



संख्या/No. CRA-II(Exp)/SAR/NIA/2013-14/1031

भारतीय लेखा तथा लेखापरीक्षा विभाग
कार्यालय प्रधान निदेशक लेखापरीक्षा (केन्द्रीय)
शाखा कार्यालय राजस्थान, जनपथ, जयपुर-302 005

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
Office of the Principal Director of Audit (Central)
Branch office Rajasthan, Janpath, Jaipur-302 005

दिनांक / Date 20-10-14

To,

The Secretary,
Government of India,
Ministry of Health and Family Welfare,
Department of Indian Systems of Medicine and Homoeopathy,
New Delhi - 110001

अज्ञात
20/10/14

Sub.: Separate Audit Report on the accounts of National Institute of Ayurveda, Jaipur for the year 2013-14.

Sir,

Please find enclosed the Separate Audit Report on the accounts of National Institute of Ayurveda, Jaipur for the year 2013-14 along with copy of Annual Accounts.

2. The Audited accounts and Separate Audit Report required to be placed before the AGM of the Apex Governing Body of the Institute for consideration and adoption and resolutions passed thereon before these are sent by the Ministry for being placed before parliament.
3. The dates of presentation of Audited Accounts and Separate Audit Report before the Parliament may please be intimated. Five sets of printed documents (Audit Report, Annual Report & Audited Accounts) may also please be sent to this office.
4. Hindi version of the Separate Audit Report will be issued shortly.
5. Kindly acknowledge receipt of the documents.
Encl.: As above

Yours sincerely,

—sd—

Deputy Director
Central Receipt Audit-II

No. CRA-II (Exp.)/SAR/NIA/2013-14/ 1031

Dated : 20.10.14

Copy of the Separate Audit Report and Audited Accounts forwarded to Prof. M. S. Meena, Director, National Institute of Ayurveda, Madhav Vilas Palace, Amer Road, Jaipur-302002 with the remarks to ensure that Audited Accounts and Separate Audit Report is adopted/considered in the AGM of Institute's Apex Governing Body and resolution adopted/considered on the Audited Accounts and report thereon may be furnished to this office.

Encl : As above

Deputy Director

Central Receipt Audit-II

Separate Audit Report of Comptroller and Auditor General of India on the accounts of the National Institute of Ayurveda, Jaipur for the year ended 31st March, 2014.

We have audited the attached Balance Sheet of National Institute of Ayurveda (NIA), Jaipur as at 31 March 2014, the Income and Expenditure Account and the Receipts and Payment Account for year ended on that date under Section 20(1) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act 1971. The audit has been entrusted for the period upto 2015-16. These financial statements are the responsibility of NIA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards, 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 the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
4. Based on our audit, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. The Balance Sheet, Income & Expenditure Account and Receipt & Payment Account dealt with by this report have been drawn up in the format approved by Ministry of Finance.
 - iii. In our opinion, proper books of accounts and other relevant records have been maintained by the National Institute of Ayurveda, Jaipur as required under section 17

of the Memorandum and Article of Association and the Rules and Regulations of NIA so far as it appears from our examination of such books.

iv. We further report that:

Comments on Accounts.

A. Balance Sheet

A.1 Liabilities ₹7676.56 lakh

A.1.1 Current Liabilities and Provisions (Schedule-7) ₹ 354.62 lakh

- (i) This does not include provision of ₹ 10.66 lakh for outstanding bills of manpower supplier firm for the month of March, 2014. This has resulted in understatement of Current Liabilities and Provisions and Expenditure by ₹ 10.66 lakh and consequent overstatement of Surplus to the same extent.
- (ii) This does not include provision for outstanding payment of retirement benefits amounting to ₹31.75 lakhs due for payment since 28 February, 2014. This has resulted in understatement of Current Liabilities and Provisions and Expenditure by ₹31.75 lakh and consequent overstatement of Surplus to the same extent.

A.2 Assets

A.2.1 Fixed Assets ₹2009.78 Lakh

This does not include ₹6.40 lakh for installation of Solar Water Heater System paid to CPWD for construction of stand and water storage tank. This has resulted in understatement of Fixed Assets to the extent of ₹6.40 lakh and overstatement of Current Assets to the same extent.

This comment was included in Separate Audit Report of previous year but rectification was not made.

A.2.2 Current Assets loans and advances (Schedule – 11) ₹ 2749.04 lakh.

- (i) This does not include grant of ₹13.68 lakh receivable from State Government. The Institute has accounted for this figure as income but simultaneously shown as Expenditure in Income and Expenditure account instead of current assets. This has resulted in understatement of Current Assets to the extent of ₹ 13.68 lakh as well as Surplus.
- (ii) This does not include prepaid internet lease line charges paid for the period from 1 April, 2014 to 13 February, 2015 amounting to ₹ 6.81 lakh. This has resulted in understatement of Current Assets Loans and Advances to the extent of ₹ 6.81 lakh, as well as Surplus.

B. Income and Expenditure Account.

B.1 Income ₹5533.87 Lakh

- a. An amount ₹16.99 lakh was outstanding payment for medicines supplied by supplier to the Institute. The value of medicines was included in closing stock in current assets, but it was incorrectly shown as Income in Income and Expenditure account instead of current liabilities. This has resulted in overstatement of surplus by ₹16.99 lakh and understatement of Current Liabilities to the same extent.
- b. Provision was made for salary, pension and stipend ₹ 251.42 lakh for the month of March, 2014 to be paid in next year. In addition to providing liabilities, the Institute has also incorrectly accounted for the same in Income and current assets. This has resulted in overstatement of Surplus to the extent of ₹ 251.42 lakh and Current Assets has also been overstated to the same extent.

C Contingent Liabilities and Notes on Accounts (Schedule-25).

This does not include payable Rs. 4.30 lakh for two matters decided by the court of law. This comment was included in Separate Audit Report of previous year but rectification has not been made.

D. General

Provision for all future known liabilities the amount of which is not certain at the time of finalization of Accounts should be made to a reasonable extent. As per service rules employees of this organization are entitled for leave encashment which are earned by them at the time of retirement. Therefore, a provision for balance of earned leave as on 31 March, 2014 was to be made. It has been informed that if the payment of earned leave were to made at the end of year it would amount to ₹628.60 lakh. However, the Institute did not provide for this liability which resulted in overstatement of Surplus by ₹ 628.60 lakh and understatement of Provision for Earn Leave to the same extent.

E. Grant – in - Aid

The Government of India (GOI) and Government of Rajasthan (GOR) provide funds to the Institute in the form of grant-in-aid. Against the grant of ₹ 5055.68 lakh (Plan ₹2900.00 lakh and Non-Plan ₹ 2142.00 lakh) received from GOI and ₹ 13.68 lakh from GOR. Opening balance of grant ₹ 271.13 lakh was available with the Institute at the beginning of the year. NIA utilized ₹ 4251.82 lakh leaving balance of ₹ 1074.99 lakh [Plan ₹1278.72 lakh and Non- Plan ₹ (-)203.73 lakh] as unutilized grant as on 31st March, 2014.

F. Effect of Audit comments on Accounts.

The net impact of the comments given in preceding paras is that as on 31st March, 2014, Liabilities understated by ₹ 688.00lakh, Assets overstated by ₹ 230.93lakh and Surplus overstated by ₹918.93lakh.

G. Management letter

Deficiencies, which have not been included in the Separate Audit Report, have been brought to the notice of the Management through a management letter issued separately for remedial/corrective action.

- v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income & Expenditure Account and Receipts & 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 said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters, stated above and other matters mentioned in Annexure to this Separate Audit Report give a true and fair view in conformity with accounting principles generally accepted in India.
- a. In so far as it relates to the Balance Sheet, of the state of affairs of the National Institute of Ayurveda, Jaipur as at 31 March 2014, and
- b. 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

Place: Ahmedabad
Date: 17.10.14

Principal Director of Audit (Central)
Ahmedabad

Annexure to Separate Audit Report 2013-14

1. Adequacy of Internal Audit System

Internal Audit of the Institute for the year 2013-14 has not been conducted by the Ministry.

2. Adequacy of Internal Control System

Review of internal control system in NIA revealed following deficiencies –

- (i) For control over inventories of Rasayanshala minimum, maximum and re-order levels of raw materials have not been fixed.
- (ii) Columns of register maintained for fixed assets 'Building' were left blank hence date of creation of assets could not be ascertained.
- (iv) Advance /other amounts recoverable in cash or in kind on capital accounts from CPWD, PWD have not been reconciled.

3. System of Physical verification of Fixed Assets

Physical verification of fixed assets lying in hospital/ departments was not conducted by the Institute during the year 2013-14.

4. System of Physical verification of Inventory

Physical verification of inventories lying in hospital/ departments was not conducted by the Institute during the year 2013-14.

5. Regularity in payment of statutory dues

Statutory dues are deposited by the Institute on regular basis.



Sr. Audit Officer/CRA II (Exp.)

Statement of Net Effect of Audit

(₹ in lakh)

Comments	Liabilities		Assets		Surplus	
	Overstated	Understated	Overstated	Understated	Overstated	Understated
A.1.1(i)	-	10.66	-	-	10.66	-
(ii)	-	31.75	-	-	31.75	-
A.2.1	-	-	6.40	6.40	-	-
A.2.2(i)	-	-	-	13.68	-	13.68
(ii)	-	-	-	6.81	-	6.81
B.1(a)	-	16.99	-	-	16.99	-
(b)	-	-	251.42	-	251.42	-
D	-	628.60	-	-	628.60	-
Total	-	688.00	257.82	26.89	939.42	20.49
		U/S 688.00	O/S 230.93		O/S 918.93	

Liabilities understated 688.00 lakh
 Assets overstated 230.93 lakh
 Surplus overstated 918.93 lakh



Sr. Audit Officer/CRA II (Exp.)