



# **NATIONAL INSTITUTE OF AYURVEDA**

**(Ministry of AYUSH, Govt. of India)**

# **AUDIT REPORT**

## **2017-2018**



संख्या / No.....

**भारतीय लेखापरीक्षा और लेखा विभाग**

कार्यालय प्रधान निदेशक लेखापरीक्षा (केन्द्रीय), अहमदाबाद  
राज्या कार्यालय राजस्थान, जनपथ, जयपुर-302005

**INDIAN AUDIT AND ACCOUNTS DEPARTMENT**

Office of the Principal Director of Audit(Central), Ahmedabad  
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. 26/12/2018

Sub.: Separate Audit Report on the accounts of National Institute of Ayurveda, Jaipur for the year 2017-18.

Sir,

Please find enclosed the Separate Audit Report on the accounts of National Institute of Ayurveda, Jaipur for the year 2017-18 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,

  
Director/CRA-II

No. CRA-II (Exp.)/SAR/NIA/2017-18/

1563

Dated : 26/12/18

Copy of the Separate Audit Report and Audited Accounts forwarded to Prof. Sanjeev Sharma, 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

  
Director/CRA-II

**Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of The National Institute of Ayurveda, Jaipur for the Year ended as on 31 March, 2018**

We have audited the attached Balance Sheet of the National Institute of Ayurveda (NIA), Jaipur as at 31 March 2018, 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 2016-17 to 2020-21. 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 (C&AG) 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/C&AG'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 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 Assets**

##### **A.1.1 Fixed Assets: ₹ 25.31 crore (Sch.-8)**

Capital expenditure of ₹ 64.60 lakh incurred on the Electrical installation works was shown in the Head "Building" of the Fixed Assets (Schedule-8), whereas it should have been shown in the Head "Electrical Installation" of the Fixed Assets (Schedule-8).

It resulted in understatement of Electrical Installation by ₹ 64.60 lakh and overstatement of Building by ₹ 64.60 lakh.

#### **B. Income and Expenditures Account**

##### **B.1 Income**

##### **B.1.1 Grant Subsidies Received – ₹ 94.01 crore (Sch.-13)**

##### **Interest Earned – ₹ 65.81 lakh (Sch.17)**

The NIA received "Grant-in-aid – Creation of Capital Assets" amounting to ₹ 24.06 crore. from the Government of India Ministry of Ayush, New Delhi during the year 2017-18. This amount was invested in FDRs in the month of March, 2018. An interest amounting to ₹ 7.25 lakh on the FDRs was also accrued as on 31.03.2018. The unspent balance of capital grant amounting to ₹ 24.06 crore was shown as income in the head "Grant subsidies received" (Schedule-13) of the Income & Expenditure Account and accrued interest of ₹ 7.25 lakh was shown as income in the head "Interest Earned" (Schedule-17) of the Income & Expenditure Account.

The unspent balance of capital grant and interest earned thereon is not income but liability. Hence it should have been shown in the head "Current Liabilities and Provisions" (Schedule-7) of the Balance Sheet.

It resulted in understatement of liabilities and overstatement of surplus by ₹ 24.06 crore.

### **C. General**

- (i) As per accounting policy depreciation of ₹ 2.19 crore (calculated by Audit) during the year 2015-16, ₹ 2.06 crore in the year 2016-17 and ₹ 2.24 crore in the year 2017-18 was not charged on depreciable Fixed Assets by virtue of decision taken in its Standing Finance Committee. The decision of standing finance committee was against the Uniform Format of Accounts for Central Autonomous Bodies prescribed by the Government of India, Ministry of Finance, which requires charging of depreciation as per the rates prescribed in Income Tax Act 1961 on written down value method Hence audit are unable to verify the correctness of fixed assets.
- (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) Deduction of assets of ₹ 73.89 lakh was not made from the net block of fixed assets (Schedule-8) which needs rectification
- (vi) No provision for retirement benefits were made in Accounts as per actuarial valuation as prescribed in AS-15.
- (vii) Compliance of comments issued in Management Letter on Accounts of previous year 2015-16 was not produced to audit.

### **D. Grant – in – Aid**

The Institute received grants in aid of ₹ 96.30 crore (₹ 95.85 crore Central Grant, ₹44.97 lakh unspent balance of previous year) during the year 2017-18 from Govt. of India (GOI). Out of which ₹ 15.36 crore was received in the month of March 2018. The institute could utilize a sum of ₹ 72.31 crore ( Total expenditure ₹ 75.32 crore – Expenditure from own income ₹ 3.51 crore + Grant receivable of previous year ₹ 50.00 lakh ) leaving a balance of ₹ 23.99 crore as unutilized grant as on 31<sup>st</sup> March 2018.

### **E. 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.

**F. Net Effect of audit comments on Accounts:**

The net impact of the comments given in preceding paras as on 31 March, 2018 is as Liabilities Understated by ₹ 24.07 crore, Surplus Overstated by ₹.24.07 crore .

- 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 matter stated in comment no. C and 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 2018, 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: *Jaipur*  
Date: *26/12/18*

*Achana Gajani*

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

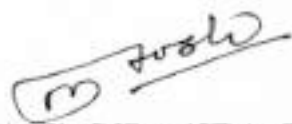
**Statement of Net impact of audit comments**

( ₹ in Lakhs)

Comments	Liabilities		Assets		Surplus	
	Overstated	Understated	Overstated	Understated	Overstated	Understated
A.1.1.1			64.60	64.60		
B.1.1.1		2406.75			2406.75	
<b>Total</b>		<b>2406.75</b>	<b>64.60</b>	<b>64.60</b>	<b>2406.75</b>	
<b><u>Net impact</u></b>		<b>2406.75</b>			<b>2406.75</b>	

Liabilities Understated = ₹ 2406.75 lakh

Surplus overstated = ₹ 2406.75 Lakhs



**Sr.Audit Officer/CRA -II**



**Annexure to Separate Audit Report for the Year 2017-18**

**1. Adequacy of Internal Audit System**

Ministry of Ayush, New Delhi conducted internal audit of the institute for the period 2015-16. Institute should also have its own internal audit system.

**2. Adequacy of Internal Control System**

Internal Control System is not adequate in the Institute hence should be strengthened more by removing its shortcomings some of 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 in cash or in kind 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) The asset register was not maintained as per GFR hence gross value of assets except land could not be verified.

**3. System of Physical verification of Fixed Assets.**

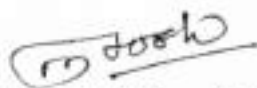
Physical verification was not carried out for the year 2017-18.

**4. Physical verification of inventory.**

Physical verification of inventories lying in hospital/ library departments was not conducted by the institution during the year 2017-18.

**5. Regularity in payment of statutory due**

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

  
**Sr.Audit Officer/CRA -II**