



सत्यमेव जयते

भारतीय लेखा परीक्षा और लेखा विभाग
कार्यालय प्रधान निदेशक लेखापरीक्षा (केन्द्रीय)
लेखापरीक्षा भवन, नवरंगपुरा, अहमदाबाद - ३८० ००९

INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Principal Director of Audit (Central)
Audit Bhavan, Navrangpura, Ahmedabad-380 009.

पत्र सं. : के.ले.प. (व्यय)/SAR/IIIT/Vadodara/2018-19/ 0w-873
दिनांक : 19-2-2019

सेवा में,
भारत सरकार के सचिव,
मानव संसाधन विकास विभाग मंत्रालय,
माध्यमिक और उच्चतर शिक्षा विभाग,
कमरा नंबर 529 शास्त्री भवन, 'सी' विंग,
नई दिल्ली -110001.

विषय : भारतीय सूचना तकनीकी संस्थान, वडोदरा के वर्ष 2015-16 के लेखाओं पर पृथक लेखापरीक्षा प्रतिवेदन
महोदय,

The Annual account of the Indian Institute of Information Technology, Vadodara, GEC campus, Gandhinagar for the year 2015-16 were audited between 08.10.2018 to 25.10.2018 under section 20(1) of the Comptroller & Auditor General of India's (DPC) Act, 1971.

The following documents are sent herewith:

- 1) Separate Audit Report and Annexure-A for the year 2015-16.
- 2) Certified copy of Annual Accounts of Indian Institute of Information Technology, Vadodara for the year 2015-16.

The audit report may please be arranged to be placed in both the Houses of Parliament and date on which it is placed before Lok Sabha & Rajya Sabha may be intimated to this office, along with the printed copy of the documents placed, endorsing a copy thereof to the Comptroller & Auditor General of the India, New Delhi.

The Report may please be treated as 'Confidential' till it is placed before both the houses of Parliament.

भवदीय,

हस्ता/-

उप निदेशक/के.ले.प. (व्यय)

संलग्न : उपर्युक्त

✓ प्रतिलिपि : निदेशक, भारतीय सूचना तकनीकी संस्थान, वडोदरा, जी ई सी केम्पस, गांधीनगर -382424

A certified copy of the Annual Accounts and Separate Audit Report is enclosed which may please be treated as confidential till it is placed on the table of both the Houses of Parliament. The date of placement of Separate Audit Report before both the Houses of Parliament along with a printed copy of the Audit Report may be furnished to Audit. The printed report may carry the name of the principal Director of Audit (Central) with Designation.

Liuli 13/2
उप निदेशक/के.ले.प. (व्यय)

Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of Indian Institute of Information Technology, Vadodara, GEC, and Gandhinagar Campus for the year ended 31 March 2016.

We have audited the attached Balance Sheet of Indian Institute of Information Technology, Vadodara, GEC, Gandhinagar Campus for the year ended 31 March 2016, Income and Expenditure Account and Receipts and Payments Account for the year ended March 31, 2016 under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with section 28(3) of The Indian Institute of Information Technology (Public- Private Partnership) Act, 2017. The audit has been entrusted for the period 2015-16 to 2019-20. These financial statements are the responsibility of the Indian Institute of Information Technology, Vadodara'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 and 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 and Regulations (Propriety & Regularity) and efficiency-cum-performance, etc. if any, are reported through inspection reports/CAG's Audit Reports separately.
3. We had 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 misstatements. An audit includes examining, on 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 the 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 and Payments Account dealt with by this Report have not been drawn up in the Format prescribed by the Ministry of Human Resources Development, Government of India.
 - iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Indian Institute of Information Technology, Vadodara in so far as it appears for our examination of such books.
 - iv. We further report that,

COMMENTS

A. Balance Sheet

A1. Corpus/capital Fund (Schedule-1): ₹ 2.24 crore.

This does not include Rs.2.00 crore utilized towards capital expenditure for the financial year 2013-14, 2014-15 and 2015-16 out of the Non-recurring grants received from MHRD for creation of Capital Assets. The IIIT, Vadodara (Institute) received Rs.2.00 crore during the year 2013-14 as Non-recurring grants from MHRD for creation of Capital Assets. ✓

This has resulted in understatement of Capital Fund by Rs.2.00 crore and understatement of Fixed Assets to the same extent.

A2. Fixed Assets (Schedule-4): ₹ 85.99 lakh.

The Institute was having Tangible and Intangible Assets amounting to ₹ 77.97 Lakh and ₹ 8.02 Lakh respectively. However, it was observed that Fixed Assets amounting to ₹ 85.99 Lakh was shown under the main head i.e., fixed assets and it was not shown under sub-heads Tangible Assets, Intangible Assets and Capital work in progress. This is the contravention of MHRD format, It has resulted in understatement of Intangible Assets by ₹ 8.02 lakh and overstatement of Tangible Assets to the same extent. ✓

B. Income and Expenditure Account

B.1 Expenditure ₹ 4.28 crore

It was observed that the institute has not followed the format/accounting policy as prescribed by MHRD and the depreciation on the following fixed assets for the financial year 2015-16 has not been charged by ₹ 29.21 lakh as detailed in annexure

This under charging of depreciation has resulted in over statement of surplus by ₹ 29.21 lakhs and overstatement of corpus/ capital fund by the same amount. ✓

B2. Expenditure

Staff Payments & Benefits (Establishment Expenses) (Schedule-9): ₹ 1.29 crore

It was noticed that Honorarium of ₹ 17.70 Lakh paid to Visiting Faculties of the Institute pertaining to financial year 2014-15 was paid in the months of April and June, 2015 and same was accounted as expenditure for the year 2015-16. Since, this expenditure was pertaining to the financial year 2014-15; it was required to be booked as Academic Expenses for the relevant year i.e. 2014-15. Thus accounting of the Honorarium paid to Visiting Faculties in financial year 2015-16 instead of financial year 2014-15 has resulted in Understatement of Surplus by ₹ 17.70 Lakh and Understatement of Corpus Fund by the same amount. ✓

B3. Staff payment & Benefits (Schedule-9); ₹ 1.29 crore

Sub: Non accounting of expenditure pertaining to NPS (Employer Contribution)

This does not include ₹ 3.84 Lakh of employer contribution toward National Pension Scheme (NPS) in respect of employees of IIIT Vadodara (Institute) who were eligible for NPS during the year 2015-16. It was noticed that during the financial year 2015-16, Institute neither deducted 10 per cent (employee contribution for NPS) of the Basic Pay, Grade Pay and DA to be paid by the employee nor provided for matching contribution (employer Contribution for NPS) from the Institute side.

This has resulted in overstatement of Surplus by ₹ 3.84 Lakh and overstatement of Corpus Fund to the same extent.

B4. Expenditure ₹ 1.29 crore

The institute has purchased fixed assets amounting for ₹ 3.06 crore during the F.Y. 2013-14, 2014-15 and 2015-16. Out of these amount, the institute has adjusted capital grant amounting to ₹ 2.00 crore and on balance amount of ₹ 1.06 crore, depreciation has been charged amounting to ₹ 19.51 lakh as per income tax Act 1961 which is excess depreciation by ₹ 6.71 lakh as per depreciation charged by MHRD rate.

This over charging of depreciation has resulted in understatement of surplus by ₹ 6.71 lakhs and understatement of corpus/ capital fund by the same amount.

C. Receipts and Payment Account: NIL

D. Accounting Policies: NIL

E. General

E1. Other Income (Schedule-8): ₹ 17.43 Lakh

This includes interest earned during the year 2015-16 on the unspent non-recurring grant. It was noticed that the Institute did not added the interest earned on the unutilized capital grant and treated it as income during the year 2015-16. Audit have calculated interest amount on Capital Grant unutilized amount starting from F.Y. 2013-14 to F.Y. 2015-16 and calculated amount upto FY 2015-16 ₹ 11.47lakh. This needs to be refunded/shown as current liability- unutilised grant and deducted from the corpus funds.

F. Grant in Aid:

The unspent Grants in aid balance of previous year was ₹ 1.11crore. The grants-in-aid received during 2015-16 was NIL. The Institute utilized a sum of ₹ 1.98 crore leaving a balance of (-) ₹ 0.87 crore as unutilized grant as on 31 March 2016.

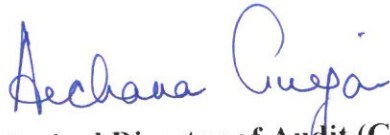
Net Effect of Audit :

The net effect of audit is that liabilities are understated by ₹ 1.91 crore, Assets understated by ₹ 2.00 crore and Surplus overstated by ₹ 8.64 lakh.

- v. Subject to our observations in preceding paragraphs, we report that the Balance Sheet, Income & Expenditure Account and Receipts and 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 Audit Report gives 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 Indian Institute of Information Technology, Vadodara, GEC, Gandhinagar Campus as at 31 March 2016 and
 - b. In so far as it relates to Surplus of Income and Expenditure Account for the year ended on that date.


**For and on behalf of
the Comptroller & Auditor General of India**

Place: Ahmedabad
Date:


Principal Director of Audit (Central)

Annexure - A to Audit Report

1. **Adequacy of Internal Audit system:** The institute does not have any internal audit wing. ✓
2. **Adequacy of Internal Control System:** - The internal control system is not adequate as employers and employees contribution for NPS was not deducted from the salary of the following month in which Employees has joined the service. ✓
3. **System of Physical verification of fixed assets:** Physical verification of fixed assets was not carried out at regular interval. ✓
4. **System of Physical verification of inventory:** Physical verification of inventory was not carried out at regular interval. ✓
5. **Regularity in payment of statutory dues:** The Institute was regular in payment of statutory dues during the year 2015-16 except payment of NPS amount to NSDL (employees and employer contribution.) ✓


13-02-2019
Sr. Audit Officer/CA(E)