



8/11/2016

राष्ट्रीय आयुर्वेद संस्थान, जयपुर
National Institute of Ayurveda, Jaipur

प्राप्ति/Receipt

क्रमांक/No. 474
दिनांक/Date 08/11/16

संख्या/No. CRA-II (Exp.)/SAR/NIA/15-16/1447-48

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 3-11-2016

Sub.: Separate Audit Report on the accounts of National Institute of Ayurveda, Jaipur for the year 2015-16.

Sir,

Please find enclosed the Separate Audit Report on the accounts of National Institute of Ayurveda, Jaipur for the year 2015-16 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,


Deputy Director/CRA-II

No. CRA-II (Exp.)/SAR/NIA/2015-16/

1448

Dated : 3-11-16

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



Deputy Director/CRA-II



डी. पी. यादव, आई.ए.ए.एस.
D. P. Yadav, IAAS

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

Dear Prof. Rao,

The Annual Accounts of the National Institute of Ayurveda, Jaipur for the year 2015-16 were audited by undersigned for which a Separate Audit Report has been issued vide letter No. CRA II (Exp.)/SAR/NIA/2015-16/ dated During the course of audit, the following deficiencies were noticed which have not been included in the Separate Audit Report:-

1. The Assets Register was not maintained as per GFR. Hence, Gross Value of Assets except Land could not be verified.
2. Schedule Numbers are not as per Common Format of Accounts
3. Compliance of comments issued in Management Letter on Accounts of previous year 2014-15 was not done.

This is being brought to your notice for corrective and remedial action,

With regards,

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

Separate Audit Report of the Comptroller & Auditor General of India on the accounts of National Institute of Ayurveda, Jaipur for the year ended 31st March, 2016

We have audited the attached Balance Sheet of National Institute of Ayurveda (NIA), Jaipur as at 31 March 2016, 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 ₹ 6226.96 lakh

A.1.1 Earmarked/Endowment Funds (Schedule-3) ₹ 1216.96 lakh

A.1.1.1 Earmarked Fund of GPF ₹ 1142.88 lakh

It does not include ₹ 77.79 lakh pertaining to interest income earned by investing the amount of GPF in Fixed Deposits with Bank. The interest was incorrectly credited to Institute's own interest income.

It has resulted in understatement of Deficit as well as Earmarked Fund of GPF by ₹ 77.79 lakh.

A.1.1.2 Earmarked Boys' Fund ₹ 73.20 lakh

It does not include ₹ 10.54 lakh of interest income accrued by investing the amount of Boys' Fund in Fixed Deposits with Bank. The Institute omitted to account for accrued interest.

It resulted in understatement of Earmarked Boys' Fund as well as Interest Accrued on FDRs of Boys' Fund by ₹ 10.54 lakh.

A.1.2 Current Liabilities and Provisions (Schedule-4) Rs.630.62 lakh

It does not include the provision for Audit Fee the year 2014-15 which is calculated by audit to the tune of ₹ 1.38 lakh.

It resulted in understatement of Deficit by ₹ 1.38 lakh as well as Current Liabilities and Provisions with the same amount.

A.2 Assets ₹ 6226.97 lakh

A.2.1 Fixed Assets (Schedule-5) ₹ 2305.89

Assets of net book value amounting to ₹ 4,28,905/- were auctioned during the year 2015-16 for ₹ 2202000/+32655. However, the total auction money ₹ 22.35 lakh has been credited to Fixed Assets instead of net book value ₹ 428905/- of Fixed Assets. The remaining amount should have been credited to Income and Expenditure Account as Income from sale of Fixed Asset amounting to ₹ 17.73+0.32 lakh

This has resulted in overstatement of deficit by ₹ 18.06 lakh and understatement of Fixed Assets with the same amount..

A.2.1.1 Current Assets loans and advances (Schedule-8) ₹ 2464.85 lakh.

Finished Stock at Eye Hospital (Item A.1.c.ii) ₹ 2.02 lakh

It includes ₹ 2.02 lakh of Finished Stock of Drugs of Eye Hospital which was returned to Shreedhareeyam Ayurvedic Eye Hospital & Research Centre P. Ltd. Koothatukulam, Kerala, in the year of 2012. However, it was not credited to stock in year 2012

As such it resulted in overstatement of Finished Stock of Drugs of Eye Hospital as well as Capital Fund by ₹ 2.02 lakh.

B. Income and Expenditures Account.

B.1 Income ₹ 4576.58 Lakh

B.1.1 Income from Grant/Subsidies (Schedule-9) ₹ 4038.52 lakh

It does not include grant income receivable from Government of Rajasthan to the tune of ₹ 13.68 lakh for the year 2015-16.

It has resulted in understatement of Grant Income as well as Current Assets to the extent of ₹ 13.68 lakh.

B.1.1.2 Increase (Decrease) in Stock of Finished Goods and Work- in- Progress (Schedule-13) ₹ 128.18 Lakh

The Institute incorrectly disclosed difference between opening and closing balances of finished goods and work in progress as ₹ 128.18 lakh while the difference of closing stock of finished stock and work-in-progress for the year 2014-15 and 2015-16 worked out as ₹ 22.37 lakh.

B.2 Expenditure ₹ 5238.56 Lakh

B.2.1 Establishment Expenses (Schedule-14) ₹ 4475.37 Lakh

Salaries and Wages and Pension (Item-a) ₹ 2980.76 lakh

It includes ₹ 3.78 lakh of Salaries and Wages for preparation of siddha Drugs. However, the amount of aforesaid expenditure had not been credited to Salaries and Wages and Pension (Item-a).

B.2.2 Other Administrative Expenses (Schedule-15) ₹ 763.18 Lakh

Medical Aid to backward areas- SC (Item No. 29) ₹ 105.66 lakh

It incorrectly includes cost of Drugs consumed amounting to Rs 98.26 lakh instead of expenditure incurred on "Purchase of Drugs" amounting to ₹ 92.61 lakh.

B.2.2.2 Electricity and Power, Water Charges and Office Expenses (Item-4) ₹ 131.53 lakh

It includes ₹ 42.71 lakh of Electricity and Power and ₹ 1.24 lakh of Packing and Other Charges, for preparation of Siddha Drugs. However, the amount of aforesaid expenditure had not been credited to Electricity and Power, Water Charges and Office Expenses.

C. General

- (i) As per accounting policy depreciation of ₹ 219.07 lakh (calculated by Audit) was not charged on depreciable Fixed Assets during the year 2015-16 by virtue of decision taken in its Standing Finance Committee. Minutes of standing finance committee were not available.
- (ii) Journal Proper was not maintained which is necessary prime entry book under double entry system of book keeping for keeping a record of transactions other than Cash/Bank transaction.
- (iii) No provision for retirement benefits were made in Accounts as per actuarial valuation as prescribed in AS-15.

D. Grant- in – Aid

The Institute received grants in aid of ₹ 4415.49 lakh during the year 2015-16 from Govt. of India (GOI) (Plan ₹ 2065.49 lakh, Non-Plan ₹ 2300.00 lakh and ₹50.00 lakh against grant receivable for 2014-15). Out of which ₹ 177.49 lakh was received in the month of March). No grant-in-aid was received from Govt. of Rajasthan (GOR) during year 2015-16. At the beginning of the year ₹ 647.10 lakh

(871.34 lakh Plan and (-) 224.24 lakh Non-Plan) was available with the Institute. The Institute could utilize a sum of ₹ 4365.49 lakh (2016.49 lakh Plan and 2300 lakh Non-Plan) leaving a balance of 647.10 lakh ₹ (871.34 lakh Plan and (-) 224.24 lakh Non Plan) as unutilized grant as on 31st March 2016.

E. Effect of Audit comments on Accounts.

The net impact of the comments given in preceding paras is that as on 31st March, 2016, Liabilities understated by ₹ 87.69 lakh, Assets understated by ₹ 40.26 lakh and Deficit understated by ₹ 47.43 lakh.

F. 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 2016, 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: Ahmedabad

Date: 3-11-2016

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

Annexure to Separate Audit Report 2015-16

1. Adequacy of Internal Audit System

Internal Audit System of the Institute was not adequate. Only 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 is not adequate in the Institute. The shortcomings which noticed by audit were as follows:

- (i) For control over inventories of Rasayanshala minimum, maximum and re-order levels of raw materials had not been fixed.
- (ii) Advance/other amounts recoverable on capital accounts from CPWD, PWD had not been reconciled.
- (iii) There was no internal control and internal audit Manual in the Institute.
- (iv) There was no rotation of staff dealing in cash, store and accounts work.
- (v) No meeting of Board of Governors was held during the year 2015-16.
- (vi) Physical verification of Assets & inventory was not conducted during the year 2015-16.

3. System of Physical verification of Fixed Assets.

- (i) Physical verification of fixed assets was not made by the institute at the end of year 2015-16.
- (ii) The Asset Register was not maintained as per GFR. Hence, gross value of Assets except land could not be verified.

4. Physical verification of inventory.

Physical verification of inventories lying in hospital/ departments was not conducted by the institution during the year 2015-16.

5. Regularity in payment of statutory due

No case of outstanding statutory dues came to the notice of audit.


Senior Audit Officer / (Exp.)

Statement of Net Effect of Audit

(₹ in lakhs)

Comments	Liabilities		Assets		Deficits	
	Overstated	Understated	Overstated	Understated	Overstated	Understated
A.1.1.1		77.79				77.79
A.1.1.2		10.54		10.54		0
A.1.2		1.38				1.38
A.2.1		0		18.06	18.06	0
A.2.1.1	2.02	0	2.02	0	0	0
B.1.1	0	0	0	13.68	13.68	0
Total	2.02	89.71	2.02	42.28	31.74	79.17
Difference		87.69		40.26		47.43

Liabilities understated

87.69 lakh

Assets under stated

40.26 lakh

Deficit understated

47.43 lakh

Dr. J. S. Joshi