

**SEPARATE AUDIT REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL OF INDIA
ON THE ACCOUNTS OF THE KARNATAKA STATE
HUMAN RIGHTS COMMISSION, BANGALORE, FOR
THE YEAR ENDED 31 MARCH 2013.**

SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF THE KARNATAKA STATE HUMAN RIGHTS COMMISSION, BANGALORE FOR THE YEAR ENDED 31st MARCH 2013.

- 1) We have audited the attached Income & Expenditure Account and the Receipts & Payments Account of Karnataka State Human Rights Commission, Bangalore for the year ended 31st March 2013 under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 35(2) of the Protection of Human Rights Act 1993. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) The 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 mis-statements. An audit includes examining on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
- 4) Based on our audit, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. The Income & Expenditure Account and Receipt & Payment Account dealt with by this report have been drawn up in the format prescribed by the Government of India, Ministry of Finance.

- iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Karnataka State Human Rights Commission as required under Section 35(1) of the Protection of Human Rights Act 1993 in so far as it appears from our examination of such books.
- iv. We further report that:

COMMENT ON ACCOUNTS

A) GENERAL

- i) Despite this being brought out in the Audit reports of previous years for another year in succession, the Commission had not prepared the Balance Sheet as on 31 March 2013. Only the Receipts and Payments Account and the Income and Expenditure Account have been prepared on Cash basis instead of on accrual basis. This is in contravention of the claims of the Commission that the accounts have been prepared in the formats prescribed by the Principal Account General, in the note on accounts.

- ii) **Delay in Submission of Accounts**

In terms of State Government O.M. No: FD 42 BUD 84, dated: 06-11-1984, the time schedule prescribed for submission of Accounts by the State Autonomous Bodies for Audit is by 30 June of the succeeding year. However, the Accounts of the Commission was submitted for Audit on 29 August 2013 after a delay of 60 days.

B) Grants-in-aid

During the year 2012-13, out of Rs. 379.83 lakh allotted by the Government, the Commission could utilize an amount of Rs. 304.05 lakh leaving an amount of Rs. 75.78 lakh as un-utilised as on 31 March 2013, which was surrendered to Government.

C) Management letter: Deficiencies which have not been included in the Audit Report have been brought to the notice of the Secretary, Karnataka State Human Rights Commission, Bangalore through a management letter issued separately for remedial / corrective action.

- v. We report that the Income & Expenditure Account and Receipt & Payment Account dealt with by this report are in agreement with the books of accounts.

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with the Accounting Policies and Notes on Accounts, and subject to the matters 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 Income & Expenditure Account of the surplus for the year ended on that date.

For and on behalf of the C&AG of India

Sd/-

**PRINCIPAL ACCOUNTANT GENERAL (G&SSA)
KARNATAKA.**

Place: Bangalore

Date: 14th February 2014.

ANNEXURE

1. Adequacy of Internal Audit:

Internal audit system prevailing in the Board is adequate and commensurate with the size and nature of the activities of the Commission.

2. Adequacy of Internal Control:

Internal Control System prevailing in the Board is adequate and commensurate with the size and nature of the activities of the Commission.

3. System of Physical verification of fixed assets:

Although the Commission has not prepare Balance Sheet, all fixed assets Viz. Office furniture, Books, Computers, Vehicles etc., are recorded in the fixed assets register and have been physically verified by the management at reasonable intervals and no deficiencies have been notified.

4. Regularity in Payment of statutory dues:

Since the Commission is not operating any Bank Account and is drawing net amounts payable from the treasury, the payment of statutory dues does not arise.

Sd/-
PRINICIPAL ACCOUNTANT GENERAL (G&SSA)
KARNATAKA

KARNATAKA STATE HUMAN RIGHTS COMMISSION, BANGALORE.

ANNUAL ACCOUNTS AS ON 31-03-2013

I N D E X

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Karnataka State Human Rights Commission, Bangalore

BALANCE SHEET AS AT 31-03-2013

(Amount-Rs.)

CORPUS / CAPITAL FUND AND LIABILITIES	Schedule	Current Year	Previous Year
CORPUS/CAPITAL FUND (Grant from State Govt.)	1	Not Applicable	
RESERVES AND SURPLUS	2		
EARMARKED/ENDOWMENT FUNDS	3		
SECURED LOANS AND BORROWINGS	4		
UNSECURED LOANS AND BORROWINGS	5		
DEFERRED CREDIT LIABILITIES	6		
CURRENT LIABILITIES AND PROVISIONS	7		
TOTAL			
ASSETS		Not Applicable	
FIXED ASSETS	8		
INVESTMENTS-FROM EARMARKED/ENDOWMENT FUNDS	9		
INVESTMENTS-OTHERS	10		
CURRENT ASSETS, LOANS, ADVANCES ETC.	11		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) unspent amount surrendered to Govt.,			
TOTAL			
SIGNIFICANT ACCOUNTING POLICIES	24	Enclosed separately	
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25	Enclosed Separately	

**Sd/-
Secretary,
Karnataka Human Rights Commission,
Bangalore.**

Karnataka State Human Rights Commission, Bangalore
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31-03-2013

(Amount-Rs.)

INCOME	Schedule	Current Year	Previous Year
Income from Sales/Services	12	.....	.....
Grants/Subsidies	13	3,79,83,000	3,74,53,000
Fees/Subscriptions	14	.....	.....
Income from Investment (Income on Invest. From earmarked/endow. Funds transferred to Funds)	15	.....	.....
Income from Royalty, Publication etc.	16	.....	.....
Interest Earned	17	.....	.....
Other Income (RTI-9469+Others-10541, Recovery-29000=49,010)	18	49,010	.....
Increase (decrease) in stock of Finished goods and works-in-progress	19	.....	.....
TOTAL (A)		3,80,32,010	3,74,53,000
EXPENDITURE			
Establishment Expenses	20	2,48,32,702	2,27,95,647
Other Administrative Expenses etc.	21	55,72,135	1,46,44,227
Expenditure on Grants, Subsidies etc.	22	.....	.....
Interest	23	.....	.....
Depreciation (Net Total at the Year-end- corresponding to Schedule -8)			
Recovery and Remitted to Govt Account	18	49,010	
TOTAL (B)		3,04,53,847	3,74,39,874
Balance being excess of Income over Expenditure (A-B)			
Unspent Amount refunded to Government		75,78,163	13,126
Transfer to Special Reserve (Specify each)		.....	.....
Transfer to form General Reserve		.....	.....
BALANCE BEING SURPLUS / Unspent amount surrendered to Govt.		75,78,163	13,126
SIGNIFICANT ACCOUNTING POLICIES	24	Enclosed separately	
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25	Enclosed Separately	

Sd/-
Secretary,
Karnataka Human Rights Commission,
Bangalore.

Karnataka State Human Rights Commission, Bangalore
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31-03-2013

(Amount-Rs.)

RECEIPTS		Current Year	Previous Year	PAYMENTS		Current Year	Previous Year
I. Opening Balances				I. Expenses			
a) Cash in Hand (Cash-14,395+ Vouchers -10,605= 25,000) Permanent Amount		25,000	.....	a) Establishment Expenses		2,48,32,702	2,27,95,647
b) Bank Balances				(corresponding to Schedule 20)			
i) In current accounts		.....	.....	b) Administrative Expenses		55,72,135	1,46,44,227
ii) In deposit accounts		.....	.....	(corresponding to Schedule 21)			
iii) Savings accounts		.....	.....		
II. Grants Received				II. Payments made against funds for various Projects		.....
a) From Government of India		.....	.....	(Name of the fund or project should be shown along with the particulars of payments made for each project)			
b) From State Government		3,29,69,000	3,74,53,000				
c) From other sources (details) (Grants for Capital & Revenue Exp., to be shown separately)		.....	.....		
III. Income on Investments from				III. Investments and deposits made			
a) Earmarked/Endow.Funds		.....	.....	a) Out of Earmarked/Endowment funds		.....
b) Own Funds (Oth.Investment)		.....	.....	b) Out of Own Funds (Investment- Others)		.....
IV. Interest Received				IV. Expenditure on Fixed Assets & Capital Work-in Progress			
a) On Bank deposits		.....	.....	a) Purchase of Fixed Assets		.....
b) Loans, Advances etc.		.....	.....	b) Expenditure on Capital Work-in- progress		.....
V. Other Income (Specify)		.....	.....	V. Refund of Surplus Money/ Loans			
				a) To the Government of India		.....
				b) To the State Government (unspent amount surrendered to Government)		25,64,163	13,126
				c) To other providers of funds		.....
VI. Amount Borrowed		.....	.....	VI. Finance Charges (Interest)		.....
VII. Any other Receipts (give details)		49,010.	.....	VII. Other Payments (Specify) *		49,010.	
* a) RTI – 9,469				VIII. Closing Balances			
* b) sale of Old News paper & Vehicle Old parts – 10,541				1 Cash in Hand		25,000	
* c) Others = 29000				2 Bank Balances			
				i) In Current Accounts		.....
				ii) In Deposit Accounts		.....
				iii) Savings Accounts		.....
TOTAL		3,30,43,010	3,74,53,000	TOTAL		3,30,43,010	3,74,53,000

Karnataka State Human Rights Commission, Bangalore

SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31-03-2013

(Amount-Rs.)

	Current Year	Previous Year
<u>SCHEDULE 12 – INCOME FROM SALES/SERVICES</u>		
1) <u>Income from Sales</u>		
a) Sale of Finished Goods
b) Sale of Raw Material
c) Sale of Scraps
2) <u>Income from Services</u>		
a) Labour and Processing Charges
b) Professional/Consultancy Services
c) Agency Commission and Brokerage
d) Maintenance Services (Equipment/Property)
e) Others (Specify)
<u>TOTAL</u>

	Current Year	Previous Year
<u>SCHEDULE 13 – GRANTS/SUBSIDIES</u>		
(Irrevocable Grants & Subsidies Received)		
1) Central Government	.....	.....
2) State Government	3,79,83,000	3,74,53,000
3) Government Agencies	.....	.....
4) Institutions/Welfare Bodies	.....	.....
5) International Organisations	.....	.....
6) Other (Specify)	.....	.....
<u>TOTAL</u>	3,79,83,000	3,74,53,000

Sd/-
Secretary,
Karnataka Human Rights Commission,
Bangalore.

Karnataka State Human Rights Commission, Bangalore

SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31-03-2013

(Amount-Rs.)

	Current Year	Previous Year
<u>SCHEDULE 18 - OTHER INCOME</u>		
1) Profit on Sale/disposal of Assets:		
a) Owned assets	.....	.....
b) Assets acquired out of grants, or received free of cost	.....	.....
2) Export Incentives realized	.....	.....
3) Fees for Miscellaneous services	.....	.....
4) Miscellaneous Income (RTI-9469+Others-1054, Recovery-29000=49,010)	49,010	.....
<u>TOTAL</u>	49,010	.....
<u>SCHEDULE 19 - INCREASE/(DECREASE) IN STOCK OF FINISHED GOODS & WORK IN PROGRESS</u>	Current Year	Previous Year
a) Closing Stock		
- Finished Goods	.....	.....
- Work-in-progress	.....	.....
b) Less: Opening Stock		
- Finished Goods	.....	.....
- Work-in-progress	.....	.....
<u>NET INCREASE / (DECREASE) {a-b}</u>	.....	.....
<u>SCHEDULE 20 - ESTABLISHMENT EXPENSES</u>	Current Year	Previous Year
a) Salaries and Wages	2,48,32,702	2,27,95,647
b) Allowances and Bonus	.....	.....
c) Contribution to Provident Fund	.....	.....
d) Contribution to Other Fund (specify)	.....	.....
e) Staff Welfare Expenses	.....	.....
f) Expenses on Employees Retirement and Terminal Benefits	.....	.....
g) Other (specify)	.....	.....
<u>TOTAL</u>	2,48,32,702	2,27,95,647

Sd/-
Secretary,
Karnataka Human Rights Commission,
Bangalore.

Karnataka State Human Rights Commission, Bangalore

SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31-03-2013

(Amount-Rs.)

SCHEDULE 21- OTHER ADMINISTRATIVE EXPENSES ETC	CURRENT YEAR	PREVIOUS YEAR
a) Purchases (Computer + Furniture's 247317+240981=488298))	4,88,298	7,79,242
b) Labour and processing expenses	.....	.....
c) Cartage and Carriage Inward	.....	.....
d) Electricity and Power	.....	.....
e) Water Charges	.....	.....
f) Insurance/ Library Books	1,53,346	1,54,155
g) Repairs and Maintenance (Xerox Mc + Franking mc + AMC)	2,21,743	4,34,790
h) Excise Duty/ Computer + Peripherals + AMC Computers)		5,57,236
i) Rent, Rates and Taxes	.....	.....
j) Vehicles Running and Maintenance (1049330+512255)	15,61,585	27,77,357
k) Postage, Telephone and Communication Charges (150000+438500)	5,88,500	9,86,772
l) Printing and Stationary	4,09,982	14,66,124
m) Travelling and Conveyance Expenses		9,78,204
n) Expenses on Seminar/workshops	5,36,034	2,57,460
o) Subscription Expenses	.....	.....
p) Expenses on Fees	.....	.....
q) Auditors Remuneration	.....	.....
r) Hospitality Expenses	2,100	78,490
s) Professional Charges (Legal Fee paid)	21,236	.....
t) Provision for Bad and Doubtful Debts/advances	.....	.....
u) Irrecoverable Balances Written-off	.....	.....
v) Packing Charges	.....	.....
w) Freight and Forwarding Expenses	.....	.....
x) Distribution Expenses/ Renovation of Interior	4,00,000	58,20,000
y) Advertisement and Publicity	.....	.....
z) Others (specify) News paper, Publications and Miscellaneous expenses. (62874+1126437=1189311)	11,89,311	3,54,397
TOTAL	55,72,135	1,46,44,227

Sd/-
Secretary,
Karnataka Human Rights Commission,
Bangalore.

Karnataka State Human Rights Commission, Bangalore

SCHEDULE-24

Significant Accounting Policies

1. As the funds are being drawn through Government Treasury, the accounts of the Commission are prepared on cash basis.
2. The Commission does not have any fixed assets and movable assets like Vehicles, Computers, Xerox Machines, Office Equipments etc., have been purchased out of grant allotment. Such assets are being accounted on historical cost basis. Hence no depreciation has been provided.
3. The Commission is following the accounting procedure prescribed under Karnataka Financial Code, Manual of Contingent expenditure and Budget Manual etc.
4. The Commission is not a commercial undertaking and has its own source income. Therefore it is not liable to pay Income Tax.

**Sd/-
Secretary,
Karnataka Human Rights Commission,
Bangalore.**

Karnataka State Human Rights Commission, Bangalore

Schedule 25

Notes on Accounts:

1. Karnataka State Human Rights Commission has been established under section 21(1) of Protection of Human Rights Act-1993 vide G.O. No. LAW 20 LAG 2005, date: 28-06-2005. The Commission started functioning from 25-7-2007.
2. The Government of Karnataka is releasing funds under the Head of Account 2014-00-105-012” for salaries and other administrative expenses. Allotment and expenditure for the financial year 2012-13 is as follows:

Allotment Rs.	Expenditure Rs.	Unspent Amount surrendered to Government Rs.
3,79,83,000	3,04,04,837	75,78,163

3. The Commission is following the accounting procedure prescribed under K.F.C., Manual of Contingent Expenditure and Budget Manual i.e. the bills are presented to the treasury in the prescribed Government forms for encashment and a General Cash book is being maintained for the sums received. The Commission is not operating any Bank Account.
4. The Monthly expenditure of the Commission has been sorted and categorised as per prescribed schedules.
5. The Monthly expenditure so arrived have been reconciled with monthly Treasury schedules/ Statement of Expenditure of the Accountant General.
6. After compilation of monthly statements as stated above, Annual Financial statements have been prepared in the formats prescribed by the Principal Accountant General (C.& CA), Karnataka, (in the applicable formats and schedules suitable to this Commission).
7. The moveable assets have been purchased out of Government funds and the State Government Rules does not provide for depreciation, the Commission is not having its own source of Income provision for depreciation and resource fund for replaced is not provided

8. The Commission has engaged most of its Employees on Contract basis. The Officers/Employees who are on deputation are Government servant. Hence provision for payment of pension/PF/bonus does not arise.
9. Except holding office furniture, computers, vehicle and library books, the Commission has no fixed assets or loans and liabilities, it is unable to draw the balance sheet.
10. The Innova Vehicle No: KA-01-G-4694 of the Commission had met with accident. Excluding claims paid by the Karnataka Government Insurance Department, the additional expenditure of Rs.52,431-00 incurred for repairs. Out of which Rs.10,000-00 is waived off vide Order No: HRC 267 ADM 2008, dt: 22-02-2013 as per the decision of the Commission, a sum of Rs.29,000-00 has been recovered from the salary of Sri. Santosh Girraddi, Contract Driver from 5/12 to 2/13 in 10 installments and credited to Government account. Rs.13,431-00 is yet to be recovered.
10. All the expenditure are supported by the resolution of the Commission.

Sd/-
Secretary,
Karnataka Human Rights Commission,
Bangalore.