

**MINUTES OF THE 9<sup>TH</sup> MEETING OF THE FINANCE COMMITTEE OF CIT, KOKRAJHAR HELD ON 18<sup>TH</sup> JUNE, 2015 IN THE CONFERENCE HALL OF GUEST HOUSE, IIT GUWAHATI**

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Members present as per Annexure:

Prof. Gautam Barua, Chairman, BoG chaired the meeting. Leave of absence was granted to the members from the IFD, MHRD, Govt. of India and Education Secretary from BTC.

The agenda for the day was taken up as follows:

**Item No.09.01: Confirmation of the Minutes of the 8<sup>th</sup> Meeting of the FC held on 25<sup>th</sup> June 2014.**

The Minutes of the 8<sup>th</sup> Meeting of the FC of the Institute held on 25<sup>th</sup> of June 2014 were circulated amongst the members. While there were no comments on the minutes, it was noted that the decision on agenda item 08.08 that the PDA application of a faculty Comments be decided by the Director and BOG Chairman was objected to by the Finance Division of MHRD. As his PDA did not fall under the Block period he is not entitled for the same. Therefore this was not implemented. As further comments on the other agendas were not received the Minutes were considered confirmed.

**Resolution No.09.01: The Minutes of the 8<sup>th</sup> FC Meeting of the Institute held on 25<sup>th</sup> June 2014 are CONFIRMED.**

**Item No.09.02: Action taken report of 8<sup>th</sup> Meeting of the FC held on 25<sup>th</sup> June 2014.**

The action taken report of the 8<sup>th</sup> FC Meeting which was held on 25<sup>th</sup> June 2014 were placed before the Committee Members for discussion and approval.

The Members discussed "Point no 08.11" of the ATR regarding waiver of Excess HRA drawn by CIT employees stationed at CIT Campus and directed the Institute to initiate the recovery process immediately.

**Resolution No.09.02: It was RESOLVED that recovery of excess HRA be implemented immediately.**

**Item No.09.03: Adoption of the Annual Accounts of CIT Kokrajhar.**

The consolidated Annual Accounts of the Institute for the Financial Year 2014-15, comprising the Receipt and Payment Account, Income and Expenditure Accounts and Balance Sheet of the Institute were placed before the members for consideration and approval. After thorough scrutinization of the Annual Accounts the members adopted the accounts and recommended for submission to the C & AG for auditing the accounts.

**Resolution No.09.03: Recommended to the Board to ADOPT the Annual Accounts of 2014-15 and to place them before the C & AG for Auditing.**

**Item No.09.04: Consider and Recommend to carry forward of Unspent Balance of 2014-15.**

An amount of ₹ 4500.00 lakhs i.e. ₹ 3493.21 lakhs as Plan Head (General), ₹ 657.85 lakhs as Plan (SC) and ₹ 348.94 lakhs as Plan (ST) was sanctioned by the Govt. of India (MHRD) for expenditure under Plan Head. The Institute actual income (IRG) under Plan (General) Head was ₹ 155.66 lakhs and other received was ₹ 90.98 lakhs during the Financial Year 2014-15. The total fund available during 2014-15 is ₹ 5380.71 lakhs including an amount of ₹ 634.07 lakhs as previous year's unspent balance. Out of which ₹ 5017.19 lakhs have been utilized, leaving an amount of ₹ 363.52 lakhs as UNSPENT BALANCE under Plan (General) head to be used for committed liabilities. The members approved the carryover of the unspent balance of ₹ 363.52 lakhs to the next Financial Year head wise.

**Resolution No.09.04: Recommended to the Board for APPROVAL for carrying over the unspent amount of ₹ 363.52 lakhs to the next Financial Year.**

**Item No.09.05: Consider Budget Estimate for the Year 2015-16 under Plan head.**

The details regarding the recurring Budget requirements, and the total requirements for non-recurring expenditure for the FY 2015-16 was placed before the members. The Registrar informed the members that while adequate funds are available for recurring expenditure, there will be a shortfall in the non-recurring Head as only ₹45 crores was sanctioned for CIT for the Financial year 2015-16, whereas the demand was for ₹ 98.79 crores.

**Resolution No.09.05: The Committee recommended for approval the recurring budget of ₹ 20.32 crores for 2015-16. The Committee recommended that the details of non-recurring expenditure be placed before the Board directly for its approval and accordingly the further requirement of plan funds may be sought through Supplementary Demand for Grants by CIT.**

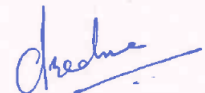
**Item No.09.06: To Considered and Approve the revised Purchase Manual of the Institute.**

On placing the Purchase Manual the members still found some disparities and suggested the Institute to review the same once again and place the revised purchase manual along with proper justification in the next FC meeting.

**Resolution No.09.06: The Members discussed and directed that the Purchase Manual should be re-looked at and placed in the next FC Meeting.**

**Item No.09.07: Any other matter for discussion with permission of the Chair.**

**Resolution No.09.07: With permission of the chair, the Registrar informed the committee members the difficulties face by the Institute regarding publishing of advertisement with DAVP, New Delhi. The members recommended to place the matter in the BoG.**



(Ms. Chaitali Brahma)  
Registrar, CIT, Kokrajhar  
E-mail: [registrar@cit.ac.in](mailto:registrar@cit.ac.in)

**ANNEXURE-II**

**Action Taken Report on the 9<sup>th</sup> Meeting of the Finance Committee held on 18<sup>th</sup> June, 2015  
at in the Conference Hall of the IIIT, Guwahati, Guest House.**

<b>Item No.</b>	<b>Details of Item</b>	<b>Action taken/Under Progress</b>
Item No.09.03	Adoption of Annual Accounts of CIT Kokrajhar	The Annual Accounts of the 2014-15 was placed before the C&AG for auditing.
Item No.09.06	To consider and approve the revised purchase manual of the Institute	The matter is pending. Ministry of finance directed the Institute to follow the GFR Rules. Placed as a separate agenda for adoption.

**ANNEXURE-III**



*Handwritten signature and date 6/11/15*

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भारतीय लेखा तथा लेखा-परीक्षा विभाग  
महा निदेशक, लेखा-परीक्षा का कार्यालय,  
केन्द्रीय, कोलकाता

**INDIAN AUDIT AND ACCOUNTS DEPARTMENT**  
**OFFICE OF THE DIRECTOR GENERAL OF AUDIT,**  
**CENTRAL, KOLKATA.**

No: OA II (AB)/AR/2014-15/CITKOKRAJHAR/345  
Date: 23.10.2015

A copy of the Separate Audit Report alongwith Annexure on the accounts of **Central Institute of Technology, Kokrajhar**, for the year 2014-15 is forwarded to the *Principal*, **Central Institute of Technology, Kokrajhar**, , *Assam 783370*, for information and necessary action.

Arrangement may please be made for preparation of Hindi Version of the Separate Audit Report with Annexure at your end and sending the same directly to the Ministry.

It may please be ensured that the Audited Accounts and the Separate Audit Report along with Annexure are placed before the apex body for consideration and adoption before the same are sent to the Government for being placed in Parliament.

Two copies of the printed Annual Report for the year 2014-15 (both English and Hindi Version) containing the Audited Accounts and the Separate Audit Report along with Annexure, as laid before Parliament, may please be forwarded to this office for necessary action at this end.

**Encl.:** As stated

*Handwritten signature and date 23/10/15*

**Dy. Director (I)**

जि. आई. प्रेस बिल्डिंग, 8 किरण शंकर राय रोड (1म मंजिल), कोलकाता- 700 001  
Govt. of India Press Building, 8, Kiran Sankar Roy Road, Kolkata -700001  
Phone : 2254-0221, (Gram : ACCOUNTCENT) Post Box : 2699, Fax No. : 033 22135377



**Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Central Institute of Technology, Kokrajhar, Assam for the year ended 31 March 2015**

We have audited the attached Balance Sheet of Central Institute of Technology Kokrajhar, Assam (Institute) as at 31 March 2015, and the Income and Expenditure account and Receipts and Payments Account for the year ended on that date under Section 20(1) of the Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971. The audit has been entrusted for the period upto 2015-16. These financial statements are the responsibility of the Institute 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 & 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 disclosures 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 and Income and Expenditure Account/Receipt and Payment Account dealt with by this report have been drawn up in the format prescribed by the Ministry of Human Resource Development, Government of India vide order No. 29-4/2012-FD dated 17 April 2015.
  - iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Institute as required under Societies Registration Act, 1860 in so far as it appears from our examination of books.
  - iv. We further report that

## **A Balance Sheet**

### **1.1 Liabilities**

#### **1.1.1 Current Liabilities and Provision (Schedule-3): ₹55.28 lakh**

The above amount had been understated by ₹59.74 lakh (after adjusting ₹18.26 lakh receivable) due to not providing liabilities for the amount payable to PWD Kokrajhar towards the works completed and put to use.

This had also resulted in understatement of Fixed Assets to the same tune.

### **1.2 Assets**

#### **1.2.1 Fixed Assets**

##### **a) Intangible Assets (Schedule-4): ₹49.79 lakh**

The above had been overstated by ₹20.13 lakh as the amount of subscription on E-Journals paid for the period beyond 31 March 2015 had been treated as addition to assets instead of showing the amount as advances under Loans, Advances and Deposits.



This had also resulted in understatement of Loans, Advances and Deposits by ₹20.13 lakh.

**b) Tangible Assets (Schedule-4): ₹49.08 crore**

The above amount included the value of Scientific Equipments of ₹4.52 lakh and on line UPS Battery of ₹3.36 lakh which were put to use after 31 March 2015.

Inclusion of above amount under Tangible Assets instead of showing it as Capital Works in Progress had resulted in overstatement of Tangible Assets and understatement of Capital Works in Progress by ₹7.88 lakh.

**c) Capital Works in Progress (Schedule-4): ₹134.99 crore**

Despite mention in previous years Audit Report, value of Buildings work ₹65.93 crore, which were completed and put to use during the year 2009-13 had not been transferred to Tangible Assets.

This had resulted in overstatement of Capital Works in Progress by ₹65.93 crore with the corresponding understatement of Tangible Assets by an equal amount.

**1.2.2 Loans, Advances and Deposits (Schedule-8): ₹46.38 lakh**

Advance payments totalling to ₹1.03 crore for supply of Scientific Equipments (₹0.28 crore) Virtual Classroom Equipments (₹0.59 crore) and Interior Designing (₹0.16 crore) had been included under Capital Works in Progress despite non-receipt of supplies within the financial year.

This had resulted in understatement of Loans, Advances and Deposits and overstatement of Capital Works in Progress by ₹1.03 crore.

**B Income and Expenditure Account**

**2.1 Expenditure**

**2.1.1 Depreciation (Schedule-4): ₹5.86 crore**

a) This above amount had been overstated by ₹9.08 lakh due to providing depreciation on assets wrongly capitalized (@ 8% on Scientific Equipment valuing



₹4.52 lakh, @20% on computer and peripherals valuing ₹3.36 lakh and @ 40% on E-Journals valuing ₹20.13 lakh).

b) The above amount had also been understated by ₹1.33 crore due to not providing depreciation on Buildings worth ₹ 66.53 crore completed and put to use.

The net impact to above comments was understatement of Depreciation by ₹ 1.24 crore with the corresponding understatement of Deficit of the year to the same extent.

## **C General**

### **3.1 Other Income (Schedule-13): ₹76.99 lakh**

In violation of the Provisions of Accounting Standard-12 regarding withdrawal from Corpus/Capital Fund (for credit to Income A/c.), an amount equal to the amount of depreciation provided during the year on assets created out of Government grants, the Institute had not withdrawn an amount of ₹5.86 crore (being the amount of depreciation provided on assets created out of Govt. grant) from Corpus/Capital fund for credit to Income account.

This had resulted in understatement of Other Income by ₹5.86 crore and overstatement of Excess of Expenditure over Income by similar amount.

**3.2** While re-grouping/re-casting the figures of previous year's approved and audited accounts, the Institute had shown deficit of ₹2.95 crore in 2013-14 as against surplus of ₹31.87 crore shown in the accounts of 2013-14. The amount of deficit had been adjusted in the Balance Sheet (Corpus/Capital Fund) against ₹34.82 crore shown as grant utilized for Capital Expenditure. This figure was not appearing in the accounts of 2013-14.

3.3 Despite mention in previous years Audit Report, the Institute had not made any provision for leave encashment/pension/gratuity payable to their employees on retirement/death.

3.4 Despite mention in last year's Management Letter and in violation to the instruction of MHRD on new format of accounts, the Institute had accounted for receipt of grants and interest income from savings accounts and fixed deposits on cash basis.

#### **D. Grants-in-aid**

The Institute is mainly financed by the grants from the Government of India. During the year 2014-15 the Institute had received total plan grant of ₹ 4500.00 lakh from the Government of India. Out of the total Plan Grants of ₹4500.00 lakh the Institute had utilized ₹4898.94 lakh (Revenue Expenditure ₹1229.85 lakh and Capital Expenditure ₹3669.09 lakh) resulting in an excess expenditure of ₹398.94 lakh which was met from the previous year's unspent balance.

Further, the Institute had received total Scholarship Grant of ₹51.24 lakh from Government of Assam and had spent ₹50.04 lakh leaving an unspent balance of ₹1.20 lakh at the end of 2014-15.

#### **E. Net Effect**

The Net effect of the comments given in preceding paragraph is that both Assets and Liabilities of the Institute were understated by ₹0.60 crore as at 31 March 2015 and Excess of Expenditure over Income had been understated by ₹1.24 crore for the year ended 31 March 2015.

**F. Management Letter:**

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Director-in-Charge, Central Institute of Technology Kokrajhar, Assam 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 and Income and 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, because of the effects of the observations discussed above in the preceding paragraphs, the financial statements, read together with the Accounting Policies and Notes on Accounts, and other matters mentioned in Annexure-I 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 Central Institute of Technology Kokrajhar, Assam as at 31 March 2015 and
- b. in so far as it relates to Income and Expenditure Account of the deficit for the year ended on that date.

**For and on behalf of the C&AG of India**

**Place:-Kolkata**  
**Date:- 23.10.2015**

  
**(A.Roychoudhury)**  
**Director General of Audit**  
**Central :: Kolkata**

## **Annexure**

### **1. Adequacy of Internal Audit System:**

- The Institute has no internal audit wing of its own to ensure corrective and remedial action through compliance of periodical reports. The Institute did not conduct any Internal Audit of its activities.

### **2. Adequacy of Internal Control System:**

- The Head of Accounts prepared were not codified.
- Stock book maintained in various departments had not been physically verified by a responsible officer.
- Bill Register, Contractor's ledger had not been maintained. This indicated inadequacy in monitoring system.
- No committee was constituted to manage the investment made by the CIT
- The Institute did not conduct physical verification of cash balances as recorded in the cash book at the end of each month during the year.

### **3. System of Physical Verification of Assets:**

- Despite mention in earlier Audit Reports, the Institute had not conducted physical verification of assets since 2008-09. As such, physical existence of assets worth ₹190.42 crore (Gross Block) could not be ascertained in audit. Further, the Institute did not maintain any Asset Register.

### **4. Statutory Dues: Nil**





भारतीय लेखा तथा लेखा-परीक्षा विभाग  
महा निदेशक, लेखा-परीक्षा का कार्यालय,  
केन्द्रीय, कोलकाता

**INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE DIRECTOR GENERAL OF AUDIT,  
CENTRAL, KOLKATA.**

No: OA II (AB)/AR/2014-15/CITKOKRAJHAR/344  
Date: 23.10.2015

To  
The Secretary,  
Ministry of Human Resource Development,  
Government of India,  
Department of Higher Education,  
Shastri Bhawan, New Delhi,  
New Delhi - 110001

**Subject:** Separate Audit Report on the accounts of *Central Institute of Technology,  
Kokrajhar Assam* for the year 2014-15


Sir,

I am to forward herewith the Separate Audit Report in the prescribed format introduced by the C & A.G of India on the accounts of *Central Institute of Technology, Kokrajhar, Assam* for the year 2014-15. A copy of the annual accounts of the organisation for the year 2014-15 is also enclosed.

2. Two copies of Separate Audit Report (both English and Hindi Version), as presented before Parliament, may please be forwarded to this office for necessary action at this end.
3. The dates of laying the audited accounts and the Separate Audit Reports for the year 2014-15 on the Tables of both the Houses of Parliament may also please be communicated to this office.

Yours faithfully,

Encl.: As stated

  
(A. Roychoudhury)  
Director General of Audit  
Central: Kolkata

जि. आई. प्रेस बिल्डिंग, 8 किरण शंकर राय रोड (1म मंजिल), कोलकाता- 700 001  
Govt. of India Press Building, 8, Kiran Sankar Roy Road, Kolkata -700001  
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**PLACED SEPARATELY**

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