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31/10/15

संख्या / No.....

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

To,

The Secretary,
Government of India,
Ministry of Health and Family Welfare,
Department of Ayush, AYUSH Bhawan,
B-Block, GPO Complex,
INA, New Delhi - 23

दिनांक / Date.....

**Sub.: Separate Audit Report on the accounts of National Institute of Ayurveda,
Jaipur for the year 2014-15.**

Sir,

Please find enclosed the Separate Audit Report on the accounts of National Institute of Ayurveda, Jaipur for the year 2014-15 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/CRA-II

No. CRA-II (Exp.)/SAR/NIA/2014-15/ 1507

Dated : 30.10.2015

Copy of the Separate Audit Report and Audited Accounts forwarded to Prof. K. Shankar Rao, 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

ms
Deputy Director/CRA-II



डी. पी. यदव, आईएएस
D. P. Yadav, IAAS

30/10/15

प्रधान निदेशक लेखापरीक्षा (केन्द्रीय)
लेखापरीक्षा भवन, नवरंगपुरा, अहमदाबाद - 380009
Principal Director of Audit (Central)
Audit Bhavan, Navrangpura, Ahmedabad - 380009

D.O.No. CRA-II(Exp.)/SAR/NIA/14-15/1510
30 October, 2015

Dear Prof. Rao,

The Annual Accounts of the National Institute of Ayurveda, Jaipur for the year 2014-15 were audited by undersigned for which a Separate Audit Report has been issued vide letter No. CRA II (Exp.)/SAR/NIA/2014-15/1507 dated 30/10/2015. During the course of audit, the following deficiencies were noticed which have not been included in the Separate Audit Report. This is being brought to your notice for corrective and remedial action:-

1. **Assets ₹7738.57 lakh**
Current Assets, Loans and Advances (Schedule-11) ₹ 2552.5 lakh.
Advances
The NIA showed advances to CPWD (Civil) amounting to ₹ 1237.52 lakh and to CPWD (Electrical) ₹ 187.43 lakh in schedule -11 of balance sheet. While scrutiny of correspondence dated 18-05-2015 revealed that the advances to CPWD was amounting to ₹ 1010.43 lakh and ₹ 322.10 lakh respectively upto 31st March 2015. Hence reconciliation between these figures is required.
2. (i) The advance of ₹ 30.49 lakh to PWD, Rajasthan is pending for the last 16 to 20 years, therefore NIA should take immediate effective steps to recover/adjust the outstanding advance from PWD, Rajasthan.
(ii) The fully vouched contingent bill of NIA, Jaipur have a column of "Head of Account". The management of NIA did not mention the Head of Account while preparing and passing the expenditure vouchers.
(iii) The ledger heads maintained by NIA does not match with the headings of expenditure as provided in Schedule 20 & 21 of Income and Expenditure Account for the year 2014-15. Also the ledger of NIA does not start with the amount brought forward from the last year.
3. Schedule 8 of Fixed Assets was not prepared as prescribed in Uniform Format of Accounts for Autonomous Bodies.

With regards,

Prof. K. Shankar Rao,
Director,
National Institute of Ayurveda,
Madhav Vilas Palace,
Amer Road, Jaipur - 302002

Yours Sincerely,

m. yadav

Separate Audit Report of the Comptroller & Auditor General of India on the accounts of the National Institute of Ayurveda, Jaipur for the year ended 31st March, 2015

We have audited the attached Balance Sheet of National Institute of Ayurveda (NIA), Jaipur as at 31 March 2015, the Income and Expenditure Account and the Receipts and Payments 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 misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
4. Based on our audit, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. The Balance Sheet, Income & Expenditure Account and Receipts & Payments 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 ₹77.39 Crore

A.1.1 Reserve & surplus (Schedule- 2) ₹37.78 Crore

This represent Capital Reserve of ₹ 37.78 Crore credited over the years for the assets created out of government grant. However, amount equivalent to depreciation amounting to ₹ 16.65 crore (including current year ₹ 2.17 crore) was not credited to Income and expenditure Accounts. This has resulted into overstatement of Capital Reserve by ₹ 16.65 crore and understatement of Corpus Fund by the same amount.

B. Income and Expenditures Account.

B.1 Income ₹4736.29 lakh

B.1.1 Increase (Decrease) in Stock of Finished Goods and Work-in-Progress (Schedule-19) ₹107.75 lakh

The NIA disclosed difference between opening and closing balances of finished goods and work-in-progress as ₹107.75,213 instead of (-) ₹26,49,751. The difference needs to be reviewed and reconciled.

B.2 Expenditure ₹4902.76 lakh

B.2.1 Other Administrative Expenses (Schedule-21) ₹737.71 lakh

B.2.1.1 Medical Aid to backward areas- SC ₹46.42 lakh

The NIA incorrectly disclosed at S.No 24 expenses of Medical Aid to backward areas- SC as ₹46,41,659/- while corresponding figure in ledger A/c is ₹42,73,332/-.

This resulted in overstatement of Administrative Expenses by ₹3.68 lakh (₹46,41,659 - ₹42,73,332) and overstatement of Deficit as well as Current liabilities and provisions with the same amount.

C. Contingent Liabilities and notes on accounts (Schedule-25)

C.1 Contingent Liabilities

It does not include liabilities of ₹6,62,425/- with 6% interest of a decree against the NIA awarded in a court case Sh. Chandramoli Enterprises and others Vs NIA and others by

District and Session Judge Court- Jaipur city against which an appeal is pending in High Court of Rajasthan-Jaipur Bench.

D. General

D.1 Institute has not provided liability for pension, gratuity and leave encashment on actuarial basis as required under Accounting Standard 15 issued by ICAI.

D.2 As per Current Assets, Loans and Advances (Schedule- 11) the inventory of stock of Herbal, prepared and Sidha was ₹ 55.63 lakh whereas the detailed Schedule attached with the Balance Sheet showed the figure of ₹ 50.37 lakh. The two sets of figures needs to be reconciled.

E. Grant – in - Aid

The Govt. of India (GOI) and Govt. of Rajasthan (GOR) provide funds to the Institute in the form of grant-in-aid. The grant of ₹ 4360.00 lakh (Plan ₹1780.00 lakh and Non-Plan ₹2580.00 lakh) received from GOI and ₹13.68 lakh from GOR and opening balance of grant ₹1074.99 lakh (₹1278.72 lakh Plan and (-) ₹203.73 lakh Non-Plan) was available with the Institute at the beginning of the year. NIA utilized Grant amount ₹4801.57 lakh (₹2187.38 lakh and ₹2614.19 lakh) leaving a balance of ₹ 647.10 lakh (₹871.34 lakh Plan and (-) ₹224.24 lakh Non Plan) as unutilized grant as on 31st March, 2015.

F. Effect of Audit comments on Accounts.

The net impact of the comments given in preceding paras is that as on 31st March, 2015, Liabilities overstated by ₹ 3.68 lakh and Deficit overstated by ₹ 3.68 lakh.

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 2015, and
- b. In so far as it relates to Income & Expenditure Account of the deficit for the year ended on that date.

For and on behalf of the C&AG of India

Place: Jaipur
Date: 30.10.2015.


**Principal Director of Audit (Central)
Ahmedabad**

Annexure to Separate Audit Report (2014-15)

1. Adequacy of Internal Audit System

Ministry of Finance conducted internal audit of the institute for the year 2009-10 to 2012-13 during the period 22-07-2013 to 26-07-2013.

2. Adequacy of Internal Control System

Internal Control System was not adequate in the Institute and the following deficiencies were revealed during the audit: –

- (i) For control over inventories of Rasayanshala minimum, maximum and re-order quantity levels of raw materials were not fixed.
- (ii) Advance/other amounts recoverable in cash or in kind on capital accounts from CPWD. PWD were not reconciled.
- (iii) There was no internal control and internal audit Manual in the Institute.
- (iv) There was no periodical rotation of staff dealing with cash, store and accounts work.

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 2014-15.

4. System of Physical verification of inventory.

Physical verification of inventories lying in hospital/ departments was not conducted by the Institute during the year 2014-15

5. Regularity in payment of statutory due

As per accounts no statutory dues were outstanding.



Sr. Audit Officer/CRA-II (Exp.)

Statement of Net Effect of Audit comments

(₹ in lakh)

Comments	Liabilities		Assets		Deficits	
	Overstated	Understated	Overstated	Understated	Overstated	Understated
A.1.1	1665.04	1665.04	--	--	--	--
B.2.1.1	3.68	--	--	--	3.68	--
	1668.72	1665.04	--	--	3.68	--
	O/S 3.68		--		O/S 3.68	

Liabilities overstated

3.68 lakh

Deficits overstated

3.68 lakh



Sr. Audit Officer/CRA-II (Exp.)

