

**MINUTES OF THE 24<sup>th</sup> FINANCE & AUDIT COMMITTEE (F&AC) MEETING HELD ON 21<sup>st</sup> AUGUST, 2013 (WEDNESDAY) AT 3.00 P.M AT THE OFFICE OF AS&FA, MINISTRY OF TEXTILES, UDYOG BHAWAN, NEW DELHI**

The following were present:

- |    |                                       |                  |
|----|---------------------------------------|------------------|
| 1. | Smt. Anita Agnihotri, AS&FA, MOT      | Chairperson      |
| 2. | Sh. Sunil Sethi                       | Member           |
| 3. | Sh. Prem Kumar Gera, DG-NIFT          | Member           |
| 4. | Sh. Anand Kedia, Director (F&A), NIFT | Member Secretary |

Sh. A.K. Sharma, Dy. Secy. (IFW)- MoT, Smt. Santha Thampi, Consultant (IFW)- MoT, Sh. Abdul Malik, Deputy Director (F&A)- NIFT, Sh. Kamlakar Mishra, Chartered Accountant & NIFT's Internal Auditor and Ms. Rajni Shah, Assistant Board Secretary-NIFT were also present.

Smt. Priya Dutt, Hon'ble M.P Lok Sabha, Smt. Monika S. Garg, JS, MOT and Sh. William Bissell were granted leave of absence.

**AGENDA ITEM NO. 2401**

**To confirm the minutes of the 23<sup>rd</sup> meeting of Finance & Audit Committee held on 10<sup>th</sup> July 2013 at 5:00 p.m. at the office of AS&FA, Ministry of Textiles, Udyog Bhawan, New Delhi**

The minutes of the meeting had been circulated to all the members of the Committee. No changes or modifications were proposed. The minutes were therefore confirmed without any modification.

**AGENDA ITEM NO. 2402**

**Action taken report on last minutes of the Finance & Audit Committee Meeting**

The Action Taken Report on the decisions of the last meetings of the F&AC was noted with the following observations:

- (i) In the approved block grant scheme for NIFT for the XIth five year plan, it was stated that *special grants shall be provided by the MOT as "force majeure" in the event of revision of scales of pay and other unforeseen events*. The additional liability on account of implementation of 6th CPC recommendation has been estimated to be Rs.10 crore per annum. Therefore NIFT has demanded Rs. 45 crore from MOT for implementation of 6<sup>th</sup> CPC recommendation (for the period Oct. 2008 to March 13).

The committee decided that DG should take up the matter of admissibility of claim for 6<sup>th</sup> CPC arrears at the highest level. Efforts may be made to convene a meeting of Secretary (Textiles), Minister of Textiles, where Joint Secretary and Financial Advisor of the Ministry could be invited.

- (ii) The proposal for reimbursement of Rs.37,327/- on actual basis on account of OPD treatment of cancer related investigation / medicines/ consultation in respect of Sh. Raj Singh, Assistant Director was approved by the F&AC in its last meeting, however due

to paucity of time, the same could not be deliberated upon in the last BOG meeting held on 15.07.2013, F&AC directed that payment of Rs. 37, 327 as mentioned above may be reimbursed to Sh. Raj Singh in anticipation of Board's approval.

#### **AGENDA ITEM NO. 2403**

##### **Delegation of Financial Powers to the Campus Director on sanction of interest bearing advances**

The matter of Delegation of Financial Powers to the Campus Directors regarding sanction of interest bearing advances viz. Motor Car, Computer etc. was considered and approved by the F&AC subject to that the power to relax eligibility criteria in respect of relaxation of pay band should continue to vest with DG-NIFT. This delegation of power would be subject to the approved budgetary provisions, prescribed procedure mentioned in F&A Manual of NIFT that would be followed by the Campus Director while exercising the Delegation of Power.

#### **AGENDA ITEM NO. 2404**

##### **Sub Delegation of Powers to Dy. Director (F&A)**

The F&AC considered and approved the Sub-delegation of Powers to the Dy. Director (F&A) to sanction the routine expenditure up to maximum limit of Rs.10000/- on each occasion as brought out in the agenda notes.

#### **AGENDA ITEM NO. 2405**

##### **Status of C&AG pending audit paras**

The F&AC considered and took note of the status of C&AG pending audit paras for the year 2010-11.

#### **AGENDA ITEM NO. 2406**

##### **Modification in the existing provisions with regard to reimbursement of cost of purchase of Books/Journals/Periodicals by faculty from DDF**

The agenda item was discussed in detail. It was felt that faculty member of the institute must keep abreast of the Academic developments taking place through out the world in their area of specialization. The committee recommended annual reimbursement to faculty members on account of purchase of Books/Journal/periodicals of Rs.6000/- p.a. for Professor Rs.5,000/- p.a. for Associate Professor and Rs. 4,000/- p.a. for Assistant Professors out of DDF fund without obligation to return these to the Resource Centre. For new campuses, where the funds may not be available in the DDF, it may be provided from the budget of the campus.

#### **AGENDA ITEM NO. 2407**

##### **Estimate towards Interiors, Furnishings, Air-conditioning, Networking and Wi Fi works in the Gandhinagar Campus**

The Committee considered and approved the estimate of Rs. 347.98 lakhs as submitted by CPWD towards Interiors, Furnishings, Air-conditioning, Networking and Wi Fi works in the Gandhinagar Campus as brought out in the agenda notes.

## **AGENDA ITEM NO. 2408**

### **OBC Quota Fund Utilisation and revised costs of the expansion of Delhi campus**

Director (F&A) apprised the Committee about the overall progress of OBC quota fund utilization Campus wise. Comprehensive details of the total fund made available for meeting OBC quota were taken note of. The Committee was informed that cost for expansion of Delhi Centre has been increased from Rs. 35 Crores to Rs. 62.44 Crores due to increase in CPWD building cost index from 113 (in August 2009) to 170 (now), provision for green building for an amount of Rs. 2.97 Crores, provision of consultancy @ 3%, labour cess @1%, Consultancy charges @2%, departmental charges @5%, provision for extra items and deviations @10% and higher tendered cost by 30.33% above the estimated cost put to tender.

The F&AC was also informed that the above mentioned increase in estimated cost for expansion of Delhi Campus was within the allocated amount of Rs. 343.22 Core and Cabinet had also approved reallocation of funds within the above amount to various campuses for which this fund had been approved.

F&AC was briefed of the terms of the contract/agreement with DSIIDC and the status of award of contracts. Keeping in view that the estimated cost for expansion of Delhi campus is within the allocated amount of Rs.343.22 Crores, F&AC recommended for continuation of the tendering/award of work process as per the established procedure.

## **AGENDA ITEM NO. 2409**

### **Status of 1st quarter Income & Expenditure for the financial year 2013-14 including capital expenditure**

Status of first Quarter Income & Expenditure for the Financial Year 2013-14 including Capital Expenditure of NIFT (i.e. all the Campuses and Head Office) was noted by the F&AC.

## **AGENDA ITEM NO. 2410**

### **Increase in limit of cheque signing authority**

Discussion on increase in limit of joint cheque signing authority by any two officials of NIFT Campuses took place. The F&AC noted that most of the staff of Accounts Department at NIFT Campuses and Campus Directors are newly appointed, it was therefore felt that the matter of increase in limit of cheque signing authority may be put on hold till the new Finance team at the NIFT HO settled down and may be placed for consideration of F&AC in a subsequent meeting.

## **Supplementary Agenda**

## **AGENDA ITEM NO. 2411**

### **Compliance of Final Internal Auditor Report for the year 2012-13**

F&AC took note of the compliance of Internal Auditor's Report for the year 2012-13 and showed its concern towards the old outstanding advances of staff and contractors.

F&AC advised DG-NIFT to review these advances. In case of staff advances, these may be settled from their salaries. In case of those employees who had left the organisation their records may be traced and efforts should be made to settle the advances at the earliest.

F&AC also directed that a report containing the action taken may be placed in the next meeting.

## **Tabled Agenda**

### **AGENDA ITEM NO. 2412**

#### **Minor corrections in NIFT Annual Accounts 2012-13**

The Internal Auditor and Director (F&A) apprised the Committee that during the course of Statutory Audit, it had been pointed out by the Statutory Auditors that there were certain clerical and mathematical errors such as rounding off differences amounting to Rs. 0.01 lakhs, grouping and regrouping of certain heads of accounts and in some cases figures were misprinted due to clerical errors. However, the correction in Annual Accounts had not resulted in any change in earlier reported Total Income, Total Expenses, Total Assets and Total Liabilities. Every correction carried out in the Annual Accounts 2012-13 was highlighted and the committee took note of the same. The same were considered and approved with following observations:

- (i) A schedule containing all corrections may be prepared with the details to provide justification viz. What it was, what it has been now, why these corrections have been made including the nature of corrections. The Director (F&A) and Internal Auditors would authenticate the schedule.
- (ii) These errors crept in due to different internal auditors working with various campuses. The committee took note of the decision to have a single Internal Auditor for all campuses. This will ensure that the mistake that happened this year would not recur. This would lead to standardization of accounting entries across the campuses and would ensure timely consolidation of accounts.
- (iii) Realistic deadlines may be set for finalization of Accounts to avoid last minute rush. The Annual Accounts must be made available to the members of F&AC at least 7 days prior to the meeting of the Committee.
- (iv) The Committee noted with concern the lack of professional conduct on part of the Internal Auditors who had approved the Annual Accounts without proper scrutiny on their part before forwarding these for submission to F&AC and BOG, leading to a situation where the Statutory Auditors had to point out the errors and the matter needed to be referred to F&AC once again, before being forwarded to the Board.

The meeting concluded with vote of thanks to the Chair.