered thoroughly.</p> <p>It is advised to implement the SOP on urgent basis considering the post pandemic requirement for cleanliness and hygienic conditions for the students.</p>	

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		<p>It was observed on discussion with CAO that till now housekeeping manual and operational SOPs for daily cleaning and special cleaning drives has not been formulated and implemented.</p> <p>III) AGREEMENT FOR HOUSEKEEPING BETWEEN M/S QUANTUM GLOBAL INFRATECH LIMITED AND INTERNATIONAL MANAGEMENT INSTITUTE –BBSR</p> <p>➤ Background</p> <p>While checking the House-keeping agreement with Quantum Global Infratech Limited, it was observed that agreement tenure has expired as on 31-July-2021.</p> <p><u>Observation:</u></p> <p>It was observed that security deposit related to the same has not been refunded yet.</p> <p>On discussion during the audit with CAO we were informed that although the amount was due as per the agreement however, as no NOC has been submitted to the Institute by the agency, security amount has been kept in abeyance.</p>	<p>It is recommended that the Institute should follow up with the agency for NOC and refund the security deposit amount accordingly.</p>	

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		<p>➤ Background</p> <p>As per the agreement, the Service provider shall deploy 17 personnel (1 Supervisor and 16 Housekeeping Staff), on daily basis at the Institute. The Service provider shall maintain an attendance record of the staff deployed and the same shall be charged in the invoice accordingly. Further, the penalty clause of the agreement reads as under:</p> <p>“If the agency is not able to provide the requisite number of personnel, a penalty for shortage of attendance will be imposed as under:</p> <ul style="list-style-type: none"> • 90% and above, no penalty • 86% to 90% - Rs. 50/- per day/ per person • 81% to 85% - Rs. 100/- per day/ per person • 76% to 80% - Rs. 150/- per day/ per person • 71% to 75% - Rs. 200/- per day/ per person • 66% to 70% - Rs. 300/- per day/ per person • 60% to 65% - Rs. 400/- per day/ per person • Below 60% - Rs. 500/- per day/ per person” 		

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		<p><u>Observation: -</u></p> <p>On scrutiny of the invoice of Quantum Global Infratech Ltd. for the months of October 20, November 20, March 21 and June 2021, it has been observed that Quantum has supplied less than 90% of the requisite amount of manpower. However, no penalty has been charged by the Institute for breach of the contract terms. The amount of penalty recoverable for the aforesaid period as foregone by the Institute is INR 33,200/-. The detailed calculation of penalty has been enclosed at Annexure 3.</p> <p>IV) AGREEMENT FOR CATERING SERVICES BETWEEN M/S PROFESSIONAL CATERING AND INTERNATIONAL MANAGEMENT INSTITUTE –BBSR</p> <p>➤ Background</p> <p>As per the initial written agreement between IMI BBSR & M/s Professional Catering under the paragraph on “Contract Performance” it has been provided that the Institute shall retain 10% of the Contract Price for services towards Contract</p>	<p>It is recommended that the Institute should recover the penalty charges at the earliest & to charge penalty in case of any non-compliance in the future.</p>	

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		<p>Performance as performance security/Bank Guarantee a period of 12 months of contract period.</p> <p><u>Observation:</u></p> <p>It was observed during the audit that Bank Guarantee submitted by agency to Institute amounting to INR 6,48,000/- has already expired as on 31st May, 2021.</p> <p>➤ Background</p> <p>As per clause no. 7 to the agreement, the Manager of Professional Catering Services shall get his employees medically examined once in three months and submit fitness certificates to the Chief Manager Administration of Institute.</p> <p>Also, the contractor is required to submit the police verification of the newly joined employees within 10 days of their joining</p> <p><u>Observation:</u></p> <p>During our course of audit, it has been observed that the fitness certificates for the staff deployed were submitted on 02 October, 2021. However, fitness certificates were not being submitted on a quarterly basis to the Chief Manager Administration of IMI-BBSR.</p>	<p>It is advised to adhere to the contractual terms and get a renewed Bank Guarantee for the balance period of the contract at the earliest.</p> <p>It is recommended that the Institute should ensure that the practice of regular medical examination shall be adopted as per the terms of the contract.</p>	

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		<p>Further, police verification of the staff deployed at the Institute premises has not been made available to us. However, application made by agency to the police for verification has been shared.</p> <p>IV. AGREEMENT FOR LANDSCAPING BETWEEN NIS MANAGEMENT LIMITED AND INTERNATIONAL MANAGEMENT INSTITUTE –BBSR</p> <p>➤ Background</p> <p>As per clause 12 of the agreement, NIS Management Limited shall provide sufficient number of raincoats to the personnel deployed at the Campus.</p> <p><u>Observation:</u></p> <p>During the course of audit, it was found on discussion with the supervisor of NIS team that rain coats have not been provided by the said agency to the personnel deployed at the campus.</p>	<p>It is recommended that the Institute should ensure proper follow up with NIS agency on whether items specified in the agreement are provided to the personnel in order to work efficiently.</p>	

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2.	Review of Vendor contracts and the bidding process	<p>➤ As per point No. 3 of the SOPs on “Vendor Management & Payment process”, L1 concept needs to be applied in respect of the purchase of fixed assets vide which at least 3 comparative quotations need to be invited by the management to ensure that the purchase is made at competitive prices”. However, during the course of our review, 9 instances aggregating to INR 4,38,110 in totality were observed wherein comparative quotations have not been sought for by the management while raising the Purchase Orders. (Refer Annexure 4)</p> <p>➤ Further as per the point 8 of the SOP, a formal purchase order is to be released to the selected vendors. A copy of such PO has to be retained by Executive Administration as well as the Finance Department. All POs have to be signed by Head of Finance and Head of Administration. However, during the course of our review, 5 instances aggregating to INR 6,09,220/were observed wherein purchase orders have not been attached with the invoices. . (Refer Annexure 5)</p>	It is recommended to comply with the instructions provided as under the SOP.	
3.	Adherence to Standard Operating Procedures	<p>➤ Background:</p> <p>a) As per SOP on Fixed Assets Tracking Process of the SOP, Point 3 of SOP states that FAR shall be maintained in Excel format by Executive (Administration)</p>		

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		<p><u>Observation:</u> During the audit, it was observed that only addition made during the year is maintained in excel format, however complete FAR showing total fixed assets reconciled with books of accounts with description like current location of assets and user of assets has not been maintained.</p> <p>Point 2 of SOP as per SOP for Fixed asset Tracking Process, on purchase of any FA, Manager Administration shall forward “Additions Note” to Finance with complete details of location, quantity, value of such asset, date of purchase and invoice date.</p> <p><u>Observation:</u> During the course of audit, it was observed that Additions note specifying the details of location, quantity, value of such asset, date of purchase, invoice date & value for new assets purchased is not being sent by the Manager - Administration for approval to Finance Head.</p> <p>Point 7 of SOP states that Finance head shall ensure yearly Physical verification which shall be duly approved by Manager Administration & Director to smoothen year end FA Verification for Balance sheet purpose.</p>	It is recommended that the Institute should comply with the SOP's related to Fixed Assets.	

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		<p>Observation: Physical verification report or any document showing physical verification done during the year has not been provided to us.</p> <p>Further following are some observations found during physical verification conducted by the Audit Team:</p> <ul style="list-style-type: none">No Label found on following Assets: - <table><tr><th>Type of Assets</th><th>Asset Name</th><th>Asset No.</th></tr><tr><td>Furniture and Fixture</td><td>Pantry Cabinet</td><td>17-18/PC/001</td></tr><tr><td>AC</td><td>Carrier AC Window 1.0 Ton</td><td>18-19/WAC/002-012</td></tr><tr><td>Computer & IT Equipments</td><td>EATION 10KVA UPS</td><td>19-20/OLUPS07-09</td></tr></table> <ul style="list-style-type: none">No location mentioned in Fixed Asset Register: - <table><tr><th>Type of Assets</th><th>Asset Name</th><th>Asset No.</th></tr><tr><td>Computer & IT Equipment's</td><td>Printer HP Pro 100M 126W</td><td>18-19/PTR33,34,35</td></tr></table> <ul style="list-style-type: none">Assets at different location: - <table><tr><th>Type of Assets</th><th>Asset Name</th><th>Asset No.</th></tr><tr><td>HP Pro Computer*</td><td>HP Pro Computer</td><td>17-18/DT/CPU/94-113</td></tr><tr><td>Computer & IT Equipment's**</td><td>HP AAIO 200G3 Desktop</td><td>19-20/DT/AIO/6-10</td></tr></table>	Type of Assets	Asset Name	Asset No.	Furniture and Fixture	Pantry Cabinet	17-18/PC/001	AC	Carrier AC Window 1.0 Ton	18-19/WAC/002-012	Computer & IT Equipments	EATION 10KVA UPS	19-20/OLUPS07-09	Type of Assets	Asset Name	Asset No.	Computer & IT Equipment's	Printer HP Pro 100M 126W	18-19/PTR33,34,35	Type of Assets	Asset Name	Asset No.	HP Pro Computer*	HP Pro Computer	17-18/DT/CPU/94-113	Computer & IT Equipment's**	HP AAIO 200G3 Desktop	19-20/DT/AIO/6-10	It is recommended that the Institute should conduct physical verification at reasonable interval to ensure strict control over the fixed assets.	
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Furniture and Fixture	Pantry Cabinet	17-18/PC/001																													
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		<p>*Location mentioned as per FA Addition register is Lab while six of them found in the Administration department.</p> <p>**Location mentioned in FA addition register was server room but found in Auditorium..</p>		
4.	Physical Verification	<p>PHYSICAL VERIFICATION OF LIBRARY</p> <ul style="list-style-type: none"> ➤ During the course of physical verification of library, it is observed that there is no specific standard on procedures regarding physical verification, obsolete/lost books etc. ➤ There are no specific policies or guidelines for books issued to faculty members regarding like overdue period, maximum number of books, damage, lost, penalty, renewal and follow-up etc. Further, on visiting the library we were encountered with instances where books have been issued to faculty members, however same are not renewed/returned till the audit period. (Refer Annexure 6A) ➤ During the course of physical verification of library, it has been noted that the students have not returned the books on their due dates for which the students are liable to pay a penalty of INR 5 per day per volume per book and also liable to a penalty equivalent to current market price of the book 	<p>It is recommended to frame appropriate Standard on procedures for library to ensure proper policies are followed and appropriate actions to be taken for books lost/overdue etc.</p> <p>It is recommended to collect the dues from the students on time.</p>	

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		<p>lost in case of loss of book or if the book isn't readily available in the market, then the defaulter would pay 200% extra of the last known cost of the books.</p> <p>➤ Some instances have been noted during the audit, where the librarian hasn't charged penalty correctly on overdue books & on books not returned. Such instances are enclosed in Annexure 6B.</p>		
5	Other procedural Compliances	<p>➤ Other procedural Compliances:</p> <ul style="list-style-type: none"> • Safety and Security Measures in the Campus <p>The essential responsibility of Campus is to safeguard students, Staff, and the general Campus community from the threat of violence, and to provide appropriate interventions to support individuals in crisis. To ensure the safety in the Campus, following measures shall be available in the Institution:</p> <ul style="list-style-type: none"> ❖ CCTV shall be installed in the Campus at appropriate locations within the premises of an Institution. 		

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		<p>❖ All outsiders should be permitted to enter into the Campus with the temporary photo ID generated at the entrance.</p> <p><u>Observation: -</u></p> <p>During this audit review, it was observed that there are 50 CCTV cameras installed and working at different locations within the premises of the Institution, however there is no policy regarding time within which defective CCTVs should be operational, alternative surveillance system and backup policy to regulate the use of CCTV camera footage. Further, it was observed on physical verification that on 26th November, 2021 LED T.V installed at main gate was not operational and there was no alternative LED TV to replace the same also. Further, the LED TV remains non-operational for more than 3 days during our audit visit.</p> <p>It was also observed on physical verification that on 26th November, 2021 six persons signed the visitor register, however, visitor's pass was issued to only two of them.</p>	<p>It is recommended that the management should introduce CCTV policy specifying usage, backup, and verification of working and backup of CCTV LED etc.</p> <p>It is also recommended that the temporary photo ID visitor card should be issued to all visitors without any exception.</p>	

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		<ul style="list-style-type: none"> Abstracts of the Acts (such as Gratuity Act, Contract Labour Act etc.) that are required to be displayed in English and a local language within the premises of the Institute were not adhered to. The Non-compliance's for the same may result in levy of penalties. Details of penalties for non-compliance are quoted in Annexure 7. DELEGATION OF AUTHORITY It has been observed during the course of audit that every transaction is approved by the director of the Institute which leads to overburden on the director and reduction in overall efficiency also. 	<p>It is recommended to display the extracts in English and a local language within the Institute as per the provisions of the governing law in force.</p> <p>It is recommended that there should be adequate delegation of authority in the Institute which empowers others in the organization and also optimize the performance of the Institute.</p>	
6.	Statutory Compliances	<p>Compliance under Goods and Service Tax (GST) Act:</p> <p>Non-Compliances of GST:</p> <p>➤ GST rate for waste and scrap paper under chapter 48 vide HSN code 48010090 is 5%.</p> <p>During the course of audit, we have observed that cash receipt against sale of scrap amounting to INR 88,580/- from M/s Maharana Enterprises has been recognized in books during the period from October 2020 to September 2021, however GST has</p>	<p>It is recommended that GST compliances should be properly adhered to for avoiding any penalty.</p>	

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		<p>not been charged and paid by the Institute. Further, GST compliances for issuance of invoice has not been complied by the Institute.</p> <p>➤ GST on room rent charges: -</p> <p>No GST is applicable on room tariffs of less than INR 1000/-</p> <p>12% tax shall be levied on the tariffs of more than INR 1000/- and less than INR 2500/-</p> <p>18% tax shall be levied if room rents of between INR 2500/-to INR 7500/-.</p> <p>It has been observed that GST has been charged on room rent charges where the room tariffs is less than INR 1000/-.Further GST rate is also wrongly charged. (Refer Annexure 8)</p>		
7.	LEDGER SCRUTINY	<p>a. Absence of appropriate Supporting Documents</p> <p>➤ During the course of audit, it was observed that no supporting document is provided in respect of consultancy Income amounting to INR 9,65,000/- which is to be received from IMI Delhi.</p>	It is recommended to enclose the required supporting documents along with the invoices.	

S.No.	AREA	OBSERVATION	AUDIT RECOMMENDATION	MANAGEMENT RESPONSE																					
		<p>b. Sundry Creditors</p> <p>During the course of audit, it was observed that some creditors were appearing in the books with a debit balance. Details of all such sundry creditors are annexed in Annexure 9.</p> <p>c. Cash</p> <p>➤ During the course of audit, it has been also observed that various amounts paid in the nature of reimbursements for conveyance, telephone, journal, internet reimbursement etc. to professors amounting INR 7500/- month are not appended with supporting documents in the cash Voucher file. This is a procedural lapse as there should be appropriate documentation for the same. Some Instances are mentioned below: -</p> <table><tr><th>DATE</th><th>NAME</th><th>AMOUNT(Rs)</th></tr><tr><td>6-Apr-21</td><td>Prof Bindu Chhabra</td><td>7,450</td></tr><tr><td>6-Apr-21</td><td>Prof. Supriti Mishra</td><td>7,450</td></tr><tr><td>6-Apr-21</td><td>Prof. Sourabh Sharma</td><td>7,450</td></tr><tr><td>6-Apr-21</td><td>Prof. Ramesh Behl</td><td>7,450</td></tr><tr><td>6-Apr-21</td><td>Prof. Santanu Das</td><td>7,450</td></tr><tr><td>6-Apr-21</td><td>Prof. Rajesh Katiyar</td><td>7,450</td></tr></table>	DATE	NAME	AMOUNT(Rs)	6-Apr-21	Prof Bindu Chhabra	7,450	6-Apr-21	Prof. Supriti Mishra	7,450	6-Apr-21	Prof. Sourabh Sharma	7,450	6-Apr-21	Prof. Ramesh Behl	7,450	6-Apr-21	Prof. Santanu Das	7,450	6-Apr-21	Prof. Rajesh Katiyar	7,450	<p>It is recommended that regular follow up be done with the Vendors for receipt of services or material along with tax invoice.</p> <p>It is recommended that Institute should avoid incurring expenditure in cash.</p>	
DATE	NAME	AMOUNT(Rs)																							
6-Apr-21	Prof Bindu Chhabra	7,450																							
6-Apr-21	Prof. Supriti Mishra	7,450																							
6-Apr-21	Prof. Sourabh Sharma	7,450																							
6-Apr-21	Prof. Ramesh Behl	7,450																							
6-Apr-21	Prof. Santanu Das	7,450																							
6-Apr-21	Prof. Rajesh Katiyar	7,450																							

S.No.	AREA	OBSERVATION			AUDIT RECOMMENDATION	MANAGEMENT RESPONSE
		6-Apr-21	Prof. Pallavi Pandey	7,450		
		The physical verification of cash was conducted on 26th November, 2021 and the same was found to be in order.				
		d. Review of Inter-Unit reconciliation of accounts				
		Despite recommendations in the previous reports it was observed that the inter-unit reconciliation is still being carried out annually at the end of the Financial Year instead of on a monthly / quarterly basis. As discussed with the Finance department, several attempts have been made by them to coordinate with the counterparts at IMI-Delhi but the matter continues to be unresolved.			It is recommended that the same should be carried out monthly / quarterly for the proper functioning and reconciliation purposes.	
		e. Bank				
		During the course of audit, it has been observed that the bank account No 106694600000101 maintained with Yes Bank having closing balance as at 30 th September 2021 amounting to INR 22,625.43 Dr is observed to be inoperative. We understand from the finance team that the management doesn't intend to renew this inoperative account.			It is recommended that the Institute should close the inoperative account.	

S.No.	AREA	OBSERVATION	AUDIT RECOMMENDATION	MANAGEMENT RESPONSE
		<p>f. Narrations wrongly updated</p> <p>➤ During the course of audit, it has been observed that various narrations have been wrongly updated in Tally.</p> <p>Instances: -</p> <ol style="list-style-type: none"> 1. Payment for Student welfare expenses dated 27thNov,2020 – period in narration is wrongly written as 01stDec,2020-30thNov,2020 instead of 30thNov2021. 2. Payment for Staff welfare expenses dated 31stMar,2021 – period in narration is wrongly written as 15thNov,2019 - 14th Nov,2020 instead of 30thNov,2021 3. Payment for Staff welfare expenses dated 27thNov,2020 - Period in narration is wrongly written as 01stDec,2020-30thNov,2020 instead of 30thNov,2021. <p>g. Investment Policy</p> <p>During the course of the Internal Audit, it was observed that the Institute has an average daily surplus fund amounting to INR 1,66,51,253/- combined in all bank accounts.</p>	<p>It is recommended that greater care be exercised to ensure whether it is in compliance with the accounting standards and income tax norms.</p> <p>It is recommended that the management should introduce policy regarding Investing surplus funds based on cash flow requirements.</p>	

S.No.	AREA	OBSERVATION	AUDIT RECOMMENDATION	MANAGEMENT RESPONSE
8.	AICTE Norms	<p>1. As per AICTE norms, there is essential requirement of making various committees like: -</p> <ul style="list-style-type: none"> • Anti-Ragging Committee • Grievance Redressal Committee • Internal complaint committee • Committee for SC/ST <p>➤ Observation: Through office order IMIB/OC-21/653 dated 15th April 2021, we came to know about the existence of all the aforesaid committees in IMI-Bhubaneswar. However, no committee minutes are shared with us to gauge the key matters discussed and deliberated upon by the Committees during this period.</p> <p>We have been verbally informed that all the aforesaid committee minutes were prepared by the Institute, however the same are not shared with us.</p> <p>➤ Other functional committee of IMI-Bhubaneswar In order to check other functional area of IMI-Bhubaneswar, we asked to produce minutes of Purchase</p>	<p>It is recommended that the management should strictly comply with AICTE norms and should provide safety insurance to all its students.</p>	

S.No.	AREA	OBSERVATION	AUDIT RECOMMENDATION	MANAGEMENT RESPONSE
		<p>committee and Placement committee. However, we have received purchase committee minutes only.</p> <p>2. As per AICTE norms, There should be essential requirement regarding:</p> <ol style="list-style-type: none"> 1. Students Safety Insurance 2. Group Accident Policy to be provided for the employees <p>During the course of audit, it was observed that IMI-BBSR has taken student health insurance from SBI General Insurance Limited for 97 students for the year 01.12.2020 to 30.11.2021 (PGDM 2020-2022) only. However, there was one another PGDM batch (2019-2021) having 83 students whose health insurance cover was not taken by IMI-B for the same period.</p> <p>Further, we also want to draw attention to the fact that safety insurance should also covers medical as well as accidental policy.</p> <p>In respect of above stated point 2, we observed during our review period that IMI-BBSR has procured a group health policy and term life policy for its employees. However, the policy document for the same was not shared with us.</p>		

S.No.	AREA	OBSERVATION	AUDIT RECOMMENDATION	MANAGEMENT RESPONSE
9.	OTHER	<p>NON-ADHERENCE TO THE OBSERVATION AND RECOMMENDATION HIGHLIGHTED DURING THE COURSE OF INTERNAL AUDIT FOR PREVIOUS PERIODS</p> <p>As a prudent practice the Institute is advised to take appropriate steps to address the observations mentioned and recommendations provided by the auditors in their Internal audit reports. However, it was observed that no compliance report was prepared by the Institute with respect to past audits.</p>	<p>It is recommended that the Institute prepare the compliance report based on the corrective actions taken so as to provide a better understanding to the auditors about the irregularities removed.</p>	

Annexure**Annexure 1 Continuous Shifts by Security Personnel**

S.No.	Month	Name	Date	No of Shifts during the month*
1	Oct-20	Sarat Kumar Pradhan (G)	1,3,4,6,7,10,12,13,14,15,22,25,27,31	14
2	Oct-20	Bijay Kumar Behera (G)	16,18,22,24,26,28,30	7
3	Oct-20	Balaram Mahanty (SG)	3,5,7,9,13,23	6
4	Oct-20	Manoj Kumar Mallick(SG)	5,8,10,16,31	5
5	Nov-20	Pravat K Harichandan (SG)	15,16	2
6	Nov-20	Pratab k Nayak (SG)	21,25	2
7	Nov-20	Bijay Kumar Behera (G)	1,8,14,24	4
8	Nov-20	Monoranjan Sahu (G)	13,17,19,25,29	5
9	Nov-20	Sarat Kumar Pradhan (G)	18,30	2
10	Nov-20	Anjan Digal (SG)	13,17,20	3
11	Nov-20	Ajay Swain (SG)	14,19,23,25,28	5
12	Nov-20	Bijay Swain (SG)	3,9,18,20,24,26	6
13	Nov-20	Sudhir Kumar Pattanaik (SG)	2,17,21,24,29	6
14	Dec-20	Sheshadeb Nayak (SO)	8,22,26,28	4
15	Dec-20	Pratap K Nayak (S)	2,9,16,23,24,25,29,29,30,31	10
16	Dec-20	Bijay Kumar Behera (G)	4,6,8,9,13,15,21,30	8
17	Feb-21	Balaram Mahanty (SG)	2,3,5,7,8,9,10,12,14,15,17,19,21,24,25,26,27,28	17
18	Feb-21	Ajay Swain (SG)	1,2,4,7,8,10,11,13,16,18,19,21,25,26,27,28	17

***Timings of Shift**

Shift A: 06:00 to 14:00

Shift B: 14:00 to 22:00

Shift C: 22:00 to 06:00

Annexure -2 Detailed calculation of penalty that should has been charged from Quantum Global Infratech Limited in case of security agreement.

Month (A)	Date (B)	Number of Personnel that should be deployed as per the Agreement (C)	Number of Personnel actually deployed as per the Agreement (D)	Shortage (E)	% Deployed (F=D/C*100)	Penalty that should have been charged (G)
2020						
Oct	03/10/2020	29	21	8	72%	1,600
	05/10/2020	29	20	9	69%	2,700
	11/10/2020	29	22	7	76%	1,050
	26/10/2020	29	20	9	69%	2,700
	31/10/2020	29	21	8	72%	1,600
Nov	13/11/2020	29	19	10	66%	3,000
	14/11/2020	29	19	10	66%	3,000
	25/11/2020	29	19	10	66%	3,000
	29/11/2020	29	20	9	69%	2,700
Dec	05/12/2020	29	20	9	69%	2,700
	08/12/2020	29	17	12	59%	6,000
	20/12/2020	29	18	11	62%	3,300
	27/12/2020	29	19	10	66%	3,000

Month (A)	Date (B)	Number of Personnel that should be deployed as per the Agreement (C)	Number of Personnel actually deployed as per the Agreement (D)	Shortage (E)	% Deployed (F=D/C*100)	Penalty that should have been charged (G)
2021						
Jan						
	01-01-2021	29	18	11	62%	4,400
	17-01-2021	29	17	12	59%	6,000
	18-01-2021	29	16	13	55%	6,500
	19-01-2021	29	15	14	52%	7,000
	24-01-2021	29	16	13	55%	6,500
	27-01-2021	29	17	12	59%	6,000
	28-01-2021	29	18	11	62%	4,400
	29-01-2021	29	18	11	62%	4,400
	31-01-2021	29	18	11	62%	4,400
Feb	02-02-2021	29	18	11	62%	4,400
	03-02-2021	29	18	11	62%	4,400
	15-02-2021	29	17	12	59%	6,000
	28-02-2021	29	15	14	52%	7,000
	27-02-2021	29	16	13	55%	6,500
Apr	13-04-2021	29	18	11	62%	4,400
	18-04-2021	29	18	11	62%	4,400
	20-04-2021	29	17	12	59%	6,000
Aug	23-08-2021	29	17	12	59%	6,000
Total		899	562			1,35,050

Annexure -3 Detailed calculation of penalty that should has been charged from Quantum Global Infratech Limited in case of housekeeping agreement.

S.no (A)	Date (B)	Number of Personnel that should be deployed as per the Agreement (C)	Number of Personnel actually deployed as per the Agreement (D)	Shortage (E)	% Deployed (F=D/C*100)	Penalty that should have been charged (G)
1	02/11/2020	17	15	2	88%	100
2	03/11/2020	17	15	2	88%	100
3	19/11/2020	17	14	3	82%	300
4	22/11/2020	17	10	7	59%	3,500
5	26/11/2020	17	11	6	65%	2,400
6	04/10/2020	17	10	7	59%	3,500
7	25/10/2020	17	4	13	24%	6,500
8	26/10/2020	17	11	6	65%	2,400
9	20/12/2020	17	9	8	53%	4,000
10	31/12/2020	17	9	8	53%	4,000
11	06/03/2021	17	12	5	71%	1,000
12	23/03/2021	17	12	5	71%	1,000
13	03/06/2021	17	12	5	71%	1,000
14	25/06/2021	17	12	5	71%	1,000
15	28/06/2021	17	11	6	65%	2,400
Total		255	167	88		33,200

Annexure -4 Less than three Quotations

S.No.	Date	Party Name	Invoice No	Amount (Rs.)
1	5/3/2021	M/S Axis Computech & Peripherals Pvt Ltd-	PI/20-21/139	79,650
2	30/06/2021	Audio Visual Emporium	199	21,240
3	21/05/2021	Gangpur Sales & Services	PI-015/21-22	26,465
4	17/04/2021	Sposifyme Technologies Pvt Ltd	4	187,620
5	31/03/2021	PEN Hospital	PR/19-20/62242	12,150
6	15/04/2021	Webtel Electrosoft	-	10,360
7	15/04/2021	OMM shree chintammi electricals	-	18,025
8	13/09/2021	Great Place Research &Consultancy Pvt Ltd	GPTW/21220855	82,600
9	13/09/2021	Sage Publication India Pvt Ltd	PFI 000856	4,64,000
Total				438,110

Annexure -5 PO & NFA not found

S.No.	Date	Party Name	Invoice No	Amount(Rs.)	Remarks
1	17/04/2021	Sposifyme Technologies Pvt Ltd	4	187620	Purchase Order and Note for Approval not found
2	13/09/2021	Great Place Research &Consultancy Pvt Ltd	GPTW/21220855	82,600	Purchase order not found
3	13/09/2021	Sage Publication India Pvt Ltd	PFI 000856	4,64,000	Purchase order not found
4	9/1/2021	Perfect Solutions & Services	272	162000	Purchase order not found
5	6/2/2021	Formskart	G10019	177000	Purchase order not found

Annexure-6A Penalty Not Charged

S.No.	Member Details	Title/ Author	Item No.	Issued on	Due date of renewal
1	Gourav Bagaria(S)	Understanding the theory & design of organisations/ Draft, Richard L	5790	4/1/2021	31/03/2021
2	Gourav Bagaria(S)	Contemporary Strategy Analysis / Grant	6674	4/1/2021	31/03/2021
3	Gourav Bagaria(S)	Operations and Supply Chain Management	7499	4/1/2021	31/03/2021
4	Gourav Bagaria(S)	Financial institutions and markets / Bhole, L.	8959	4/1/2021	31/03/2021
5	Gourav Bagaria(S)	Financial Management / Pandey, I.M	9169	4/1/2021	31/03/2021
6	Gourav Bagaria(S)	Research Methodology: Concepts	9378	4/1/2021	31/03/2021

Annexure-6B Penalty Not Charged

S.No.	Member Details	Title/ Author	Item No.	Issued on	Due date of renewal
1	Prof Kapil Pandia(F)	Management Information System	9859	19/11/2020	31/12/2021
2	Prof. Bindu Chhabra	Negotiating Essentials	3152	13/01/2021	31/12/2021
3	Dr. Rajesh Katiyar	Advanced Issues in Partial Least Squares Structural Equation	7303	9/4/2021	31/12/2021
4	Prof. Amit Shrivastava	We Are Like That Only	7529	18/03/2021	31/12/2021

Annexure 7- Penalties pertaining to different laws which are not displayed

Name of the Act and Section	Implication	Abstract not displayed in
Payment of Gratuity Act, 1972, Rule 20	As per Section 9(2), Failure to comply with any provision of the Act or Rules, Shall be punishable with imprisonment up to 1 year but will not be less than 3 months or with fine, which will not be less than INR 10,000 but may extend up to INR 20,000 or with both.	Local Language
Employees Provident Fund Act, 1952 Provident Fund Section 27AA (8)	As per Section 56, If any person is guilty of contravention of or non-compliance with any requirement of this Scheme, he shall be punishable with imprisonment which may extend to [one year, or with fine which may extend to four thousand rupees], or with both.	English and Local Language
Minimum Wages Act, 1948 Section 18	As per Section 22A, any employer who contravenes any provision of this Act or of any Rule or order made there under shall, if no other penalty is provided for such contravention by this Act, be punishable with fine which may extend to five hundred rupees.	English and Local Language
Payment of Wages Act, 1936 Section 25	As per Section 20, The first contravention of any provision of the Act or Rules is punishable by fine. The subsequent contravention is punishable by way of imprisonment not less than 1 month and up to 6 months and fine up to 3 thousand rupees.	English and Local Language

Name of the Act and Section	Implication	Abstract not displayed in
Contract Labor (Regulation and Abolition) Act, 1970	As per clause 23, Whoever contravenes any provision of this Act or of any Rules made there under prohibiting, restricting or regulating the employment of contract labor, or contravenes any condition of a license granted under this Act, shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to one thousand rupees, or with both, and in the case of a continuing contravention with an additional fine which may extend to one hundred rupees for every day during which such contravention continues after conviction for the first such contravention.	English and Local Language

Annexure-8 GST on room rent charges

Date	Particulars	Voucher No.	Room Rent Charges	GST rate applied	Remarks
5/10/2021	Ospita Kundu	RR/21-22/003	750	18%	GST not applicable
20/10/2021	Sabyasachi Kar	RR/21-22/005	750	18%	GST not applicable
20/10/2021	Mainak Biswas	RR/21-22/006	750	18%	GST not applicable
21/10/2021	Bidisha Gosh	RR/21-22/009	750	18%	GST not applicable
11/11/2021	Smriti Priya	RR/21-22/025	750	18%	GST not applicable
20/10/2021	Sandeep Kumar	RR/21-22/013	2100	18%	GST rate wrongly applied as 18% instead of 12%
21/10/2021	Shreya Sonam	RR/21-22/010	1500	18%	GST rate wrongly applied as 18% instead of 12%
11/11/2021	Rohit Joseph	RR/21-22/026	5000	18%	GST rate wrongly applied as 18% instead of 12%

Annexure-9 Debit balances of Sundry Creditor

S.No.	Name of the Parties	Amount (Rs.)
1	BMPL A/C - FORTUNE INDIA	3,900
2	BPL TELECOM PVT. LTD.	12,500
3	EUREKA FORBES LTD.	40,904
4	HINDUSTAN PLY & DOORS	12,912
5	HMATC	11,383
6	IMI INCUBATION FOUNDATION	12,29,825
7	INTEGRATED LEARNING SOLUTION PVT LTD	58,875
8	OUTLOOK PUBLISHING INDIA P LTD	1,820
9	ACCVEIL SOLUTIONS PVT LTD	52,200
10	BENNETT COLEMAN & CO LTD	30,843
11	CONTINENTAL TELESERVICES	1,00,000
12	EUREKA FORBES LTD	43,626
13	GIGA SOFT SYSTEMS P LTD	59,000
14	SUMEET ELECTRICALS	2,700
Total		3,30,663