



संख्या : के.ले.प. (व्यय)/SAR/IIIT/VADODARA /2017-18/bw-477
दिनांक : 28-1-2020

X 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 प्रौद्योगिकी संस्थान, वडोदरा के वर्ष 2017-18 के लेखाओं पर पृथक लेखापरीक्षा प्रतिवेदन
महोदय,

The Annual account of the Indian Institute of Information Technology, Vadodara for the year 2017-18 were audited between 14/10/2019 to 15/10/2019 and 21/10/2019 to 22/10/2019 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 2017-18.
- 2) Certified copy of Annual Accounts of IIIT, Vadodara for the year 2017-18.

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.

— Sd —

संलग्न : उपर्युक्त

उप निदेशक/आ.रा.ले.प. एवं के.ले.प. (व्यय)

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

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.

L. K. Singh,

उप निदेशक/आ.रा.ले.प. एवं 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 Campus, Gandhinagar for the year ended 31st March 2018.

We have audited the attached Balance Sheet of Indian Institute of Information Technology (IIIT), Vadodara, GEC Campus, Gandhinagar for the year ended 31 March 2018, the Income and Expenditure Account & Receipts & Payments Account for the year ended on that date under Section 19(2) of the Comptroller & Auditor General's (Duties, Power & Condition of Services) Act, 1971 read with Section 28(3) of The Indian Institute of Information Technology (Public -Private Partnership) Act, 2017. These financial statements are the responsibility of 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 & 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 & 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 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 new format approved by the Ministry of Human Resources Department, 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 from our examination of such books.
- iv. We further report that:

COMMENTS

A Balance Sheet

A 1 Current Liabilities and Provisions (Schedule 3) ₹ 112.09 Lakh

The Indian Institute of Information Technology (IIIT) Vadodara was established in the year 2013 and the employees of the Institute are governed under New Pension Scheme (NPS) of the Government of India. The Institute has neither deducted and deposited the employees share of NPS nor the IIIT's share; and Institute started depositing the same from December 2018. Scrutiny of the records revealed that as on 31st March there was a liability of ₹32.84Lakh towards Employer's share of NPS which was not paid by the Institute since inception. This was in contravention to MHRD guidelines and resulted into understatement of current liabilities and provisions and overstatement of surplus by ₹32.84 Lakh.

A 2

As per clause 3 (5) the Memorandum of Understanding (MoU) entered with the Dhirubhai Ambani Institute of Information and Communication technology (DA-IICT) the IIIT-Vadodara have to pay an amount of ₹20.00 Lakh Per Annum to DA-IICT Gandhinagar towards mentorship fee. The fee was to be paid in two installments of ₹ 10 Lakh each at the end of the Autumn (August to Nov) and Winter (Jan to April) Semesters.

IIIT Vadodara has paid an amount of ₹10 Lakh in March 2018 towards Autumn Semester and the next fee is due on 30th April-2018, as the institute is following accrual

system of accounting it should have made the provision of ₹7.50 Lakh (for Jan, Feb and March-18) in its books of accounts. Hence the Current Liabilities and Provisions are understated and surplus is overstated by ₹7.50 Lakh.

A 3

The Indian Institute of Information Technology (IIIT) Vadodara has not made provision in respect of electricity bills of February and March 2018 amounting to ₹3.39 lakh in its books of accounts. The same bills were received by the institute before 31st March 2018, which required a suitable provision in the books of accounts.

Hence the current liabilities and provisions are understated by ₹3.39 lakh and surplus is overstated by the same amount.

A 4

Non provisioning of retirement benefits 'As per MHRD guidelines retirement benefits i.e. Pension, Gratuity and Leave Encashment are to be provided on the basis of actuarial valuation. Institute has not made any provision for retirement benefits as per MHRD guidelines and AS 15. Also, there is no disclosure regarding this issue in Notes to Account (Schedule 24).

B. Income and Expenditure Account: NIL

C. Receipts and Payment Account: NIL

D. Accounting Policies:

D 1 Non Compliance of AS 1

As per MHRD guidelines Schedule 23 disclosing Accounting policies should form an integral part of the financial statements. Also, Accounting Standard 1 "Disclosure of Accounting Policies" states that the entity preparing accounts should disclose its accounting policies in the financial statements separately and that such disclosures should form part of the financial statements. However, the financial statements of IIIT Vadodara for the year 2017-18 did not contain any disclosure regarding accounting

policies in its financial statements thus violating the provisions of MHRD guidelines and AS 1.

E. General:

As per the Utilization Certificates furnished to the MHRD (GoI) the closing balance of the unspent balance of the grants comes to ₹32.95 Lakh where as the financial statements are showing the balance at ₹19.77 Lakh.

Hence, there was mismatch of ₹13.18 Lakh which required a suitable disclosure in Notes to Account.

F. Grant in Aid:

The unspent Grants in aid brought forward from balance of previous year was NIL. The grants-in-aid received during 2017-18 was ₹5.00 Crore. Out of the available funds the institute could utilize a sum of ₹4.80 Crore. The closing balance of grants-in-aid carried forward to next financial year was ₹0.20 crore.

Net Effect of Audit:

The net effect of audit is that liabilities are understated by ₹ 43.73 Lakh and Surplus is overstated by ₹ 43.73 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, subject to audit comments.
- 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 IIT, Vadodara as at 31 March 2018 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:-


Pr. Director of Audit (C)

Annexure - A to Audit Report

1. **Adequacy of Internal Audit system:** The institute does not have any internal audit wing. However, the internal audit of the Institute was carried out by Chartered Accounts. No quarterly internal audit report was submitted to management for perusal and necessary action. Hence, Internal Audit System is not adequate and commensurate with the size and nature of the Institute.
 - **Adequacy of Internal Control System:** - Following deficiencies were found in the internal control system: Institute did not have its accounting Manual.
 - MHRD guidelines were not followed on some issues during preparation of accounts for the year 2017-18 as mentioned in the report.
3. **System of Physical verification of fixed assets:** Physical verification for the year 2017-18 is under progress.
4. **System of Physical verification of inventory:** Physical verification of stores and spares for the year 2017-18 is under progress.
5. **Regularity in payment of statutory dues:** The Institute is regular in depositing the statutory dues.


Sr. Audit Officer/CA(E)