

Separate Audit Report of the Comptroller & Auditor General of India on the accounts of the National Institute of Technology, Uttarakhand for the year ended 31 March 2023

We have audited the attached Balance Sheet of the National Institute of Technology, Uttarakhand, Srinagar (Institute) as at 31 March 2023, Income & Expenditure Account and Receipts & Payments Account for the year ended on that date under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Services) Act, 1971 read with Section 22(2) of the National Institutes of Technology Act, 2007 as amended in 2012. These financial statements are the responsibility of the Institute'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 the 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 Receipt & Payment Account dealt with by this report have been drawn up in the format of financial

statements for Central Higher Educational Institutions approved by the Ministry of Human Resources Development.

(iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Institute as required under Section 22(1) of the National Institutes of Technology Act, 2007 as amended in 2012, in so far as it appears from our examination of such books.

(iv) We further report that:

(A) Balance Sheet

Designated/Earmarked/Endowment Funds (Schedule-2) Rs. 6.44 crore

The Institute has included Rs. 446.72 lakh, Income earned from Investments of Earmarked/Endowment Fund (Schedule-11), as income in Income & Expenditure Account instead of transferring it directly to Earmarked/Endowment Funds (Schedule-2). This resulted in overstatement of 'Income' and so the 'Corpus/Capital Fund' (Schedule-1) by Rs. 446.72 lakh and understatement of 'Earmarked/Endowment Funds' by the same amount.

(B) General

(B.1) The Institute has shown the investment made from 'other funds' in Schedule-5 along with investment made out of Earmarked/Endowment instead of showing separately in Schedule-6. The same needs to be rectified.

(B.2) The Institute has not bifurcated the closing balance of 'Designated/Earmarked/Endowment Fund (Schedule-2.1) into 'Investment', 'Cash & Bank Balance' and 'Interest accrued but not due' as required in format of Financial Statements for Central Higher Educational Institutions.

(B.3) The Institute has not prepared separate annual account of NPS and GPF as required in format of Financial Statements for Central Higher Educational Institutions.

(B.4) The Institute has not made provision for retirement benefits on actuarial basis as required under AS-15.

(B.5) The Institute has not capitalised the Hostels Block A, B and Dining block which were handed over during the year 2022-23.

(C) Grant-in-Aid

The Institute received grant in aid of Rs 57.22 crore (includes grant receivable of Rs 0.31 crore) from Ministry of Education and earned interest Rs 0.45 crore. After taking opening balance of Rs 36.99 crore total available funds worked out to Rs 94.35 crore. The Institute utilized Rs 46.87 crore and refunded Rs 7.29 crore leaving a balance of Rs 40.19 crore as at 31st March 2023.

(D) Management letter: Deficiencies which have not been included in the Audit Report have been brought to the notice of the Institute's 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 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 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 Technology, Uttarakhand as at 31 March 2023; 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

Date: 09.10.2023

Place: Lucknow


Principal Director of Audit (Central)

Annexure

1. Adequacy of Internal Audit System

Internal Audit of the Institute has not been conducted since 2016-17.

2. Adequacy of Internal Control System

Internal control system of the Institute reflected following deficiencies:

- (i) Shortage of staff by 31 *per cent* in different cadre against sanctioned post.
- (ii) Non-traceability of 727 library books.

3. Physical verification of Fixed Assets

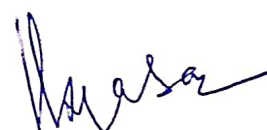
Physical verification of fixed assets has been conducted for the year 2022-23.

4. Physical verification of Inventory

Physical verification of inventory has been conducted for the year 2022-23.

5. Regularity in payment of Statutory Dues

The Institute is regular in payment of statutory dues except pending liability of Rs. 84,381.00 in respect of ESIC subscription.



Dy. Director (CE)