राष्ट्रीय फैशन टैक्नालॉजी संस्थान, निफ्ट, मुख्यालय, नई दिल्ली

NATIONAL INSTITUTE OF FASHION TECHNOLOGY HEAD OFFICE, DELHI



<u>कार्यसूची</u>

AGENDA

निफ्ट की वित्त एवं लेखा परीक्षा समिति (एफ एंड एसी) की 32वी बैठक

32nd MEETING OF FINANCE & AUDIT COMMITTEE (F&AC) OF NIFT

VENUE : ROOM NO. 141, MINISTRY OF TEXTILES, UDYOG BHAWAN, NEW DELHI

DATE : 28TH APRIL, 2015 (TUESDAY)

TIME

11:00 A.M.

राष्ट्रीय फैशन टैक्नालॉजी संस्थान, निपट, मुख्यालय, नई दिल्ली

निफ्ट/बोर्ड सचिवालय/ 32वीं एफ एंड एसी/ 2015

दिनांक: 23.04.2015

Subject:	32nd Meeting of Finance & Audit Committee (F&AC) of National Institute of					
-	Fashion To	echnolo	gy Delhi – Agenda Notes	•		
			162-			
	VENUE	:	ROOM NO. 141, MINISTRY OF TEXTILES,			
ï.			UDYOG BHAWAN, NEW DELHI			
	DATE	:	28 TH APRIL, 2015 (TUESDAY)			
		•				
-	TIME	:	11:00 A.M.			

In continuation of letter no. NIFT/Bd. Sectt./32nd F&AC/2015 dated 10.04.2015 notifying the Finance & Audit Committee Meeting of NIFT, Agenda notes for the Meeting are forwarded herewith.

आप से अनुरोध है कि आप इस बैठक में भाग लेने की कपा करें।

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(आनन्द कुमार केडिया)

निदेशक (वित एवं लेखा) एवं सदस्य सचिव वित एवं लेखापरीक्षा समिति

To:

- 1. Shri B.P Pandey AS&FA Ministry of Textiles Udyog Bhawan, New Delhi
- 2. Smt. Sunaina Tomar Joint Secretary, Ministry of Textiles Udyog Bhawan, New Delhi
- Shri Sunil Sethi President FDCI Fashion Design Council of India 209, Okhla Industrial Estate, Phase III New Delhi – 110020
- Shri William Bissell Managing Director Fabindia Overseas Pvt. Ltd. C-40, Phase-II, 2nd Floor, Dayal Estate, New Delhi – 110020

Chairperson F&AC

Member of F&AC

Member of F&AC

Member of F&AC

- 5. Shri Prem Kumar Gera, Director General, NIFT, New Delhi
- 6. **Shri Anand Kedia** Director (F&A) NIFT, New Delhi

Member of F&AC

Member Secretary of F&AC

राष्ट्रीय फैशन टैक्नालॉजी संस्थान.

निफ्ट. मुख्यालय. नई दिल्ली

32nd Meeting of Finance & Audit Committee (F&AC) of National Institute of Fashion Technology

VENUE	i	ار ROOM NO. 14 1, MINISTRY OF TEXTILES, UDYOG BHAWAN, NEW DELHI
DATE	:	28 TH APRIL, 2015 (TUESDAY)
TIME	:	11:00 A.M.

AGENDA

AGENDA ITEM NO.	PARTICULARS	PAGE NO.
3201	To confirm minutes of the 31 st meeting of Finance & Audit Committee held on 29 th December, 2014 at 11:00 a.m. at Room no. 141, Ministry of Textiles, Udyog Bhawan, New Delhi	1-7
3202	Action Taken Report on last minutes of the Finance & Audit Committee Meeting	8-26
3203	Status of Capital Expenditure and Revenue Income & Expenditure for Nine Months ending December 31 st , 2014	27-36
3204	Consolidated Internal Audit Report of NIFT for the Third Quarter Ended on 31 st December, 2014	37-73
3205	Reappointment of Current Internal Auditors or Appointment of New Internal Auditors for the Financial Year 2015-16	74-468
3206	Any other item with the permission of chair	469

AGENDA ITEM NO. 3201

TO CONFIRM MINUTES OF THE 31ST MEETING OF FINANCE & AUDIT COMMITTEE HELD ON 29TH DECEMBER, 2014 AT 11:00 A.M. AT ROOM NO. 141, MINISTRY OF TEXTILES, UDYOG BHAWAN, NEW DELHI

The minutes of the 31st Meeting of F&AC held on 29th December, 2014 at Room no. 141, Ministry of Textiles, Udyog Bhawan at New Delhi were circulated to the members for comments.

No comments have been received from the members. The Finance & Audit Committee may therefore consider confirming the minutes as circulated and placed below at **Annexure-3201/I**.

Annexure-3201/I

MINUTES OF THE 31ST FINANCE & AUDIT COMMITTEE (F&AC) MEETING HELD ON 29TH DECEMBER, 2014 (MONDAY) AT 11.00 A.M. AT ROOM NO 141, MINISTRY OF TEXTILES, UDYOG BHAWAN, NEW DELHI

A. The following members of the committee were present during the meeting:

- 1. Shri. B.P Pandey, MOT
- 2. Sh. Sunil Sethi
- 3. Sh. Prem Kumar Gera, DG-NIFT
- 4. Sh. Anand Kumar Kedia, Director(F&A), NIFT

Sh. William Bissell and Smt. Sunaina Tomar, members of the committee were granted leave of absence.

B. Apart from committee members, following officials of NIFT were also present during the meeting:

- 1. Sh. Abdul Malik
- 2. Sh. Rajesh Ojha
- 3. Sh Sanjay Jain
- 4. Ms. Nidhi Gupta
- 5. Ms. Khushboo Khandelwal
- 6. Mrs. Manju Aggarwal

Dy. Director (F&A) Dy. Director (F&A) Project Engineer Senior Assistant Assistant Internal Auditor

Chairperson

Member Secretary

Member

Member

AGENDA ITEM NO. 3101

<u>To confirm the minutes of the 30th Meeting of Finance & Audit Committee held on 20th November, 2014 (Thursday) at 11.00 a.m. at room no. 141, Ministry of Textiles, Udyog Bhawan, New Delhi</u>

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

AGENDA ITEM NO. 3102

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 by the members present.

AGENDA ITEM NO. 3103

C&AG Comments on the Annual Accounts for the year ended 31st March, 2014

The committee members were briefed about the C&AG comments on the Annual Accounts for the year ended 31st March, 2014. The committee took note of the same and further suggested that due care should be taken in the current year so that similar objections are not repeated in future. On the issue of transfer of utilized grant to corpus fund and not showing it separately the chairperson stated that NIFT F & A team may evolve a consensus in consultation with C & AG team so that this objection is not reported in future. On the issue of charging of depreciation on Assets acquired out of Govt. grant but not recognizing corresponding income in accounts, the chairperson stated that the internal auditors may study this issue and recommend suitable accounting treatment.

The agenda was recommended to BOG for approval.

AGENDA ITEM NO. 3104

Proposal for Revised Estimate 2014-15 & Budget Estimate 2015-16 (Revenue)

Director (F&A) NIFT presented the Revised Estimate 2013-14 & Budget Estimate 2014-15 (Revenue) to the members present. He also shared that in view of suggestion of C&AG and the internal auditors, the BOG had directed NIFT to follow accrual system for recognition of Fee income. Therefore, in the current Financial Year, NIFT had started following accrual system for recognition of fee income. As a result of which, there was a onetime negative impact on revenue of approximately Rs. 25 Crores for the year 2014-15.

The projections showed a deficit of Rs. 4.61 Crores in RE 2014-15. Director (F&A) explained that following a conservative accounting practice, most of the new campuses had not budgeted for state Govt grants which they were entitled for covering their losses. He also added that in the past, NIFT had been able to recover more non-plan grant from Government than the budgeted amount. Therefore considering it, NIFT was likely to generate a small surplus in year 2014-15 as against the projected loss of Rs. 4.61 crores in RE 2014-15.

AS & FA advised NIFT to exercise economy in non-plan expenses like Stationary, printing, travelling expenses, entertainment expenses etc. He felt that it should be left to the DG NIFT to monitor the same.

However during discussion on the agenda item it was seen that the actual expenditure for six months was Rs. 73.02 crores as against the RE 2014-15 of Rs. 190.86 crores. Therefore the expenditure in six months was only 38% of the annual sanction sought by the campuses. The F&AC took very strong objection to such a high sanction for expenditure sought by NIFT. It was felt that the campuses were over projecting their revenue expenditure. The F &AC directed DG NIFT to rework the RE 2014-15 after seeing the position of actual expense till December 2014. The F &AC authorized the Chairperson F &AC to consider and approve the revised RE 2014-15 and BE 2015-16 on file. DG NIFT agreed to the suggestions and promised that he would review the RE 2014-15 and BE 2015-16 again and would put a file for the same for approval.

Accordingly, the RE 2014-15 & BE 2015-16 (Revenue) was reviewed and revised and a file was put up on 09.01.2014 to the Chairperson, F&AC seeking his approval for the revised estimates. The revised estimates submitted to the Chairperson were as below:

- As against the approved BE 2014-15 of Rs.188.09 Crores, RE 2014-15was reduced to Rs. 177.28 Crores implying a 5.74% cut in BE. This RE was Rs. 13.58 crores less than what was projected earlier for 2014-15.
- Also, the BE 2015-16 stands at Rs. 205.53 Croresas against the RE 2014-15 of Rs. 177.28 Crores showing an increase of Rs. 28.25 Crores (16%). The BE for 2015-16 was reduced by Rs. 14.36 Crores than what was projected in the meeting.
- The chairperson, F&AC approved the revised estimates (revenue) on file which are placed at **Annexure 1** for the perusal and reference of the members.

The agenda will now be placed in BOG Meeting for approval.

AGENDA ITEM NO. 3105

RE 2014-15 & BE 2015-16 (Capital)

Director (F&A) also presented the Revised Estimate 2014-15 and BE 2015-16 (Capital) to the members present. On the same lines as of the revenue budget, AS&FA felt that the revised expenditures were too high in comparison to the actual expenditure for the six months ended 30th September, 2014. It was felt that the campuses were over projecting their Capital expenditure. The F &AC directed DG NIFT to rework the RE 2014-15 after seeing the position of actual Capital expense till December 2014. The F &AC authorized the Chairperson F &AC to consider and approve the revised RE 2014-15 and BE 2015-16 (Capital) on file.DG NIFT agreed to the suggestions and promised that he would review the RE 2014-15 and BE 2015-16 again and put up a file for the same for approval.

Accordingly, the RE 2014-15 & BE 2015-16 (Capital) was reviewed and revised and a file was put up on 09.01.2014 to the Chairperson, F&AC seeking his approval for the revised estimates. The revised estimates submitted to the Chairperson were as below:

- As against the approved BE 2014-15 of Rs. 218.44 Crores, RE 2014-15was proposed at Rs. 137.39 Crores. This implied a cut of 37.11% in BE.
- Also, the BE 2015-16 was proposed at Rs. 154.58 Crores as against the RE 2014-15 of Rs. 137.39 Crores showing an increase of Rs. 17.19 Crores (12.5%).

The chairperson, F&AC approved the revised estimates (Capital) on file which are placed at **Annexure 2** for the perusal and reference of the members.

The agenda will now be placed in BOG Meeting for approval.

AGENDA ITEM NO. 3106

Account of Reimbursement of Mobile Handset to entitled officers

Director F&A informed the members about the need for revising the eligibility and defining the financial limit regarding the reimbursement for handset in the existing policy. He also shared the audit objection raised by the NIFT's internal auditors in this regard.

After discussion, the members approved the modifications in the existing policy for entitlement of providing mobile handsets as brought out in the agenda notes, regarding return policy the AS & FA suggested that it should be as per Government of India guidelines (As per the existing norms of Prasar Bharti, the codal life of the mobile sets has been fixed for four years and a deprecation @ 25% per year is provided for calculation of the book value of the mobile set for the purpose of calculating its depreciated value.)

The agenda was also recommended to BOG for approval.

AGENDA ITEM NO. 3107

Any other item with the permission of Chair

TABLED AGENDA ITEM NO A

Approval for excess EPF Contribution by NIFT (Employers' Contribution)

Director (F&A) apprised the committee members of the audit objections raised by C&AG at NIFT Kannur and Chennai Campus regarding the excess EPF Contribution made by these campuses over and above the ceiling limit as prescribed under the EPF Act. He also brought to the notice of the members that this practice was being followed by all NIFT Campuses from the date of its inception.

To this issue, AS&FA advised at NIFT should give an appropriate reply to the audit objection at its own level. Further he also shared that as per the recommendation of 2nd Pay revision committee for profit making PSU's the employer contribution to the total retirement benefits of its employees could be upto 30% of their Basic Pay. However, the rules of NIFT in this regard may be seen and action may be taken accordingly.

It was felt that a reply on these lines would settle the audit query, therefore the agenda was withdrawn.

The meeting concluded with a vote of thanks to the chair.

RE 2014-15 and BE 2015-16 - Revenue

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Annexure 1

Name of Campus	RE 2013-14	Actual Exp. 2013-14	BE 2014-15	Old RE 14-15	Actual up to	Expected in Jan. to March 15	RE 2014-15	Old BE 15-16	BE 2015-16
OLD CAMPI	USES EXPENDIT	TURE	<u>1997, 1997, 1997, 1997, 1997, 1997, 1997</u> , 1997, 1997, 1997, 1997, 1997, 1997, 1997, 1997, 1997, 1997, 1997, 1997		Contraction Contraction (Contraction)				
New Delhi	2028.89	1661.93	2118.31	2490.05	1599.63	714.50	2314.13	2685.75	2622.
Mumbai	1311.78	1011.11	1612.09	1632.19	1097.65	400.52	1498.17	1864.75	1781.
Kolkata	1222.00	915.61	1432.22	1397.05	843.75	353.30	1197.05	1530.02	1368.
Chennai	1012.25	1009.01	1277.30	1346.67	1002.39	367.66	1370.05	1541.75	1565.
Bengaluru	1404.74	967.63	1541.80	1578.48	978.07	525.41	1503.48	1712.05	1712.
Hyderabad	1361.70	1081.47	1490.78	1517.55	919.44	566.44	1485.88	1589.07	. 1553.
Gandhinagar	· 1184.10	1015.19	1249.15	1457.65	· 835.35	597.30	1432.65	1496.65	1496.
Head Office	1736.75	1285.57	1809.20	1816.82	1110.88	375.89	1486.77	2110.92	1783.4
Total	11262-21	8947.52	12530.85	13236.46	8387-16	3901.02	12288 18	14530.96	13882.
Raibareily	608.80	388.47	699.10	740.40	398.69	195.61	594.30	884.24	725.
	USES EXPENDIT	T	600.10	740.40	208 50	105 61	504 20	994.24	
Shillong	540.58	467.40	565.06	596.60	362.56	180.84	543.40	692.80	607.3
Kannur	805.40	658.93	945.37	782.18	525.85	234.45	760.30	851.25	· · · · · · · · · · · · · · · · · · ·
Kangra	811.57							001.201	817.
	011.21	636.17	862.73	975.10	622.31	259.88	882.19	1070.93	· · · · · · · · · · · · · · · · · · ·
Bhopal	671.16	636.17 615.39	862.73 819.50			259.88 177.97	882.19 705.21		990.8
					622.31			1070.93	990.8 842.9
Bhopal	671.16	615.39	819.50	716.51	622.31 527.24	177.97	705.21	1070.93 850.90	817. 990.8 842.9 900.0 834.9
Bhopal Patna	671.16 497.44	615.39 401.47	819.50 858.36	716.51 721.15	622.31 527.24 447.49	177.97 249.81	705.21 697.30	1070.93 850.90 1086.02	990.8 842.9 900.6
Bhopal Patna Bhubaneswar	671.16 497.44 543.63	615.39 401.47 469.86	819.50 858.36 673.90	716.51 721.15 764.53	622.31 527.24 447.49 • 500.47	177.97 249.81 259.06	705.21 697.30 759.53	1070.93 850.90 1086.02 834.95	990. 842.9 900.0 834.9 850.0
Bhopal Patna Bhubaneswar Jodhpur	671.16 497.44 543.63 409.10	615.39 401.47 469.86 384.11	819.50 858.36 673.90 769.96	716.51 721.15 764.53 468.50	622.31 527.24 447.49 • 500.47 301.58	177.97 249.81 259.06 157.61	705.21 697.30 759.53 459.19	1070.93 850.90 1086.02 834.95 1082.73	990. 842. 900. 834. 850. 102.
Bhopal Patna Bhubaneswar Jodhpur Srinagar	671.16 497.44 543.63 409.10 214.70	615.39 401.47 469.86 384.11 111.71	819.50 858.36 673.90 769.96 84.86	716.51 721.15 764.53 468.50 84.86	622.31 527.24 447.49 • 500.47 301.58 29.19	177.97 249.81 259.06 157.61 10.03	705.21 697.30 759.53 459.19 39.22	1070.93 850.90 1086.02 834.95 1082.73 104.99	990.8 842.9 900.0 834.9

RE 2014-15 and BE 2015-16 - Capital

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Annexure- 2

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	Mark Market and								(Rs. In Lakhs)
Name of Campus	RE 2013-14	Actual Exp. 2013-14	BE 2014-15	Old RE 14-15	Actual up to Dec.14	Expected in Jan. to Mar.15	RE 2014-15	Old,BE 15-16	BE 2015-16
New Delhi	1329.80	294.88	2195.59	2830.79	4.61	1607.64	1612.25	3882.31	3485.56
Mumbai	4470.55	3521.29	2119.04	2438.10			1984.63	1435.88	
Kolkata	409.12	160.29	300.22	597.96		93.89	195.49	490.05	525.45
Chennai	2001.54	1034.68	1322.79	1512.50	the second s	992.04	1900.00		678.07
Bengaluru	348.14	40.37	236.53	274.87	80.12	124.71	204.83	216.93	161.16
Hyderabad	245.76	37.18	185.60	196.40		126.12	143.00		157.25
Gandhinagar	790.33	221.21	_ 55.05	693.76	331.42	162.34	493.76		403.92
Head Office	412.00	37.70	622.00	690.15	36.81		325.18	90.29	47.93
Sub Total (A)	10007.24	5347.60	7036.82	9234.53	2272.50		6859.14	7169.70	7369.69
New Campuses								an a	7.505.65
Raibareily	255.95	232.37	366.00	529.65	128.25	51.85	180.10	704.30	757.65
Shillong	563.00	26.07	175.56	1624.06	1071.40	540.39	1611.79	2585.70	2585.70
Kannur	640.81	365.68	2071.64	691.67	158.23	267.09	425.32	414.15	845.30
Kangra	1407.21	46.93	1052.00	1554.00	609.99	821.01	1431.00	1931.00	2017.00
Bhopal	324.27	58.56	1196.64	296.89	203.64	80.71	284.35	84.15	96.15
Patna	1805.39	1417.11	474.58	1380.43	969.79	410.64	1380.43	736.21	736.21
Bhubaneswar	35.30	330.90	1634.89	269.80	178.44	91.36	269.80	225.30	225.30
lodhpur	2605.13	1543.68	36.30	1602.66	324.23	896.23	1220.46	426.41	814.48
Srinagar	1748.00	1.82	6800.00	197.79	30.36	46.11	76.47	199.00	9.36
Panchkula	0.00	0.00	1000.00	0.00	0.00	0.00	0.00	1.00	1.00
Sub Total (B)	9385.06	4023.12	14807.61	8146.95	3674.33	3205.39	6879.72	7307.22	8088.15
Grand Total (A+B)	19392.30	9370.72	21844.43	17381.48	5946.83	7792.03	13738.86	14476.92	15457.84

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AGENDA ITEM NO. 3202

ACTION TAKEN REPORT ON LAST MINUTES OF THE FINANCE & AUDIT COMMITTEE MEETING

and GEP 1/6 for works and services
and GFR 146 for works and services Action Taken
· · · · · · · · · · · · · · · · · · ·
A detailed agenda note with the recommendations of the Committee as contained in the minutes of the said F&AC Meeting was presented in the 28 th BOG Meeting held on 23 rd February, 2015. However, due to paucity of time, the agenda item could not be discussed. It would now be presented in the next BOG Meeting for approval.
<u></u>
Chair
Action Taken
A detailed agenda note with the recommendations of the Committee as contained in the minutes of the said F&AC Meeting was presented in the 28th BOG Meeting held on 23rd February, 2015. However, due to paucity of time, the agenda

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was nominal at all campuses, NIFT Mumbai was the only case where the cost escalation was substantial. For Mumbai Campus, revised project cost was estimated earlier at Rs. 119.70 crores which now stands revised at Rs. 147.21 Crores thereby leading to an additional cost of Rs. 27.51 Crores.	item could not be discussed. It would now be presented in the next BOG Meeting for approval.
AS&FA enquired whether such an increase was due to wrong estimation, delay of work or due to change in the scope of work. Chief Engineer, CIDCO clarified that the increase was due to the increase in the cost of steel, concrete and other raw materials. He also added that the increase was also due to the increase in the scope of work. DG also apprised the members that there was a constant delay on the part of CIDCO to complete the project and requested the Chairperson & other members to take some time out to visit the Mumbai campus to overview the project's progress. As regards to the completion of the project, Chief Engineer, CIDCO promised that they would ensure that the new hostel building will be given for occupation by July 2014 and academic block and other buildings should be completed by 31 st December, 2014.	
After detailed discussion, the members of the committee were of the opinion that the issue of cost escalation of Mumbai Campus may be deferred till the figures of escalation with its bifurcation and justifications are finalized.	
However, the members approved the additional cost for other four campuses i.e. Delhi, Chennai, Gandhinagar & Kolkata amounting to Rs. 18.38 Crores out of the total additional cost of Rs. 63.67 Crores for five campuses (including Mumbai) as brought out in the agenda notes.	- -
29 th F&AC: 27.08.2014 Agenda item no. 2904	
Subject: Consideration of Cost Escalation of M	umbai Campus under OBC Project
Summary	Action Taken
The Committee was informed that the original	A detailed agenda note with the
estimated cost of project was Rs 216.79 crores, which was approved by the F&AC and BOG in 2008. The estimated cost of the project was further revised to Rs. 119.70 crores, which was	recommendations of the Committee as contained in the minutes of the said F&AC Meeting was presented in the 28 th BOG Meeting held on 23 rd February, 2015.
also approved by the F&AC and BoG in 2011. The project was started in August, 2010 with the stipulated date of completion as April, 2012 (for work on plot no. 15) and Oct., 2012 (for plot no. 20). The extension of time was also granted upto December, 2013. However, the project had	However, due to paucity of time, the agenda item could not be discussed. It would now be presented in the next BOG Meeting for approval.
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been delayed and the work was still in progress.

The Mumbai Campus was managing and closely monitoring the project in close coordination with the PMC M/s CIDCO Ltd. (A company owned by Govt. of Maharashtra) for early completion of the project. The F&AC was informed that Project cost had been escalated due to three reasons i.e. increase in scope of the work, increase in the rates of materials and increase in statutory costs. Further due to cost escalations and deviation/variation in the scope of work additional amount to the tune of Rs. 30.30 crores was required for completion of the project.

The Committee directed that due diligence required to be done. The Committee was informed that the Project Engineer NIFT Mumbai Campus had certified the rates and quantity of the project. The F&AC noted the certification given by the Project Engineer Mumbai Campus and approved the re-revised estimated cost of ·Rs. 150.00 crores involving an additional expenditure of Rs.30.30 crores under OBC Quota Plan funds for completion of buildings and other infrastructure at NIFT Mumbai Campus provided that the rates and quantity of project as per PWD Schedule. In order to be doubly sure that this was a final estimate, it may be rechecked before placing it before the Board of Governors. Further the escalation and extra work should be as per contract and due procedure should have been followed for authorizing the same.

In the interest of public investment made, the F&AC recommended to the Board of Governors of NIFT to request Ministry of Textiles to provide additional funds of Rs. 30.30 crores and extension of time period to 31.03.2017 for additional infrastructure being created under the plan scheme for meeting OBC quota obligation at Mumbai Campus.

As per the directions of BOG, an evaluator was to be appointed for verification of the revised estimates provided by CIDCO. Accordingly, IIT Mumbai has been appointed for verification of the revised estimates and after receiving the report from the evaluator the matter would be presented before F&AC and BOG.

Agenda item no. 3002 Action Taken Report on last minutes of the Finance & Audit Committee Meeting Subject Action Taken Report on the decisions of the last meetings of the F & AC was noted with the following observations: Action Taken (i) That on the issue of pay commission arears. Director Finance, NLPT informed this matter. A second reminder letter n the committee that a discussion took place with Under Sceretary, MOT in his 6° CPC14-15 has been sent to the Minis office on 5-09-2014 where he emphasized that NIFT would be entitled to get pay arrears on account of additional liability towards pay and allowances due to implementation of 6° Central Pay Commission only for the 7 NIFT Campuses which were in existence in 2006 and not for 15 Campuses. Based on this NIFT has calculated that the amount payable to NIFT towards 6th CPC arrears comes to Rs 27.75 crores. NIFT Campuses which were in existence in 2006 and not for 15 Campuses. Based on this NIFT to follow it up with the ministry, for which DG requested support from the members of the Committee showed its concern and desired that urgent attention may be given to the Mumbai construction project. Accordingly, IIT Mumbai abseen appoint for verification of the revised estimates a rovided by CIDC consideration and Boad members may also be requested to visit NIFT Mumbai canstruction project the BOC for consideration and Boad members may also be requested to visit NIFT Mumbai canstruction of the result the matter would be presented before F&A and BOG. 30° F&AC: 20.11.2014 Agenda item no. 3003 Subtect: Consolidated Internal Audit Report of NIFT for the Second Quarter ended c 30°September, 2014 Summary Action Taken Agenda item no. Supplementary agenda item no. A Con	30 th F&AC: 20.11	.2014		
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Summary Action Taken In case of Head Office's outstanding advances to Contractors/ agency/Company, the placed at Annexure-3202/II. A Report on old outstanding advances	Consolidated In	ternal Audit Report of N	A IIFT for the Second Quarter ende	ed i or
In case of Head Office's outstanding advances A Report on old outstanding advances to Contractors/ agency/Company, the placed at Annexure-3202/II			Action Taken	
	o Contractors	agency/Company, the	A Report on old outstanding advan placed at Annexure-3202/II.	ces is
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been taken to settle the advances like how many	
times reminder had been sent for settlement of	
advances etc. The Committee desired that in	
cases where advance has been given to a	
contractor and the contractor has done work the	
outstanding may be reconciled. In cases where	
advance has been given but no work has been done then civil/ criminal action as deemed fit	
may be initiated against the concerned	
Contractor/Agency/Company. Once the above	
exercise was done the matter may be placed	
before the F&AC and the Board to regularize the	
same. 31 st F&AC: 29.12.2014	
Agenda item no. 3103	
Subject: C&AG Comments on the Annual Account	ts for the year and ad 24 st March 2014
Summary	Action Taken
The committee members were briefed about the	The Board took note of the C&AG
C&AG comments on the Annual Accounts for the	comments on the Annual Accounts for the
year ended 31 st March, 2014. The committee took	year ended 31 st March, 2015 in its 28 th
note of the same and further suggested that due care should be taken in the current year so that	meeting held on 23 rd February, 2015.
similar objections are not repeated in future. On the	On the issue of the transfer of utilized
issue of transfer of utilized grant to corpus fund and	grant to corpus fund, the BOG was
not showing it separately the chairperson stated	informed that the internal auditors have
that NIFT F & A team may evolve a consensus in	stated that NIFT may accept the
consultation with C & AG team so that this	recommendations of C&AG. Also, on the
objection is not reported in future. On the issue of charging of depreciation on Assets acquired out of	issue of charging of depreciation on fixed
Govt grant but not recognizing corresponding	assets, the Board took note of the C&AG comments on the Annual Accounts and
income in accounts, the chairperson stated that the	suggested to take up the matter with the
internal auditors may study this issue and	office of C&AG for follow up and early
recommend suitable accounting treatment.	resolution.
The agenda was recommended to BOG for	Since for the first issue we have a first
approval.	Since for the first issue, we have accepted the recommendations of C&AG, hence, no
,.	further action is required. For the second
	issue, we are taking up the matter with the
	Ministry and C&AG.
31 st F&AC: 29.12.2014 Agenda item no. 3104	
Subject: Proposal for Revised Estimate 2014-15 &	Budget Estimate 2015-16 (Payanua)
Summary	Action Taken
Director (F&A) NIFT presented the Revised	The agenda item on RE 2014-15 and BE
Estimate 2013-14 & Budget Estimate 2014-15	2015-16 (Revenue) was approved by BOG
Revenue) to the members present. He also shared that in view of suggestion of C&AG and the	members in its 28 th meeting held on 23 rd
nternal auditors, the BOG had directed NIFT to	February, 2015. No further action is required.
ollow accrual system for recognition of Fee	
ncome. Therefore, in the current Financial Year,	
NIFT had started following accrual system for	
recognition of fee income. As a result of which, there was a onetime negative impact on revenue of	
approximately Rs. 25 Crores for the year 2014-15.	
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. . The projections showed a deficit of Rs. 4.61 Crores in RE 2014-15. Director (F&A) explained that following a conservative accounting practice, most of the new campuses had not budgeted for state Govt grants which they were entitled for covering their losses. He also added that in the past, NIFT had been able to recover more non-plan grant from Government than the budgeted amount. Therefore considering it, NIFT was likely to generate a small surplus in year 2014-15 as against the projected loss of Rs. 4.61 crores in RE 2014-15.

AS & FA advised NIFT to exercise economy in non-plan expenses like Stationary, printing, travelling expenses, entertainment expenses etc. He felt that it should be left to the DG NIFT to monitor the same.

However during discussion on the agenda item it was seen that the actual expenditure for six months was Rs. 73.02 crores as against the RE 2014-15 of Rs. 190.86 crores. Therefore the expenditure in six months was only 38% of the annual sanction sought by the campuses. The F&AC took very strong objection to such a high sanction for expenditure sought by NIFT. It was felt that the campuses were over projecting their revenue expenditure. The F &AC directed DG NIFT to rework the RE 2014-15 after seeing the position of actual expense till December 2014. The F &AC authorized the Chairperson F &AC to consider and approve the revised RE 2014-15 and BE 2015-16 on file DG NIFT agreed to the suggestions and promised that he would review the RE 2014-15 and BE 2015-16 again and would put a file for the same for approval.

Accordingly, the RE 2014-15 & BE 2015-16 (Revenue) was reviewed and revised and a file was put up on 09.01.2014 to the Chairperson, F&AC seeking his approval for the revised estimates. The revised estimates submitted to the Chairperson were as below:

- As against the approved BE 2014-15 of Rs.188.09 Crores, RE 2014-15was reduced to Rs. 177.28 Crores implying a 5.74% cut in BE. This RE was Rs. 13.58 crores less than what was projected earlier for 2014-15.
- Also, the BE 2015-16 stands at Rs. 205.53 Croresas against the RE 2014-15 of Rs. 177.28 Crores showing an increase of Rs. 28.25 Crores (16%). The BE for 2015-16 was reduced by Rs. 14.36 Crores than what

was projected in the most	
was projected in the meeting.	
The chairperson, F&AC approved the revised	. · · · · · · · · · · · · · · · · · ·
estimates (revenue) on file which are placed at	
Annexure 1 for the perusal and reference of the members.	
The agenda will now be placed in BOG Meeting for approval.	
31 st F&AC: 29.12.2014	
Agenda item no. 3105 Subject: RE 2014 15 8 RE 2015 10 (Occurity I)	
Subject: RE 2014-15 & BE 2015-16 (Capital) Director (F&A) also presented the Revised	The events it
Estimate 2014-15 and BE 2015-16 (Capital) to the	The agenda item on RE 2014-15 and BE 2015-16 (Capital) was approved by BOG
members present. On the same lines as of the	members in its 28 th meeting held on 23 rd
revenue budget, AS&FA felt that the revised	February, 2015. No further action is
expenditures were too high in comparison to the	required.
actual expenditure for the six months ended 30 th September, 2014. It was felt that the campuses	
were over projecting their Capital expenditure. The	
F &AC directed DG NIFT to rework the RE 2014-15	. *
after seeing the position of actual Capital expense	
till December 2014. The F &AC authorized the Chairperson F &AC to consider and approve the	
revised RE 2014-15 and BE 2015-16 (Capital) on	
file DG NIFT agreed to the suggestions and	
promised that he would review the RE 2014-15 and	
BE 2015-16 again and put up a file for the same for approval.	
Accordingly, the RE 2014-15 & BE 2015-16	
(Capital) was reviewed and revised and a file was	
put up on 09.01.2014 to the Chairperson, F&AC	
seeking his approval for the revised estimates. The	
revised estimates submitted to the Chairperson were as below:	
 As against the approved BE 2014-15 of Rs. 	
218.44 Crores, RE 2014-15was proposed	
at Rs. 137.39 Crores. This implied a cut of	
37.11% in BE.	
Also the RE 2015 10 merces in a	
 Also, the BE 2015-16 was proposed at Rs. 154 58 Croresas against the RE 2014 15 of 	
154.58 Croresas against the RE 2014-15 of Rs. 137.39 Crores showing an increase of	
Rs. 17.19 Crores (12.5%).	
The chairperson, F&AC approved the revised	
estimates (Capital) on file which are placed at Annexure 2 for the perusal and reference of the	
members.	
The agenda will now be placed in BOG Meeting for	
approval.	
14	

SummaryAction TakenDirector F&A informed the members about the need for revising the eligibility and defining the financial limit regarding the reimbursement for handset in the existing policy. He also shared the audit objection raised by the NIFT's internal auditors in this regard.The Board was put up before the Board members in the 28 th BOG Meeting held or 23 rd February, 2015.After discussion, the members approved the modifications in the existing policy for entitlement of providing mobile handsets as brought out in the agenda notes, regarding return policy the AS & FA suggested that it should be as per Government of India guidelines (As per the existing norms of Prasar Bharti, the codal life of the mobile sets has been fixed for four years and a deprecation @ 25% per year is provided for calculation of the book value of the mobile set for the purpose of calculating its depreciated value.)The agenda was also recommended to BOG for approval.	SummaryAction TakenDirector F&A informed the members about the need for revising the eligibility and defining the financial limit regarding the reimbursement for handset in the existing policy. He also shared the audit objection raised by the NIFT's internal auditors in this regard.The agenda was put up before the Boar members in the 28 th BOG Meeting held o 23 rd February, 2015.After discussion, the members approved the modifications in the existing policy for entitlement of providing mobile handsets as brought out in the agenda notes, regarding return policy the AS & FA suggested that it should be as per Government of India guidelines (As per the existing norms of Prasar Bharti, the codal life of the mobile sets has been fixed for four years and a deprecation @ 25% per year is provided for calculation of the book value of the mobile set for the purpose of calculating its depreciated value.)Action TakenThe agenda was also recommended to BOG forThe agenda was also recommended to BOG forThe agenda was also recommended to BOG for	31 st F&AC: 29.12.2014 Agenda item no. 3106 Subject: <u>Account of Reimbursement of Mot</u>	bile Handset to entitled officers
need for revising the eligibility and defining the financial limit regarding the reimbursement for handset in the existing policy. He also shared the audit objection raised by the NIFT's internal auditors in this regard. After discussion, the members approved the modifications in the existing policy for entitlement of providing mobile handsets as brought out in the agenda notes, regarding return policy the AS & FA suggested that it should be as per Government of India guidelines (As per the existing norms of Prasar Bharti, the codal life of the mobile sets has been fixed for four years and a deprecation @ 25% per year is provided for calculation of the book value of the mobile set for the purpose of calculating its depreciated value.) The agenda was also recommended to BOG for	need for revising the eligibility and defining the financial limit regarding the reimbursement for handset in the existing policy. He also shared the audit objection raised by the NIFT's internal auditors in this regard. After discussion, the members approved the modifications in the existing policy for entitlement of providing mobile handsets as brought out in the agenda notes, regarding return policy the AS & FA suggested that it should be as per Government of India guidelines (As per the existing norms of Prasar Bharti, the codal life of the mobile sets has been fixed for four years and a deprecation @ 25% per year is provided for calculation of the book value of the mobile set for the purpose of calculating its depreciated value.) The agenda was also recommended to BOG for	Summary	Action Taken
		need for revising the eligibility and defining financial limit regarding the reimbursemen handset in the existing policy. He also shared audit objection raised by the NIFT's int auditors in this regard. After discussion, the members approved modifications in the existing policy for entitle of providing mobile handsets as brought out in agenda notes, regarding return policy the AS a suggested that it should be as per Governme India guidelines (As per the existing norm Prasar Bharti, the codal life of the mobile sets been fixed for four years and a deprecation @ per year is provided for calculation of the value of the mobile set for the purpose	g the members in the 28 th BOG Meeting held or 23 rd February, 2015. The Board while considering the agenda had directed that the policy of reimbursement of mobile handset of NIE may be studied and put up before the Board. In the & FA ent of is of s has 25%
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nexure-320) राष्टीय फैशन टैक्नालॉजी संस्थान

National Institute of Fashion Technology

जानन्द कुमार कोडिया, सी. ए., भार से. निदेशक (वित्त एवं लेखा)

Anand Kumar Kedia, C.A., I.R.S. Director (Fin.& Accts)

Reminder-II

1551(243)/NIFT/OSD(F&A)/Admissibility of 6th CPC/14-15

April 21, 2015

То

Ms. Sunaina Tomar, Joint Secretary, Ministry of Textiles, Udyog Bhawan New Delhi.

Madam,

Subject: Payment of additional burden arising on account of 6th CPC.

This office letters of even no. dated 07.11.2014 and 28.01.2015. Ref:

Kindly refer to this office letters under reference on the abovementioned subject (copy enclosed) requesting to release to Grant to Rs 46.90 Crores to meet the liability mentioned under subject.

In this regard, it is stated that even after lapse of more than four months no response is received from ministry. The C&AG auditors have raised objection on this issue. The Finance & Accounts Committee of NIFT headed by the Additional Secretary MOT, has also directed us to pursue this matter with Ministry and get it settled urgently.

Hence, it is once again requested to kindly expedite the matter and release a grant of Rs. 46.90 crore to NIFT to meet additional burden arising on account of 6th ČPC.

This issues with the approvat of DG, NIFT.

Yours faithfully,

(Anand Kumar Kedia)

A Premier Institute of Design, Management & Technology A statutory body under the NIFT Act 2006 The second s

NIFT Campus, Hauz Khas, New Delhi - 110016

Tel +91 11 26522568 (D) | Fax +91 11 26532603 | e-mail director.finance@nift.ac.in



राष्ट्रीय फैशन टैक्नालॉजी संस्थान National Institute of Fashion Technology आनन्द कुमार केडिया, सी. ए., भा. रा. से. निदेशक (वित्त एवं लेखा) Anand Kumar Kedia, C. A., I.R.S. Director (Fin.& Accts) January 28, 2015

1551(243)/NIFT/OSD(F&A)/Admissibility of 6th CPC/14-15

То

Shri G K Rajnish Under Secretary to the Govt. of India Ministry of Textiles, Udyog Bhawan New Delhi.

Subject: Payment of additional burden arising on account of 6th CPC. Ref: This office letter of even no. dated 07.11.2014

Kindly refer to this office letter under reference on the abovementioned subject (copy enclosed) requesting to release to Grant to Rs 46.90 Crores to meet the liability mentioned under subject.

In this regard, it is stated that even after lapse of more than two months no response is received from your end.

Hence, it is once again requested to kindly expedite the matter and release a grant of Rs. 46.90 crore to NIFT to meet additional burden arising on account of 6th CPC.

Thanking you,

Yours faithfully,

(Anand Kumar Kedia)

CC: Joint Secretary, Ministry of Textiles

A Premier Institute of Design, Management & Technology A statutory body under the NIFT Act 2006 Set up by the Ministry of Textile Govt. of India

NIFT Campus, Hauz Khas, New Delhi - 110016

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राष्ट्रीय फैशन टैक्नालॉजी संस्थान National Institute of Fashion Technology आनन्द कुमार केडिया, सां. ए., भा. रा. से. निदेशक (वित्त एवं लेखा) Anand Kumar Kedia, C.A., I.R.S. Director (Fin.& Accts)

No. 1551(243)/NIFT/DD (F&A)/OSD(F&A)/Adm. Claims of 6th CPC/14-15 07.11.2014

Shri Parveen Jargar Under Secretary to the Govt. of India Ministry of Textiles Udyog Bhavan New Delhi

Sub: Payment of additional burden arising on account of 6th CPC.

 The Cabinet while approving the Block Grant scheme as proposed in paragraph 3 of the Cabinet Note dated October 17th 2007, had approved revised funding pattern on the line of existing Block Grant schemes for IIT's, IIM's etc to provide greater autonomy to NIFT. The Scheme of Ministry of HRD approved by cabinet in 2005 in respect of higher educational Institutes of importance is at Annexure 1 of the above mentioned Cabinet note. Para (iii) of the salient features listed on page 11 of the Cabinet note are reproduced below

"Special grants shall be provided as Force majeure in the event of revision of scales of pay and other unforeseen events. The force majeure clause will, however, not be invoked for any increase in rate of Dearness Allowance/Dearness Relief payable to employees/pensioners of the Institutes".

- In accordance with above provisions, NIFT has requested the ministry for grant of Rs. 46.90 crores to meet the additional burden arising on account of 6th CPC. The desired campus wise comprehensive details were provided with a request to release an amount of Rs.46.90 crores vide letter no. NIFT/FW/ROG/2004-05/Vol-V/12-13 dated 26th March, 2013 (Copy placed at Annexure-I):
- 3. In this regard a discussion took place in your office on 5.9.2014 with reference to the above subject and MOT letter No. 1/39/2011-NIFT dated 1.9.2014. During the discussions, we were asked to provide the salary details of old 07 NIFT campuses and Head Office for the Calendar year 2005-06. The same is placed at Annexure-

A Premier Institute of Design, Management & Technology	12 Martin Cameral St. William	· ,
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NIFT Campus, Hauz Khas, New Delhi - 110016	The state of the s	- ·
Tel +91 11 26522568 (D) Fax +91 11 26532603 e-mail directo	br.finance@nilt.ac.in	www.nift.ac.in

From the Annexure-II, it can be seen that the additional financial implication comes to Rs.6.17 crores per annum. Therefore, as per the method suggested in this meeting, NIFT should get a grant of Rs. 27.75 cores for the period 1.10.2008 to 31.3.2013.

-2-

- 4. It is requested that NIFT may be given grant of Rs.46.90 crores towards 6th CPC as against Rs.27.75 crores worked in para 3 above, since the effect of 6th CPC was not only on existing old 07 campuses of NIFT but also on the new campuses of NIFT as the new campuses had to follow the same fees and salary pattern as the old campuses.
- 5. NIFT has been following up this issue and has requested several times vide its letter dated 6.4.2011, 22.2.2012 & 9.7.2012 in response to MoT letters dated 31.12.2012, 7.3.2013 & 7.1.2013 & 26.3.2013. Further DG, NIFT has raised this issue vide his DO letter dated 16.12.2013 & 9.6.2014 to Secretary (Textiles), copy placed at Annexure-III.
- 6. The issue was also raised by AS&FA, Chairperson of Finance & Audit Committee (F&AC) of NIFT in its meeting held on 21.8.2013. The copy of the minutes of the said F&AC meeting is placed at Annexure-IV. Further, F&AC has directed in this meeting held on 19.11.2013 that the matter of admissibility of claims of 6th CPC may be taken at the highest level. The copies of the minutes of the said F&AC meetings are placed at Annexure-V.
- 7. In view of the above, may I request you to kindly expedite the decision on this issue as in year 2010-11 NIFT has booked the amount receivable from ministry towards 6th CPC arrear as income and the C&AG has asked us to settle this matter expeditiously.

In view of the above, you are requested to kindly get this matter settled one way or the other and release a grant of Rs. 46.90 crores to NIFT to meet this liability.

Thanking you

Yours sincerely

(ANAND KUMAR KEDIA)

Encl: As above

, हशन टैक्नालॉजी संस्थान

/व. भारत सरकार) /तनेजमेंट और टैक्नालॉजी का महाविद्यालय

Stry of Textiles, Govt. of India) lege of Design, Management and Technology

NIFT/FW/ROG/2004-05/Vol.V/2012-13

To,

Mr. Matias Bihan Under Secretary to the Govt. of India Ministry of Textiles, Udyog Bhawan, New Delhi.

Sub: Adoption of Revised Pay Scales for employees of the NIFT on the recommendation of the Sixth Central Pay Commission: Reg.

Sir,

Kindly refer to your letter no. 1/91/2009-NIFT dated 07.03.2013 on the captioned subject. The desired employee wise comprehensive details for each centre for adoption of revised pay scales under 6th Pay Commission, their pay scales and period of arrears and amount of additional pay are enclosed herewith along with the consolidated details in Annexure – I.

It is, therefore, requested to release an amount of ₹ 46.90 Crore for adoption of 6th CPC revised pay scales for the employees of NIFT.

This issues with the approval of the DG - NIFT.

Thanking you,

Yours faithfully (Abdul Malik) Dy. Director (F&A)

March 26, 2013

Encl: As above

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Annexure - I

Consolidated employee wise details of additional pay (Basic + GP) due to implementation of 6th CPC in NIFT

C N1.	and the second						Rs. In Lakhs	
S.No.	NIFT Centres	2008-09	52009 10	2010 11	亦参照2011年17	FURS (2012)1	E Se e Rutiotal	TE SEA STATE
	THEFT NEW DEINI	204(04)	211.48	233.34	281.51	188.2		1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1
<u>· 2</u>	NIFT Mumbai	\$62.91	365 89		1.00% C1.70 00	169VII	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	·
3	NIFT Kolkata	20188:35	100 A 100 A 100	2010105	(1-1) - 10 - 10 - 10 - 10 - 10 - 10 - 10	Ress Sidner	45966-85	
4	NIFT Chennai	1.543 578532	100000	Aris 00/12	See 200		00000000000000000000000000000000000000	
5	NIFT Bhopal	216 10	Sec. 5	CALCULATION OF	1994 - 1995 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 -			
<u> </u>	NIFT Hyderabad	76117	100.07	1.2408.103	LESUPATION OA	tides 0.9 solve for a		
7	NIFT Bangaluru	4. 468 73	8.5.015677	Parvaic	678-1-576569775		(10445-10505150 1045-20169447	
8	NIFT Raibareli		1442-356407	507102	8.765 2105 05	America (1997)	Contraction DO 41/2	
9	NIFT Jodhpur						1000 1000	
10	NIFT Gandhi Nagar	SZ 200			2,2,76,2,50,93			
· 11	NIFT Shilong	17 10 20	42232051				020000000000000000000000000000000000000	·
12	NIFT Kangra	1000						
_13	NIFT Kannur	70376301996					1.24-11-220000 122-11-22-12000	
14	NIFT Patna	1.0113557/39	A RIAR	A STATE DIDN'	246-36-20/50		2231222420130	
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						90% of above	4689.54	

Say in Crores 46.90

ste : The centre wise employee wise details of each centre are enclosed here with.

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Annexure-II

NIFT

Salary details of old 7 NIFT Campuses along with Head office during the calendar year 2005 and calendar year 2006

(Rs. In Lakhs)

Sr.		Total salary expenditure during	Total salary expenditure during 2006 (after considering the impact
no.	Particulars	2005	of 6 th CPC)
1	Basic	467.62	884.19
2	Grade Pay	0.00	293.90
3	DA	135.87	35.71
4	HRA	164.53	280.18
5	ТА	15.25	41.39
6	DP	210.44	21.97
7	CCA	10.40	-4.61
	NIFT Contribution to		
8	4 ··· ·	93.08	152.18
9	Total	* 1097.20	1714.09

राष्ट्रीय फैशन टैक्नालॉजी संस्थान National Institute of Fashion Technology

प्रेम कुमार गेरा, आई. ए. एस. महानिदेशक

Prem Kumar Gera, IAS Director General

D.O.No 1551(243)/NIFT/OSD(F&A)/Admissibility of 6th CPC/14-15

June 4th , 2014

Dear

Kindly refer to my DO letter no. NIFT/FW/ROG/13-14/Vol VI dated 16th December, 2013 (copy enclosed) seeking your convenience for discussing the matter of admissibility of claims of 6th CPC.

In the Block Grant Scheme for funding the NIFT, it was provided vide sub Para (III) that special grant shall be given as (Force Majeure) in the event of revision of the pay scales and other unforeseen events. NIFT has implemented 6th Pay Commission Recommendation as per Govt of India OM No. 7/23/2008-E III (A) dated 30th September, 2008.

Due to implementation of 6th Pay Commission, liability towards Pay & Allowances has increased to the tune of Rs. 10 Crore per annum. Accordingly we have requested several times vide our letter dated 06.04.2011, 22.02.2012 & 09.07.2012, for additional grant of Rs.10 crores per annum amounting to Rs. 45 crores for the period 1-10-2008 to till 31-03-2013. In response to our letters MoT had desired some details vide their letter dated 31.12.2012 & 07.03.2013 against which suitable reply was sent vide our letter dated 07.01.2013 & 26.03.2013 (copy enclosed). No fund has been released on this account by MoT till date.

This issue was also raised by the AS&FA as the Chairperson of NIFT Finance and Accounts Committee (F&AC) in its meeting held on 21st August, 2013 (copy enclosed), whereby the chairperson directed that I may seek an appointment with you and the matter may be discussed to resolve the issue.

Further, F&AC has directed in its meeting held on 19th November 2013 (copy enclosed) that the matter of admissibility of claims of 6th CPC may be taken at the highest level and for this a meeting may be held with Secretary (T) where Joint Secretary handling NIFT and Additional Secretary and Financial Advisor of Ministry could be invited.

In view of above, may I again request you to kindly give me some time when AS&FA and Joint Secretary would also be requested to discuss this issue in person.

With

To

Yours sincerely Sd/-(Prem Kumar Gera)

(Prem Kumar

Ms. Zohra Chatterji, IAS

Secretary (Textiles), Ministry of Textiles, Govt. of India

Encl.: As above

CC: Shri B P Pandey, IAS

Additional Secretary and Financial Advisor (Textiles) A Premier hypotyte of Design, Management & Technology A statutory body under the NIFT Act 2006

NIFT Campus, Hauz Khas, New Delhi - 110016

t +91 11 26851259 26564270 | f +91 11 26851198 | e do@nift.ac.in

CATRACTS OF MINUTES OF THE 24" MEETING OF THE FINANCE & AUDIT COMMITTEE (F&AC) HELD ON 21" AUGUST, 2013 (WEDNESDAY) AT 3.00 P.M AT THE OFFICE OF AS&FA, MINISTRY OF TEXTILES, UDYOG BHAWAN, NEW DELHI

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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 6th 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 6th 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.

EXTRACTS OF MINUTES OF THE 25TH MEETING OF FINANCE & AUDIT COMMITTEE (F&AC) HELD ON 19th NOVEMBER, 2013 (TUESDAY) AT 3.30 P.M. AT THE OFFICE OF AS&FA, MISITRY OF TEXTILES, UDYOG BHAWAN, NEW DELHI

हागिदरामा

AGENDA ITEM NO.2502

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

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

- (i) In the last meeting it was decided that DG should take up the matter of admissibility of claims for 6th CPC arrears at the highest level and for this a meeting of Secretary (Textiles), Minister of Textiles, where Joint Secretary and Financial Advisor of the, Ministry could be invited. AS&FA again emphasised that this meeting may be expedited.
 - (ii) While taking note of the Action Taken Report on the Advances, the AS&FA suggested that reasonable efforts should be made to dig out the old files and to read/ analyse them. Case summary may be prepared of these advances to PSUs and Non PSUs. A letter may be written to them giving deadlines to clear the advances and if no records are found in NIFT, efforts may be made to see the records available with PSUs and Non PSUs 'regarding those advances. If despite of above efforts, the advances do not get settled, the matter may be reported to BOG.
 - (iii) As far as advances to employees are concerned; letters may be written to them to settle the advances without delay and it as per them they have settled the advances and the same is not reflected in NIFT Accounts, they may be suggested to provide papers in support of their claim regarding settlement of Advances.
 - (iv) It was also proposed that a system may be introduced so that all the advances get reconciled in next year.
 - (v) AS&FA suggested NIFT to put up their case for Block Grant Campus wise to the Central Government.

Anneruse- 3202/II

Annexure 2

REPORT ON OUTSTANDING ADVANCES

The old outstanding advances at Head Office in respect of the Contractors / Staff were pending for settlement / recovery since 1993–94. In the year 2005-06, as per the directions given by BPFC an Advance settlement cell was created by taking expeditious adjustment/recovery. Total outstanding advance against contractor and staff was Rs. 339.00 lacs and Rs. 177.55 lacs as on 31.03.2004 respectively. The settlement cell had adjusted advances to the extent of Rs.286.50 lacs in respect of Contractors and Rs.138.80 lacs in respect of Staff during the financial year 2005- 06 & 2006-07. The settlement cell had also issued legal notices to the parties.

Now as on 01.04.2014, there were outstanding advances in respect of Contractors by Rs.69.21 lacs and in respect of Staff by Rs. 29.33 lacs.

We have worked out transaction wise details of advances and based on relevant available files and personal follow up with the concerned parties / staff to submit photocopy / duplicate bills. As a consequence of this exercise, the present status as on 31.03.2015 is given below:

SR. NO.	PARTICULARS	OUTSTANDING AS ON 01.04.2014		OUTSTANDING ADVANCE SETTLED DURING THE F/Y 2014 - 15		BALANCE OLD OUTSTANDING ADVANCE AS ON 31.03.2015	
		NO OF CASES	AMOUNT	NO OF CASES	AMOUNT	NO OF CASES	AMOUNT
1	ADVANCE TO CONTRACTORS	95	69,21,445.00	43	22,44,053.00	52	46,77,392.00
2	ADVANCE TO STAFF	70	29,32,738.79	32	749,418.00	38	21,83,320.79
	TOTAL	165	98,54,183.79	75	29,93,471	.90	68,60,712.79

Further, action for the settlement / write off of old advances is being taken up on regular basis in phase manner after tracing out the transaction wise details of advances and relevant files / vouchers in certain cases. Correspondence / personal follow up with the concerned is also made on regular basis. Action will be taken for settlement / write off of old advances in remaining cases during the current financial year 2015–16.

AGENDA ITEM NO. 3203

STATUS OF CAPITAL EXPENDITURE AND REVENUE INCOME & EXPENDITURE FOR NINE MONTHS ENDING DECEMBER 31st, 2014

1. SCOPE OF PROPOSAL:

The agenda is submitted for review of Status of Capital Expenditure and Revenue Income & Expenditure for nine months ending December 31st, 2014.

2. GENESIS:

The Capital Expenditure and Revenue Income & Expenditure for nine months ending December 31st, 2014 along with RE 2014-15 and the comparison with Capital Expenditure and Revenue Income & Expenditure for corresponding period in the previous Financial Year are given in the table below.

3. CAPITAL EXPENDITURE:

Rs. In Lakhs

SI. No.	Particulars	Actual Exp. for nine months ended December 2013	RE 2014- 15	Actual Exp. for nine months ended December201 4	Variance	Total Exp. as % of Annual Budget
1	2	3	4	5	6 = 5 - 3	7= 5/4*100
1	Building	4432.86	8583.58	5042.64	609.78	58.75 %
2	IT	146.92	1621.35	815.86	668.94	50.32 %
3	Non-IT	403.13	3533.93	1187.05	783.92	33.59 %
	Total	4982.91	13738.86	7045.55	2062.64	51.28 %

Reasons for variances in Capital Expenditure are explained here as under:-

- i. The capital expenditure under the head building for nine months ended Dec. 2014 is Rs.5042.64 lakhs in comparison to budget revised estimate (RE) of Rs. 8583.58 lakhs, which is 58.75% of annual budgeted expenditure. The campus wise position of capital expenditure and budgeted expenditure is given in enclosed Annexure-3203/I. The reason for capital expenditure utilization /achievements are explained here as under:
 - a) Delhi campus has budgeted Rs. 1541.75 lakhs, while its actual capital expenditure booked in the books of accounts for the nine months ended Dec. 2014 is Rs. 750 lakhs. Reason for shortfall is slightly slow pace of work by DSIIDC.
 - b) Chennai campus has budgeted Rs.1687.50 lakhs, while its actual capital expenditure booked in the books of accounts for the nine months ended Dec. 2014 is Rs. 800 lakhs. An amount of Rs. 300 lakhs has already been paid to CPWD in Jan 2015. The shortfall is attributable to slow execution by CPWD.

- c) Kangra campus has budgeted Rs. 861 lakhs while its actual capital expenditure for the nine months ended Dec. 2014 is Rs.420 lakhs. The shortfall is attributable to slow execution by DSIIDC.
- d) Mumbai campus has budgeted Rs.1179.17 lakhs while its actual capital expenditure for the nine months ended Dec. 2014 is Rs. 729.27 lakhs. The underutilization of this capital expenditure is mainly due to slow progress of work and non-receipt of bills from CIDCO. Balance payment will be released to CIDCO on receipt of bills and expenditure statement.
- e) Shillong campus has budgeted Rs. 1500 lakhs while its actual capital expenditure for the nine months ended Dec. 2014 is Rs.1022 lakhs. The balance amount is expected to be utilized by March 2015.
- f) Kannur campus has budgeted Rs.122.72 lakhs while the actual expenditure for nine months ended Dec. 2014 is Rs.4.72 lakhs. The balance expenditure mainly pertains to furnishing of auditorium of Rs. 86 lakhs and setting up multipurpose court of Rs. 17 lakhs. For auditorium, bids were received and processed and these will be completed by June 2015. Similarly for multipurpose court estimate has been prepared and tender will be floated and these will be able to complete by June 2015.
- ii. Capital expenditure under the head IT for nine months ended Dec 2014 is Rs.815.86 lakhs in comparison to budgeted revised estimate (RE) of Rs. 1621.35 lakhs, which is 50.32% of annual budget. The reasons for capital expenditure utilization /achievements are explained here as under:
 - a) Head Office has budgeted for Rs.308.18 lakhs while the actual expenditure for nine months ended Dec. 2014 is Rs.3.46 lakhs. Regarding video conferencing Rs. 259 lakhs is payable to TCIL for which they have already raised an invoice. However payment would be made only after final testing.
 - b) Bhopal campus has budgeted Rs. 147.47 lakhs while the actual expenditure for nine months ended Dec. 2014 is Rs.110.53 lakhs. For unspent amount, Rs.20.00 lakhs was budgeted for computer lab for AD department & Rs. 6.00 lakhs was for firewall setup. Similarly, Rs. 5 lakhs was budgeted for software & Rs. 3.00 lakhs for laptop etc. It is expected to spend by the end of March 2015.
 - c) Bhubaneswar campus has budgeted for IT Rs. 129.75 lakhs while the actual expenditure for nine months ended Dec. 2014 is Rs.79.17 lakhs. The capital expenditure is incurred by IDCO out of State Govt. Grant (for this capital expenses, fund is parked with IDCO) and it provides the utilization certificate on periodic basis.
 - d) Chennai campus has budgeted for IT Rs. 123.66 lakhs while the actual expenditure for nine months ended Dec. 2014 is Rs.59.11 lakhs. Tender of Rs. 25 lakhs for computers and Rs. 8 lakhs for laptops is being processed. Rs. 15.00 lakhs for sheima seiki and Rs. 5 Lakhs for video conferencing is to be procured centralized by HO.
 - e) Gandhinagar campus Out of total approved amount of Rs. 151.83 lakhs, Rs. 63.12 has been utilized, for Rs. 61.43 lakhs tender has been floated.

- f) Kangra campus has budgeted Rs.193 lakhs while the actual expenditure for nine months ended Dec. 2014 is Rs.116.59 lakhs.Rs.38.52 lakhs for work station, Rs.35 lakhs for video conferencing and Rs. 23.30 lakhs for UPS is under process of procurement.
- g) Mumbai campus has budgeted Rs.56.21 lakhs while the actual expenditure for nine months ended Dec. 2014 is Rs.12.74 lakhs. Due to delay in construction of Building by the CIDCO, the items which were to be purchased for setting up F&LA Design Department could not be procured as there were no space to set up these items.
- iii. Capital expenditure under the head Non-IT for nine months ended Dec 2014 is Rs.1187.05 lakhs in comparison to budget revised estimate (RE) of Rs. 3533.93 lakhs, which is 33.59% of annual budget. The reasons for low capital expenditure/achievements are explained here as under:
 - a) Jodhpur campus has budgeted Rs.797.77 lakhs while the actual expenditure for nine months ended Dec 2014 is Rs.5.50 lakhs. The proposal towards procurement of furniture for permanent campus amounting to Rs. 700 lakhs for which RAVIL (Construction agency) has initiated the procurement process. Further, the campus has initiated the tender process for procurement of machinery for DFT, TD and AD department amounting to Rs. 85 lakhs for which purchase order will be issued soon.
 - b) Kangra campus has budgeted Rs.377 lakhs while the actual expenditure for nine months ended Dec 2014 is Rs. 72.80 lakhs. The capital procurement is under process for purchase of books, gym equipment, AD lab equipment, Library security system, furniture dress form, solar light and expenses for DFT.
 - c) Kannur campus has budgeted Rs. 219.84 lakhs while the actual expenditure for nine months ended Dec 2014 is Rs.73.59 lakhs. It is expected to be utilized soon as tender have been floated for furniture & fixture and other items etc.
 - d) Delhi campus has budgeted Rs.49.23 lakhs while the actual expenditure for nine months ended Dec. 2014 is Rs.0.06 lakhs. For balance amount of Rs. 49.17 lakhs, tendering process is going on for CCTV, dress forms, projectors, and various machines for classrooms/labs etc.
 - e) Bengaluru campus has budgetedRs.136.97 lakhs while the actual expenditure for nine months ended Dec 2014 is Rs.52.42 lakhs. Purchase order has been issued for Rs.17.75 lakhs; tenders are in process for Rs. 62.70 lakhs and will be procured soon.
 - f) Bhubaneswar campus has budgeted Rs.140.05 lakhs while the actual expenditure for nine months ended Dec 2014 is Rs.99.27 lakhs. The capital expenditure is incurred by IDCO out of State Govt. Grant (for this capital expenses, fund is parked with IDCO) and it provides the utilization certificate on periodic basis.
 - g) Gandhinagar campus has budgeted Rs.51.27 lakhs. Out of total approved amount of Rs.51.27 lakhs, Rs. 8.21 lakhs has been utilized, for Rs. 25.50 lakhs tender has been floated and balance of Rs. 17.56 lakhs is expected to be procured soon.
 - h) Kolkata campus has budgeted Rs. 109.77 lakhs while the actual expenditure for nine months ended Dec 2014 is Rs.43.24 lakhs. Purchase procedure for furniture

and fixtures and academic infrastructure has been initiated for balance Rs. 66.53 lakhs and will be purchased soon.

- i) Mumbai campus has budgeted Rs.749.25 lakhs while the actual expenditure for nine months ended Dec 2014 is Rs.310.64 lakhs. Due to delay in construction of Building by the CIDCO the items which were purchased for setting up F&LA Design Department could not be procured as there were no space to set up these items.
- j) Patna campus has budgeted Rs. 418.13 lakhs while the actual expenditure for nine months ended Dec 2014 is Rs.270.48 lakhs. Two new courses have been introduced at NIFT Patna from July 2014. Setup for FC and AD lab is in progress.
- k) Rae Bareli campus has budgeted Rs.101 lakhs while the actual expenditure for nine months ended Dec 2014 is Rs.68.74 lakhs. Procurement Process for equipment is underway.
- I) Shillong campus has budgeted Rs.41.21 lakhs while the actual expenditure for nine months ended Dec 2014 is Rs.2.48 lakhs. Out of balance Rs. 38.73 lakh a purchase order has been issued for Rs.9 lakhs regarding books and tendering for furniture & equipment will be issued by last week of March 2015.
- m) Srinagar campus has budgeted Rs.55.42 lakhs while the actual expenditure for nine months ended Dec 2014 is Rs.9.31 lakhs. Purchase Order of Rs. 28 lakhs for machine and Rs. 18 lakhs for books & periodicals has been issued.

CHANGE IN ACCOUNTING PRACTICE:

In current financial year 2014-15, the accounting practice for recognition of income has been changed as per the directions of Board of Governors (BOG) in their 25thmeeting dated June 26, 2014. Earlier the incomes were recognized on cash basis i.e. as and when an income is actually received while in current financial year, it has been changed to accrual basis i.e. income is recognized when it is earned irrespective of fact that it is actually received or not. For example, fee for regular programs is received semester wise in the month of January and July for the semesters January to June and July to December respectively. The fee received in January 2014 for the semester January to June 2014 booked in January itself ignoring the fact that it pertains to two quarters i.e. January to March and April to June.

Further campuses were accounting for expenditure on accrual basis only at the year end. Expenditure was not shown on accrual basis if we look at quarterly result. As a result quarterly report had little meaning, since in first three quarter only some of the expenses used to be booked for which bill was received, most of the expenses were booked in last quarter. From the year 2014-15 all campuses have been directed to account for all major expenses on accrual basis in the quarterly accounts itself. For example, up to last year, the security expenses for the month of June which were actually paid in the month of July were recognized in the month of July but in current quarter the security expenses for the month of June itself even if payment has not been made.

4. REVENUE EXPENDITURE AND INCOME:

Rs.in Lakhs

SI. No.	Particulars	Actual Exp. for nine months ended December2013	RE 2014-15	Actual Exp. for nine months ended December 2014	Variance	Variance %
1	2	3	4	5	6 = 5 - 3	7=6/3*100
	Expenditure					
1	Academic Exp.	804.65	2355.42	1638.55	833.90	103.64%
2	Other Administrative Exp.	747.34	1302.86	825.15	77.81	10.41%
3	Building Exp.	542.50	1331.96	946.55	404.06	74.48%
4	Establishment Exp.	5471.64	9364.56	6633.40	1161.77	21.23%
5	Depreciation	626.16	2051.77	1588.54	962.38	153.70%
	Total Revenue Expenditure	8192.28	16406.57	11632.20	3439.91	41.99%

SI. No.	Particulars	Actual Exp. for nine months ended December 2013	RE 2014-15	Actual Exp. for nine months ended December 2014	Variance	Variance %
1	2	3	4	5	6 = 5 - 3	7=6/3 * 100
	Income					
1.	Fee from Regular Programme	7261.20	12702.36	8676.83	1415.63	19.50%
2	Surplus form Hostels	621.74	345.22	339.14	-282.60	-45.45%
3	Misc./Other Receipts	199.82	392.90	292.38	92.56	46.32%
4	Interest Income	1245.91	2699.45	1948.42	702.51	56.39%
5	Non Plan - Grant in Aid	0.00	470.94	389.13	389.13	100%
6	Surplus from CE Programme	343.54	501.61	465.51	121.97	35.50%
7	Surplus from Projects& Workshops	14.20	189.80	46.29	32.09	225.99%
}	Total Revenue Income	9686.41	17302.28	12157.70	2471.29	14.64%
	Surplus/ (Deficit)	1494.13	895.71	525.51	-968.62	-27.35%

From the above table it can be seen that the surplus for the nine months ended Dec, 2014 is Rs. 525.51 lakhs in comparison to surplus from corresponding previous year ended Dec, 2013 of Rs. 1494.13 lakhs. Thus there is a decrease in surplus by Rs. 968.62 lakhs.

Reason for decrease in surplus is due to increase in expenditure by Rs. 3439.91 (41.99%). The total revenue expenditure for the current nine months is Rs.11632.20 lakhs in comparison to corresponding nine months in previous year of Rs. 8192.28 lakhs. Reason for increase in expenditure is as under:

- The expenditure in 3rd quarter of current year vis-à-vis the corresponding period of last year is not comparable as accounting practice has been changed in current financial year. Expenditure figures for current quarter are on accrual basis while the figures for corresponding quarter in previous year are on cash basis.
- 2. Building expenditure in some of the campuses has grown since more courses are being introduced and increase is due to high electricity and power back up expenses, security, housekeeping & maintenance.
- 3. The establishment expenditure is increased due to increase in DA rates and annual increments and provision made for Gratuity and Leave Salary on accrual basis. And also due to large scale recruitment done to fill the vacancies in Bhubaneswar, Kannur, Patna.
- 4. The academic expenditure has increased by 103.64 %. Main reason for increase is that in current year the campuses have recognized 20% share of tuition fee as HO share for first years students which has been booked under head academic expenditure and there was no such sharing of fee in last year.
- 5. The increase in depreciation 153.70% is due to adoption of accounting for depreciation on accrual basis which was not in the last year.

On the income side the major variation in income is due to following reasons:

- 1. Decrease of 45.45% in surplus from hostel is due to change in method of accounting i.e. accrual basis implemented during the year.
- 2. The increase of 56.39% in interest income is due to interest has been taken on accrual basis of accounting.

5. CAMPUS WISE EXPENDITURE:

Campus wise expenditure for nine months ended Dec, 2014 and the corresponding nine months of the previous year ended Dec, 2013 is placed at **Annexure–3203/II.** The financial status of the campuses is being monitored regularly so that the Campus Directors are held responsible for profitability of their Campuses.

6. DG'S RECOMMENDATION:

DG NIFT has recommended that the agenda may be put up before F&AC for perusal.

7. MATTER FOR CONSIDERATION OF F&AC:

The agenda is for perusal and approval please.
Annenuse- 3203/I

<u>Campuswise Budegted Vs. Actual Capital Expenditure</u> (For the nine months period ended on 31 December 2014)

.

Annexure - I

•.·		r				In Lakhs
Campus Name	Particulars	Actual Ćapital Exp. for nine months ended Dec., 2013	RE 2014-15	Actual Capital Exp. for nine months ended Dec., 2014	Variance (Actual up to Dec, 2014 Vs. Actual upto Dec, 2013)	Actual Capital Exp. as % of Annual Budget
1	2	3	4	5	6=5-3	7 = 5/4*100
-	Building	0.00	0.00	0.00	-	0.00%
Head Office	IT.	52.61	308.18	3.46	(49.15)	1.12%
1 Head Office Delhi Chennal Kolkata	Non-IT	4.90	17.00	14.77	9.87	86.88%
Head Office Delhi Chennal	Total	57.51	325.18	18.23	(39.28)	5.61%
	Building	0.00	1541.75	750.00	750.00	48.65%
Delhi	IT Non-IT	2.71	21.27	8.07	5.36	37.95%
	Total	3.51	49.23	0.06	(3.45)	0.12%
- ·	Building	<u>6.22</u> 501.39	1,612.25 1687.50	758.13 800.00	751.91 298.61	47.02%
	IT	0.11	123.66	59.11	59.00	47.41% 47.80%
· · ·	Non-IT	3.33	88.84	48.24	44.91	54.30%
	Total	504.83	1,900.00	907.35	402.52	47.76%
	Building	59.46	30.17	30.85	(28.61)	102.25%
Kolkata	П	5.86	55.55	30.72	24.86	55.30%
. <i>.</i>	Non-IT	29.69	109.77	43.24	13.55	39.39%
	Total	95.01	195.49	104.81	9.80	53.61%
Gandhinagar	Building	180.00	290.66	268.55	88.55	92.39%
	IT	6.44	151.83	57.16	50.72	37.65%
	Non-IT	4.36	51.27	5.71	1.35	11.14%
	Total	190.80	493.76	331.42	140.62	67.12%
Mumbai	Building	1260.67	, 1179.17	729.27	(531.40)	61.85%
		27.10	56.21	12.74	(14.36)	22.67%
	Non-IT	27.15	749.25	310.64	283.49	41.46%
-	Total Building	1,314.92	1,984.63	1,052.65	(262.27)	53.04%
Bengaluru		8.93 0.00	<u>54.50</u> 13.36	23.44	<u>14.51</u> 4.26	43.01%
	Non-IT	9.60	136.97	52.42	4.20	<u>31.89%</u> 38.27%
	Total	18.53	204.83	80.12	61.59	39.12%
	Building	0.00	69.00	0.00	-	0.00%
Bengaluru Hyderabad	П	0.00	27.50	0.00		0.00%
	Non-IT	0.57	46.50	16.88	16.31	36.30%
	Total	0.57	143.00	16.88	16.31	11.80%
	Building	75.63	0.00	0.00	(75.63)	0.00%
Hyderabad Raibareily	IT	0.00	79.10	59.51	59.51	75.23%
	Non-IT	45.10	101.00	68.74	23.64	68.06%
	Total	120.73	180.10	128.25	7.52	71.21%
	Building	0.00	1,500.00	1,022.00	1,022.00	68.13%
Shillong	Non-IT	3.03	70.58	<u>51.53</u> 2.48	48.50	73.01%
	Total	12.52	1,611.79	1,076.01	(7.01) 1,063.49	<u>6.02%</u> 66.76%
	Building	3.52	122.72	4.72	1,003.43	3.85%
	IT	19.02	82.76	79.93	60.91	96.58%
Kannur	Non-IT	133.40	219.84	73.59	(59.81)	33.47%
<u> </u>	Total	155.94	425.32	158.24	2.30	37.20%
	Building	0.00	861.00	420.00	420.00	48.78%
Kangra		1.00	193.00	116.59	115.59	60.41%
	Non-IT	7.99	377.00	72.80	64.81	19.31%
	Total Ruilding	8.99	1,431.00	609.39	600.40	42.58%
ſ	Building	0.00	2.20	0.19	0.19	8.64%
Bhonal	1.1	1.07	147.47	110.53	109.46	74.95%
Rhonaí í	Non-IT	17.19	134.68	92.92	75.73	68.99%

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						_
	Building	962.08	851.00	599.71	(362.37)	70.4
Patna	IT	2.45	111.30	99.60	97.15	89.49
	Non-IT	13.62	418.13	270.48	256.86	64.69
<u> </u>	Total	978.15	1,380.43	969.79	(8.36)	70.25
	Building	0.00	0.00	0.00		0.00
Bhubaneswar	<u>П</u>	20.07	129.75	79.17	59.10	61.02
	Non-IT	73.52	140.05	99.27	25.75	
	Total	93.59	269.80	178.44	84.85	70.88
Jodhpur	Building	1381.18	393,91	393.91	(987.27)	66.14
	IT	5.45	28.78	22.43	16.98	100.00
in the set	Non-IT	19.71	797.77	5.50	(14.21)	77.94 0.69
	Total	1,406.34	1,220.46	421.84	(984.50)	34.56
	Building	0.00	0.00	0.00	(304.00)	0.00
Srinagar	IT	0.00	21.05	21.05	21.05	100.00
• magai	Non-IT	0.00	55.42	9.31	9.31	16.809
	Total		76.47	30.36	30.36	
		- · · · · ·				39.70%
n anti Basi Matri Jan Juan Ing	Building	4432.86	8583.58	5042.64	609.78	E9:760
Consolidated	П	146.92	1621.35	815.86	668.94	58.759
	Non-IT	403.13	3533.93	1187.05	783.92	50.329
	Total	4982.91	13738.86	7045.55	2,062.64	<u>33.59%</u> 51.28%

nnerwe-3203/II

<u>Campuswise Budegted Vs. Actual Revenue Expenditure</u> (For the nine month period ended on 31st Dec. 2014)

('n -

Annexure - II

	nth period ended on 3	13(,000, 2014)					
NA 27 TO STORE MODULE AND THE STORE STORE							in Lakh
Gampis Name	Particulars	Academic	En So	Administry	Sunding	Depreciation	Fotal
		Exp.			EXO .	<u></u>	
	9 months ended Dec 2014	218.99	672.14	146.68	40.07	33.00	1110.8
Head Office	9 months ended	97.85	521.96	, 97.55	19.10	33.00	769.4
	Dec, 2013				L .	· .	
	Variance Variance %	123/80			a second design and provide the second s	0.000	at the same way and the same and the same and the
· · · · · · · · · · · · · · · · · · ·	9 months ended	1	1	-	1		44.3
-	Dec 2014	176.40	1020.22	66.08	194.12	110.00	1566:8
Delhi	9 months ended Dec, 2013	101.46	827.39	74.87	138.10	0.00	1141.8
	Variance	100 Co 7 4 94	192/83	2004 B 2074	5422056.02	200 00 TRIDIOD	8778 P. 19
	Variance %	V 7386					
	9 months ended			and a set of the second second of the second se			
	Dec 2014	142.03	585.02	51.33	84.52	118.94	981.8
Chennal	9 months ended Dec, 2013	34.97	493.48	46.85	39.56	0.00	614.8
	Variance	34 SA 107.05					3669
	Wanance %	306/10		PLANTER STORE AND A STORE AND ADDRESS OF		0.00	
	9 months ended	1					
	Dec 2014	108.38	527.34	45.26	74.38	91.60	846.9
Kolkata	9 months ended	64.47	444.10	58.68	46.58	0.00	613.8
	Dec, 2013						
	Variance 3.4		Stand Bis 7/4	5255556 6 572	2000 CC 000	0.000	
	Wariance %	68.41	45.85 A897A	2 2.87	59.68	000	1
	9 months ended Dec 2014	155.98	461.24	52.59	69.54	96.00	835.3
• • • •	9 months ended						
Gandhinagar	Dec, 2013	46.74	402.02	39.97	36.24	84.64	609.6
	2 Nanance	209 24	59-22	G 9 9 12 6 2			
· .	Wanance %	2717	2			6.73	5.0
	9 months ended	123.77	556.75	54.85			
•	Dec 2014	123.11	. 000.75	04.00	101.48	141.73	978.5
Mumbai	9 months ended	68.31	448.86	65.07	62.52	0.00	644.7
• .	Dec, 2013	6546					VTT./
	Variance	which we have been a summarial and the second states and the	5625501076891 Saasteesy20134	10.22			
	9 months ended				574574	0.000	
	Dec 2014	114.18	589.35	66.34	62.68	145.52	978.0
Dependence	9 months ended						·····
Bangalore	Dec, 2013	65.69	592.07	78.08	41.77	140.70	918.3
•	Variance	48.49	94.97272	10 8 S 11 74	2001		CONSTRUCTION OF STATE
	Variance %	6666762	0/6		Sunc		
1	9 months ended	116.94	537.22	69.83	141.71	152.80	1018.5
	Dec 2014					152.00	
Hyderabad	9 months ended	60.13	500.36	55.19	80.35	0.00	696.0
	Dec, 2013	56 81	36 86	14 64	1		
	Variance %	94 48		26.53	6136 9 6136		<u> </u>
· · · ·	9 months ended	entre an entre service (estimated and a service of				0.00	60.000
	Dec 2014	43.90	221.10	39.57	20.51	62.64	387.72
Raibareily	9 months ended		400 40			·	
i vaivai city	Dec, 2013	28.86	167.45	25.80	11.07	0.00	233.18
	Variance 🐇	15.04	53.65	1377	3 4 6 9 44	62.64	(d

	Variance %	52:14	32.04	53.37	28 45 24	-0.00	66.27
	9 months ended	40.25	158.57				
	Dec 2014 9 months ended		· · · · · · · · · · · · · · · · · · ·	20.00	0.00	105.05	339.00
Shillong	Dec, 2013	25.85	113.40	24.34	16.80	103.75	284.14
Shillong Kannur Kangra Bhopal Patna	Variance	14.40	45.17	5.35		0.08	54.86
	Variance %	55974	\$ 39,83	21.98	60.36	20.08	
	9 months ended Dec 2014	32.46	230.83	32.47	16.67	95.50	407.93
Kannur	9 months ended	44.83	208.75	50.24			
	Dec, 2013				0.00		
•	Variance //)	27.59 27.59	22,08			95,50	
	9 months ended				CANADA CALIFORNIA A POST		
	Dec 2014	104.06	306.92	37.93	11.44	108,00	568.35
Kangra	9 months ended	55.00	235.25	33.27	0.00	77.25	400.77
	Dec, 2013		7467	·			
	- Variance %	-89/20	0217	4166 19.01	0.00		2.900 (167,58)
	9 months ended	55.38	211.55	45.17	46.13		
	Dec 2014 9 months ended		2.11.00	40.17	40.13	02.30	440.73
Bhopal	Dec, 2013	. 29.66	150.67	27.34	18.40	63.00	289.07
	Variance	25.72	60.88			1950	15186
	September 26	3657 /2	10.91	201006522	150/7h		5246
Patna	9 months ended Dec 2014	76.36	165.67	28.30	28.30	99.75	398.38
	9 months ended		· · · · · · · · ·			· · · · · · · · · · · · · · · · · · ·	
	Dec, 2013	31.74	116.89	12.18	13.56	26.55	200.93
. "	Vanance	40.51	48.78	445 42	500 ABA	443 23 473 20	9745
	9 months ended	4140 555	2 4173	132,38	A 10854	\$475.71	98.27
Bhubaneshwar	Dec 2014	86.44	222.55	31.19	33.29	120.00	493.47
	9 months ended	24.93	130.14	26.78	9.58	07.07	
1	Dec, 2013					97.27	288.70
	and the store	222275 <u>151</u> 2222275275	$\frac{2}{2}$	16.47	245,71 299,719	2.78 1997 -	
	9 months ended	32.07					569 (A. 1997)
	Dec 2014	32.07	152.57	27.87	15.06	22.88	· 250.45
Jodhpur	9 months ended Dec, 2013	24.15	118.85	22.06	8.86	0.00	173.92
.'	Natiance Sa	eren (* 1792	Manual 72	C225-2594			76:53
	e Variance %	32:0)					400
<u></u>	9 months ended	10.97	14.37	0.00	0.00	3.85	
	Dec 2014 9 months ended				0.00		
Srinagar	Dec, 2013	0.00	0.00	0.00	0.00	0.00	0.00
	Variance Vela	A101977	1437	0.00			29,19
	Vanance %	9.1.5.2750.00	0000	0.00	0.00	0000	0.000
Fotal for 9 months	ended Dec, 2014	1638.55	6633.40	825.15	946.55	1588.54	11632.20
lotal for 9 months	ended Dec, 2013	804.65	5471.64	747.34	542.50	626.16	8192.28
	ance	833590	1161 77	A	404,06	96238	
	nce%	0.64	24.23		74,43	453.70	

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AGENDA ITEM NO. 3204

CONSOLIDATED INTERNAL AUDIT REPORT OF NIFT FOR THE THIRD QUARTER ENDED ON 31STDECEMBER, 2014

1. <u>SCOPE:</u>

1.1 The agenda item is submitted for perusal and approval of the F&AC for the internal audit report of NIFT for the third quarter ended 31st December, 2014.

2. <u>GENESIS:</u>

2.1 The internal audit for the financial year 2014-15 was entrusted to M/s. Gianender & Associates, Chartered Accountants. Accordingly, M/s. Gianender & Associates has conducted the internal audit of all NIFT campuses and Head Office. The Internal Auditors have issued separate internal audit report for each NIFT campus and Head Office.

2.2 The Consolidated Internal Audit Report for the quarter ended December, 2014 comprising major observations raised by internal auditors along with the actions taken by campuses is placed at **Annexure–3204/I**. This Consolidated Internal Audit Report was forwarded to all campuses for giving their updated status on the issues raised and actions taken by them for resolving those issues. Through this Agenda, the action taken report on Consolidated Internal Audit Report for the third Quarter is placed before F&AC members.

3. MAJOR OBSERVATIONS IN BRIEF:

The major observations reported in consolidated internal audit report are briefly explained here as under: -

Staff Advances:

3.1 In Head Office, 68 staff advances amounting to Rs. 28.73 lakhs were pending for settlement as on December 31, 2014. Out of these advances, 30 advances amounting to Rs. 14.24 lakhs have been settled /adjusted up to April 13, 2015 and the balance of Rs. 14.49 lakhs are in process of settlement.

3.2 The total staff advances outstanding as on 31.03.2004 were 177.55 lakhs. In the year 2005-06, as per the directions given by Building Purchase Finance Committee (BPFC) an Advance settlement cell was created for taking expeditious adjustment/recovery. The settlement cell had adjusted advances to the extent of Rs.138.80 lakhs during the 2005-06 and 2006-07.Further, these staff advances are very old, in many cases the files and records are not easily traceable and in some cases the employee concerned had left the NIFT. Therefore, certain advances are doubtful of recovery which needs to be written off after proper approval from Competent Authority.

So having regards to above, the Head Office is taking adequate steps for settlement of these old outstanding advances in phased manner.

Contractor Advances:

3.3 In Head Office, 95 contractor advances amounting to Rs. 92.25 lakhs were outstanding for settlement as on 31st December, 2014. Out of these advances, 43

advances amounting to Rs. 22.44 lakhs have been settled / adjusted upto April 13, 2015 and the balance of Rs. 69.81 lakhs are in process of settlement.

3.4 The total contractor's advances outstanding as on 31.03.2004 were 339 lakhs. In the year 2005-06, as per the directions given by Building Purchase Finance Committee (BPFC) an Advance settlement cell was created for taking expeditious adjustment/recovery. The settlement cell had adjusted advances to the extent of Rs. 286.50 lakhs during the 2005-06 and 2006-07. BPFC has issued legal notices to parties but the recoveries were not made. Further, most of these contract advances have become time barred, so recovery of those advances are doubtful and needs to be written off after following proper procedure and approval from Competent Authority.

In view of above circumstances, the Head Office is taking adequate steps for settlement of these old and time barred contractor's advances.

Academic Department:

3.5 Under this head internal auditor observed that the payment made to All India Management Association (AIMA) without verification of number of students as per Academic Department records, which has resulted into excess payment for 202 students. However, HO unit has clarified that actual payment has been made for 4969 students only and no excess payment has been made to the said Agency as auditor's claims.

Project:

3.6 In Head Office, the internal auditor has reported two issues regarding the projects. First, Rs. 262.27 lakhs was shown as outstanding against Mr. Sameer Sood, Project Incharge of TIDI Ethiopia Project in NIFT Bhopal. This advance was not released to Shri Sameer Sood in their personnel capacity instead the advance of Rs. 285 lakhs were released for ETIDI Project expenses as the TIDI Ethiopia Project A/c's was maintained with NIFT Bhopal. However, the nomenclature of ledger a/c was "Sameer Sood ETIDI Project Direct Exp. A/c" which has now been changed to "ETIDI Project Bhopal a/c" to show the correct and true picture of the advance.

3.7 In other case, the Fixed Deposit Receipt (FDR) with Punjab National Bank (PNB) for Rs.72.55 lakhs, which was matured (04.07.2015) but the same was not recorded in books of accounts. Further, this amount along with interest earned was invested (05.07.2015) with Union Bank of India (UBI). However, the transaction was also not recorded in books of accounts. When internal auditors verified the FDRs physically, then PNB FDR was not available for verification instead UBI FDR was made available for verification. So the internal auditors have reported mismatch / non-reconciliation of FDR records. Now necessary entries have been made in books of accounts and FDRs records have been reconciled.

Building Department:

3.8 Under this head the internal auditor has reported that a new building project is going on at Delhi Campus for which an advance of Rs. 10 Crore was given to DSIIDC (Construction Agency). DSIIDC has released Rs. 9.83 Crore to contractors and parties for carrying out the work including mobilization advances. However, DSIIDC has provided expenditure statement of Rs. 5.20 Crore only. Further, the expenditure statement shows the amount released to parties and not the bill wise expenditure details. Rs. 9.83 Crore includes mobilization advances and security advances of Rs. 4.63 Crore. In view of this, the internal auditors have suggested that "DSIIDC may

be advised to provide expenditure statement bills wise so that the same can be verified by NIFT Officials with construction work going on at the Delhi Campus. Further, it will help in determining the exact position of amount released to parties i.e. how much is for mobilization advances and how much for secured advances etc. In this regard, A letter has been written to DSIIDC asking them to send expenditure statement as pointed out by the auditor (vide letter dated 21.04.2015). Further DSIIDC has been requested in the past to give NIFT performance guarantee, however despite repeated reminders they are not giving NIFT the Performance Guarantee on the ground that DSIIDC never gives PG for work done for another Government controlled organization. In lieu of this, NIFT is also releasing money to DSIIDC only against work completed and that too in a separate account where interest belongs to NIFT.

Reconciliation of Fees:

3.9 In Delhi Campus, the internal auditors have reported the difference in various fees received from students like tuition fee, library fee, exam fee and late fee etc. and booked in accounts with respect to student count. Delhi Campus has clarified that at the time of internal audit, reconciliation of fess was not completed. But subsequent to the audit, the reconciliation statement for the difference between the amounts booked in tally and as per excel sheet has been prepared and forwarded to internal auditors to drop the para.

3.10 Apart from above observations, some other observations are mentioned in enclosed Annexure-I. Further, the internal auditor has also reported compliance report of previous quarters along with the updated status on such observations, which are in **Annexure-3204/I (Part-III)** for kind information of F&AC members.

4. DG's RECOMMENDATION:

DG has recommended that this agenda note may be placed before F&AC for approval.

5. MATTER FOR CONSIDERATION OF F&AC:

The agenda is put up for the kind approval of F&AC.



NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

CONSOLIDATED SUMMARY

FOR THE PERIOD 01.10.2014 TO 31.12.2014

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

onsolidated Summary-3*** Qtr 2014-1

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.10.2014 TO 31.12.2014

Part-I (Management Summary and Suggestions)

S. No.	Observatio	Observation								UPDATED CAMPUS REPLY	HEAD OFFICE REPLY	
1.	Head Office Staff Advan are being c these Staff	ces of Rs.2 arried forv		• •	Head Office: 68 staff advances amounting to Rs. 28.73	Head Office: HO is taking adequate steps for settlement of						
	Year of Advance			96-97	97-98	98-99	99-2000	2000	-01		lakhs were pending for settlement as on	old outstanding advances to staff.
	Amount outstandi g	4,577 n	61,500	28,500	303,549	849,794	283,055	3569	82		December 31, 2014. Out of these advances, 30 advances amounting to	Detailed report is enclosed with the ATR.
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-	2009- 10	2012 -13	2013- 14	2014- 15	Rs. 14.24 lakhs have been settled /adjusted up to April 13, 2015 and the	
-	163,395 Very old a	,	99,187	<u> </u>		3 43,320	7368	5000	97900 ·	69560	balance of Rs. 14.49 lakhs are in process of	
		Competent Authority. Mgt. Reply: These are old outstanding balances and will be -adjusted.										
2.	An amount	Head Office: An amount of Rs. 92.25 lakhs is outstanding as advances to various parties on 31/12/2014. Out of this amount, major amount outstanding are as follows which need rigorous follow up:-										Head Office: HO is taking adequate
		Party			Amount (Amo	unt		ĸ	95 contractor advances amounting to Rs. 92.25	steps for settlement of
	Alaknanda	Advertisin	g		13	3,22,000	outstandi 2000		3		lakhs were outstanding for settlement as on 31st	•
	CLRI		<u> </u>			1,55,000	1996				December, 2014. Out of	Detailed report is
	ITPO				4	4,45,300	1997	-98			these advances, 43	enclosed with the ATR.
	Media Ma	kers			7,60,850 1999-00					advances amounting to Rs. 22.44 lakhs have been		

		April 13, 2015 including advance of Alaknanda Advertising and the balance of Rs. 69.81 lakhs are in process of settlement.	· · · · · · · · · · · · · · · · · · ·
3.	Head Office: Payment made to All India Management Association in terms of MOU dated 3 rd Oct 2013 for Admission for the academic session 2014-15, is made on the basis of number of candidates who took part in examination, interview and group discussion. As per noting on page 19 of file NIFT/Admission /1259(7)/Exam agency/2014, the statement of bills received from AIMA has been given but no verification of number of student admitted has been made by Academic Department. Further the amount paid to AIMA on 4 th April 2014 is Rs 1366028 where as in the note the amount shown by the Admission Department is Rs 12,29,425. This amount is actually net of TDS. This mistake needs to be taken care of so that no excess payment is made to the said Agency. All bills should be verified by Academic Department for number of student before submitting the same for release of payment to accounts department .As observed bill No CMS/72 Dated 05.03.2014 was raised for 6269 candidates i.e. Additional students were (6269-1300) = 4969 student whereas bill number CMS/87 dated 01.10.2014 is for 5171 students i.e. Additional students were (6471-1300) = 5171 students. The addition of 202 students after finalization of written test held on 23.02.2014 is not justified and payment should not be released for more than 4969 students. Mgt. Reply: Payment of Bills to AIMA are verified before release of payment.	Head Office: The observation raised by the internal auditor is the same for which query has already been raised by the Accounts Section. Since matter is still not approved and no payment is released for any additional students hence the observation of internal auditor at this stage is not tenable.	Head Office: Payment has been made for 4969 students as per recommendation of accounts department and no excess payment has been made.
4.	 Head Office: Rs.2,62,27,440 is outstanding against Mr. Sameer Sood, new Project In-charge of TIDI Ethiopia Project. Till closure of this quarter, no expenditure statement has been received from him. Mgt. Reply: The expenditure statements are being received from Mr. Sameer Sood relating to the project but the Books of accounts of Project Cell have not been updated. The books will be updated. 	Head Office: The advance was not released to Sh. Sameer Sood by HO Project instead the funds for ETIDI Project were released amounting to Rs. 2.85 crore instead of Rs 2.62 crore as shown by internal auditor for ETIDI	Head Office: HO reply is satisfactory.

NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

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		Project Expenses. This was because Project A/cs are maintained at NIFT Bhopal. Earlier the nomenclature of ledger a/c was "Sameer Sood ETIDI Project Direct Exp. A/c" which has been changed as "ETIDI Project Bhopal a/c". Necessary JV has been passed to show the correct and true	
5.	shown at the time of our physical verification and could not be physically verified. However an FDR	Head Office:Head Office:Entry was there in booksThe reply ofof account, however, notaccounting	HO is
6.	have submitted Expenditure Statement vide letter no. DSIIDC/E.E(CD-XV)/301/2014-15 /416dated 30.12.2014. The expenditure incurred up to 31.03.2014 is 91,78,430 and for the Currentyear up to Dec.2014, the fund utilization as under :SI. No.Particulars1.Expenditure Up to 31.03.2014 Audited91,78,430	statement as pointed out by the auditor (vide letter dated 21.04.2015). Further DSIIDC has been requested in the past to give NIFT performance	
	-	 As per Project Cell books of account, an FDR in PNB is for Rs.72,55,273 but the same was not shown at the time of our physical verification and could not be physically verified. However an FDR of Rs.79,30,618/- of UBI was physically verified by us but the same did not appear in Project Cell Books of Account. Mgt. Reply: The Books of accounts of Project Cell have not been updated, old FDR with PNB has been en-cashed and a new FDR has been made with UBI. 6. Head Office: i. The DSIIDC has agreed for providing Performance Guarantee as noted on Project File page no 126 dated 21.10.2014 by Director General, NIFT but Performance Guarantee by DSIIDC is yet to be received. ii. DSIIDC has been paid an advance of Rs. 1000.00 Lakhs till December 2014 against which they have submitted Expenditure Statement vide letter no. DSIIDC/E.E(CD-XV)/301/2014-15 /416 dated 30.12.2014. The expenditure incurred up to 31.03.2014 is 91,78,430 and for the Current year up to Dec.2014, the fund utilization as under : 	 was because Project A/cs are maintained at NIFT Bhopal. Earlier the nomenclature of ledger a/c was "Sameer Sood ETID Project Direct Exp. A/c" which has been changed as "ETIDI Project Direct Exp. A/c" which has been as "ETIDI Project Direct Exp. A/c" which has been as "ETIDI Project Direct Exp. A/c" which has been as "ETIDI Project Direct Bhopal a/c". Necessary JV has been passed to show the correct and true picture of the transaction. Head Office: As per Project Cell books of account, an FDR in PNB is for Rs.72,55,273 but the same was not show nat the time of our physical verification and could not be physically verified. However an FDR of account, however, not of Rs.79,30,618/- of UBI was physically verified by us but the same did not appear in Project Cell of a sub the same of a account, however, not approved in tally. The same is now appearing in books and Tally. Head Office: In the DSIIDC has gareed for providing Performance Guarantee as noted on Project FIle page no 126 dated 21.10.2014 by Director General, NIFT but Performance Guarantee by DSIIDC is yet to books and Tally. In the DSIIDC has been paid an advance of Rs. 1000.00 Lakhs till December 2014 against which they have submitted Expenditure Statement vide letter no. DSIIDC/E.E(CD-XV)/301/2014-15 /416 dated 21.10.2014 the fund utilization as under: <u>SII.No. Particulars </u>

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

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		1 -				+ - · · · ·		· · · · ·					
		3.		ma Constru	ction Comp	any 2014-	4,05,01,191	-	despite	repeated			
		ļ	15 Bills							they are not			
		4		al Division 2			3,15,535			the PG on the			
-		5.		nental Char	ges 2014-15	5	20,41,509		-	t DSIIDC never			
			Total Ex	cpenditure			5,20,50,120		gives	Performance			
										for work done			
	Further ap	art from	above ex	xpenses of	Rs. 5,20,50,	,120, DSIIDO	Chas given Mobi	lization advance to		r Government			
	M/S Rama	Construc	tion Con	npany Rs.42	27.23 Lakhs	and Secure	ed advance of Rs.	34.85 Lakhs. Thus		organization.			
	total Fund	ls utilized	by DSIII	DC till Dece	ember 2014	4 is Rs. 982	.58 Lakhs. Balan	ce with DSIIDC on		his NIFT is also			
1	deposit ac	count at t	his quart	er end is Rs.	. 17.42 Lakh	is.			releasing	money to			
	· ·						•			y against work			
	However,	detailed	stateme	ent of Bills	received	by DSIIDC	from the cont	ractor M/S Rama		and that too in			
	Construction	ons show	ing Bill a	amounts ac	dmitted by	DSIIDC, Tax	x Deducted at s	ource, Service tax,	· ·	account where		•	
	Labour ces	ss, other s	statutory	levies recov	vered, mobi	ilization adv	ance recovered,	and recovery made		n fund given			ļ
	from Secu	red advan	ice etc. w	as not avail	able.				accrues to	NIFT.			
	Construction work, amo advance and will also he funds is ma Mgt. Reply	ay be adv on Compa ount if any nd Secure elp NIFT r ade by DS	any, so th y on accound advance managem SIIDC.	hat NIFT ma unt of escal ce, balance hent to take	y be able to ations admi fund posit appropriat	o verify Bills itted by DSII tion with the te decision v	amount on account DC, balance posit e contractor agai	tractor M/S Rama unt of Construction tion of Mobilization nst project work. It r release of further	· ·				
7.	Delhi :					_						_	_
	There is va	riation of	Rs. 72,4	5,616 pendi	ng reconcili	iation in Fee	e accounts as per	Books of accounts	Delhi:		Delhi:		
	and as per	the list o	f Student:	s as detaileo	d below:			•		ne of internal	Campus	reply	is
				Amount as						uarter 3, the	satisfactory		
	Dentify law			per student	Difference					on of fee was		-	
	Particulars	<u> </u>	s. In Taily	Sheets	Difference			—		eted. But later			
	Tuition Fee		93675436	90,717,120	2958316	-			on, the	reconciliation			
			T				0.07.2014 and JV		statement	for the			
'	Library Fee		7945500	5,650,000	2295500	119/120dt.30.0 library fee	9.2014 not include this		difference	between the		-	
L			, , , , , , , , , , , , , , , , , , , ,	5,050,000	4255500						L		

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

amounts booked in Tally and as per Excel sheet has been prepared and forwarded to internal auditors to drop the para.

TOTAL	108746136	101500520	7245616	.+
Re-Registration	189900	179,900	10000	amount
				dt.25.11.2014 not include this re-reg
				Voucher no -136 dt 10.07.2014 and 339
Late Fee	116300	113,500	2800	amount
				dt.25.11.2014 not include this re-reg
				Voucher no -136 dt 10.07.2014 and 339
Exam. Fee	2925000	1,610,000	1315000	not include this exam fee
				30.07.2014 and JV 119/120dt.30.09.2014
				Voucher no -21 dt 24.4 2014 ,165 Dt
Development Fund	3894000	3,230,000	664000	SDF
Student				119/120dt.30.09.2014 not include this
				Voucher no - 30.07.2014 and JV

Mgt. Reply: The difference in Fee is being reconciled with the academic department

NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

S. No.	AUDITOR'S OBSERVATIONS	UPDATED CAMPUS REPLY	HEAD OFFICE REPLY
1.	BANK ACCOUNTS		
	a) Bank reconciliation for following Bank Accounts was pending as at 31.12.2014		
	1. Head Office:	Head Office:	Head Office:
	UBI Bank 340602050000020	Reconciliation of both the bank	HO reply is satisfactory
	UBI Bank 340602050000022	accounts have been completed.	
	Mgt Reply: These accounts have been reconciled up to November 30 th 2014 and for		
	December reconciliation is in Progress.		
	2. Delhi:	Delhi:	Delhi:
	UBI Bank 340602050000027	All the bank accounts have been	Campus reply
	UBI Bank 340602050000030	reconciled as on date.	satisfactory.
	UBI Bank 340602050000032		
	Mgt Reply: These accounts have been reconciled up to November 30th 2014 and for		
	December reconciliation is in Progress.		
	3. Kangra:	Kangra:	Kangra:
	UBI Bank 391902050000002	Bank reconciliation has been	Campus reply
	There are unlinked credit entries of Rs. 81,66,528/- in bank account and debit entries of	updated.	satisfactory.
	Rs 4,15,850/- which are yet to be accounted for in bank book.		•
	Mgt Reply: These entries are being identified and will be accounted for in books of		1
	There are unlinked credit entries of Rs. 81,66,528/- in bank account and debit entries of	updated.	•

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

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1.	Bhopal:	Bhopal:	Bhopal:		
	The campus had paid Rs.14,35,737/- to Agrawal Caterers and Mess Sanchalak towards mess charges during this quarter. Payment of Mess charges is in the nature of works contract. Works contract Tax, as confirmed by the FO from the Vat Consultant, is applicable in Madhya Pradesh for payments exceeding Rs. 3,00,000/ Hence, work contract tax should have been deducted and deposited as per the prevailing rates for deduction of Works Contract Tax in the State of Madhya Pradesh. As pointed out in audit report for the quarter ended 30.09.2014 that WCT should be applicable on payment made to Agrawal Caterers and Mess Sanchalak, then in order to comply with the observation pointed out in previous audit report, the campus got the opinion from the lawyer of Agrawal Caterers and Mess Sanchalak but the same doesn't seems to be convincing. In our view the Campus should take reliable opinion from the WCT (VAT) Consultant/Expert/ Chartered Accountants.	Legal opinion has been taken on the said subject from M/s. L. K. Maheshwari & Co., Chartered Accountants vide their letter dated 30.03.2015. As per their opinion, NIFT is not liable for deduction of tax at source under the MP VAT Act on this issue.	Campus satisfactory.	reply	
	Mgt Reply: We are in process of seeking opinion from C.A. / WCT consultant.		•		
2.	 Kolkata: Maintenance Charges amounting to Rs. 3,100/- received from NIFT Kolkata campus canteen for the month of October does not include service tax portion. Similarly, NIFT Kolkata has been receiving maintenance charges in the nature of renting of immovable property from various other parties like Nescafe, Stationery shop, Hostel Canteen Sandwich stall etc. As per service tax provisions service tax needs to be charged on such amount received too. No service tax has been charged on the amount received till date. Mgt Reply: As per HO Circular dated 15.04.2014 (Master Circular-Service Tax) and relevant Annexure for "Applicability of Provisions of Service Tax w.e.f 01.04.2013 vide 	Kolkata: As regards applicability of Service Tax on maintenance charge of campus canteen for the month of Oct.'2014, a letter vide No.3209(2)/Accts/NIFT Kol/Collection of Rent/2015 dated-20.01.2015 has been issued to the vendor for immediate deposit of Service	Kolkata: Campus satisfactory.	reply	
	item Sl.No.08, Rent for Canteen is taxable. Accordingly, suitable clause has been incorporated in the agreement with the vendor (NIFT Kolkata Campus Canteen). Service Tax has already been collected from the said vendor for the months of Nov.'14 and Dec' 14 and remitted to the Government Account. As regards applicability of Service Tax on maintenance charges for Oct.'14, a letter has been issued to the vendor for immediate deposit of service tax with interest. However, internal audit team has suggested that service tax needs to charged on the entire maintenance charges in the	Tax with interest. In regard to the same, Service Tax of Rs.2,292/- has been collected from the Canteen Contractor for October'2014 along with @18% per annum			

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

	(Nescafe), Stationery Shop, Hostel Canteen, Sip & Sandwich stall etc. and this practice may be followed uniformly across all NIFT Campuses . Hence, necessary HO guideline is required in order to follow this practice uniformly across all NIFT Campuses and for amendment of existing Service Tax Registration (Receiver of Services for Renting of	deposited "through GAR-7 to the Union Bank of India, Bidhannagar Branch on 03.03.2015 for payment to the	
	Immovable Property- A/c Code: 00440406) of NIFT Kolkata Campus.	Govt. Account.	
	3. Srinagar:		Srinagar:
	a) We have checked the tax deducted at source as per books with the deposit challans. TDS deposit Challans were not available in a few cases and we could not verify the payment made. TDS Return of 2 nd Quarter has not been filed and entries relating to 2 nd Quarter have been included in TDS Return of 3 rd Quarter. Entries relating to 3 nd Quarter have not been included in TDS Return of 3 rd Quarter. The TDS returns for 2 nd and 3 rd Quarter should be immediately revised.	Srinagar: a) Due to floods in Kashmir we were not able to file the return in time.	Revised return of TDS has been filed.
	Mgt Reply: The Returns will be revised.	· .	
	 b) Campus deducted EPF of Ashutosh Porus amounting Rs. 21,904/- up to July 2014 during the period and opening balance of Rs. 32,856/- is standing in the books. The total amount of Rs. 54,760/- and employer Contribution of Rs. 66,605/- is outstanding in the books of account which is pending for deposit. Mgt Reply: The matter has been informed to H.O and suitable directions are awaited. 	b) The campus has applied for registration with the EPF/CPF office Srinagar but registration is not yet confirmed. On the other hand, it was verbally informed that as no. of NIFT Employees at Srinagar is less than 10 it cannot be registered. In between, the concerned employee (Mr. Ashutosh Porus) is working with NIFT Kangra, so the EPF contribution would be	b) Reply is satisfactory.
		deposited by Kangra Campus. Kangra campus has been asked	
3.	ADVANCES:	to deposit the same.	
э. А.	Travelling Advances to staff:		
4	In following campuses, advances remain outstanding for settlement for more than 60 days (major amounts):-		-
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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

Campus	Name of employee	Amount (Rs.)	Date of advance	Management Reply		
	Mr. Sunil Kumar Mudahi	2480	24/09/2014	Settlement of advances is governed by Circular 10 of	Kangra: These have been	-
	Mr. Chavi Goyal	7320	19/06/2014	NIFT HO according to which	settled.	Campus reply i
Kanara	Mr. Chavi Goyal	9080	24/09/2014	advances are not settled		satisfactory.
Kangra	Ms. Shipra Sharma	4000	16/10/2014	within one month notice is issued and if still not settled		
	Prof. S.K. Bala Siddhartha	20700	24/10/2014	advance is deducted from salary of subsequent month.		
	Ms. Maulshree	9240	30/10/2014			
Bhuban eshwar	Goutam Saha	17800	03/11/2014	limit. If not settled the same is being recovered from the Salary of respective employees.	Bhubaneshwar: Advance of Rs 17800/- issued to Dr. Goutam Saha has been settled on 30/01/15 vide JV no 113.	Bhubaneshwar: Settled.
	Rahul Solanki	7000	21/05/2014	The Employee has submitted the settlement and the cc of department has to approve.	Gandhinagar: These have been settled.	Gandhinagar: Settled.
	Manish Bhargava	10000	26/09/2014			
Gandhin agar	Vasundhara Chaudhary	16000	10/10/2014	settled, will be deducted from January-15 Salary.		
	Ravi Joshi	5600	29/10/2014			
	Dharmendra Singh	5500	17/10/2014			
ADVANCE Other tha 1. Bhopa	n <u>TA Advances to staff</u> :			<u>.</u>		

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

Bills have not been submitted within reasonable period of time of completion of event in **Bhopal:** Bhopal: Since it was advance towards Settled. following cases: purchase of books from flip Date Date of Amount of cart and books have been of Date of Name of Staff advance submission received on bunch hence settlement advan of bill (Rs.) settlement got delayed. Now it ce has been settled. Mr. Chirag B. 9,834 17/10/ Not Solanki 2014 Submitted Mgt Reply: Concerned person has been informed and this will be settled shortly. Srinagar: 2. Srinagar: Srinagar: An amount of Rs. 479254/- has DO letter dated There is advance of Rs. 8,70,651/- outstanding as on 31.12.2014 to Ashutosh Porus. Out of which Rs. 6,30,000/- was from beginning of the year and have not been settled for a long been recovered from Shri 23.02.2015 have been issued to time. Purpose for advance was not recorded while providing the advance. Ashutosh Porus and the balance Director In Charge i.e. Mr. S. K. Bala Mgt Reply: The matter has been informed to Head office & directions awaited. amount is in process of Siddhartha. recovery. Director Kangra to file an FIR immediately for the recovery of advance from Mr. Ashutosh Porus. Accordingly, a request letter dated 30.03.15 for filling FIR against Ashutosh Porus for embezzlement of Govt. Fund has been submitted to SHO, Police Station, Humhama, Srinagar on 3. Head Office: 31.03.2015. Staff Advances of Rs.28,73,891.79 (Dr.) as at 31-12-2014 include very old advances. These advances are being carried forward without any recovery. Following is the summary of aging analysis of these Staff advances: Head Office: **Head Office:** HO is taking adequate Year of 94-95 95-96 96-97 97-98 98-99 99-2000 2000-01 68 staff advances amounting to steps for settlement of Rs. 28.73 lakhs were pending Advance 28,500 283.055 356982 for settlement as on December old outstanding 4.577 61,500 303.549 849,794 Amount 11

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

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outstan ding		· .					_	_		31, 2014. Out of these advances, 30 advances	advances.
2001-02	2002-03		2004-05	2005-06	2006-07	2009-10	•		1 1	amounting to Rs. 14.24 lakhs have been settled /adjusted up to April 12 2015 and the	
163 39	303,897	04 99,18	20,680	1,75,628	43 320	7,368	- 13 5,00	14 97,9	- 15 69,56	to April 13, 2015 and the balance of Rs. 14.49 lakhs are in	
5	505,057	7	20,000	1,73,020	43,320	7,500	0	00	0,50	process of settlement.	•
Competer	advances o nt Authorit y: These ac	y.			be writter	off after	prope	r approv	al from		
1	<u>i:</u> ice of Rs. 3 to be unde			hi Kumar	is pendin	g since 18	8.06.20)13, the	case is	Delhi: The Advance was given to	Delhi:
Managen	nent Reply	: The case	e is still un	der vigilan	purchase sports goods for Converge 2010 to Mr. Senthil, Asstt Professor (now posted at	Reply is satisfactory					
										NIFT Mumbai). There was some procedural deviations and later on the matter was referred to	
										Vigilance Section Head Office by Ms. Rosy Kataria. The case is under vigilance for settlement and the same will be settled	
										positively by the end of April 2015.	
ADVANCE		······									
	to Service	Provide	rs:	- '							
Advances	ng: Amour		3,86.918/	- Paid to	BSNL for	r Leased	Line a	t NIFT	is lying	Shillong:	Shillong:

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

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	NIC is u	nable to p	rovide the 2	SNL was for 20 M 20 MBPS and are ne same is settled	of advance. Recently, a letter dated 26.03.2015 has been written to BSNL for settlement.					
4.	1. I An amou	lead Office	92,25,122 is	DING: outstanding as a mmary of aging a	Head Office: Out of 95 old outstanding advances to contractors, 43 cases amounting to Rs. 22.44	Head Office: HO is taking adequat steps for settlement old outstandir				
	Year of Advand		94-95 9	95-96 96-97	97-98	98-99	99-2000	2000- 01	lakhs have been settled /	advances.
	Amount outstand		69591 10	5000 601550	1122061	783002	801941	8159 46	adjusted including the advance of Alaknanda Advertising till March, 2015.	
	2001-0	2 2002-0	03 2003- 04	2004- 2005 05 00		2007-08				
	2013- 459 Very old	84 2465		ecovery need to l						
	Compete	ent Authorit	ty:	be adjusted.						
	We obse			3,33,054 to 2 parti overed/adjusted (Advances	Delhi: 1) Actively pursuing with the Siri fort Authority and efforts is being made to settle as earliest.	Delhi: 1) Campus is takir adequate step for settlement of o			
	S.no.	o. Name of Party		Amount of Advance Rs.	Outsta Since	nding	Purpose			outstanding advances.
		· ·		1					1	
	1	Sri Fort A	Auditorium	331,210.00	19.11.2	2012	Convocat	tion 2012	2) The old record for 2006-07	2) Campus is takir

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Gianender & Associates NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15 Chartered Accountants Management Reply: These advances are being adjusted. outstanding advances. 5. **RESOURCE CENTRE: BOOKS AND PERIODICALS** As per "circulation policy for faculty", maximum loan duration for the books issued to the faculty is 180 days, but in case of following three campus, we observed that. books & periodical issued to faculty is outstanding for very long period of time:-Kolkata Kolkata: Kolkata: In Kolkata Campus 104 books are taken by 20 faculty members which are outstanding. In 76 books have been received Reply is satisfactory. some cases the books taken in 2010 have not been returned. back from faculties and efforts are being made to recover the other 28 books with regular follow up with faculty members. Kangra Kangra: The faculties have been In Kangra Campus books taken by 7 faculty members are outstanding and in some Kangra: cases the books taken in 2012 have not been returned. requested to return the book Reply is satisfactory. and reissue if required. Since the teaching is continuous process therefore it is difficult to strictly follow the rules. However the campus has already issued IOM regarding the rules position of 6 months and will follow it in letter and spirit. As on date, most of the faculties have returned the books only 3 cases are pending. Mumbai: Mumbai: Mumbai In Mumbai Campus books taken by 15 faculty members are outstanding and in some Reply is satisfactory. Subsequent to the audit all cases the books taken in 1996 have not been returned. faculties have returned the books except one out of them Mgt Reply: This may be a general problem for which it is suggested that circular may be for which is under process of

NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

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	issued by NIFT HO.	written off (Rs. 811/-) after approval of competent authority at Campus.	
6.	PROJECT DEPARTMENT : PROJECTS	Hand Office:	Hand Officer
	 Head Office: a) Rs.2,62,27,440/- is outstanding against Mr. Sameer Sood, new Project In-charge of TIDI Ethiopia Project. Till closure of this quarter, no expenditure statement has been received from him. Mgt Reply: Tally Data is being updated. 	Head Office: a) The advance was not released to Sh. Sameer Sood by HO Project instead the funds for ETIDI Project were released amounting to Rs. 2.85 crore instead of Rs 2.62 crore as shown by internal auditor for ETIDI Project Expenses. This was because Project A/cs are maintained at NIFT Bhopal. Earlier the nomenclature of ledger a/c was "Sameer Sood ETIDI Project Direct Exp. A/c" which has been changed as "ETIDI Project Bhopal a/c".	Head Office: a) HO reply is satisfactor
-		Necessary JV has been passed to show the correct and true picture of the transaction.	
	 b) As per project books of accounts an FDR in PNB is for Rs.72,55,273/- but the same was not shown at the time of our physical verification and could not be physically verified. However an FDR of Rs.79,30,618/- of UBI was physically verified by us but the same did not appear in Project Cell Books of Account. The Project Cell accounts were said to be not updated. Mgt Reply: Tally Data is being updated. 	b) Entry was there in books of account, however, not reflected as not approved in tally. The same is now appearing in books and Tally.	
7.	BUILDING DEPARTMENT:	Delhi:	Delhi:
	Delhi: New Building Project is under progress for Delhi Campus. As verified from Head Office accounts, an amount of Rs.10.00 Crore has been advanced to DSIIDC for the Project.	Deini: The utilization certificate from DSIIDC is still awaited from	Deini: Campus reply is satisfactory.

	er & Associates d'Accountants) & All Campuses) ed Summary-3 RD Qtr 2014-15
	Against the said deposit an amount of Rs. 9.83 Crore has been utilized by DSIIDC for expenses incurred and advances given to contractors for the project, leaving a balance of Rs.0.17 Crore with DSIIDC as at 31.12.2014. The said expenses need to be accounted for in WIP in Delhi Campus as and when expenditure statement is received from DSIIDC by NIFT. Mgt Reply: No comments provided by Mgt.	Head Office, as soon as, we will receive UC, the same will be accounted for in the Delhi Campus accounts.	
8.	ESTABLISHMENT DEPARTMENT:		- · · · ·
N,	 a) The Bio -Metric system employed at various centres are not generating the required data in a proper manner. Several issues were raised in the internal audit report for the quarter ended 30th September 2014 also. The Bio metric Vendor should take immediate steps to rectify the problems faced in Bio- Metric attendance system. We observed that: In marking week day off, Officials on outdoor Duty, putting remarks like "Odd event", time in and time out etc are the issues currently being faced at all Campuses and resultantly accurate and reliable attendance data is not available from the system. ii. The Bio Metric System is not updated on Transfer of Employees between one 	 i) No. of circulars have been issued for maintaining proper record in Bio metric system. ii) Bio metric system has been 	
9.	campus and H.O or other Campus. This short coming was observed in case of Delhi Campus and Head Office, where salary paid to staff is not in conformity with attendance as per Bio-metric system. Mgt Reply: Biometric data needs to be updated.	updated.	
9.	ACADEMIC DEPARTMENT: Head Office: We have reviewed the payment made to All India management Association in terms of MOU dated 3 rd Oct 2013 for Admission for the academic session 2014-15. In this process we have noted that the bills are to be raised by AIMA on the basis of number of candidates who took part in examination and subsequent interview and group discussion. The schedule of payment is 40% of consolidated fee, then 20% in two installment and balance 20% on completion of admission. As per noting on page 19 of file NIFT/Admission /1259(7)/Exam agency/2014, the statement of bills received from AIMA has been given but no verification of number of student admitted has been made by Academic Department. Further the amount paid to AIMA on 4 th April 2014 is Rs 1366028 where as in	Head Office: The observation raised by the internal auditor is the same for which query has already been raised by the Accounts Section. Since matter is still not approved and no payment is released for any additional students hence the observation of internal auditor at this stage	Head Office: Payment has been made for 4969 students as per recommendation or accounts department and no excess payment has been made.

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

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-	10.	actually ne made to th of student CMS/72 Da (6269-1300 students i.e students af should not HO Reply: I	t of TC e said before ted 05) = 49 e. Addi ter fin be rele No Con IATION	05. This Agency. e submi 5.03.201 69 stud tional st alization eased for nments	mistake All bills itting th 4 was r ent whe tudents of writ r more t provide	needs to be t should be ver a same for aised for 6269 ereas bill num were (6471-1 ten test held o han 4969 stud d by Mgt.	Department is R maken care of so rified by Academ release of payr 9 candidates i.e ber CMS/87 da 300) = 5171 stu on 23.02.2014 is ents.	that no excenic Department ment .As obs . Additional s ted 01.10.201 idents. The ac s not justified	ss payment is nt for number erved bill No tudents were 4 is for 5171 ddition of 202 and payment		
(5	η	students ac students at	ewing Imitteo variou	d for aca Is Cente	idemic s rs is give		Confirmation for no. of students has been received from all	1.Head Office: HO reply is satisfactory.			
4	·	Name of Branche s	NRI Sea t	Non NRI Seats	NLEA Seats	Total NRI Fee in Rs.	Total Non- NRI Fee in Rs.	Total Fee	Confirma tion received on	campuses and credit notes have been issued to campuses after retention of 20% HO share.	
		Bengalur u	28	221	4	14498400	18225000	32723400			
		Bhopal	0	70	1	0	5751000	5751000			
		Mumbai	48	231	1	24854400	18792000	43646400			
		New Delhi	43	288	0	22265400	23328000	45593400	22.10.14		
		Patna	-	179	3		14742000	14742000			•
		Rae Bareli	-	83	-	-	6723000	6723000			
		Shillong	- ·	58	2	-	4860000	48600000	28.10.14		
I		Kolkata	18	217	2	9320400	17739000	27059400			

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Library Fee

Student

Fund

Development

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

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F	Particular	s	Amo	unt Rs. Tal		• •	Differe Rup			
	nadjusted	l Fee a	ccounts		1					
	Delhi:	011,001			010510001				•	
	spective conciliation				office along	with	the list	of	students	s and final
			-		on of the abc					
٦	ſotal	208	2485	28	1017702400	20355	3000	311	155400	
k	Kangra	-	141	2	-	11583	00	115	83000	3.12.14
ſ	Nagar									
_	Gandhi	47	189	1	24336600	15390	0000	397	26600	
	Bhuban Swar	-	160	1	0.	13041	000	130	41000	17.10.14
(Chennai	11	219	2	5695800	17901	.000	235	96800	
J	odhpur	-	43	4	-	38070	00	380	7000	21.10.14
ŀ	Kannur	1	185	3	517800	15228	000	157	45800	
ē	Hyderab ad	12	201	2	6213600	16443	000	220	56600	26.11.14

7945500 5,650,000

3894000 3.230.000

2.Delhi: hi: time of internal audit of r 3, the reconciliation of satisfactory. as not completed. But on, the reconciliation ent for the difference between the amounts booked in Tally and as per Excel sheet has been prepared and forwarded to internal auditors to drop the para.

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Campus

reply is

SDF

2295500

664000

30.07.2014 and JV

119/120dt.30.09.20

14 not include this

30.07.2014 and JV

119/120dt.30.09.20 14 not include this

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library fee

Voucher no

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Fuerra Fee	2025022	1 (10 000	1315000	Voucher no -21 dt 24.4 2014 ,165 Dt 30.07.2014 and JV 119/120dt.30.09.20 14 not include this exam fee				
Exam. Fee	2925000	1,610,000	1315000	Voucher no -136 dt				
				10.07.2014 and 339				
				dt.25.11.2014 not				
				include this re-reg				
Late Fee	116300	113,500	2800	amount				
				Voucher no -136 dt	· · ·			
4		*		10.07.2014 and 339				
				dt.25.11.2014 not				
	10000	170.000	10000	include this re-reg				
Re-Registration TOTAL	189900 108746136	179,900 101500520	10000 7245616	amount				
Ant Darsha The second				<u> </u>				
reconciliation of fee NIFT Kangra despite Another issue which collected is NEFT th of this the adminis name. As per the Bank Re	dum of Underst es was to be do of several remir h NIFT Kangra is rough which fee strative staff is conciliation Stat	anding" signed b ne by bank. Howe nders and request facing is one of t s is directly credit facing a problem tement of UBI Ge k but not account	etween the k ever no inputs he medium fro ed into the ac to identify th neral A/c No ted in books as	pank and NIFT Kangra are being received by om which fees is being count of NIFT. Because he beneficiary student 391902050000002, Rs. s administrative staff is	3. Kangra: Fee reconciliation is updated. UBI has recently agreed to provide virtual account for all the NEFT transaction. This will make identification of student very easy. Further NIFT has also signed an agreement with HDFC for collection of fee and for payment gateway, this is expected to solve the problem.	3. Kangra: Campus satisfactory.	reply	i

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		student either t should mention Mgt Re help of	t through prospec through the CMS be intimated and n their name and ply: Fees have be bank and student	ded to resolve the problem. The NIFT Hea tus during admission itself that all NEFT F or in case direct payment is made, th d payment proof should be submitted. T roll number in the remarks column of NEI een reconciled. The remaining amount wi ts. We agree with Auditor recommendation	Payment should be made be Accounts Department the Students should also FT payment advice. Il also be reconciled with	×	
	11.		<u>AL LEDGER REVIEN</u> ngalore:	<u>w:</u>	Bangalore:	Bangalore:	
ĺ			Ledger Name	Particulars	Management reply		
60		1	Advance to contractors	Amount of Rs.1020.71 lakhs was paid to CPWD as advance for Construction of new blocks in academic building, hostel building etc. As on date No capitalisation was done. It is recommended to get work completion certificates from CPWD to capitalise/transfer to Capital work-in- progress and it should be insured adequately.	Completion certificates yet to collect from CPWD. Necessary follow-up is being done	1. Reminder letter have been sent to CPWD for issuing of Completion Certificate and UC to settle the advance A/c.	1. Capitalization will be done in accounts of 2014- 15 either on basis of completion certificate received from CPWD or on provisional basis if completion certificate is not received.
		2	Amount recoverable from parties	Amount Rs.3,29,751 which is opening balance not yet recovered from parties(Allied services- Dr.Rs.84,605,Ascon travels Dr.Rs.2,696 and Fee from students of Dr.Rs.2,42,250)	This amount pertains to more than 8 years back. As parties are not traceable, necessary action is being proposed to write-off the balances.	2. Verification of old records is in progress and the same will be settled / written off at the end of Quarter 1 of F.Y. 2015-16.	2. Campus reply is satisfactory.
		3	Service tax recoverable	Amount of Rs.18,24,338 showing in debit balance and no amount is recovered since 01.04.2014.	Cenvat credit taken in previous year to be written off since we are not eligible for cenvat credit availment.	3. The same provision was reversed vide JV No. 179, Dt. 27.01.15.	3. Campus reply is satisfactory. JV.No. 179 Dt. 27.01.2015 passed with the approval of Competent Authority.

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

4	Retention	Amount of Rs.1,00,500	showing in	Action	will	be	4. The amount was received as	4. Campus reply i
		Credit balance Since 01.04		initiated			penalty from canteen	satisfactory.
							contractor. However, contractor	
				-			has represented for non-levying	
				:			penalty, on which a decision is	
}							pending. It will be adjusted as	
							and when a decision is taken on	
5	TDS 4	Amount of Rs.3,34,697	showing in	Request	will	be	the issue.	
		lebit balance and no		submitted				
	r	ecovered since 01.04.201	4.	reimburse	the san	ne.	5. Head Office has to reimburse	5. Matter is being take
							the same.	up with Income Ta
								Authorities and or getting refund, it will be
								returned back to the
_								respective campuses.
-				-				respective compuses.
2 Sri	inagar:						· .	
		he electricity nor Electric	itv Board rais	e the bill fro	om begi	inning		
of the	vear. As informed to	o us the liability to pay the	electricity ch	arge is on C	ampus	as per	Srinagar:	Srinagar:
		agreement is not physica			•	•	Necessary provision will be	
		provided by management					made on estimated basis in	satisfactory.
							accounts of 2014-15.	
-								
	ad Office:				d.			
		accounts as at 31.12.2014	which need t	o be rectifie	u			
There		accounts as at 31.12.2014 Balance	which need t Remarl		u			
There	are various payable	Balance		(S	u		Head Office:	Head Office:
There Acco CPF	are various payable : unt	Balance	Remarl	(S	u		Necessary rectification entry	HO reply is satisfactory.
There Acco CPF paya	are various payable a unt Contribution	Balance	Remarl	is payment	u		Necessary rectification entry has already been passed for CPR	HO reply is satisfactory.
There Acco CPF paya	are various payable a unt Contribution ble Account	Balance Rs.1,08,405 (Dr.)	Remarl Old excess p	(S payment 5 89,500			Necessary rectification entry	HO reply is satisfactory.

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

CGEGIS Payab	e A/c Rs 4,875 (Cr)	Including opening balance Rs 4065 without adjustment.	The credit notes have been			
Amount Paya	ble 22,05,10,863(C	Fee payable to various center is subject to final reconciliation.	issued to campuses against the fee payable after retention of			
HO Reply: T	hese accounts will be rectified	d.	20% HO Share.			•
4. Delhi:	• •					
expenses adjustmer i. ii. iii.	made against CE Program	3,342 58		Delhi: a) Campus satisfactory.	reply	is
	it of Rs. 3,21,650 is outstan e paid/adjusted in students :	ling in Scholarship Received from other which ccounts.	1			
	These will be adjusted.	, ,	b) Rs.100000/- has been adjusted and balance is under		reply	is

NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

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No		AUDITOR'S OBSERVATIONS						UPDATED CAMPUS REPLY	HEAD OFFICE REPLY
1.	ADVANCES A) AMOUNT RECEIVABLES In Bhubaneshwar campus, an amount of Rs. 43,930/- is recoverable from Prof Sandeep Kidile against one laptop stolen from his possession, intimated to HO vide letter no 1066 dated 16.08.2013 still pending for approval at HO level. Mgt Reply: Observation of auditor is noted by the Campus. HO is requested to look in to the matter and necessary order may be conveyed in this regards. B) ADVANCES TO CONTRACTORS 1. Head Office: An amount of Rs. 69.73 lakhs is outstanding as advances to various parties on 31/03/2014. Out of this amount, major amount outstanding are as follows which need rigorous follow up:- Party Amount (Rs.)								
							de	NIFT/BBSR/Accounts/Misc/2010-11& 2011-12/2316 dated:11.11.2014has been forwarded to HO tosuggest further course of action inthis matter since as per informationcollected from police, the case isstill under investigation.Head Office:95 contractor advances amountingto Rs. 92.25 lakhs were outstandingfor settlement as on 31stDecember, 2014. Out of these	residence of faculty along with other valuables. Police has not yet filed final report which is awaited, after receipt of report amount will be recovered/writter off. <u>Head Office:</u> HO is taking adequate steps for settlement of old outstanding advances to parties.
)									
	Alaknanda Advertising 13,22,000 CLRI 1,55,000 ITPO 4,45,300 Media Makers 7,60,850			1 1 1	since 2000-01 1996-97 1997-98 1999-00			advances, 43 advances amounting to Rs. 22.44 lakhs have been settled / adjusted up to April 13, 2015 including advance of Alaknanda Advertising and the balance of Rs. 69.81 lakhs are in process of	
	Mgt. Reply: Rs. 60,178 has since been adjusted. C) Delhi: An amount of Rs.3,36,390/- to two parties is long outstanding in "Other Advances Account" which needs to be recovered/adjusted. S.no. Ledger A/c Amount of Advance Outstanding from Purpose 1 Sri Fort 334,546.00 19.11.2012 Convocation 2012					 <u>Delhi:</u> The regular follow up with the concerned party is being done. We are following up with Sri fort Auditorium for an adjustment of advance. 	Delhi: HO is taking adequate step: for settlement of old outstanding advances to		

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

	1	2	DGS&D	1,844.00	01.4.2008	Opening balance	Actively pursuing with the Siri fort	
	Mgt. Reply: Adjustment in process						Authority and efforts is being made	
							to settle before closing of this	
							financial year.	
							2. Now, the Old records 2006-07 has been retrieved and settlement in	
						· .	process.	
2.	FIXE	D AS	SETS VERIE	CATION AND ACCO	UNTING			
۷.			npus:		onnio	·		
			ding Project	t			Delhi Campus:	Delhi:
					all provide a perfo	rmance guarantee at 5%	The DSIIDC is being pursued for	HO is taking adequate steps
	of te	ende	red cost wit	hin 15 days of awar	d of work to NIFT a	as a guarantee for timely	submission of P.G. through letters	for getting P.G. from DSIIDC.
			•	•	e 36 months from t	the date of allocation of	and in the review meetings being	
	wor	k to [OSIIDC by NI	FT.			chaired by D.G. with the CMD,	· .
							DSIIDC.	
			-	has been provided	till date. The sam	e needs to be obtained		
3.	L	edia		TER & ESTABLISHM				
э.					LINT DEPARTMENT			
		Bio	Metric svs	tem employed at	various campuses	are not generating the		
			-		•	re raised in the internal		
		audi	t report for	the quarter ended	30 th September 2	014 also. The Bio metric		
		Ven	dor should	take immediate st	eps to rectify the	problems faced in Bio-		
		Met	ric attendan	ce system. We obse	erved that:			
		In			n autobar Dutu -	utting romories like "Odd	i) No. of sireylars have been issued	i) Ponhy is satisfactory
			-			utting remarks like "Odd rently being faced at all	i) No. of circulars have been issued for maintaining proper record in Bio	i) Reply is satisfactory.
			-			attendance data is not	metric system.	· ·
			able from the	•				
							·	
	ii.	The	Bio Metric S	System is not updat	ted on Transfer of	Employees between one	ii) Bio metric system has been	Reply is satisfactory.
		cam	pus and H.C	or other Campus.	This short coming	was observed in case of	updated.	
		Delh	i Campus ar	nd Head Office, wh	ere salary paid to s	staff is not in conformity		

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

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	with attendance as per Bio-metric system.		
	Mgt Reply: Biometric data needs to be updated.		
4.	 BOOKS & PERIODICALS Kolkata: 144 Books issued by the Resource Centre to 25 faculty members have not been returned. The period in some cases is over 4 years. The books issued in their names have not been returned which needs a serious view by the Management. Refer to Annexure 4 of Consolidated Report issued for 2nd quarter of Current FY-2014-15 Mgt Reply: The Resource Centre has regularly been intimating the faculty members who have not returned the books issued in their names after the expiry of loan duration. The last such intimation was sent via email dated 27th October'2014. The matter is further being followed up by the Resource Centre. 	from faculties and efforts are being made to recover the other 28 books with regular follow up with faculty members.	<u>Kolkata:</u> Campus reply satisfactory.
5.	 PROJECTS Delhi: 	between NIFT HO and office of DCHC. Orders waited from DCHC. Till then status quo (Regular follow-up is being done through Project-HO).	Delhi: a) Campus reply satisfactory.
	 b) In Indo Swiss Project, the performance was completed in March 2010, against invoice amount of Rs. 4,60,676/-, an amount of Rs 2,87,748 only has been received. Though Utilization certificate has been issued on 15.03.2010 and Original invoices of expenditure incurred has also been submitted to the party 	for closure and settlement as the Project is closed.	b) Project is closed.

NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

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		but still balance amount of Rs.172928 has not been recovered from Reitor India (P) Ltd. The NIFT may proceed legally against the party for realization of the outstanding balance. Mgt. Reply: Matter is being taken on file for closure and settlement.	a) As not credit clip reseived		
	с)	In case of Indian Navy (Conduct of Short term course) Project, the project stands completed on 10.05.2014, for a contract value of Rs. 14,19,511.00. Invoice has been raised for Rs. 14,19,511/- to Indian Navy but no entry in Books of account has been made. Also, as per agreed terms with Navy Officials (Cmdr. Samal) the money was to be received in the first quarter of current FY-2014-15, but no money has been realized till date. The amount of expenditure incurred Rs. 7.90 Lacs has not been accounted for in Books of account as per estimated expenditure on the Project. Efforts need to be made for realization of bill amount of Rs. 14,19,511/- from Indian Navy and Project needs to be closed. Mgt. Reply: As per credit slip received, payment was made on 18 th August 2014. However due to an error in the IFSC code, money not recd. Matter being taken up with MoD officials.	c) As per credit slip received, payment was made on 18 th August 2014. However due to an error in the IFSC code, money not recd. Matter being taken up with MOD officials. We are actively pursuing with client for release of funds.	c) Campus repl satisfactory.	y is
		taken up with mod officials.	d) Being followed up. However,		
66	d)	Project 'IPR" started for registration of GI in case of 3 Crafts for 4 states (Punjab, Haryana, Himachal and Uttrakhand). We have observed that major part of the Project has been completed but the Project has not been closed as yet. There is no further progress in the project since 20.01.2014. A sum of Rs.26,49,120/- has been debited to Project on 07 May 2013 with corresponding credit in Provision made. Mgt. Reply: Matter is being dealt at HO Level between NIFT HO and office of DCHC. Orders awaited from DCHC. Till then status quo (Regularly followup is	action is to be taken by DCHC at their end.	d) Campus repl satisfactory.	y is
	e)	being done). Project "Uniform for MCD Gr. D Employees" advance amount received 90% Rs. 11,12,364, the major work of the project has been completed and distribution/appropriation of receipt amount has been made on 23/09/2014. All pending expenses if any need to be booked and balance 10% of the Project amount needs to be recovered from MCD. The balance of the Project in the	e) Project is closed. Balance payment is now being persuaded.	e) Project is closed.	

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		books of account as on 30.9.2014 is Rs. 8,24,723 (cr). Mgt. Reply: Project completed. Matter for balance being persued.	f) Matter is being dealt at HO Level	
	f)	In Chamba Project, the performance was completed in 2011-12, but balance amount of Rs.370827 has not been recovered from Development Commissioner, (Handicrafts) Ex-Officio –Joint Secretary, Ministry of Textiles, West Block -7, R K Puram, New Delhi. The last letter (Reminder) is dated 23.03.2012, no further correspondence has since been made by NIFT for recovery of balance amount of Rs.3,70,827.00. The balance amount of any expenditure needs to be booked (that has remained unadjusted), as the Project is not closed for non recovery of balance amount. Mgt. Reply: Matter is being dealt at HO Level between NIFT HO and office of DCHC. Orders awaited from DCHC. Till then status quo (Regularly followup is being done.	between NIFT HO and office of DCHC. Orders awaited from DCHC. Till then status quo is being maintained. (Regular follow up is being done through Project Cell).	f) Campus reply satisfactory.
б Ұ	g)	In JSS-II Project, last letter issued by Unit I/C Project Cell to Co-odinator JSS-II Project NIFT-DC for closure of project on 14.08.2014. The balance amount of any expenditure needs to be booked (that has remained unadjusted), and Project is still not closed and the balance in books as on 30.9.2014 is rs.219689. Mgt. Reply: Closure report awaited from client for financial closure of project. Reminders sent to coordinators.	g) Closure of project has been initiated.	g) Closure of project ha been initiated.
•	h)	In ITPO Project, a Debit balance of Rs. 61821 is outstanding since 1.4.2008. The amount is very old and needs to be adjusted after proper approval of competent authority. Mgt. Reply: Matter being taken on file for closure	 h) The matter is very old. Records are being withdrawn from archives for closure and closure of project has been initiated. 	h) Closure of project ha been initiated.
	i) 、	In Mrignayani Project, all deliverables have been shown to incharge Mrignayni Corporation on 25.02.2011 and GM on 26.02.2011 and request has been made for release of balance payment. Since 30.08.2013, there is no further progress in the Project. Meanwhile the Office Incharge of the Mrignainee Project has informed that the Work has been cancelled and refund of Rs. 3,00,000 be made. An amount of Rs.29090 has been incurred on the project and balance	i) Matter is being taken on file for closure and settlement.	j) Closure of project ha been initiated.

	der & Associates ed Accountants		(HO & All Campuses) lidated Summary-3 RD Qtr 2014-15
	outstanding is Rs.270910. The matter needs to be reviewed seriously and books of account need to adjusted accordingly. Mgt. Reply: Matter is being taken on file for closure and settlement		
	 j) Poly Bag Project- Amount received 50% 2,34,785, Expenses incurred Rs.1,38,174 and balance outstanding as at 30.9.2014 is Rs. 96614.Further 2nd and Final Installment is yet to be received from O/O DC(HC). There is no further progress in the project since 28.03.2012. Mgt. Reply: Matter is being dealt at HO Level between NIFT HO and office of DCHC. Orders awaited from DCHC. Till then status quo (Regularly follow up is being done) 	j) Matter is being dealt at HO Level between NIFT HO and office of DCHC. Orders waited from DCHC. Till then status quo (Regular follow up is being done through Project-HO).	j) Campus reply is satisfactory.
68	 Bhubaneshwar: Bell Metal Project : An amount of Rs. 5,00,000/- was sanctioned by the Office of the Directorate of Handicraft and Cottage Industries, Odisha vide letter no HPL/02/2013/DH&CI dated 19.10.2013 for conducting the designing development training programme on bell metal craft at Kantilo by NIFT, Bhubaneswar. Rs. 4,00,000/- Received by the institution on 03.02.2014. Out of this fund an amount of Rs. 2,05,000/- was given as advance to Mrs. Susmita Behera (Project Coordinator) for the project expenses has not been adjusted during the tenure of our audit. Mgt Reply: Noted. The same shall be settled after receipt of balance 20% amount i.e. Rs 100000/ 	Bhubaneshwar: A letter No- NIFT/BBSR/Project/2015/14 Dt:03.03.2015 has been sent to Director of Handicraft and Cottage Industries, Odisha Bhubaneswar for release of balance of Rs.1 Lakh along with Utilization Certificate. Financial closure of Bell metal Project will be carried out after receipt of balance amount from the client.	Bhubaneshwar: Campus reply is satisfactory.
6.	 CONTRACTS AND AGREEMENTS: 1. Mumbai: A. <u>Development of Plot No. 15 & 20</u> MOU with CIDCO DATED 2nd Sept. 2009 ; Last Modified on 30.07.2010: While reviewing the Memorandum of Understanding with "City & Industrial 	Mumbai:	<u>Mumbai:</u>
	 Development Corporation of Maharashtra Limited (CIDCO) for development of Plot No.15 & 20 at Sector-4 Khargarh, we observed that: ➢ In terms of permission of construction of additional buildings on Plot No. 20, vide letter ref. CIDCO/Estate/09/WS/360 dated 10/02/2010, FAR increased from 1. To 1.5 the completion time permitted is 4 years from the 	> The matter has been put up on Board of Directors by CIDCO.	Campus reply is satisfactory.
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69	additional bu 2010/WS/476 completion tin Modification opinion, the p to be renewed Mgt. Reply: T As per Clause from Project been paid to to CIDCO agai Mgt. Reply: T As per Clause is to be subm be the basis of statement is s CIDCI/EE/(KHI project cost of Crores and Co Crores. Again released by N from contract	he matter is being pu XX the expenses for Monitoring Charges IIT, Mumbai by NIFT	lo. 15, vide let FAR increased f ars from the date of was carried on 3 stands expired in 3 stands expired in 3 stands expired in 4 rsued with CIDCO Design Proof wer (PMC) but an amo for design proof wer (PMC) but an amo fo	the expenses on design proof for Rs 7.79 Lacs, however the amount will be deducted from the PMC charges of CIDCO.	Campus reply satisfactory. Campus reply satisfactory.	is	
	a) Following balances are continuing without any adjustment				Head Office: Regarding Ra.10.67 crores, it relates to 6th CPC arrears. Letters have been	Head Office: HO reply is satisfactory.	×
	TDS Payable	47474Dr.	Without any adjustment	There is opening balance being carried from 2008. The same will be put up for write off.	written to MOT for release of arrears. On 21-04-15 a reminder letter has also been issued. Other balances pertains to old		

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

	Arvind Brands Banglore	Rs.40000Dr	Without any adjustment	There is opening balance being carried from 2004. The same will be put up for write off.	advances and other accounts are being processed either for write off or for adjustments.	
	GSLIS Recoverable	Rs.4300Dr	Without any adjustment	There is opening balance being carried from 2007. The same will be put up for write off.		
	Recoverable for Ministry	Rs.10,67,00,000Dr	Without any adjustment	The amount is still receivable from MOT to meet the additional financial implication on account of 6th CPC.		
4	Students Advances	Rs.20342Dr	Without any adjustment	There is opening balance being carried from 2001. The same will be put up for write off.		
	Staff Advances New NIFT Account	Rs.32930Dr	Without any adjustment	The details has been explored from tally and the said amount o/s against Vickshit		
				Mehta, student studied from Gandhinagar. Notice is being sent to him	· · · · · ·	

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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

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_ [Motor Car	Rs.23667Dr	Only Rs.400	Rs 400/- is recovered		
	Advances		have been	from salary of Hindi		
			recovered in	officer and deposited		
			Sept'14	with his parent		
		•		office. As per records		
				maintained at salary		
			-	unit, there is no		
				motor car adv is o/s		
				.Moreover, no		
				recovery on account		
				of motor car advance		
	· ·			drawn from NIFT is		
				being made except		
				officers on		,
				deputation. There		
				might be error in		
				booking of the		
4		,		entries at the time of		
<u> </u>				recoveries.		
	Interest Acrrued on	360Dr	Without any	Accrued interest on		
	Sweep Account		adjustment	FD cannot be		
				adjusted without		
		· ·		break/mature of		
				fixed deposit		,
	H.O. Reply: R	eplies are provided ir	n relevant annexu	e.		
					•	
		ble account has cre		b) Reconciliation is under process	Reply is satisfactory.	
	amount of inc	come tax refunded b	y the income Tax	Department for various	and not completed due to shortage	
	assessment years. This amount needs to be adjusted against TDS and				of staff / manpower.	
	interest on refund of Income Tax. It is to be reconciled / adjusted with TDS					
	deducted by various parties.					
	H.O. Reply: Reconciliation is under process.					
					· ·	
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NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

<u>.</u>						r
	From the review Tax at Source am Daredevil Brand respectively. Tot receivable as at need to be review Mgt Reply: Delhi HO instructions, 55000/-, an amo	Project and "GAP International TDS is Rs.77,205.00 but as 30.09.2014 is only Rs. 52205. Wed and rectification entries are Centre is booking TDS from the the TDS deducted from Del point of Rs. 25000/- pertains to the the Statement of Rs. 25000/- pertains to the the the Statement of Rs. 25000/- pertains to the the the the the Statement of Rs. 25000/- pertains to the	22,205/- for "Design of Delhi ional Sourcing IPL" Project per books of account TDS 00 . Difference of Rs 20,000 required to be passed. e F.Y. 2013-14 on the basis of hi Daredevil Project of Rs. the F.Y. 2012-13. Accordingly	instructions, the TDS deducted from	<u>Delhi:</u> a) Campus Reply satisfactory.	is
b)	 b) An amount of Rs.2649120 has been credited to Provision for Expenditure and same amount debited to the IPR Project Receipt on 7-5-2013. Mgt Reply: Committed Expenditure for IPR Project on the basis of UC submitted. 			b) As the project is not completed, the Provision will be adjusted at the time of closure. The regular follow up is being made	b) Campus Reply satisfactory.	is
c)	which is yet to be	paid/adjusted in students acco	unts.	c) Amount of Rs.1,28,210/- adjusted from outstanding amt. Work is in progress.	c) Campus Reply satisfactory.	is
4. Bai	ngalore:			Bangalore:	Bangalore:	
7.600 E906 Y 55797975	AND THE PERSON AND ADDRESS OF A DREAM AND ADDRESS OF A DREAM AND ADDRESS ADDRES	Particulars Amount Rs.3,29,751 which is opening balance not yet recovered from parties (Allied services-Dr.Rs.84,605, Ascon travels Dr.Rs.2,696 and Fee from students Dr.Rs.2,42,250)	Management reply This amount pertains to more than 8 years back as parties are not traceable. Necessary action is being proposed to write-off the balances.	1. These are very old pending issues. We are in the process of reviewing old records for necessary action in this regards. The same will be settled in this financial year.	1. Campus Reply satisfactory.	is
	a) b) c) 4. Bai	Tax at Source am Daredevil Brand respectively. Tot receivable as at need to be review Mgt Reply: Delhi HO instructions, 55000/-, an amo TDS receivable isb) An amount of Rs. same amount del Mgt Reply: Com submitted.c) An amount of Rs which is yet to be Mgt Reply: Amt.4. Bangalore:11Amount recoverable	 a) From the review of Project Files it is observed tha Tax at Source amounting to Rs. 55,000/- & Rs. 1 Daredevil Brand" Project and "GAP Internation respectively. Total TDS is Rs.77,205.00 but as receivable as at 30.09.2014 is only Rs. 52205.0 need to be reviewed and rectification entries are Mgt Reply: Delhi Centre is booking TDS from the HO instructions, the TDS deducted from Del 55000/-, an amount of Rs. 25000/- pertains to t TDS receivable is 52205/- is correctly shown as or b) An amount of Rs.2649120 has been credited to F same amount debited to the IPR Project Receipt of Mgt Reply: Committed Expenditure for IPR F submitted. c) An amount of Rs. 346985 is outstanding in Schowhich is yet to be paid/adjusted in students acco Mgt Reply: Amt. Rs 128210 adjusted from outsta 4. Bangalore: S.no Ledger Name Particulars 1 Amount recoverable from parties (Allied services-Dr.Rs.84,605, Ascon travels Dr.Rs.2,696 and Fee from students 	 a) From the review of Project Files it is observed that two parties have deducted Tax at Source amounting to Rs. 55,000/- & Rs. 22,205/- for "Design of Delhi Daredevil Brand" Project and "GAP International Sourcing IPL" Project respectively. Total TDS is Rs.77,205.00 but as per books of account TDS receivable as at 30.09.2014 is only Rs. 52205.00. Difference of Rs 20,000 need to be reviewed and rectification entries are required to be passed. Mgt Reply: Delhi Centre is booking TDS from the F.Y. 2013-14 on the basis of HO instructions, the TDS deducted from Delhi Daredevil Project of Rs. 55000/-, an amount of Rs. 25000/- pertains to the F.Y. 2012-13. Accordingly TDS receivable is 52205/- is correctly shown as on 30.09.2014. b) An amount of Rs.2649120 has been credited to Provision for Expenditure and same amount debited to the IPR Project Receipt on 7-5-2013. Mgt Reply: Committed Expenditure for IPR Project on the basis of UC submitted. c) An amount of Rs. 346985 is outstanding in Scholarship Received from other which is yet to be paid/adjusted in students accounts. Mgt Reply: Amt. Rs 128210 adjusted from outstanding amt. 4. Bangalore: S.no Ledger Name Amount Rs.3,29,751 which is opening balance not yet recoverable from parties (Allied services-Dr.Rs.84,605, traceable. Necessary action is being proposed to write-off 	 a) From the review of Project Files it is observed that two parties have deducted Tax at Source amounting to Rs. 55,000/- & Rs. 22,205/- for "Design of Delhi Daredevil Brand" Project and "GAP International Sourcing IPL" Project in the F.Y. 2013-14 on the basis of HO paredevil Project of Rs. 55000/, receivable as at 30.09.2014 is only Rs. 52205/ob. Difference of Rs 20,000 out of which an amount of Rs. 55000/, an amount of Rs. 25000/- pertains to the F.Y. 2013-14 on the basis of HO control of the reviewed and rectification entries are required to be passed. Mgt Reply: Delhi Centre is booking TDS from the F.Y. 2013-14 on the basis of HO control of the Entry 2012-13. Accordingly TDS receivable is 5205/- is correctly shown as on 30.09.2014. b) An amount of Rs. 2649120 has been credited to Provision for Expenditure and same amount debited to the IPR Project and receipt on 7-5-2013. Mgt Reply: Committed Expenditure for IPR Project on the basis of UC submitted. c) An amount of Rs. 346985 is outstanding in Scholarship Received from outstanding amt. c) An amount of Rs. 346985 is outstanding in Scholarship Received from outstanding amt. Work is in progress. 4. Bangalore: Sino Ledger Name Particulars Mathematics accounts. Mgt Reply: Amt. Rs 128210 adjusted from outstanding amt. 4. Bangalore: Sino Ledger Name Amount Rs.3,29,751 which is opening balance not yet recoverable from parties and Fee from students Dr.Rs.2,4250 and Fee from students Dr.Rs.2,42,250 b) As the project. The same will be settled in this financial year. 	a) From the review of Project Files it is observed that two parties have deducted Tax at Source amounting to Rs. 55,000/. & Rs. 22,205/- for "Design of Delhi Darededui Brand" Project an "GAP International Sourcing IPL" Project receivable as at 30.09.2014 is only Rs. 52205.00. Difference of Rs 20,000 need to be reviewed and rectification entries are required to be passed. Mgt Reply: Delhi Centre is booking TDS from the F.Y. 2013-14 on the basis of HO instructions, the TDS deducted from Delhi Daredevil Project of Rs. 25000/- pertains to the F.Y. 2012-13. Accordingly TDS receivable is 52205/- is correctly shown as on 30.09.2014. a) Campus Reply satisfactory. b) An amount of Rs.2649120 has been credited to Provision for Expenditure and same amount debited to the IPR Project Receipt on 7-5-2013. Mgt Reply: Committed Expenditure for IPR Project on the basis of UC submitted. b) As the project is not completed, the Provision will be adjusted at the time of closure. The regular follow up is being made b) Campus Reply satisfactory. c) An amount of Rs. 346985 is outstanding in Scholarship Received from other which is yet to be paid/adjusted in students accounts. Mgt Reply: Amt. Rs 128210 adjusted from outstanding amt. Management reply This amount pertains to more than 8 years back as parties are not (Allied services-Dr.Rs.34,605, Ascon travels Dr.Rs.2,696 and fee from students Management reply This amount pertains to more than 8 years back as parties are not (Allied services-Dr.Rs.34,605, Ascon travels Dr.Rs.2,696 and fee from students Management reply This amount pertains to more than 8 years back as parties are not year in this regards. The same will be settled in this financial year. Bangalore: Bangalore:

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Service tax

recoverable

NIFT (HO & All Campuses) Consolidated Summary-3RD Qtr 2014-15

		· · · ·
No Amount recovered since	Cenvat credit taken in	off the Service Tax Cenvat Credit
01.04.2014	previous year to be	which provision made prior to 2010
	written off since we	in the books of accounts. JV.No. 179
	are not eligible for	Dt. 27.01.2015 has been passed with
· ·	cenvat credit	the approval of Competent
	availment.	Authority.

			availment.	Authority.	
		·		3. H.O. has to reimburse the same.	3. Matter is being taken up
3	TDS Receivable	No Amount recovered since 01.04.2014.	Request will be submitted to HO to reimburse the same.		with Income Tax Authorities and on getting refund, it will be returned back to the respective campuses.
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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

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We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

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For Gianender & Associates Chartered Accountants FRN.-004661N

(RAMESH KOUL) Partner MRN: 077804

Date: 25.02.2014 Place: New Delhi

AGENDA ITEM NO. 3205

REAPPOINTMENT OF CURRENT INTERNAL AUDITORS OR APPOINTMENT OF NEW INTERNAL AUDITORS FOR THE FINANCIAL YEAR 2015-16

1. <u>SCOPE:</u>

This agenda seeks due consideration and recommendation of the F&AC members for the reappointment of current internal auditors (i.e. M/s Gianender & Associates) or appointment of new internal auditors for the Financial Year 2015-16.

2. BACKGROUND:

2.1 Before 2013 there was a practice of every NIFT campus and the Head office having its own internal auditor. Since year 2013-14,NIFT is appointing one single audit firm for doing internal audit of HO and all the campuses. Further the internal auditors are getting selected through open tender. The bidder who was technically qualified as per the tender document and had quoted lowest price (L1) in its financial bid was selected and appointed as internal auditor of NIFT. Accordingly, M/s. Gianender & Associates, Chartered Accountants were appointed as internal auditors for the financial year 2014-15 with a provision for extending it for 2015-16 and 2016-17.

2.2 The BOG members in its 26thmeeting held on 30th September, 2014 were of the opinion and had decided that the appointment of internal auditor and the internal audit were important instruments of control by the Board and should not be delegated to authorities below. In view of the same, the Board had decided that the power to select the internal auditors would be with the Board and in future the matter of appointment of Internal Auditors should be placed before the Board for prior approval after due vetting by the F&AC.(Refer Annexure – 3205/I)

2.3 This decision of the board was again reemphasized in the last BOG meeting i.e. 28th BOG Meeting held on 23rd February, 2015. The Board clarified that in future the appointment, termination and remuneration of the internal and statutory auditors should be brought before the Board for approval as this was an important part of any Board's system of control and should not be delegated. (Refer Annexure – 3205/II)

3. <u>PERFORMANCE REPORT OF CURRENT AUDITORS FOR THE FINANCIAL YEAR</u> 2014-15

3.1 As per the terms and conditions of the tender document, the appointment of internal auditor is further extendable for a period of two financial years i.e. 2015-16 and 2016-17 with a 5% escalation per annum on 90% of the fee paid in first year. Also, the appointment of NIFT internal auditor cannot be for more than three years in total.

In view of the directions given by the BOG in para 2.2 and 2.3 above, the reappointment of the current internal auditor or appointment of new internal auditors for 2015-16 is to be considered by F&AC members.

3.2 For this purpose, an evaluation of performance of current internal auditor was called for in the form of a questionnaire from all NIFT campuses. The feedback received from campuses have been compiled and placed at **Annexure-3205/III** for the kind consideration and perusal of the members of F&AC. In the performance evaluation, the campuses were asked to give comments on questions relating to different aspects about performance (in yes or no) and give an overall rating (out of 10) as a recommendation

for the reappointment of the current internal auditor. The overall rating as given by the campuses is summarized in the table below:

Rating	Recommendation	No of Campuses
Up to 5	Not recommended	1 (Bangalore)
Above 5 to 7	Neutral	9 (Bhopal, Gandhinagar, Hyderabad, Jodhpur, Kannur, New Delhi, Shillong, Srinagar, HO)
Above 7 to 9	Recommended	7 (Bhubaneswar, Chennai, Kangra, Kolkata, Mumbai, Patna, Raebareli)
Above 9	Strongly recommended	0

3.3 As evident from the table above, out of 16 campuses of NIFT, 7 campuses recommended the reappointment of the current internal auditor, one campus has not recommended the reappointment and 8 campuses and HO (Accounting Unit) were neutral about the recommendation.

The mean score for all campuses comes to 7.29.

3.4 The internal auditors have also done process audit of 13 processes of NIFT. These 13 processes are:-

- 1. Purchases and services
- 2. Consumables
- 3. Fees
- 4. Expenses
- 5. Establishment
- 6. Bank and Cash Payment
- 7. Investment
- 8. Advances
- 9. Projects
- 10. Government Grants
- 11. Leaves
- 12. Fixed Assets
- 13. Buying of Library Books

The report of the process auditor is enclosed vide Annexure-3205/IV.

Four Zonal committees have been formed for studying and implementing the process recommendations. The committees are in advanced stage of finalization of the implementable recommendations.

The internal auditors have been asked to make a presentation before F&AC.

4. PROPOSAL

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In view of the above, recommendation of F&AC is sought as to:

- (a) Whether the current internal auditors be reappointed as internal auditor for the financial year 2015-16; or
- (b) Whether appointment of internal auditors for financial year 2015-16 be made through open tender.

5. DG's RECOMMENDATION:

The proposal is recommended by Director (F&A) and approved by DG, NIFT to be putup to the F&AC for recommending to BOG.

6. MATTER FOR THE CONSIDERATION OF F&AC:

The matter is put for kind consideration and recommendation of the F&AC.

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Annexure E

EXTRACTS OF THE 26TH BOG MEETING HELD ON 30TH SEPTEMBER, 2014

".....account of changes in specifications after award of contract. He wanted to know who had authorized it, as he was in the F&AC subcommittee and did not remember the matter raised in any meeting. Nor did he remember delegating these powers below the BOG. The Project Engineer explained that the Project was given to CIDCO as NIFTs turn key consultant and that agency had its own internal mechanisms for fixing the responsibility for delays etc. and were expected to deliver the completed projects. Besides the above mechanism, NIFT has set up a review committee. There was also a Joint Committee consisting of Chief Engineer of CIDCO and Director Mumbai campus which had decided the changes in the building as necessary. The BOG was satisfied with neither explanation Chairperson pointed out that CVC frowned heavily on post contract changes in terms and conditions that had financial ramifications. She asked the CVO to study the matter and inform the Board as to the procedure advised by CVC and the procedure followed, and to point out deviations. The Board also directed that the revised estimates be divided into the following three parts for it to take decisions in the matter:

- (i) Cases involving Cost escalation with no delay, where increases could be justified provided they were in accordance with the terms of the contract.
- (ii) Cases of cost escalation with delay, where the reasons for delay were necessary and the fixing of accountability for the delay would have to be tackled; and
- (iii) Cases with change in scope of the work, examination of the procedure against the procedure advised by CVC, and a fixing of accountability

The Board suggested that an independent agency like CPWD, NBCC or Engineers India Limited (EIL) be engaged to check the reasonableness of the proposal in line with the three parts above. The proposal would be discussed in detail in next meeting.

19. Sh. Sunil Sethi raised the issue of a change of Internal Auditor. After discussion, it was decided that the appointment of the Internal Auditor and the Internal Audit were important instruments of control by the Board and should not be delegated. It was decided that the power to select the Internal Auditors would be with the Board and in future the matter of appointment of Internal Auditors should be placed before the Board for prior approval after due vetting by the F&AC. Changes would be accordingly incorporated in the Second Statutes before their submission to the Ministry. Director (F&A) was directed to provide a report on the recent selection of the current Internal Auditors.

Annerure - 3205/TT

Annexure II

EXTRACTS OF THE 28TH BOG MEETING HELD ON 23RD FEBRUARY, 2014

".....the Board decided that for the time being, for preparing the Cabinet note, a proposal for extension of timeline for implementation of OBC Quota may be sent to MoT.

- Sh. Sunil Sethi raised his concerns and pointed out that the Mumbai project had been delayed badly, efforts should be made to complete the project. Keeping in view the delay in implementing the building Projects, he desired that a Standard Operating Procedures for large constructions projects may be laid down. Private Agencies who monitors the construction projects may be hired as PMCs.
- (vi) Sh. Sunil Sethi pointed out to the Board that M/s M.C. Jain & Co., Chartered Accountant had done a commendable job, however their contract was terminated as allegedly they did not have experience in Process Audit. When they had done a good job and understood NIFT, they should have been preferred. Chairperson pointed out that the issue had been discussed in a previous meeting, and it had been agreed that in future the appointment and termination and remuneration of the internal and statutory auditors would be brought before the Board for approval, as this was an important part of any Board's system of control and should not be delegated. The Chair also pointed out that a process audit was not confined to the audit of the system of maintenance of accounts and accounting; it necessarily looked into all processes of an organization, and included such things as inventory management, maintenance management by drawing up schedules and adhering to them, administrative processes for issue of orders and follow up of them, etc. She suggested a list of processes that would be audited in current year may be brought to the notice of the Board. It was agreed that academic processes may not be subjected to process audit as a sub-committee of the BoG was working on the same. It suggested that the work of establishment division and processes related to Board meeting and follow up of its directions may be part of the first Process Audit.
- (vii) Regarding Admissions 2015, the DG informed the Board that as per the directions, Admission Procedure of 2013-14 (not 2012-13 as noted in minutes) was being followed up for 2015-16(not 2014-15 as noted in minutes). The Board also took note of the corrections that suggested to modify the minutes suitably.
- (viii) The DG informed the Board that the Negotiating Committee and Empowered Committee constituted to oversee the admissions for 2015 had been notified, and the proposal received from Associate Professor Amisha Mehta had been forwarded to the JS in MoT. She was requested to convene a meeting of the Negotiating Committee for a guick decision in the matter......."

(v)

AMME NUX - 3205/TIL Performance Evalution Report of Internal Auditors for the year 2014-15

Sr.	Particulars	Bengaluru	8 Bhopal	* Bhubaneshwar	Chennal
	Particulars with the second second second	12 12 12 1 2 16 T	15 2 2 m st.	3	15 21 4 2 2
1	Whether the quality of internal audit report was satisfactory?	NO	YES	YES	YES
2	Whether the composition of team was as per the terms of appointment? (Refer para xxxvi of appointment letter dated 1 st July, 2014)		NO	YES	YES
3	How much time internal auditors devoted at your campus/unit for carrying internal audit? (Refer para xxxvi of appointment letter dated 1 st July, 2014)	YES	5 Days to 1 week	5-8 Working days devoted for each quarterly audit by the team.	As per the time mentioned in the appointment letter.
4	Whether the quality of process audit report was satisfactory? (Refer para xxxiv of appointment letter dated 1 st July, 2014)	N.A.	N.A.	` N.A.	N.A.
5	Whether internal audit reports for each quarter were completed by internal auditors on time? (Refer para xxxv of appointment letter dated 1 st July, 2014)	YES	YES	YES (conducted as per the schedule fixed by NIFT HO)	NO
6	Whether any other services referred in scope of work of appointment letter like TDS, Service tax, etc. were rendered by the internal auditors for your campus/unit?	NO	NO	No other services rendered by the audit.	YES
7	Whether the coverage of different areas / departments in internal audit was satisfactory so far internal audit is concerned? (Refer to scope of work of appointment letter dated 1 st July, 2014)	NO	YES	YES	YES
8	Whether the fee charged by internal auditor was reasonable?	NO	NO COMMENTS	NO (As compare to local market rate at BBSR)	YES
9	Whether the internal auditors discuss the issues raised in internal audit report with campus before releasing final internal audit report?	YES	YES	YES	YES
10	How was the behaviour of internal audit team with NIFT staff?	GOOD	GOOD	EXCELLENT	Behaviour and approach of the IA team was good.
Overali	rating / evaluation of internal auditors	5	7	8	8
					-

Rating	Recommendation
Up to 5	Not recommended
Above 5 to 7	Neutral
Above 7 .to 9	Recommended
Above 9	Strongly recommended

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sř. y	Particulars	Gandhinagar	• Hyderabad 6	Jodhpur	Kangra - 8
1	Whether the quality of internal audit report was satisfactory?	YES	YES	YES	YES
2	Whether the composition of team was as per the terms of appointment? (Refer para xxxvi of appointment letter dated 1 st July, 2014)	YES	NO	YES	Satisfactory
3	How much time internal auditors devoted at your campus/unit for carrying internal audit? (Refer para xxxvi of appointment letter dated 1 st July, 2014)	4-5 days per Qtr	3 to 4 days for quarter	Minimum 10 days for one quarter audit	Sufficient Time was devoted
4	Whether the quality of process audit report was satisfactory? (Refer para xxxiv of appointment letter dated 1 st July, 2014)	N.A.	N.A.	N.A.	YES
5	Whether internal audit reports for each quarter were completed by internal auditors on time? (Refer para xxxv of appointment letter dated 1 st July, 2014)	YES	YES	YES	YES
6	Whether any other services referred in scope of work of appointment letter like TDS, Service tax, etc. were rendered by the internal auditors for your campus/unit?	NO	NO	NO	NO
7	Whether the coverage of different areas / departments in internal audit was satisfactory so far internal audit is concerned? (Refer to scope of work of appointment letter dated 1 st July, 2014)	YES	NO	YES	Yes the auditors covered other department like administration for checking attendance of staff
8	Whether the fee charged by internal auditor was reasonable?	NO	NO	N.A.	Head Office may tell better
9	Whether the internal auditors discuss the issues raised in internal audit report with campus before releasing final internal audit report?	YES	YES	YES	YES
10	How was the behaviour of internal audit team with NIFT staff?	Good	courteous	Good	Cordial
Overall	rating / evaluation of internal auditors	7	7	7	8

Rating	Recommendation	
Up to 5	Not recommended	
Above 5 to 7	Neutral	
to 7	Neutrai	
Above 7	Recommended	
to 9	Recommended	
Above 9	Strongly recommended	

CONTD ...

		Kannur	Kolkata	Mumbal 🖾	New Delhi	Patna
Sr.	Particulars	9	10	11	12	13 🔍
1	Whether the quality of internal audit report was satisfactory?	5-7	YES	YES	YES	YES
2	Whether the composition of team was as per the terms of appointment? (Refer para xxxvi of appointment letter dated 1 st July, 2014)	No Full time CA. Attended by Assistants	YES	YES	YES	NO
3	How much time internal auditors devoted at your campus/unit for carrying internal audit? (Refer para xxxvi of appointment letter dated 1 st July, 2014)		4-5 working days in each quarter.	10 days for each quarter	YES	3 days
4	Whether the quality of process audit report was satisfactory? (Refer para xxxiv of appointment letter dated 1 st July, 2014)		N.A.	N.A.	YES	N.A.
5	Whether internal audit reports for each quarter were completed by internal auditors on time? (Refer para xxxv of appointment letter dated 1 st July, 2014)	VEC	YES	YES	YES	YES
6	Whether any other services referred in scope of work of appointment letter like TDS, Service tax, etc. were rendered by the internal auditors for your campus/unit?	NO	NO .	NO	NO	NO
7	Whether the coverage of different areas / departments in internal audit was satisfactory so far internal audit is concerned? (Refer to scope of work of appointment letter dated 1 st July, 2014)	YES	YES	YES	. YES	YES
8	Whether the fee charged by internal auditor was reasonable?	YES	If, each centre's fee to be paid to the internal Auditor is considered to the equal i.e., Rs.1,66,667/-, then the fee appears to be on a higher side.	It is much more than what we were paying to the Internal Auditors appointed locally.	YES	NO .
9	Whether the internal auditors discuss the issues raised in internal audit report with campus before releasing final internal audit report?	For I and lind Qtr Only	YES	YES	YES	YES
10	How was the behaviour of internal audit team with NIFT staff?	Good	Very cordial.	Very Good	Cordial	Good
Overall	rating / evaluation of internal auditors	5-7	8	8	7	8

Rating	Recommendation
Up to 5	Not recommended
Above 5 to 7	Neutral
<u>to 7</u>	
Above 7	Recommended
to 9	Recommended
Above 9	Strongly recommended

CONTD ...

1 Whether the quality of internal audit report was statisfactory? VES VES NO 2 Image: the course of audit. 1-2 para axxiv of appointment? (Refer para axxiv devoted at your campus/unit for carrying devoted at your campus/unit for carrying during the course of align and during devoted at your campus/unit for carrying during the course of align and during devoted at your campus/unit for carrying during the course of align and during devoted at your campus/unit for carrying during the course of align and during devoted at your campus/unit for carrying during the course of align and during devoted at your campus/unit for carrying during the course of align and during devoted at your cannot comment auditors on time? (Refer para axxiv during the course of align and the course of align and during the course of align and the course of align and during the course of align and during for your campus/unit? NA. NA. NA. Cannot Comment the course of align and during the course of align and	Sr. el	Particulars	Rae Bareli		Head Office
1 report was satisfactory? TES TES<			1	<u>.</u>	16
2 Whether the composition of team was as per the terms of appointment? (Refer 1 st July, 2014) YES during the course of Julit, 1-2 employees of CA firms are coming for audit to NIFT Shillong. They are paid assistants of CA firms and not CA firms and there are paid assistants of CA firms and not CA firms and there are paid assistants of CA firms and not CA firms and there are paid assistants of CA firms and not CA firms and there are paid assistants of CA firms and not CA firms and there are paid assistants of CA firms and not CA firms and there are paid assistants of CA firms and not CA firms and auditor Cannot Comment. In between internal auditor disapperate each Quarter upto Dec'14 Cannot Comment. In between internal auditor disapperate are commercement Audit without informati Audit audit or appointment letter dated 1 st July, 2014) NA. NA. NA. 8 Whether the fee charged by internal auditor was reasonable? YES Yes They have been appoint through open tender Hence No comment through open tender Hence No comment through open releasing final internal audit report? 9 Wh	1		YES	YES	NO
How much time Internal auditors internal audit? (Refer para xxxvi of appointment letter dated 1" July, 2014)One week for each Quarter upto Dec'14In between internal auditors disapperare appointment letter dated 1" July, 2013)4Whether the quality of process audit report was satisfactory? (Refer para xxxvi of appointment letter dated 1" July, 2014)N.A.N.A.Cannot Comment auditors disapperare Audit without informati Audit without informati N.A.5dispointment letter dated 1" July, 2014)Whether internal audit reports for each quarter were completed by internal auditors on time? (Refer para xxxvi of appointment letter dated 1" July, 2014)YESYesYES6TDS, Service tax, etc. were rendered by the internal auditors for your campus/unit?NONONO7satisfactory of a internal audit was auditor was reasonable?YESYesYES8Whether the fee charged by internal auditor was reasonable?Fee Charges are decided by HO itself.YesThey have been appoint through open tender Hence No comment through open tender Hence No comment9Whether the internal auditors discuss the issues raised in internal audit report?YESYesYES10How was the behaviour of internal audit team with NIFT staff?EXCELLENTSatisfactoryVery Cordial	2	per the terms of appointment? (Refer para xxxvi of appointment letter dated	YES	during the course of audit. 1-2 employees of CA firms are coming for audit to NIFT Shillong. They are paid assistants of CA firms and not CA-inter	Not Aware as the details of their qualification is not provided by internal auditor
4 report was satisfactory? (Refer para xxxiv of appointment letter dated 1 st July, 2014) N.A. N.A. N.A. Cannot Comment 5 appointment letter dated 1 st July, 2014) N.A. N.A. N.A. Cannot Comment 5 appointment letter dated 1 st July, 2014) YES Yes YES YES 6 TDS, Service tax, etc. were rendered by the internal auditors for your campus/unit? NO NO NO NO 7 Satisfactory so far internal audit was satisfactory so far internal audit was auditor was reasonable? YES Yes YES 8 Whether the fee charged by internal auditor was reasonable? Fee Charges are decided by HO itself. Yes They have been appoint through open tender Hence No comment with campus before releasing final internal audit report? 9 Whether the internal audits discuss internal audit report? YES Yes YES 10 How was the behaviour of internal audit report? EXCELLENT Satisfactory Very Cordial	3	devoted at your campus/unit for carrying internal audit? (Refer para xxxvi of	each Quarter	5-7 days	Cannot Comment. In between internal auditors disapperared after commencement of Audit without information.
5 quarter were completed by internal auditors on time? (Refer para xxxv of appointment letter dated 1 st July, 2014) YES Yes YES 6 TDS, Service tax, etc. were rendered by the internal auditors for your campus/unit? NO NO NO 7 satisfactory so far internal audit was auditor was reasonable? YES Yes YES 8 Whether the fee charged by internal auditor was reasonable? Fee Charges are decided by HO itself. Yes They have been appoin through open tender Hence No comments through open tender Hence No comments 9 Whether the internal auditors discuss the issues raised in internal audit report with campus before releasing final internal audit report? YES Yes YES 10 How was the behaviour of internal audit team with NIFT staff? EXCELLENT Satisfactory Very Cordial	4	report was satisfactory? (Refer para xxxiv of appointment letter dated 1^{st} July,	N.A.	N.A.	Cannot Comment
scope of work of appointment letter like TDS, Service tax, etc. were rendered by the internal auditors for your campus/unit? NO NO NO whether the coverage of different areas / departments in internal audit was concerned? (Refer to scope of work of appointment letter dated 1 st July, 2014) YES Yes YES whether the fee charged by internal auditor was reasonable? Fee Charges are decided by HO itself. Yes They have been appoint through open tender Hence No comments whether the internal auditors discuss the issues raised in internal audit report with campus before releasing final internal audit report? YES Yes YES 10 How was the behaviour of internal audit team with NIFT staff? EXCELLENT Satisfactory Very Cordial	5	quarter were completed by internal auditors on time? (Refer para xxx of	VES	Yes	YES
7 / departments in internal audit was satisfactory so far internal audit is concerned? (Refer to scope of work of appointment letter dated 1 st July, 2014) YES Yes YES 8 Whether the fee charged by internal auditors discuss the issues raised in internal auditors discuss the issues raised in internal audit report? Fee Charges are decided by HO itself. Yes They have been appoint through open tender Hence No comments 9 Whether the internal auditors discuss the issues raised in internal audit report? YES Yes YES 10 How was the behaviour of internal audit team with NIFT staff? EXCELLENT Satisfactory Very Cordial	6	scope of work of appointment letter like TDS, Service tax, etc. were rendered by the internal auditors for your		No	NO
8 Whether the fee charged by internal auditors discuss reasonable? decided by HO itself. Yes through open tender Hence No comments 9 Whether the internal auditors discuss the issues raised in internal audit report with campus before releasing final internal audit report? YES Yes YES 10 How was the behaviour of internal audit team with NIFT staff? EXCELLENT Satisfactory Very Cordial	7	/ departments in internal audit was satisfactory so far internal audit is concerned? (Refer to scope of work of	YES	Yes	YES
9 the issues raised in internal audit report with campus before releasing final internal audit report? YES Yes YES 10 How was the behaviour of internal audit team with NIFT staff? EXCELLENT Satisfactory Very Cordial	8		decided by HO	Yes	They have been appointed through open tender. Hence No comments
10 team with NIFT staff? EXCELLENT Satisfactory Very Cortian	9	the issues raised in internal audit report with campus before releasing final	105	Yes	YES
Overall rating / evaluation of internal auditors 8 7 7	10		EXCELLENT	Satisfactory	Very Cordial
overall range of the sector of	Overal	rating / evaluation of internal auditors	8	7	7

Rating	Recommendation	
Up to 5	Not recommended	
Above 5 to 7	Neutral	
Above 7 to 9	Recommended	
Above 9	Strongly recommended	1

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Sr.	Particulars	Srinagar 17
1	Whether the quality of internal audit report was satisfactory?	Yes
2	Whether the composition of team was as per the terms of appointment? (Refer para xxxvi of appointment letter dated 1 st July, 2014)	No commont
3	How much time internal auditors devoted at your campus/unit for carrying internal audit? (Refer para xxxvi of appointment letter dated 1 st July, 2014)	3 days (Three)
4	Whether the quality of process audit report was satisfactory? (Refer para xxxiv of appointment letter dated 1 st July, 2014)	N.A.
5	Whether internal audit reports for each quarter were completed by internal auditors on time? (Refer para xxxv of appointment letter dated 1 st July, 2014)	Yes
6	Whether any other services referred in scope of work of appointment letter like TDS, Service tax; etc. were rendered by the internal auditors for your campus/unit?	. No
7	Whether the coverage of different areas / departments in internal audit was satisfactory so far internal audit is concerned? (Refer to scope of work of appointment letter dated 1 st July, 2014)	Yes
8	Whether the fee charged by internal auditor was reasonable?	No comment
9	Whether the internal auditors discuss the issues raised in internal audit report with campus before releasing final internal audit report?	Yes
10	How was the behaviour of internal audit team with NIFT staff?	Yes
Overall	rating / evaluation of internal auditors	7
Rating	Recommendation	
Naring	NEWATINGINATION	

Rating	Recommendation	
Up to 5	Not recommended	
Above 5 to 7	Neutral	
Above 7 to 9	Recommended	
Above 9	Strongly recommended	

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PROCESS AUDIT REPORTS

E INDEX

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	<u>Zone</u>	and	Kangra	31-35
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NATIONAL INSTITUTE OF FASHION TECHNOLOGY

NEW DELHI CAMPUS

Consumables

PROCESS AUDIT REPORT

(F.Y. 2014-15)

GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060

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Process Audit -Consumables

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Flowchart- Purchase procedure for consumable items



Process Areas	Existing Process	Mapping with existing process	Process Improvement/Sugges
Consumables			
Purchase of consumable items	 Following procedure for purchase of consumable items is prescribed in Accounts Manual- Chapter-4 The Chairpersons/Head of Departments/Coordinators should plan out their requirements well in advance (indent) in order to enable the Administration Department to comply with prescribed procedure. Indents indicating details of specifications, quantities, approximate value as well as the expected time for receipt of the capital items so indented should be submitted to the approving authority. Budget Code numbers should be assigned to all the Budget Operating Chairpersons/Coordinators/Head of Departments, who will indicate these budget codes on all indents. Approving Authority: DG has full powers regarding sanction for purchase of stationery and other consumable stores. Campus Director has full powers regarding the sanction for the purchase of consumables. Director (Admin.) has the power to authorize purchase of consumable items including tool kits not exceeding Rs. 5000 in each case. Proper purchase procedure should be followed:- Purchase without inviting quotations: On the approval of the competent authority, purchases will be made for value up to Rs. 15000/- without getting quotation. Direct market purchase: purchase without inviting tenders/ quotations by a Purchase Committee consisting of 3 members for small value items costing above Rs.15000 to Rs. 100000/ Limited tender The competent should be adopted when estimated value of goods to be procured is between 1 lakhs to Rupees Twenty five lakhs. The competent generation is between 1 lakhs to Rupees Twenty five lakhs. 	 We selected 2 sample vouchers related to purchase of consumables viz. a) Voucher No. 492 dated 11-07-2014 amounting Rs. 2,72,434/- b) Voucher No. 770 dated 08-09-2014 amounting Rs. 2,80,047/- 1. There was no standard form of indent prescribed for indenting purpose for user department. In both samples, we found that requisition is made on noting sheets only or as a letter by user departments. There was no indent number allotted to requisitions made. 2. In both samples, we found that expected time for receipt of items in the requisition made is not mentioned. 3. Details regarding specifications, quantities and approximate value were found to be submitted in both samples. 4. In both samples, no Budget Code numbers were indicated on the indents/ requisition made. 5. No indent register is being maintained. 6. Approvals were properly taken in both cases. 7. Proper purchase procedures were followed except in case of Limited Tender, there is no list of approved suppliers. Enquiries were issued to suppliers found with the help of internet in each case. 8. Purchase order number is not serially numbered. 9. Purchase order register is not maintained. 10. No gate pass was issued for receiving the consumable items. Only the verbal- 	 The indent form should be standardized and should have fields as per format in Annexure-1 Expected time for receipt of consumables should be mentioned on the indent. Budget code numbers should invariably be indicated on the indent form. Admin department should maintain serial No. wise indent register. Annexure -2 Purchase order No's to be given serially and separate series to be used for consumables. Admin department should maintain purchase order register as per format attached as per Annexure-3 for keeping track of all the purchase made/follow up with vendor and subsequent verification. There should be a list of approved suppliers for each category of assets for short listing in case of limited tender enquiry. Gate pass should be issued for receiving the consumable items. Certification regarding receipt of goods in good condition and as per the specification should be done as per GFR 145 and 146 as applicable. Goods receipt Note (GRN) should be prepared by admin

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	the variables to be considered at the time of short listing	communication is made by the user	department. Annexure-4
	firms for limited tender enquiry.	department to the security personnel	11. Admin department should make
	c) At least three quotations/offers must be received in	at the gate.	entry regarding receipt of
	normal conditions. In case offers received are less than	11. Certification required under GFR 146	consumable items in PO register.
	three after approval by competent authority and looking	was not available for both the samples.	consumable nems in ro register.
		12. Entries have been made in Consumable	
	at the situation, the same may be considered.		
	4) Single tender: The single tender system may be adopted	register in case of both the samples.	
	in case of purchase of articles which are specifically		
	certified as of proprietary nature by the indenting		
	department		
	5) Open tenders: The open tender system, that is,		
	invitation to tender by public advertisement should be		· .
	used as a general rule for procurement of goods of		
	estimated value Rs. 25 Lakhs and above.		
	• The Admin Officer will keep a track of the materials		
	ordered and take appropriate follow up action to ensure	. <u>.</u>	
	that the materials are obtained in prescribed time.		
~ ·	 While receiving the consumable items, records should be kept in gate passes and the concerned Head of Dept. 	·	
R	should certify that the asst has been received in good		
,	condition and as per the specification. He shall forward the		
	bills duly certified to the admin officer who in turn will		
	forward the same to the Accounts Section.		
-	• The consumable items so received should be entered in		
· .	the consumable register by the designated Officer and a	ч	
	certificate to this effect should be forwarded to the		
	Accounts branch who will take necessary steps for release		
	of payment.		
B. Maintenance of	All consumable items procured for the centre should be	We selected 2 sample vouchers viz.	
consumable	recorded at a different page allotted in the register (GFR	a) Voucher No. 492 dated 11-07-2014	
register	41) and an Index may be prepared to locate the item in	amounting Rs. 2,72,434/-	
10Bister	the register. All columns should invariably be completed	b) Voucher No. 770 dated 08-09-2014	
	to assess the store available for use at any stage.	, amounting Rs. 2,80,047/-	
		U <i>i i i i</i>	
		Consumable register has been	
		maintained as per GFR-41.	
		• Both the samples have been entered in	
		consumable register.	
		~	_
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<u> Annexure -1</u>	
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Format for Indent

NATIONAL INSTITUTE OF FASHION TECHNOLOGY - NEW DELHI

Department Indent No:

Indent Date

Department :

Types of Material: Purchase Order Type (Please Tick Where ever-applicable Item Category)

Consumable	
Non-Consumable	

Items Details of Required Items

Serial No	Complete Description of Items (Specification Model, Catalog No) Use separate Sheet If required	Stock Held On date (Where ever Applicable)	Quantity Required	Purpose	Days within which required	Estimated Price Per Unit(Rs) (optional)	Estimated Total cost(Rs)
		,				•	

Up Suggested Supplier(Only in case of proprietary items)

\smile	Serial No.	lame	Address
∞			
vy			

Indenter's	Signaturo
indenters	Signature

Approved **HOD Signature**

(Signature)

0

Designation : _____

Contact No:-

(For Purchase/ Administration Department use only)

Indent Number-_____

Purchase Officer/Administration Officer Signature

(Signature)

· .

Annexure -2

-

<u>S. No.</u>			<u>D</u>	<u>Date</u>	<u>Inde</u>	Indent No. by User De		Dept. Name of User Dept.		<u>.</u> <u>In</u>	Indent No. by Purchase Dept.		<u>P.O No.</u>		
nnexure		Order Regi	ister		- -										
<u>S. No.</u>	* <u>Date</u>	<u>Item</u>	Indent No.	<u>P.O No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocated</u>	<u>Budget</u> Exhausted	<u>Balance</u> <u>Budget</u>	<u>Party</u> Name	Expect ed Date of Receip t	<u>Gate</u> <u>Pass</u> <u>No.</u>	<u>Date of</u> <u>Receipt</u>	<u>Goods</u> <u>Receipt</u> <u>Note</u> <u>No.</u>	<u>Bill No.</u>	Re
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Annexure-4

Format for Goods Received Note(GRN)

GOODS RECEIVED NOTE								
From: (Supplier)	Order No.:							
	Delivery Note No.:							
	Invoice No.:							
To: (Receiving)	Indent No:							
	Indented By:							
	Date:							

	Serial No	Item Specificaton	uni t	Qty ordered	Qty Received	Unit Cost	Total Vaue	Balance
Ð								
9	· · · · · · · · · · · · · · · · · · ·						· · · · · · · · · · · · · · · · · · ·	

Name:Signature	Designation	Date		•
Users Acceptance Certificate:	- · ·	Name	DignatureDe	esignationDate
Remarks:				

Distribution: Original (White copy) – Accounts, Duplicate (Green) – User, Triplicate (Pink) – Purchasing, Quadruplicate (Blue) – Stores

EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

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Date: Place: New Delhi



Process Audit -Consumables



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	Process Areas	Existing Process	Mapping with existing process Process Improvement/Suggestions
	Consumables		
Ì	Purchase of	Following procedure for purchase of consumable items is	We selected 2 sample vouchers related to
	consumable items	prescribed in Accounts Manual- Chapter-4	purchase of consumables viz. 1. The indent form should be
		• The Chairpersons/Head of Departments/Coordinators	a) Voucher No. 1007 dated 31-10- standardized and should have
		should plan out their requirements well in advance	2014 amounting Rs. 24,366/- fields as per format in Annexure-
		(indent) in order to enable the Administration Department	b) Voucher No. 587 dated 12-05-2014 1
		to comply with prescribed procedure.	amounting Rs. 8,700/- 2. Expected time for receipt of
		• Indents indicating details of specifications, quantities,	1. There was no standard form of indent consumables should be prescribed for indenting purpose for mentioned on the indent.
		approximate value as well as the expected time for receipt	prescribed for indenting purpose for mentioned on the indent. user department. In both samples, we 3. Budget code numbers should
		of the capital items so indented should be submitted to	found that requisition is made on invariably be indicated on the
		the approving authority.Budget Code numbers should be assigned to all the Budget	noting sheets only or as a letter by user indent form.
		Operating Chairpersons/Coordinators/Headof	departments. There was no indent 4. Admin department should
	ĺ	Departments, who will indicate these budget codes on all	number allotted to requisitions made. maintain serial No. wise indent
		indents.	2. In both samples, we found that register. Annexure -2
		• Approving Authority:	expected time for receipt of items in 5. Purchase order No's to be given
_		1. DG has full powers regarding sanction for purchase of	the requisition made is not mentioned. serially and separate series to be
		stationery and other consumable stores.	3. Details regarding specifications, used for consumables and other
		2. Campus Director has full powers regarding the	quantities and approximate value were than consumables.
1		sanction for the purchase of consumables.	found to be submitted in both 6. Admin department should
		3. Director (Admin.) has the power to authorize	samples.maintain purchase order register4. In both samples, no Budget Codeas per format attached as per
n		purchase of consumable items including tool kits not	4. In both samples, no Budget Code as per format attached as per numbers were indicated on the Annexure-3 for keeping track of
		exceeding Rs. 5000 in each case.	indents/ requisition made. all the purchase made/follow up
		Proper purchase procedure should be followed:- Durable as with put inviting subtribute. On the approach	5. No indent register is being maintained. with vendor and subsequent
		 Purchase without inviting quotations: On the approval of the competent authority, purchases will be made 	6. Approvals were properly taken in both verification.
1		for value upto Rs. 15000/- without getting quotation.	cases. 7. There should be a list of
		2. Direct market purchase: purchases without inviting	7. Purchase order number is not serially approved suppliers for each
		tenders/ quotations by a Purchase Committee consisting	numbered. category of assets for short listing
		of 3 members for small value items costing above	8. Purchase order register is not in case of limited tender enquiry.
		Rs.15000 to Rs. 100000/	maintained. 8. Gate pass should be issued for
.		3. Limited tender	9. No gate pass was issued for receiving receiving the consumable items.
		a) This system may ordinarily be adopted when estimated	the consumable items. Only the verbal 9. Certification regarding receipt of
		value of goods to be procured is between 1 lakhs to	communication is made by the user goods in good condition and as
		Rupees Twenty five lakhs.	department to the security personnel per the specification should be done as per GFR 145 and 146 as
		b) The limited tender enquiries will be issued to those	at the gate. done as per GFR 145 and 146 as 10. Consumable register was not applicable.
		firms which are appearing in the list of approved suppliers.	maintained. approache. approache. 10. Goods receipt Note (GRN) should
		Past performance of successful supplier, should be one of	be prepared by admin
	<u> </u>	the variables to be considered at the time of short listing	

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	firms for limited tender enquiry. c) At least three quotations/offers must be received in normal conditions. In case offers received are less than three after approval by competent authority and looking at the situation, the same may be considered. 4) Single tender: The single tender system may be adopted	· · ·	department. Annexure-4 11. Admin department should mak entry regarding receipt o consumable items in PO register.
	in case of purchase of articles which are specifically certified as of proprietary nature by the indenting department 5) Open tenders: The open tender system, that is,	-	•
	invitation to tender by public advertisement should be used as a general rule for procurement of goods of estimated value Rs. 25 Lakhs and above.		· · .
	 The Admin Officer will keep a track of the materials ordered and take appropriate follow up action to ensure that the materials are obtained in prescribed time. While receiving the consumable items, records should be 		
	kept in gate passes and the concerned Head of Dept. should certify that the asst has been received in good condition and as per the specification. He shall forward the	· ·	· · ·
	bills duly certified to the admin officer who in turn will forward the same to the Accounts Section.The consumable items so received should be entered in		
	the consumable register by the designated Officer and a certificate to this effect should be forwarded to the Accounts branch who will take necessary steps for release of payment.		
B. Maintenance of consumable register	 All consumable items procured for the centre should be recorded at a different page allotted in the register (GFR 41) and an Index may be prepared to locate the item in 	Consumable register was not maintained.	Nîl
	the register. All columns should invariably be completed to assess the store available for use at any stage.		

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	<u>Annexu</u> Format 1	<u>re -1</u> for Indent									
			NAT	IONAL INSTITU	TE OF FASHIO	N TECHNO	LOGY – KAN	IGRA			
	To 								:		
	Departm	ent Indent No: ent : Material: Purchase Order Type	Diasa Tick Whata a		ndent Date						
	Consu	umable Consumable			category)						
	<u> </u>				· .				· .		
~	Serial No	tails of Required Items Complete Description of Items Model, Catalog No) Use separ		te (Where ever	Quantity Required	Purpose	Days within which required	Estimated Price Per Unit(Rs) (optional)	Estimated Total cost(Rs)		
U)										· · · · · · · · · · · · · · · · · · ·	
<u>0</u> •	Suggeste	d Supplier(Only in case of prop	prietary items)	I	Address	_ _			· .	I	
	L		<u> </u>								
	Indenter	's Signature			Approv HOD Sig						
	-	ion :			(Signa	ature)	·				
		. <u></u>		(For Purchase/	Administratio	n Donartmer	t use only)	· · · · · · · · · · · · · · · · · · ·			
	Indent N	lumber			Auministratio		y urchase Officer/Administration Officer Signature				
								х. ¹	(Signature)		

Annexure -2

Format for Indent Register

<u>S. No.</u>	Date	Indent No. by User Dept.	Name of User Dept.	Indent No. by Purchase Dept.	<u>P.O No.</u>

Annexure -3

Format for Purchase Order Register

98	<u>S. No.</u>	Date	<u>ltem</u>	<u>Indent</u> <u>No.</u>	<u>P.O</u> <u>No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocate</u> <u>d</u>	<u>Budget</u> <u>Exhauste</u> <u>d</u>	<u>Balance</u> <u>Budget</u>	<u>Party</u> <u>Name</u>	Expect ed Date of Receip	<u>Gate</u> Pass <u>No.</u>	<u>Date of</u> <u>Receipt</u>	<u>Goods</u> <u>Receipt</u> <u>Note</u> <u>No.</u>	<u>Bill No.</u>	<u>Remar</u> <u>ks</u>
17						-					2					
·																

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Annexure-4

Format for Goods Received Note(GRN)

GOODS RECEIVED NOTE

From: (Supplier)	Order No.:
	Delivery Note No.:
	Invoice No.:
To: (Receiving)	Indent No:
	Indented By:
	Date:

ī)	Serial No	Item Specificaton	uni t	Qty ordered	Qty Received	Unit Cost	Total Vaue	Balance
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Distribution: Original (White copy) – Accounts, Duplicate (Green) – User, Triplicate (Pink) – Purchasing, Quadruplicate (Blue) – Stores

EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

Date:

Place: New Delhi

NATIONAL INSTITUTE OF FASHION TECHNOLOGY

(HEAD OFFICE; Consuriables.

PROCESS AUDIT REPORT

(F.Y. 2014-15)

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GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS

Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar

New Delhi - 110060

Process Audit - Consumables

Flowchart- Purchase procedure for consumable items



Gianender & Associates (Chartered Accountants)

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NATIONAL INSTITUTE OF FASHION TECHNOLOGY

Process Areas	Existing Process	Matching with existing process	Process Improvement/Suggestions
Consumables	9	ander 1917 i Uite en der sonendarie Eric det der meddelikteren Friderik in der sonen auf der sonen auf der sone	
A. Purchase of consumable items	 Following procedure for purchase of consumable items is prescribed in Accounts Manual- Chapter-4 The Chairpersons/Head of Departments/Coordinators should plan out their requirements well in advance (indent) in order to enable the Administration Department to comply with prescribed procedure. Indents indicating details of specifications, quantities, approximate value as well as the expected time for receipt of the capital items so indented should be submitted to the approving authority. Budget Code numbers should be assigned to all the Budget Operating Chairpersons/Coordinators/Head of Departments, who will indicate these budget codes on all indents. Approving Authority: a) DG has full powers regarding sanction for purchase of stationery and other consumable stores. b) Director (F and A) has full powers regarding sanction for purchase of stationery and other consumable stores provided no single item in the P.O. is above Rs. 50,000/ c) Director (Admin.) has the power to authorize purchase of consumable items including tool kits not exceeding Rs. 5000 in each case. 	 We selected 2 sample vouchers related to purchase of consumables viz. a) Voucher No. 717 dated 13-08-2014 amounting Rs. 7,823; b) Voucher No. 1029 dated 14-10-2014 amounting Rs. 70,403. 1. There was no standard form of indent prescribed for indenting purpose for user department. In both samples, we found that requisition is made on noting sheets only or as a letter by user departments. There was no indent number allotted to requisitions made. 2. In both samples, we found that expected time for receipt of items in the requisition. 3. Expected cost was not mentioned. 3. Expected cost was not mentioned in the requisition made is not mentioned. 3. Expected cost was not mentioned in the requisition made. 5. No indent register is being maintained. 6. Approvals were properly taken in both cases. 7. Proper purchase procedures were followed except in case of Limited Tender, there is no list of approved suppliers. Enquiries were issued to suppliers found with the help of internet in each case. 8. No gate pass was issued for receiving the consumable items. Only the verbal communication is made by the user department to the security personnel at the gate. 9. In voucher No. 717, certification regarding receipt of goods in good condition was signed by the user and not by the head of user department as 	 mentioned on the indent. Budget code numbers should invariably be indicated on the indent form. Admin department should maintain serial No. wise indent register. Annexure -2 Purchase order No's to be given serially and separate series to be used for consumables other than consumables. Admin department should maintain purchase order register. (Format attached as per Annexure-3) for keeping track of all the purchase made/follow up with vendor and subsequent verification. There should be a list of approved suppliers for each category of assets for short listing in case of limited tender enquiry. Gate pass should be issued for receiving the consumable items. Certification regarding receipt of goods in good condition and as per the specification should be done as per GFR 145 and 146 as applicable. Goods receipt Note (GRN) should be prepared by admin

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Process Audit Report 2014-15

	value up to Rs. 15000/- without getting	required under GFR 145.	11. Admin department should make
	quotation.	10. Certification required under GFR 146 was	entry regarding receipt of
	2. Direct market purchase: purchases	not available for Voucher No. 1029	consumable items in PO register.
	without inviting tenders/ quotations by a		
	Purchase Committee consisting of 3		
	members for small value items costing		
	above Rs.15000 to Rs. 100000/		
	3. Limited tender		× •
	a) This system may ordinarily be adopted		
	when estimated value of goods to be		-
	procured is between 1 lakhs to Rupees		
	Twenty five lakhs.		
	b) The limited tender enquiries will be	· · ·	
	issued to those firms which are appearing		
	in the list of approved suppliers. Past		
	performance of successful supplier, should	•	
	be one of the variables to be considered at		•
	the time of short listing firms for limited		
	tender enquiry.		
	c) At least three quotations/offers must be		
	received in normal conditions. In case		۹.
	offers received are less than three after		
	approval by competent authority and		
	looking at the situation, the same may be		
, .	considered.		
	4) Single tender: The single tender system		
	may be adopted in case of purchase of		
	articles which are specifically certified as of		
	proprietary nature by the indenting		
	department		
· ·	5) Open tenders: The open tender system,		
· · ·	that is, invitation to tender by public		. .
	advertisement should be used as a general		
*.	rule for procurement of goods of		
	estimated value Rs. 25 Lakhs and above.		
	• The Admin Officer will keep a track of the		
	•		
	materials ordered and take appropriate		
	follow up action to ensure that the		
	materials are obtained in prescribed time.		
	• While receiving the consumable items,		
	records should be kept in gate passes and		

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	the concerned Head of Dept. should certify that the asst has been received in good condition and as per the specification. He		• *
	 shall forward the bills duly certified to the admin officer who in turn will forward the same to the Accounts Section. The consumable items so received should be entered in the consumable register by the designated Officer and a certificate to this effect should be forwarded to the Accounts branch who will take necessary steps for release of payment. 		
B. Maintenance of consumable register	 All consumable items procured for the centre should be recorded at a different page allotted in the register (GFR 41) and an Index may be prepared to locate the item in the register. All columns should invariably be completed to assess the store available for use at any stage. 	 We selected 2 sample vouchers related to purchase of consumables viz. a) Voucher No. 717 dated 13-08-2014 amounting Rs. 7,823; b) Voucher No. 1029 dated 14-10-2014 amounting Rs. 70,403. Consumable register has been maintained as per GFR-41. Both the samples have been entered in consumable register. 	

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 Depar	tment Indent No:	· ·	Indent Da	ite			•	
Types Con	tment : of Material: Purchase C sumable -Consumable	order Type (Please Tick Wh	nere ever-applicable Item Categor	γ)				
	k					· ·		
Serial No	Details of Required Iten Complete Description Model, Catalog No) U required	of Items (Specification	Stock Held On date (Where ever Applicable)	Quantity Required	Purpose	Days within which required	Estimated Price Per Unit(Rs) (optional)	Estim Total
						· ·		
Serial		se of proprietary items) Name	Address					
Indent	er's Signature			Approved HOD Signature		÷		·
	: ation : :t No:			(Signature)				
	 . Number	- -	(For Purchase/ Administrati	on Departme	nt use only)	Purchase Officer/A	dministration O	fficer Si

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Annexure -2

Format for Indent Register

<u>S. No.</u>	Date	Indent No. by User Dept.	Name of User Dept.	Indent No. by Purchase Dept.	<u>P.O No.</u>

Annexure -3

Format for Purchase Order Register

<u>S. N</u>	<u>).</u> <u>Date</u>	Item	<u>Indent</u> <u>No.</u>	<u>P.O</u> <u>No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocated</u>	<u>Budget</u> Exhausted	<u>Balance</u> <u>Budget</u>	<u>Party</u> <u>Name</u>	Expected Date of Receipt	<u>Gate</u> <u>Pass</u> <u>No.</u>	<u>Date of</u> <u>Receipt</u>	<u>Goods</u> <u>Receipt</u> <u>Note</u> <u>No.</u>	<u>Bill</u> <u>No.</u>	<u>Remarks</u>

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Format for Goods Received Note(GRN)

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		GC	DODS RECEIVED	NOTE					
From: (Sup	oplier)		Ord	er No.:		••••			
			D	elivery Note No.:.				-	
			ł	nvoice No.:				-	
To: (Receiv	ving)		Ind	ent No:					
			I	ndented By:		•••••			
				Date:					
•									
Serial No	Item Specificaton	unit	Qty ordered	Qty Received	Unit Cost	Total Vaue	Balance		
		1							
-									
	· ·								•
•									
	- -								
			I			1		_	
Name:	Signatur	e	Designation	Date					
Users Acce	eptance Certificate:			Name		Signature	Desigi	nation	Date
Remarks: .									
Distributio	on: Original (White cop	y) – Acc	ounts, Duplicate	e (Green) – Us <mark>e</mark> r, ⁻	Friplicate (Pir	nk) — Purchasin	ig, Quadrup	licate (Blue) -	- Stores
									•
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EXPRESSION OF GRATITUDE

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For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN:083878

Date:

Place: New Delhi

Gianender & Associates (Chartered Accountants)



PROCESS OF FEE RECEIPTS FROM STUDENTS

FLOW CHART - PROCESS OF FEE RECEIPTS FROM STUDENTS



Process Audit Report (2014-15)

Г	Process Areas	Existing Process or		Mapping with existing process	Process
				T	Improvement/Suggestions
	Fee Receipts from Students	 Fees is collected from students under following heads:- Tuition Fees Library Fee Mediclaim / Student Development Fee Miscellaneous Fees (Inclusive of Library Fines, etc.) Exam & Re-Exam Fees Tuition Fees is major source of income among all the receipts which are received from the students. Under no condition, fees are to be collected on installment basis. Since the cash is not handled by Delhi Centre or any other centre, all the fees is collected through NEFT (National Electronic Fund Transfer), Demand Draft or any other mode of Electronic Clearing System as approved by competent authority. 	*	We have verified the fee received for the semester July-December 2014 and have observed as follows:- 2 nd semester onwards students of all courses have been depositing fees with Delhi Centre only. Finance & Accounts department prepares the data of fee receipts on the basis of bank challans received from UBI bank on subsequent day. List of total no of students was obtained from Academic department to reconcile with the records provided by Finance & Accounts	It is suggested that reconciliation of fees with bank and respective centres should be completed within 3 months from the end of last round of counseling for admission conducted for particular year.
(28)		 Delhi Centre Collects fees for all thesemesters except semester 1 for all the courses. Tuition fee collected has to be reconciled with reference to no. students on rolls for each semester. Each centre is 	~	department Total no. of studentswho were promoted to semester 3 from semester 2 along with fees deposited by them was reconciled and have observed as follows:-	
r		required to maintain Students Tuition Fees Register. In Delhi centre, such records are maintained in soft copy maintained in Microsoft excel format.	~	In course "Fashion Design" there were total 35 students who were promoted to semester 3 and total fee received was Rs.23,97,500 which was matching with the records provided by Finance & Accounts department.	
		 Fees received from NRI Students are based on fee structure decided by competent authority which differs from year to year in which fees is to be deposited. Security Deposits are received from students only at the 	1	In course "Leather Design" there were total 37 students who were promoted to semester 3 and total fee received was Rs.25,34,500 which	-
		 time of admission i.e. during first semester only under following heads namely:- At the time of admission Library Security Hostel security 	~	students who were promoted to semester 3 and total fee received was Rs.23,29,000 which	100000 Audit Bonot (2014 15)

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		 Security deposits are to be accounted as liability and kept under the head of Short term & Long term Liabilities by head office only 	was matching with the records provided by Finance & Accounts department.	
		Other Income are collected from students on account of late fee fines, short attendance fines and credited to this account. Other receipts may be of the nature of re- evaluation fees of Rs. 100/- per subject and for reassessment, fee of Rs. 1000/- per subject shall be charged.	✓ From the Academic Year 2014-15, NIFT has incorporated new software named as CMS i.e "Campus Management System" besides manual system to keep better control of admission statistics i.e (no of students promoted to next semester and various other allied matters.)	· · ·
(29))		No manual records (registers) were maintained for Tuition fee registers, Fee forfeiture account as prescribed in finance & accounts manual as a backup measure, however abovementioned details are maintained in soft copy.	
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EXPRESSION OF GRATITUDE

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For Gianender & Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

Date: Place: New Delhi

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PROCESS OF FEE RECEIPTS FROM STUDENTS

FLOW CHART - PROCESS OF FEE RECEIPTS FROM STUDENTS



Gianender& Associates (Chartered Accountants)

Process Areas	Existing Process	Mapping with Existing Process	Process 421
			Improvement/Suggestions
Fee Receipts from Students	 Fees is collected from students under following heads:- Tuition Fees Library Fee Mediclaim / Student Development Fee Miscellaneous Fees (Inclusive of Library Fines, etc.) Exam & Re-Exam Fees Tuition Fees is major source of income among all the receipts which are received from the students. Under no condition, fees are to be collected on installment basis. Since the cash is not handled by Kangra Centre or any other centre, all the fees is collected through NEFT (National Electronic Fund Transfer), Demand Draft or any other mode of Electronic Clearing System as approved by competent authority.	 We have verified the fee received for the semester July-December'14 and have observed as follows:- 2ndsemester onwards students of all courses have been depositing fees with Kangra Campus only. Finance & Accounts department prepares the data of fee receipts on the basis of bank challans received from UBI bank on subsequent day. Kangra Campus Collects fees for all the semesters except semester 1 for all the courses. List of total no of students was obtained from Foundation Program Department and Controller of Examination to reconcile with 	 reconciliation of fees with bank and respective campus should be completed within 3 months from the end of last round of counseling for admission conducted for particular year. Inter department reconciliation of semester fees should be done in time bound manner. It should be done within a period of 1.5 months.
₹ 7 7	 Tuition fee collected has to be reconciled with reference to no. students on rolls for each semester. Each centre is required to maintain Students Tuition Fees Register. Fees received from NRI Students are based on fee structure decided by competent authority which differs from year to year in which fees is to be deposited. Security Deposits are received from students only at the time of admission i.e. during first semester only under following heads namely:- 	 the records provided by Finance & Accounts department. ✓ In Kangra Campus, Student records are maintained in soft copy in Microsoft excel format. ✓ In total there are 5 undergraduate courses in NIFT Kangra Center viz Fashion Design, Fashion Communication, Accessory Design, Textile Design & Apparel Production (BF Tech) ✓ There is no Post Graduate course in NIFT Kangra Campus 	declaration that he/she has paid but the fees standing in reconciliation in such case it will be difficult for campus to stop such student from appearing into exam. In
	 At the time of admission Library Security Hostel security Security deposits are to be accounted as liability and kept under the head of Short term & Long term Liabilities by head office only 	 From the Academic Year 2014-15, NIFT has incorporated new software named as CMS i.e. "Campus Management System" besides manual system to keep better control of admission statistics. There were two students that were involved in secured lateral entry into second year. The Campus faced difficulty in 	such student clear dues and no dues is entered in CMS.

reconciliation due to NIFT payment done by	Other Income are collected from students on account of late
student without informing the Accounts	fee fines, short attendance fines and credited to this
Department. The Accounts Department has	account. Other receipts may be of the nature of re-
to issue multiple notices to student and	evaluation fees of Rs. 100/- per subject and for
Center Coordinator and staff in order to	reassessment, fee of Rs. 1000/- per subject shall be charged.
trace the payment and make the defaulter	·
student pay. This results into lot of wastage	
of time	· · · ·
✓ The Eight semester student do not require A durit Could therefore over if Accounts	· · ·
Admit Card therefore even if Accounts	
Department enters the name of student in defaulter list in CMS the student can still	
appear in Graduation Programme and take	
away degree.	
No manual records (registers) were maintained for	· · ·
Tuition fee registers, Fee forfeiture account as	
prescribed in finance & accounts manual as a	
backup measure, however abovementioned details	
are maintained in soft copy.	•

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EXPRESSION OF GRATITUDE

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For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

Place: New Delhi

Date:

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	and asks from each centre "Projected Fund Status" for whole year. Only those centres who reports projected negative fund status for rest of year is remitted their balance share i.e 80% fees collected through 1 st semester students in order to maintain liquidity and sufficient balance with bank for carrying out operating & day to day expenses because head office as a whole do not have any independent source of revenue. Centres who report positive fund statement are remitted funds as & when there is shortage of funds with respective centres.	candidature, h logging in from time of admiss admission is tl method in orde of server or sys	ent wishes to w e can put a requent the ID provided sion. Request for w hrough both onlin er to keep better c tem breakdown. as approved b	st at CMS by to him at the withdrawal of e and offline ontrol in case	
•	Tuition fee collected has to be reconciled with	Time Period On or before	(General Seat Full fee after	NRI Seat Full fee after	
	reference to no. students on rolls for each semester. Each centre is required to maintain	21 st July 2014	deducting Rs.5,000	deducting Rs.5,000	
	Students Tuition Fees Register	After 21 st July but before 28 th	Full fee to be refunded after	Full fee to be refunded afte	
•	Students are allowed to withdraw their candidature after forfeiture of 20% of fees as the case may and rest amount needs to be refunded to students. Fees received from NRI Students should be	July 2014	deducting 50% of tuition fees and registration fees i.e. deduction of Rs.35,250	deducting 509 of tuition fees and registration fees i.e. deduction of Rs.2,48,900	
	based on exchange rate plying on 1 st June of respective year in which fees is to be deposited.	After 28 th July but before 5 th	Full fee to be refunded after	Full fee to be refunded afte	<i>.</i> .
•	Security Deposits are received from students under following heads namely:- At the time of admission Library Security Hostel security	August(If student participated in 5 th or 6 th round of counseling)	deducting 50% of tuition fees and registration fees i.e. deduction of Rs.35,250	deducting 509 of tuition fees and registrati fees i.e. deduction of Rs.2,48,900	
	Security deposits are to be accounted as liability and kept under the head of Short term & Long term Liabilities.	After 28 th July but before 5 th August(If student does not participate	Rs.5,000 to be refunded after deducting Rs.76,000	Rs.5,000 to be refunded afte deducting Rs.5,12,800	

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	Other income are collected from students on	in 5 th or 6 th				
	account of late fee fines, short attendance fines	round of				
	and credited to this account. Other receipts may	counseling)			- ·	
	be of the nature of re-evaluation fees of Rs. 100/-	On or after 5 th	Rs.5,000 to be	Rs.5,000 to be		
	per subject and for reassessment, fee of Rs. 1000/-	August 2014	refunded after	refunded after		
	per subject shall be charged.		deducting	deducting	-	
			Rs. 76,000	Rs. 5,12,800		
		We have verified				
		students along wi				
i.		relevant documer	nts and found th	em to be in	•	
		order.			<i>,</i>	
						-
		No manual records				
		Tuition fee registe				
		fee refund detail				
\neg		accounts manual a abovementioned				
			uetalis are maint			
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Sale of Prospectus & Admission Forms	The Process of admissions is outsourced to agency selected in transparent manner for conduct of entrance test. Currently this responsibility is entrusted with "All India Management Association". The admission process will consist of	Application Fees has to be paid through online payment gateway or through Bank Demand Draft issued in favour of "NIFT HO" payable at New Delhi which is as per following schedule:	
	 following steps: The Prospectus will be finalized by CCC units after taking inputs from all concerned like the Admission Cell, Chairpersons of various departments, heads of various units, Dean (A) and Centre Directors and approved by DG, NIFT. 	Fees for General/OBC (Non-creamy Category)Rs.1,400throug NIFT payment gateway.Rs.1,500NIFT payment gateway.Fees for SC/ST/PHP studentsRs.800through Demand Draft.Fees for SC/ST/PHP studentsRs.900through through through payment gateway.	·
42 12	 The advertisement will be taken out in the month of November, as finalized, by the time table of admission process every year, indicating datesfor applying for admissions and availability of prospectus and application forms on NIFT website and centres. This will be released in various newspapers and also uploaded on the NIFT website. 	Demand Draft. Due to some technical problem in UBI NIFT payment gateway, AIMA was given the sole responsibility of collecting application fees from the applicants and then credit the same to NIFT bank account at the end of admission cycle of 2014.	
5	 Candidates can also apply online at "www.nift.ac.in or https://applyadmission.net/NIFT 2015". The applicant need not buy admission prospectus as the prospectus is available at NIFT website free of cost. However application fee has to be paid through following modes:- NIFT online payment gateway(UBI & HDFC Bank) 	The application fees was collected and remitted to NIFT bank account within stipulated time. However, no reconciliation of application fees was prepared by Finance & Accounts department to ascertain the total no of students who applied for admission test in admission cycle of 2014. F&A department records the receipt entry in books of account on the basis of bank statement received on weekly basis.	,
	 Bank Demand Draft Credit Card/Debit Card Candidates applying through Demand Draft are required to send the printout of the application form completed in all respects along with demand draft on the following address 		

Area

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All India Management Association Management House, 14, Institutional

Lodi Road, New Delhi-110003

Although prospectus is available at NIFT website free of cost, students desirous of purchasing printed copy of the prospectus can obtain it from any of the 15 NIFT centre's on payment of Rs.500/- or by post enclosing a demand draft of Rs.550/- in favour of NIFT, payable at the NIFT campus.

 In the admission cycle of 2014, due to some technical difficulties in payment of application fees through online payment gateway, all application money was received by "AIMA" which was further paid back to the credit of bank account no. of NIFT

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(Manju Agrawal) Partner MRN:083878

n R

> Date: Place: New Delhi

NEW DELHI CAMPUS

Purchase & Services

PROCESS AUDIT REPORT

GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060

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Flowchart- Purchase procedure for consumable items



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Process Areas	Existing Process	Mapping with existing process	Process Improvement/Suggestions
Purchase			
A. Purchase of consumable items	 Following procedure for purchase of consumable items is prescribed in Accounts Manual- Chapter-4 The Chairpersons/Head of Departments/Coordinators should plan out their requirements well in advance (indent) in order to enable the Administration Department to comply with prescribed procedure. Indents indicating details of specifications, quantities, approximate value as well as the expected time for receipt of the capital items so indented should be submitted to the approving authority. Budget Code numbers should be assigned to all the Budget Operating Chairpersons/Coordinators/Head of Departments, who will indicate these budget codes on all indents. Approving Authority: DG has full powers regarding sanction for purchase of stationery and other consumable stores. Campus Director has full powers regarding the sanction for the purchase of consumables. Director (Admin.) has the power to authorize purchase of consumable items including tool kits not exceeding Rs. 5000 in each case. Proper purchase procedure should be followed:- Purchase without inviting quotations: On the approval of the competent authority, purchases will be made for value up to Rs. 15000/- without getting quotation. Direct market purchase: purchase swithout inviting tenders/ quotations by a Purchase Committee consisting of 3 members for small value items costing above Rs.15000 to Rs. 100000/ Limited tender The imited tender This system may ordinarily be adopted when estimated value of goods to be procured is between 1 lakhs to Rupees Twenty five lakhs. 	 We selected 2 sample vouchers related to purchase of consumables viz. a) Voucher No. 492 dated 11-07-2014 amounting Rs. 2,72,434/- b) Voucher No. 770 dated 08-09-2014 amounting Rs. 2,80,047/- 1. There was no standard form of indent prescribed for indenting purpose for user department. In both samples, we found that requisition is made on noting sheets only or as a letter by user departments. There was no indent number allotted to requisitions made. 2. In both samples, we found that expected time for receipt of items in the requisition made is not mentioned. 3. Details regarding specifications, quantities and approximate value were found to be submitted in both samples. 4. In both samples, no Budget Code numbers were indicated on the indents/ requisition made. 5. No indent register is being maintained. 6. Approvals were properly taken in both cases. 7. Proper purchase procedures were followed except in case of Limited Tender, there is no list of approved suppliers. Enquiries were issued to suppliers found with the help of internet in each case. 8. Purchase order number is not serially numbered. 9. Purchase order register is not 	 maintain serial No. wise indent register. Annexure -2 5. Purchase order No's to be given serially and separate series to be used for consumables and other than consumables. 6. Admin department should maintain purchase order register as per format attached as per Annexure-3 for keeping track of all the purchase made/follow up with vendor and subsequent verification. 7. There should be a list of approved suppliers for each category of assets for short listing in case of limited tender enquiry. 8. Gate pass should be issued for receiving the consumable items. 9. Certification regarding receipt of goods in good condition and as per the specification should be

[]	firms which are appearing in the list of approved suppliers.	maintained.	applicable.
50 134	 Past performance of successful supplier, should be one of the variables to be considered at the time of short listing firms for limited tender enquiry. c) At least three quotations/offers must be received in normal conditions. In case offers received are less than three after approval by competent authority and looking at the situation, the same may be considered. 4) Single tender: The single tender system may be adopted in case of purchase of articles which are specifically certified as of proprietary nature by the indenting department 5) Open tenders: The open tender system, that is, invitation to tender by public advertisement should be used as a general rule for procurement of goods of estimated value Rs. 25 Lakhs and above. The Admin Officer will keep a track of the materials ordered and take appropriate follow up action to ensure that the materials are obtained in prescribed time. While receiving the consumable items, records should be kept in gate passes and the concerned Head of Dept. should certify that the asst has been received in good condition and as per the specification. He shall forward the bills duly certified to the admin officer who in turn will forward the same to the Accounts Section. The consumable items so received should be entered in the consumable register by the designated Officer and a certificate to this effect should be forwarded to the Accounts branch who will take necessary steps for release of payment. 	 10. No gate pass was issued for receiving the consumable items. Only the verbal communication is made by the user department to the security personnel at the gate. 11. Certification required under GFR 146 was not available for both the samples. 12. Entries have been made in Consumable register in case of both the samples. 	 10. Goods receipt Note (GRN) should be prepared by admin department. Annexure-4 11. Admin department should make entry regarding receipt of consumable items in PO register.
B. Purchase of	Following procedure for purchase of capital items is	We selected 5 sample vouchers related to	1. The indent form should be
capital items (IT	prescribed in Accounts Manual- Chapter-4	purchase of capital items viz.	standardized and should have
and Non-IT	• The Chairpersons/Head of Departments/Coordinators	a) Voucher No. 318 dated 06-06-2014	fields as per format in Annexure-
items)	should plan out their requirements well in advance	amounting Rs. 12,21,570/-	
	(indent) in order to enable the Administration/ Purchase	b) Voucher No. 64 dated 15-04-2014	2. Expected time for receipt of fixed
	Department to comply with prescribed procedure.	amounting Rs. 1,07,940/-	assets should be mentioned on
	 Indents indicating details of specifications, quantities, 	c) Voucher No. 441 dated 04-07-2014	the indent.
	approximate value as well as the expected time for receipt	amounting Rs. 1,40,000/-	3. Budget code numbers should

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	of the items so indented should be submitted to the	d) Voucher No. 130 dated 06-05-2014	i	nvariably be indicated on the
	approving authority.	amounting Rs. 22,658/-	i	indent form.
	 Budget Code numbers should be assigned to all the Budget 	e) Voucher No. 724 dated 01-09-2014	4. 1	Purchase department should
	Operating Chairpersons/Coordinators/Head of	amounting Rs. 27,675/-	I	maintain serial No. wise indent
	Departments, who will indicate these budget codes on all	1. There was no standard form of indent	1	register. Annexure -2
	indents.	prescribed for indenting purpose for	5. I	Purchase department should
	 Approving Authority: 	user department. In all 5 samples, we	I	maintain purchase order register
	a) DG has the full powers to purchase capital item	found that requisition is made on noting	ä	as per format attached as per
	approved in capital budget. If not mentioned in the	sheets only or as a letter by user	1	Annexure-3 for keeping track of
	budget, he has full powers to purchase capital items	departments. There is no indent		all the purchase made/follow up
	value not exceeding Rs. 25 lakhs on any one item on	number allotted to requisitions made.		with vendor and subsequent
	each occasion.	2. In 4 samples except voucher no. 64, we		verification.
	b) Director (F & A) has Full powers to purchase of capital	found that expected time for receipt of		There should be a list of
	item value not exceeding Rs. 500000/- on any one	items in the requisition made is not		approved suppliers for each
	item on each occasion.	mentioned. Details regarding		category of assets for short listing
	c) Campus director has full powers to purchase capital	specifications, quantities and		in case of limited tender enquiry.
	item value not exceeding Rs.500000 on any one item	approximate value were found to be		Gate pass should be issued for
	on each occasion.	submitted in all samples.		receiving the fixed asset items.
	• Proper purchase procedure should be followed:-	3. In all 5 samples, no Budget Code		Certification regarding receipt of
	1. Purchase without inviting quotations: On the approval	numbers were found to be indicated on		goods in good condition and as
	of the competent authority, purchases will be made for	all the indents/ requisition made.		per the specification should be
	value upto Rs. 15000/- without getting quotation.	Though budget approved for the		done.
	2. Direct market purchase: purchases without inviting	relevant item is mentioned in the	9. (Goods receipt Note (GRN) should
	tenders/ quotations by a Purchase Committee consisting	requisition.		be prepared by purchase
	of 3 members for small value items costing above	4. No indent register is being maintained.		department. Annexure-4
	Rs.15000 to Rs. 100000/	5. Purchase order register is being	10.	Purchase department should
	3. Limited tender	maintained.	1	make entry regarding receipt of
	a) This system may ordinarily be adopted when estimated	6. Approvals were properly taken in all 5		Fixed Asset items in PO register.
	value of goods to be procured is between 1 lakh to Rupees	cases.	11.	Purchase department should
	Twenty five lakhs.	7. Proper purchase procedures were		make entries in Fixed Asset
	b) The limited tender enquiries will be issued to those	followed except in case of Limited		Register.
	firms which are appearing in the list of approved suppliers.	Tender, there is no list of approved		-
	Past performance of successful supplier, should be one of	suppliers. Enquiries were issued to		
	the variables to be considered at the time of short listing	suppliers found with the help of		
	firms for limited tender enquiry.	internet in each case.		
·	c) At least three quotations/offers must be received in	8. No gate pass was issued for receiving		
	normal conditions in case offers received is less than three	the fixed asset items. Only the verbal		
	after approval by competent authority and looking at the	communication is made by the user		

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57,136	 situation the same may be considered. 4) Single tender: The single tender system may be adopted in case of purchase of articles which are specifically certified as of proprietary nature by the indenting department 5) Open tenders: The open tender system, that is, invitation to tender by public advertisement should be used as a general rule for procurement of goods of estimated value Rs. 25 Lakhs and above. The Purchase Officer will keep a track of the materials ordered and take appropriate follow up action to ensure that the materials are obtained in prescribed time. While receiving the materials, records should be kept in gate passes and the concerned Head of Dept. should certify that the material has been received in good condition and as per the specification. And forward the bills duly certified to the purchase officer who in turn will forward the same to the Accounts Section. The Fixed Asset items so received should be entered in the Fixed Asset register by the designated Stores Officer and a certificate to this effect should be forwarded to the Accounts branch who will take necessary steps for release 	 department to the security personnel at the gate. 9. Certification by user department regarding receipt of goods in good condition and as per specification is not found in Voucher No. 130, 64 & 724. 10.In case of voucher no. 64, detail of receipt & release of EMD to Info Creations & Corporate Infotech Pvt. Ltd. (non-selected vendors) were not in records. 11.In case of voucher 318, 64, 441 and 130 entries were not made in Fixed Asset Register. 	
C. Purchase of published items including books and periodicals and non-print (Resource Centre Materials)	 of payment. Following procedure for purchase of resource centre items is prescribed in Accounts Manual- Chapter-4 The Resource Centre committee of which the Director (F&A)/Purchase officer/Accounts officer are also members will recommend acquisition of print and non-print materials received on approval/recommended by faculty or members of RCC. The list of recommended titles/items with tentative prices will be send to Local Academic Standards Committee (LASC)/Competent Authority for approval. After approval is received, the head librarian/DD (NRC) will place order for purchase of print to book sellers & other suppliers. Since books, periodicals, etc. are not store items, it is not feasible to obtain quotations as the rates are 	 We selected 2 sample vouchers related to purchase of books & purchase of magazines, newspaper & periodicals viz. a) Voucher No. 690 dated 25-08-2014 amounting Rs. 1,91,347 (Purchase of books) b) Voucher No. 159 dated 09-05-2014 amounting Rs. 7,911 (Purchase of periodicals) The Resource Centre committee/Library Advisory Committee has recommended acquisition of print materials received on approval/recommendation by faculty or members of RCC. List of recommended titles with tentative 	 Purchase order should be serially numbered. Resource Centre department should maintain purchase order register as per format attached as per Annexure-5 for keeping track of all the purchase made/follow up with vendor and subsequent verification. Gate pass should be issued for receiving the print materials. Goods receipt Note (GRN) should be prepared by Resource Centre. Annexure-4.

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D. Purchase procedure for special activities like spectrum, fashion shows, printing etc	 predetermined by the publishers. For conversion, the buying rates applicable on the date of invoice will be taken into consideration for calculating rupee component. Supplementary bills raised by the agents for periodicals in case of any revision of prices fluctuations in conversion rates, etc. have to be paid as and when received. Fixed discount rate for various categories of books as provided in accounts manual should be implemented. The prices of published materials, if not printed, will be confirmed from bibliographic and on line tools. If no price proof is available then the prices fixed by RCC will be accepted as final. Experts from other organization / institutions can be invited for evaluation of any print item on recommendation of the Committee. The bills will be sent to Accounts Dept. through competent authority for release of payment after entering the print material in the NRC / RC's Accession Register. Payment has to be released in advance for all bills for journals and some books or monographs as per publishers or suppliers terms and conditions. Subject to budget provisions and prior approval by DG for the specific event, the purchase of materials and services etc. may be made by following the purchase procedures outlined above. Campus director has full powers upto Rs 3 Lakhs per department. In case of exigencies and depending on the nature of activities, if any of the purchase procedures is to be relaxed, prior approval of DG is required. For the selection and engagement of Choreographers and/or Event Managers/Event Managers/Event Managers/Event Managers/Event Managers/Event Managers/Event Managers. 	 prices was approved by LASC/Competent Authority. In case of voucher 690, the Head Librarian has placed the order after the approval but in case of Voucher No. 159, the order placed was not found in the file. In case of Voucher No. 690, conversion buying rate for foreign currency was same as on the date of invoice. In case of Voucher No. 690, Fixed Discount rate of 20% was provided to supplier. In case of Voucher No. 690, after the receipt of books, the same has been entered in the accession register. Bills were sent to the accounts department for release of payment and accordingly the payment was released to accounts. We selected voucher no. 390 dated 23/06/2014 amounting Rs. 35,022/- as sample. (Graduation Show-Tent Expenses) DG or director approval for Graduation Show was not found in the file. The academic department took the approval from approving authority regarding order to be provided to empanelled vendor of IGNCA providing details of estimated expenditure. The work order was not found in the file. Necessary entry was passed in the 	 DG or director approval should be taken prior to the event. Order placed to contractor/vendor should be placed in the file. Printers of printing houses of repute should be pre-qualified annually after following due process of selection. Recommended short listed printing houses should be approved by the Director General of NIFT. Enquiries shall be floated among the short listed printing houses. Order should be placed on L-1 printer. Purchase order/work order No's should be given serially.

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NATIONAL INSTITUTE OF FASHION TECHNOLOGY - NEW DELHI

<u>An</u>	<u>nexure -1</u>	

Format for Indent

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Department Indent No:	

Indent Date

Department :

Types of Material: Purchase Order Type (Please Tick Where ever-applicable Item Category)

Ì	Consumable	
	Non-Consumable	

Items Details of Required Items

	Serial	Complete Description of Items (Specification	Stock Held On date (Where ever	Quantity	Purpose	Days within which	Estimated Price	Estimated Total
	No	Model, Catalog No) Use separate Sheet If required	Applicable)	Required		required	Per Unit(Rs)	cost(Rs)
		, , , , .			,		(optional)	
			-					
5		,						

Suggested Supplier(Only in case of proprietary items)

+	Serial No.	Name	Address
21			

Indenter's	Signature

Name :

Approved

HOD Signature

(Signature)

(For Purchase/ Administration Department use only) Purchase Officer/Administration Officer Signature

Indent Number-_____

Designation : _____ Contact No:- _____

(Signature)

Annexure -2

Format for Indent Register

<u>S. No.</u>	Date	Indent No. by User Dept.	Name of User Dept.	Indent No. by Purchase Dept.	<u>P.O No.</u>
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Annexure -3

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Format for Purchase Order Register

29 ISC)	<u>S. No.</u>	Date	ltem	<u>Indent</u> <u>No.</u>	<u>P.O</u> <u>No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocated</u>	<u>Budget</u> <u>Exhausted</u>	<u>Balance</u> <u>Budget</u>	<u>Party</u> Name	Expected Date of Receipt	<u>Gate</u> Pass <u>No.</u>	<u>Date of</u> <u>Receipt</u>	<u>Goods</u> <u>Receipt</u> <u>Note</u> <u>No.</u>	<u>Bill</u> No.	<u>Remarks</u>
NM	1,2																
•	• -	1					-										
<u>Annexure-4</u>

Format for Goods Received Note(GRN)

GOODS RECEIVED NOTE					
From: (Supplier) Order No.:					
Delivery Note No.:					
Invoice No.:					
To: (Receiving)					
Indented By:					

Se	erial No	Item Specificaton	unit	Qty ordered	Qty Received	Unit Cost	Total Vaue	Balance
N N						-		
<u>۶</u>				-	· ·			
Л					-			
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Name:.....Date......Signature.....Designation.....Date.....Date...... Users Acceptance Certificate: Name......Date......Signature.....Designation......Date......Date......

Remarks:

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Distribution: Original (White copy) – Accounts, Duplicate (Green) – User, Triplicate (Pink) – Purchasing, Quadruplicate (Blue) – Stores

<u>Annexure -5</u>

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Format for Purchase Order Register (For Resource Centre)

<u>S. No.</u>	Date	<u>ltem</u>	<u>P.O No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocated</u>	<u>Budget</u> <u>Exhausted</u>	<u>Balance</u> <u>Budget</u>	<u>Party</u> <u>Name</u>	Expected Date of Receipt	<u>Gate</u> Pass No.	Date of <u>Receipt</u>	<u>Bill No.</u>	<u>Remarks</u>
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Process Areas	Existing Process	Mapping with existing process	Process Improvement/Suggestion
Service Contracts	•		
A. Contracts for availing of services such as	Following procedure is prescribed for service contracts in Accounts Manual- Chapter-4	We have selected the following 2 service contracts as sample :- 1. Security Services	• 1. The admin department should p up the proposal to extend or ent into new service contract at least
services such as Cleaning, Canteen, Horticulture, Security, Travel Agency, Car Hiring Agency, and issue of Work Orders for various works of Annual Recurring Nature, etc.	 At least two month prior to the expiry of contract period, the concerned user department will inform the administration department who will float inquiry among local and reputed service contractors. The Local Purchase Committee will give its recommendations in this regard. Approving Authority: a) Director General and Campus Director have full powers to accept, award and pay all type of services contracts like Office upkeep, security, Horticulture etc. Such contracts can be made up to a period of 3 years. b) If the value of the contract is expected to be above Rs.2,00,000/- (Rupees Two lakhs), prior approval by DG is required. c) The contracts may be awarded following the procedures recommended depending on the value of the contract. If the services for which the contract is entered into has not been outsourced earlier and the monthly value of the contract exceeds Rs.25,000/- then prior approval by DG is required. Proper procedure should be followed:- 1) Limited tender (GFR 181) a) This system may ordinarily be adopted when estimated value of service or work is up to 10 lakhs. b) The limited tender enquiries will be issued to those contractors. c) The number of the contractors so identified for issuing limited tender enquiry bauld not be less than six. 	 Security Services Horticulture Services We observed that:- In case of Security Services:- Proposal for entering into new contract was put up only 20 days before expiry of the contract in 2012. Since proposal was put up very late, the last contract was extended by 1 month. Approvals were properly taken. Proper procedures were followed. Work order/letter of award of contract was issued to contractor but that was not serially numbered. Work order register is not maintained. Agreement was duly entered with contractor. The proposal for extending the contract for third year is put up by the administration department 2 month before the expiry of the Service contract. The head of admin department certified the satisfactory performance of the contractor in notings moved for approval. Even the performance report has been obtained from all the students representatives, HODs, officers and faculties. The contract extension request was made by contractor Requisite approval from campus 	months prior to the expiry of contract. 2. Work order Number should b given serially.

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	a) This sustant may and use a dented when	Disectory was also also in ad	
	a) This system may ordinarily be adopted when	Director was also obtained.	ļ
	estimated value of service or work is above 10	j) Contract was extended for 1 year and	
	lakhs.	proper extension letter had also been	
	b) The Department should issue advertised tender	issued to contractor.	
	enquiry asking for the offers by a specified date		
	and time etc. in at least one popular largely	In case of Horticulture services:-	
	circulated national newspaper and web site of the	a) Proposal for entering into new	
	Department.	contract was put up only 28 days	
•	Before finalization, party's performance, clients' list,	before expiry of the contract in 2011.	
	performance certificates, company's profile etc.,	Since proposal was put up very late,	
	should also be evaluated. On the basis of performance	the last contract was extended by 2	
	report and company's profile and lowest rates, the	and further by 2.5 months.	
		b) Extension letter for 2.5 months was	
	contract will be issued for one year.	,	
•	The concerned departmental head will certify and give	not found in the file.	
	specific comments on performance of the contractors	c) Approvals were properly taken.	
	for the extensions - renewal of the contract with the	d) Proper procedures were followed.	
	same Contractors. No contract will be automatically	e) Work order/letter of award of contract	
	renewed at the expiry of the contract period. No	was issued to contractor but that was	
	advance to any Contractor without valid Bank	not serially numbered.	
	Guarantee.	f) Work order register is not maintained.	
•	If the value of the annual contract for the previous	g) Agreement was duly entered with	
	year is below Rs.25,000/- subject to satisfactory	contractor.	
	performance as certified by the user department, the	h) The proposal for extending the	
	same may be renewed for one more year on the basis	contract for third year is put up by the	
	of the recommendations of the Purchase Committee	administration department only 17	
	without inviting competitive bids.	days before the expiry of the Service	
•	If the value of the annual contract for the previous	contract.	·
	year is above Rs.25,000/- an extension of a maximum	i) The head of various departments	
	•	certified the satisfactory performance	
	three months may be given before following the	of the contractor.	ů .
	sugam procedures for award of fresh contracts.	j) The contract extension request was	
•	For further period of renewals if any, the approval of	•.	
	the Head Office is to be obtained.	made by contractor.	
•	In any of the contract is of short duration, and the	k) Requisite approval from director was	
	value of the contract exceeds Rs.25,000/-, then prior	also obtained.	
	approval of DG is required before approving the	I) Contract was extended for 1 year and	
	contract.	proper extension letter had also been	
		issued to contractors.	

B. Annual	Following procedure is prescribed for AMC in Accounts	We have selected the following 2 AMCs as	1. The building department should put
Maintenance	Manual- Chapter-4	sample :-	up the proposal to extend or enter
Contracts	• At least two month prior to the expiry of warranty	1. AMC for Lift	into new service contract atleast 2
	period, the concerned user department will inform the	2. AMC for AC	months prior to the expiry of
	administration department of the need to renew or	N	contract.
	enter into AMC. The admin department depending on	In case of AMC for Lift:-	2. Work order Number should be
	the estimated value of the AMC, should follow the	a) The building department initiates the	given serially.
	procedure for awarding the contract.	process to enter into new AMC only	3. Building department should
	Approving Authority:	30 days prior to expiry of the	maintain work order register.
	b) Director General and Campus Director have full	warranty period.	(Format attached as per Annexure-
	power to accept, award and pay all type of services	 b) Approvals were properly taken. 	6) for keeping track of all the
	contracts like Office upkeep, security, Horticulture	c) Proper procedures were followed.	services.
	etc. Such contracts can be made up to a period of 3	d) Work order/letter of award of	4. Agreement should be entered into
	years.	contract was issued to contractor but	with the contractors.
	c) If the value of the AMC is expected to be above	that was not serially numbered.	
	Rs.2;00,000/- (Rupees Two lakhs), prior approval by	e) Work order register is not	
	DG is required.	maintained.	
	 Proper procedure should be followed:- 	f) No agreement was found with	
	1. If the value of the AMC is below Rs.10,000/- per year	contractor.	2
	the same may be decided by inviting quotations.		
	2. Limited tender (GFR 181)	In case of AMC for AC:-	
	a) This system may ordinarily be adopted when estimated	a) The building department initiates the	
Ĵ.	value of service or work is upto 10 lakhs.	process to enter into new AMC 50	
	b) The limited tender enquiries will be issued to those	days prior to expiry of the warranty	
	contractors which are appearing in the list of approved	period.	
	contractors.	 b) Approvals were properly taken. 	
	c) The number of the contractors so identified for issuing	c) Proper procedures were followed.	
	limited tender enquiry should not be less than six.	d) Work order/letter of award of	
	3. Open tenders: (GFR 181)	contract was issued to contractor but	
	a) This system may ordinarily be adopted when estimated	that was not serially numbered.	
	value of service or work is above 10 lakhs.	e) Work order register is not	•
	b) The Department should issue advertised tender enquiry	maintained.	
	asking for the offers by a specified date and time etc. in at	f) No agreement was found with	
•	least one popular largely circulated national newspaper	contractor.	
	and web site of the Department		
	• As far as possible, it has been instructed repeatedly NIFT		
	must deal directly with OEMs and not with vendors		
	unless the OEMs inform us that they do not deal directly		

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<u>Annexure -6</u>

Format for Work Order Register

<u>S.No.</u>	Date	<u>Name of</u> <u>Service</u>	<u>Work</u> Order No.	<u>Party</u> <u>Name</u>	<u>Period of</u> <u>Service</u> <u>(New)</u>	Period of Service (Extension)	<u>Amount (Rs.)</u>	<u>Copy of</u> Agreement/contract <u>available with</u> <u>Department</u>	<u>Remarks</u>

EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

Date: Place: New Delhi

NATIONAL INSTITUTE OF FASHION TECHNOLOGY (KANGRA CAMPUS; Purchase and services 66 **PROCESS AUDIT REPORT** <u>60</u> **GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS** Plot No. 6, Site No. 21, Geeta Mandir, Marg, New Rajinder Nagar New Delhi - 110060 🛰

Process Audit -Purchase (Capital items + consumables + Resource Centre Material etc)







Flowchart- Purchase procedure for consumable items





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Process Areas	Existing Process	Mapping with existing process	Process Improvement/Suggestions
Purchase	n on and the second	anna karanna an 1997. Ia dhaona an ann an ann an ann an ann an ann an a	Closed and reading of the states, and the states of the state of the states of the states of the states of the
A. Purchase of consumable items	 Following procedure for purchase of consumable items is prescribed in Accounts Manual- Chapter-4 The Chairpersons/Head of Departments/Coordinators should plan out their requirements well in advance (indent) in order to enable the Administration Department to comply with prescribed procedure. Indents indicating details of specifications, quantities, approximate value as well as the expected time for receipt of the capital items so indented should be submitted to the approving authority. Budget Code numbers should be assigned to all the Budget Operating Chairpersons/Coordinators/Head of Departments, who will indicate these budget codes on all indents. Approving Authority: DG has full powers regarding sanction for purchase of stationery and other consumable stores. Campus Director has full powers regarding the sanction for the purchase of consumables. Director (Admin.) has the power to authorize purchase of consumable items including tool kits not exceeding Rs. 5000 in each case. Proper purchase procedure should be followed:- Purchase without inviting quotations: On the approval of the competent authority, purchases without inviting tenders/ quotations by a Purchase Committee consisting of 3 members for small value items costing above Rs.15000 to Rs. 100000/ Limited tender The system may ordinarily be adopted when estimated value of goods to be procured is between 1 lakhs to Rupees Twenty five lakhs. 	 We selected 2 sample vouchers related to purchase of consumables viz. a) Voucher No. 1007 dated 31-10-2014 amounting Rs. 24,366/- b) Voucher No. 587 dated 12-05-2014 amounting Rs. 8,700/- 1. There was no standard form of indent prescribed for indenting purpose for user department. In both samples, we found that requisition is made on noting sheets only or as a letter by user departments. There was no indent number allotted to requisitions made. 2. In both samples, we found that expected time for receipt of items in the requisition made is not mentioned. 3. Details regarding specifications, quantities and approximate value were found to be submitted in both samples. 4. In both samples, no Budget Code numbers were indicated on the indents/ requisition made. 5. No indent register is being maintained. 6. Approvals were properly taken in both cases. 7. Purchase order number is not serially numbered. 8. Purchase order register is not maintained. 9. No gate pass was issued for receiving the consumable items. Only the verbal communication is made by the user department to the security personnel at the gate. 	 The indent form should be standardized and should have fields as per format in Annexure-1 Expected time for receipt of consumables should be mentioned on the indent. Budget code numbers should invariably be indicated on the indent form. Admin department should maintain serial No. wise indent register. Annexure -2 Purchase order No's to be given serially and separate series to be used for consumables. Admin department should maintain purchase order register as per format attached as per Annexure-3 for keeping track of all the purchase made/follow up with vendor and subsequent verification. There should be a list of approved suppliers for each category of assets for short listing in case of limited tender enquiry. Gate pass should be issued for receiving the consumable items.

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	firms which are appearing in the list of approved suppliers.	10. Consumable register was not	applicable.
	Past performance of successful supplier, should be one of	maintained.	10. Admin department should make
	the variables to be considered at the time of short listing	4	entry regarding receipt of
	firms for limited tender enquiry.		consumable items in PO register.
	c) At least three quotations/offers must be received in		11. Consumable Register should be
	normal conditions. In case offers received are less than		maintained.
	three after approval by competent authority and looking		
	at the situation, the same may be considered.		
	4) Single tender: The single tender system may be adopted		
	in case of purchase of articles which are specifically		
	certified as of proprietary nature by the indenting		
	department		
	5) Open tenders: The open tender system, that is,		
	invitation to tender by public advertisement should be		
	used as a general rule for procurement of goods of		
	estimated value Rs. 25 Lakhs and above.		
	• The Admin Officer will keep a track of the materials		
	ordered and take appropriate follow up action to ensure		
-15	that the materials are obtained in prescribed time.		
<u>+</u>)	• While receiving the consumable items, records should be		
\checkmark	kept in gate passes and the concerned Head of Dept.	c c	
5	should certify that the asst has been received in good		· ·
3	condition and as per the specification. He shall forward the		
	bills duly certified to the admin officer who in turn will		
	forward the same to the Accounts Section.		· ·
	• The consumable items so received should be entered in		
	the consumable register by the designated Officer and a		
	certificate to this effect should be forwarded to the		
	Accounts branch who will take necessary steps for release		
	of payment.		•
B. Purchase of	Following procedure for purchase of Fixed Assets is	We selected 3 sample vouchers related to	1. The indent form should be
capital items (IT	prescribed in Accounts Manual- Chapter-4	purchase of fixed assets viz.	standardized and should have
and Non-IT	• The Chairpersons/Head of Departments/Coordinators	a) Voucher No. 947 dated 07-10-2014	fields as per format in Annexure-
items)	should plan out their requirements well in advance	amounting Rs. 2,99,250/-	1
*	(indent) in order to enable the Administration/ Purchase	b) Voucher No. 91 dated 21-11-2014	2. Expected time for receipt of fixed
	Department to comply with prescribed procedure.	amounting Rs. 11,431/-	assets should be mentioned on
	• Indents indicating details of specifications, quantities,	c) Voucher No. 1105 dated 04-12-	the indent.
	approximate value as well as the expected time for receipt	2014 amounting Rs. 20,37,655/-	3. Budget code numbers should

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 of the items so indented should be submitted to the approving authority. Budget Code numbers should be assigned to all the Budget Operating Chairpersons/Coordinators/Head of Departments, who will indicate these budget codes on all indents. Approving Authority: a) DG has the full powers to purchase capital item approved in capital budget. If not mentioned in the budget, he has full powers to purchase capital items value not exceeding Rs. 25 lakhs on any one item on each occasion. b) Director (F & A) has Full powers to purchase of capital item value not exceeding Rs. 500000/- on any one item on each occasion. c) Campus director has full powers to purchase capital item value not exceeding Rs.500000 on any one item on each occasion. Proper purchase procedure should be followed:- Proper purchase procedure should be followed:- Purchase without inviting quotations: On the approval of the competent authority, purchases will be made for value upto Rs. 15000/- without getting quotation. Direct market purchase: purchase committee consisting of 3 members for small value items costing above Rs.15000 to Rs. 100000/ Limited tender a) This system may ordinarily be adopted when estimated value of goods to be procured is between 1 lakh to Rupees Twenty five lakhs. b) The limited tender enquiries will be issued to those firms which are appearing in the list of approved suppliers. 	 There was no standard form of indent prescribed for indenting purpose for user department. In all samples, we found that requisition is made on noting sheets only or as a letter by user departments. There is no indent number allotted to requisitions made. We found that expected time for receipt of items in the requisition made is not mentioned. Details regarding specifications, quantities and approximate value were found to be submitted in all samples. In all samples, no Budget Code numbers were found to be indicated on all the indents/ requisition made. No indent register is not being maintained. Purchase order register is not being maintained. Proper approvals were properly taken in all cases. No gate pass was issued for receiving the fixed asset items. Only the verbal communication is made by the user department to the security personnel at the gate. Good received note (GRN) was attached in file. In all samples entry were made in Fixed Asset Register.

£3167	 situation the same may be considered. 4) Single tender: The single tender system may be adopted in case of purchase of articles which are specifically certified as of proprietary nature by the indenting department 5) Open tenders: The open tender system, that is, invitation to tender by public advertisement should be used as a general rule for procurement of goods of estimated value Rs. 25 Lakhs and above. The Purchase Officer will keep a track of the materials ordered and take appropriate follow up action to ensure that the materials are obtained in prescribed time. While receiving the materials, records should be kept in gate passes and the concerned Head of Dept. should certify that the material has been received in good condition and as per the specification. And forward the bills duly certified to the purchase officer who in turn will forward the same to the Accounts Section. The Fixed Asset items so received should be entered in the Fixed Asset register by the designated Stores Officer and a certificate to this effect should be forwarded to the Accounts branch who will take necessary steps for release of payment. 		
C. Purchase of published items including books and periodicals and non-print (Resource Centre Materials)	 Following procedure for purchase of resource Centre items is prescribed in Accounts Manual- Chapter-4 The Resource Centre committee of which the Director (F&A)/Purchase officer/Accounts officer are also members will recommend acquisition of print materials received on approval/recommended by faculty or members of RCC. The list of recommended titles with tentative prices will be send to Local Academic Standards Committee (LASC)/Competent Authority for approval. After approval is received, the head librarian/DD (NRC) will place order for purchase of print to book sellers & other suppliers. Since books, periodicals, etc. are not store items, it is not feasible to obtain quotations as the rates are 	 We select a sample voucher related to purchase of books & purchase of magazines, newspaper & periodicals viz. a) Journal Voucher No. 144 dated 31-3-2014 amounting Rs. 16,85,713 (Purchase of books) The Resource Centre committee/Library Advisory Committee has recommended acquisition of print materials received on approval/recommendation by faculty or members of RCC. List of recommended titles with tentative prices was approved by LASC/Competent Authority. 	 Purchase order should be serially numbered. Resource Centre department should maintain purchase order register as per format attached as per Annexure-4 for keeping track of all the purchase made/follow up with vendor and subsequent verification. Gate pass should be issued for receiving the print materials.

 predetermined by the publishers. For conversion, the buying rates applicable on the date of invoice will be taken into consideration for calculating rupee component. Supplementary bills raised by the agents for periodicals in case of any revision of prices fluctuations in conversion rates, etc. have to be paid as and when received. Fixed discount rate for various categories of books as provided in accounts manual should be implemented. The prices of published materials, if not printed, will be confirmed from bibliographic and on line tools. If no price proof is available then the prices fixed by RCC will be accepted as final. Experts from other organization / institutions can be invited for evaluation of any print item on recommendation of the Committee. The bills will be sent to Accounts Dept. through competent authority for release of payment after entering the print material in the NRC / RC's Accession Register. Payment has to be released in advance for all bills for journals and some books or monographs as per publishers or suppliers terms and conditions. 	 currency was same as on the date of invoice. Fixed Discount rate was provided by the supplier as per accounts manual. After the receipt of books, the same has been entered in the accession register. Bills were sent to the accounts department for release of payment and payment was released to supplier. 		
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Days within which

required

Estimated Price

Per Unit(Rs)

(optional)

Estimated Total

cost(Rs)

	for Indent NAT	TIONAL INSTITUTE OF FASHIO	N TECHNOL	LOGY - KAN
To 				
Departm	ent Indent No:	Indent Date		
Departm				
	Material: Purchase Order Type (Please Tick Where e	ever-applicable Item Category)	•	
	umable			
Non-	Consumable			
_				
tems De	tails of Required Items		-	
tems De Serial	Complete Description of Items (Specification	Stock Held On date (Where ever	Quantity	Purpose
		Stock Held On date (Where ever Applicable)	Quantity Required	Purpose
Serial	Complete Description of Items (Specification	-		Purpose

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Suggested Supplier(Only in cas	e of proprietary items)		
Serial No.	Name	Address	
• •			
•			
		Approved	
Indenter's Signature		HOD Signature	· .
-			
Name :	1 · · · ·	(Signature)	
Designation :	•.		-
Contact No:-			
		(For Purchase/ Administration Department use	e only)
Indent Number			Purchase Officer/Administration Officer Signature
			(Signature)
			(0.8.14.4.0)
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<u>Annexure -2</u>

Format for Indent Register

<u>S. No.</u>	Date	Indent No. by User Dept.	Name of User Dept.	Indent No. by Purchase Dept.	<u>P.O No.</u>

<u>Annexure -3</u>

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Format for Purchase Order Register

A	<u>S. No.</u>	Date	<u>ltem</u>	<u>Indent</u> <u>No.</u>	<u>P.O</u> <u>No.</u>	Budget	<u>Budget</u> <u>Allocated</u>	<u>Budget</u> Exhausted	<u>Balance</u> <u>Budget</u>	<u>Party</u> <u>Name</u>	Expected Date of Receipt	<u>Gate</u> Pass <u>No.</u>	<u>Date of</u> <u>Receipt</u>	<u>Goods</u> <u>Receipt</u> <u>Note</u> <u>No.</u>	<u>Bill</u> No.	Remarks
									-							

<u>Annexure -4</u>

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Format for Purchase Order Register (For Resource Centre)

(++)	<u>S. No.</u>	Date	<u>ltem</u>	<u>P.O No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocated</u>	<u>Budget</u> Exhausted	<u>Balance</u> <u>Budget</u>	<u>Party</u> <u>Name</u>	Expected Date of Receipt	<u>Gate</u> Pass No.	<u>Date of</u> <u>Receipt</u>	<u>Bill No.</u>	<u>Remarks</u>
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Process Areas	Existing Process	Mapping with existing process	Process Improvement/Suggestions
Service Contracts A. Contracts for availing of services such as Cleaning, Canteen, Horticulture, Security, Travel Agency, Car Hiring Agency, and issue of	 Following procedure is prescribed for service contracts in Accounts Manual- Chapter-4 At least two month prior to the expiry of contract period, the concerned user department will inform the administration department who will float inquiry among local and reputed service contractors. The Local Purchase Committee will give its recommendations in this regard. Approving Authority: a) Director General and Campus Director have full 	 We have selected the following 2 service contracts as sample:- 1. Security Services 2. Housekeeping & Horticulture Services We observed that:- In case of Security Services:- a) Proposal for entering into new contract was put up on 08.05.2014 before expiry of the previous contract 	 The admin department should pur up the proposal to extend or enter into new service contract at least 2 months prior to the expiry or contract. Work order should be serially numbered. Admin department should maintain work order register. (Format attached as per Annexure-5) for
Work Orders for various works of Annual Recurring Nature, etc.	 powers to accept, award and pay all type of services contracts like Office upkeep, security, Horticulture etc. Such contracts can be made up to a period of 3 years. b) If the value of the contract is expected to be above Rs.2,00,000/- (Rupees Two lakhs), prior approval by DG is required. c) The contracts may be awarded following the procedures recommended depending on the value of the contract. If the services for which the contract is entered into has not been outsourced earlier and the monthly value of the contract exceeds Rs.25,000/- then prior approval by DG is required. 	 in June 2014. Since proposal was put up late, the last contract was extended by 3 months. b) The extension letter for 3 months was found in file c) Approvals were properly taken. d) Proper procedures were followed. e) Work order/letter of award of contract was issued to contractor but that was not serially numbered. f) Work order register is not maintained. g) Agreement was duly entered with contractor. h) The proposal for extending the contract for 3 months is put up by the 	keeping track of all the services.
	 Proper procedure should be followed:- Limited tender (GFR 181) This system may ordinarily be adopted when estimated value of service or work is upto 10 lakhs. The limited tender enquiries will be issued to those contractors which are appearing in the list of approved contractors. The number of the contractors so identified for issuing limited tender enquiry should not be less than six. 	 administration department before the expiry of the Service contract i) The head of admin department certified the satisfactory performance of the contractor in noting's moved for approval. j) The contract extension request was made by campus. k) Approval from Director General was obtained. 	

2) Open tenders: (GFR 181)	I) Contract was extended for 3 months	
a) This system may ordinarily be adopted when	and proper extension letter had also	
estimated value of service or work is above 10 lakhs.	been issued to contractor.	
b) The Department should issue advertised tender enquiry asking for the offers by a specified date	In case of Housekeeping& Horticulture services:-	
and time etc. in at least one popular largely	a) Proposal for entering into new	
circulated national newspaper and web site of the Department.	contract was put up on 08.05.2014 before expiry of the contract in June	
 Before finalization, party's performance, clients' list, 	2014. Since proposal was put up late,	
performance certificates, company's profile etc.,	the last contract was extended by 3	
should also be evaluated. On the basis of performance	months. b) Extension letter for 3 months was	
report and company's profile and lowest rates, the contract will be issued for one year.	found in the file.	
• The concerned departmental head will certify and give	c) Approvals were properly taken.	
specific comments on performance of the contractors	 d) Proper procedures were followed. e) Work order/letter of award of contract 	
for the extensions - renewal of the contract with the same Contractors. No contract will be automatically	was issued to contractor but that was	
renewed at the expiry of the contract period. No	not serially numbered.	
advance to any Contractor without valid Bank	f) Work order register is not maintained.	
 Guarantee. If the value of the annual contract for the previous 	 g) Agreement was duly entered with contractor. 	
 If the value of the annual contract for the previous year is below Rs.25,000/- subject to satisfactory 	h) The proposal for extending the	· .
performance as certified by the user department, the	contract for 3 months is put up by the	
same may be renewed for one more year on the basis	administration department before the expiry of the Service contract.	
of the recommendations of the Purchase Committee without inviting competitive bids.	i) The head of admin departments	
 If the value of the annual contract for the previous 	certified the satisfactory performance	
year is above Rs.25,000/- an extension of a maximum	of the contractor.	
three months may be given before following the same procedures for award of fresh contracts.	j) The contract extension request was made by campus.	
 For further period of renewals if any, the approval of 	k) Approval from director was obtained.	
the Head Office is to be obtained.	I) Contract was extended for 3months	
 In any of the contract is of short duration, and the value of the contract exceeds Rs 25 000/, then prior 	and proper extension letter had also been issued to contractors.	
value of the contract exceeds Rs.25,000/-, then prior approval of DG is required before approving the		
contract.		

B. Annual	Following procedure is prescribed for AMC in Accounts	There was no AMC service undertaken by	AMC should be taken by the campus
Maintenance	Manual- Chapter-4	the campus.	
Contracts	• At least two month prior to the expiry of warranty		
	period, the concerned user department will inform the		
	administration department of the need to renew or		
	enter into AMC. The admin department depending on		
	the estimated value of the AMC, should follow the		
	procedure for awarding the contract.		
	Approving Authority:		
	b) Director General and Campus Director have full		
	power to accept, award and pay all type of services		
	contracts like Office upkeep, security, Horticulture		
	etc. Such contracts can be made up to a period of 3		
	years.	· ·	
•	c) If the value of the AMC is expected to be above		
	Rs.2,00,000/- (Rupees Two lakhs), prior approval by		
$\overline{\mathcal{A}}$	DG is required.	•	
\simeq	Proper procedure should be followed:-		
	1. If the value of the AMC is below Rs.10,000/- per year		
4	the same may be decided by inviting quotations.		
5	2. Limited tender (GFR 181)		*
L	a) This system may ordinarily be adopted when estimated value of service or work is upto 10 lakhs.		
	b) The limited tender enquiries will be issued to those	•	
	contractors which are appearing in the list of approved		
•	contractors.		
	c) The number of the contractors so identified for issuing		
	limited tender enquiry should not be less than six.		
	3. Open tenders: (GFR 181)		· .
	a) This system may ordinarily be adopted when estimated		
	value of service or work is above 10 lakhs.	,	
	b) The Department should issue advertised tender enquiry		
	asking for the offers by a specified date and time etc. in at	•	
	least one popular largely circulated national newspaper		
	and web site of the Department		
	• As far as possible, it has been instructed repeatedly NIFT		
	must deal directly with OEMs and not with vendors		

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Annexure -5

Format for Work Order Register

<u>S.No.</u>	<u>Date</u>	<u>Name of</u> <u>Service</u>	<u>Work</u> Order No.	<u>Party</u> <u>Name</u>	<u>Period of</u> <u>Service</u> <u>(New)</u>	Period of Service (Extension)	<u>Amount (Rs.)</u>	<u>Copy of</u> Agreement/contract <u>available with</u> <u>Department</u>	<u>Remarks</u>
				-					





EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

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Place: New Delhi

HEAD OFFICE Purchases and Services

> PROCESS AUDIT REPORT (F.Y. 2014-15)

GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060

(00 (01 Process Audit - Purchase (Capital items + consumables + Printing Material etc)



Flowchart- Purchase procedure for fixed asset (FA) items

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NATIONAL INSTITUTE OF FASHION TECHNOLOGY

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Process Areas	Existing Process	Mapping with Existing Process	Process Improvement/Suggestions
Purchase			
Contracts			
A. Purchase of	Following procedure for purchase of consumable items is	We selected 2 sample vouchers related to	
consumable	prescribed in Accounts Manual- Chapter-4	purchase of consumables viz.	1. The indent form should be
items	• The Chairpersons/Head of Departments/Coordinators	a) Voucher No. 717 dated 13-08-2014	standardized and should have fields
	should plan out their requirements well in advance	amounting Rs. 7,823;	as per format in Annexure-1
	(indent) in order to enable the Administration Department	b) Voucher No. 1029 dated 14-10-2014	2. Expected time for receipt of
	to comply with prescribed procedure.	amounting Rs. 70,403.	consumables should be mentioned
	 Indents indicating details of specifications, quantities, 	1. There was no standard form of indent	on the indent.
	approximate value as well as the expected time for receipt	prescribed for indenting purpose for user	3. Budget code numbers should
	of the capital items so indented should be submitted to	department. In both samples, we found	invariably be indicated on the indent
	the approving authority.	that requisition is made on noting sheets	form.
	• Budget Code numbers should be assigned to all the	only or as a letter by user departments.	4. Admin department should maintain
•	Budget Operating Chairpersons/Coordinators/Head of	There was no indent number allotted to	serial No. wise indent register.
	Departments, who will indicate these budget codes on all	requisitions made.	Annexure -2
	indents.	 In both samples, we found that expected time for receipt of items in the 	5. Purchase order No's to be given serially and separate series to be
8	Approving Authority:	requisition made is not mentioned.	used for consumables other than
	a) DG has full powers regarding sanction for purchase of	3. Expected cost was not mentioned in the	consumables.
3	stationery and other consumable stores. b) Director (F and A) has full powers regarding sanction	requisition.	6. Admin department should maintain
R I	for purchase of stationery and other consumable	4. In both samples, no Budget Code	purchase order register. (Format
	stores provided no single item in the P.O. is above Rs.	numbers were indicated on the indents/	attached as per Annexure-3) for
	50,000/	requisition made.	keeping track of all the purchase
	c) Director (Admin.) has the power to authorize	5. No indent register is being maintained.	made/follow up with vendor and
	purchase of consumable items including tool kits not	6. Approvals were properly taken in both	subsequent verification.
	exceeding Rs. 5000 in each case.	cases.	7. There should be a list of approved
		7. Proper purchase procedures were	suppliers for each category of assets
	• Proper purchase procedure should be followed:-	followed except in case of Limited	for short listing in case of limited
	1. Purchase without inviting quotations: On the approval	Tender, there is no list of approved	tender enquiry.
	of the competent authority, purchases will be made	suppliers. Enquiries were issued to	8. Gate pass should be issued for
	for value up to Rs. 15000/- without getting quotation.	suppliers found with the help of internet	receiving the consumable items.
	2. Direct market purchase: purchases without inviting	in each case.	9. Certification regarding receipt of
	tenders/ quotations by a Purchase Committee consisting	8. No gate pass was issued for receiving the	goods in good condition and as per
	of 3 members for small value items costing above	consumable items. Only the verbal	the specification should be done as
	Rs.15000 to Rs. 100000/	communication is made by the user department to the security personnel at	per GFR 145 and 146 as applicable.*
	3. Limited tender		10. Goods receipt Note (GRN) should be

In NIFT HO, purchases are done in capital items, consumables and printing material which we have checked as follows:-

Gianender & Associates (Chartered Accountants)

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Process Audit Report 2014-15

	NATIONAL INST		
89 83	 a) This system may ordinarily be adopted when estimated value of goods to be procured is between 1 lakhs to Rupees Twenty five lakhs. b) The limited tender enquiries will be issued to those firms which are appearing in the list of approved suppliers. Past performance of successful supplier, should be one of the variables to be considered at the time of short listing firms for limited tender enquiry. c) At least three quotations/offers must be received in normal conditions. In case offers received are less than three after approval by competent authority and looking at the situation, the same may be considered. 4) Single tender: The single tender system may be adopted in case of purchase of articles which are specifically certified as of proprietary nature by the indenting department 5) Open tenders: The open tender system, that is, invitation to tender by public advertisement should be used as a general rule for procurement of goods of estimated value Rs. 25 Lakhs and above. The Admin Officer will keep a track of the materials ordered and take appropriate follow up action to ensure that the materials are obtained in prescribed time. While receiving the consumable items, records should be kept in gate passes and the concerned Head of Dept. should certify that the asst has been received in good condition and as per the specification. He shall forward the bills duly certified to the admin officer who in turn will forward the same to the Accounts Section. 	the gate.	prepared by admin department. Annexure-4 11. Admin department should make entry regarding receipt of consumable items in PO register.
D. Durchass of	of payment.		· · · · · · · · · · · · · · · · · · ·
B. Purchase of capital items (IT and Non- IT items)	 Following procedure for purchase of capital items is prescribed in Accounts Manual- Chapter-4 The Chairpersons/Head of Departments/Coordinators should plan out their requirements well in advance 	We selected 5 sample vouchers related to purchase of capital items viz. a) Voucher No. 186 dated 02-05-2014	1. The indent form should be standardized and should have fields as per format in Annexure-1
	(indent) in order to enable the Purchase Department to comply with prescribed procedure.	amounting Rs. 1,58,282; b) Voucher No. 441 dated 18-06-2014	2. Expected time for receipt of fixed assets should be mentioned on the

Gianender & Associates (Chartered Accountants)

	Indents indicating details of specifications, quantities,	amounting Rs. 1,14,207		Indent.	
	approximate value as well as the expected time for receipt	c) Voucher No. 451 dated 20-06-2014	3.	Specification of all items indented	
	of the capital items so indented should be submitted to	amounting Rs. 11,419;		should invariably be mentioned on	
	the approving authority.	d) Voucher No. 538 dated 08-07-2014		the indent form by the user.	
	• Budget Code numbers should be assigned to all the	amounting Rs. 58,800	4.	Budget code numbers should	
	Budget Operating Chairpersons/Coordinators/Head of	e) Voucher No. 564 dated 14-07-2014		invariably be indicated on the indent	
	Departments, who will indicate these budget codes on all	amounting Rs. 2,20,206;		form.	
	indents.	1. There was no standard form of indent	5.	Purchase department should	
	Approving Authority:	prescribed for indenting purpose for user		maintain serial No. wise indent	
	a) DG has the full powers to purchase capital item	department. In all 5 samples, we found		register. Annexure -2	
	approved in capital budget. If not mentioned in the	that requisition is made on noting sheets	6.	Purchase order No's to be given	
	budget, he has full powers to purchase capital items	only or as a letter by user departments.		serially and separate series to be	
	value not exceeding Rs. 25 lakhs on any one item on	There is no indent number allotted to		used for Fixed Assets and other than	
	each occasion.	requisitions made. In voucher No. 538, a		fixed Assets.	
	b) Director (F & A) has Full powers to purchase capital	total of 30 days were taken from the date	7.	Purchase department should	
	item value not exceeding Rs. 500000/- on any one	of requisition made by user department		maintain purchase order register.	
	item on each occasion.	to date of settling of specifications of the		(Format attached as per Annexure-	
	c) Campus director has full powers to purchase capital	asset with the help of IT department.		3) for keeping track of all the	
	item value not exceeding Rs.500000 on any one item	2. In all 5 samples, we found that expected		purchase made/follow up with	
NO I	on each occasion.	time for receipt of items in the requisition		vendor and subsequent verification.	
<u> </u>	Proper purchase procedure should be followed:-	made is not mentioned.	8.	There should be a list of approved	
in the second se	1. Purchase without inviting quotations: On the approval	3. Requisition noting which are used as		suppliers for each category of assets	
	of the competent authority, purchases will be made	indent were found to be in order except :-		for short listing in case of limited	
	for value up to Rs. 15000/- without getting quotation.	a) In Voucher No. 451, requisition contains		tender enquiry.	
:	2. Direct market purchase: purchases without inviting	only the name of the item and	9.	For high value purchase orders,	
	tenders/ quotations by a Purchase Committee consisting	quantities. It did not contain any		purchase/procurement should be	
	of 3 members for small value items costing above	specification and estimate cost of the		done through e-procurement	
	Rs.15000 to Rs. 100000/	item required.		process of the government.	
	3. Limited tender	b) In voucher No. 538, requisition contains	10.	Gate pass should be issued for	
	a) This system may ordinarily be adopted when estimated	only the name of the item as "All-in-one		receiving the fixed asset items.	
	value of goods to be procured is between 1 lakhs to	computer" and quantity. It does not	11.	Certification regarding receipt of	
	Rupees Twenty five lakhs.	contain any detailed specification. Only		goods in good condition and as per	
	b) The limited tender enquiries will be issued to those	the brand of the item is suggested by I.T.		the specification should be done.	
	firms which are appearing in the list of approved suppliers.	Department along with the cost	12.	Goods receipt Note (GRN) should be	
	Past performance of successful supplier, should be one of	estimate.		prepared by purchase department.	
	the variables to be considered at the time of short listing	4. In all 5 samples, no Budget Code numbers		Annexure-4	
	firms for limited tender enquiry.	were indicated on the indents/ requisition	13.	Purchase department should make	
	c) At least three quotations/offers must be received in	made.		entry regarding receipt of Fixed	
	normal conditions. In case offers received are less than	5. No indent register is being maintained.		Asset items in PO register.	
	three after approval by competent authority and looking	6. Approvals were properly taken in all 5	14.	Accession number should be	
		cases.		recorded in Fixed Asset Register.	

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	 at the situation, the same may be considered. 4) Single tender: The single tender system may be adopted in case of purchase of articles which are specifically certified as of proprietary nature by the indenting department 5) Open tenders: The open tender system, that is, invitation to tender by public advertisement should be used as a general rule for procurement of goods of estimated value Rs. 25 Lakhs and above. The Purchase Officer will keep a track of the materials ordered and take appropriate follow up action to ensure that the materials are obtained in prescribed time. While receiving the Fixed Asset items, records should be kept in gate passes and the concerned Head of Dept. should certify that the asst has been received in good condition and as per the specification. He shall forward the bills duly certified to the purchase officer who in turn will forward the same to the Accounts Section. The Fixed Asset items so received should be entered in the Fixed Asset register by the designated Officer and a certificate to this effect should be forwarded to the Accounts branch who will take necessary steps for release of payment. 	 7. Proper purchase procedures were followed except in case of Limited Tender, there is no list of approved suppliers. Enquiries were issued to suppliers found with the help of internet in each case. 8. No gate pass was issued for receiving the fixed asset items. Only the verbal communication is made by the user department to the security personnel at the gate. 9. Certification by user department regarding receipt of goods in good condition and as per the specification is not found in Voucher No. 186, 451,538 and 564. 10.In all 5 samples, entries were made in Fixed Asset Register but accession number was not recorded in Fixed Asset Register. 	
C. Placement of orders for printing of forms, brochures and magazines etc.	 Following procedure for printing of forms, brochures etc is prescribed in Accounts Manual- Chapter-4 1. Printers of printing houses of repute should be pre-qualified after following due process of selection by the standing committee consisting of Director, Senior Faculty member, Registrar, Accounts Officer and any outside expert in the matter. 2.Such a selection process should be based on defined criteria such as existing facilities and equipments, annual turnover and the likes of a printing house 3.The recommended short listed printing houses should be approved by the Director General of NIFT. 4.Short listed or empanelled printing houses should not be more than five and not less than three. 5.Concerned department may float enquiry among the approved shortlisted printing houses. 	 It is observed that printer/printing houses are not prequalified but for every printing order, normal purchase procedure is followed. We selected voucher No. 500 dated 1st July ,2014 amounting Rs. 65,520 related to printing of CE programme brochures:- Since estimated cost was above Rs. 15,000/- and upto Rs. 1,00,000/-, a local purchase committee was formed consisted of three members only i.e. Ms. Amrita Roy(UI-CE & Diploma Prog), Sh. Ankit Kumar (Assistant Account) and Ms. Asha Rani (AD/PO-Convener). Quotations were collected from 4 printers. 	 Printers of printing houses of repute should be pre-qualified annually after following due process of selection. Recommended short listed printing houses should be approved by the Director General of NIFT. Enquiries shall be floated among the short listed printing houses. Order should be placed on L-1 printer.

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Process Audit Report 2014-15

NATIONAL	INSTITUTEO	- FASHION	TECHNOLOGY

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	3. Recommended short listed printing	
	houses were not approved by the	
	Director General of NIFT.	
	4. Selection process was based on L-1	
	rate criteria.	
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<u>, (</u>
<u>Annexure -1</u>
Format for Indent

NATIONAL INSTITUTE OF FASHION TECHNOLOGY - HEAD OFFICE

То

Department Indent No: _

Indent Date

Department :

Types of Material: Purchase Order Type (Please Tick Where ever-applicable Item Category)

Consumable

Non-Consumable

Items Details of Required Items

Serial No	Complete Description of Items (Specification Model, Catalog No) Use separate Sheet If required	Stock Held On date (Where ever Applicable)	Quantity Required	Purpose	Days within which required	Estimated Price Per Unit(Rs) (optional)	Estimated Total cost(Rs)

Suggested Supplier(Only in case of proprietary items)

	suggested supplier (only in case of prop		
_	Serial No.	Name	Address
þ			
7			

Indenter's Signature	Approved HOD Signature
Name : Designation : Contact No:	(Signature)
Indent Number	(For Purchase/ Administration Department use only) Purchase Officer/Administration Officer Signature
	(Signature)

NATIONAL INSTITUTE OF FASHION TECHNOLOGY

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<u>Annexure -2</u>

Cormot for Indent Desistor

<u>S. No.</u>			Date	<u>lr</u>	ndent No. by	User Dept.	Name	of User De	ept.		by Purchase ept.		<u>P.O No</u>	<u>).</u>		
	nnexure ormat fo	_	e Order Ri	egister		·	•									
)	<u>S. No.</u>	<u>Date</u>	<u>Item</u>	<u>Indent</u> <u>No.</u>	<u>P.O</u> <u>No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Aliocated</u>	<u>Budget</u> <u>Exhausted</u>	<u>Balance</u> <u>Budget</u>	<u>Party</u> Name	Expected Date of Receipt	Pass	<u>Date of</u> <u>Receipt</u>	<u>Goods</u> <u>Receipt</u> <u>Note</u> <u>No.</u>	<u>Bill</u> <u>No.</u>	<u>Rema</u>
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Annexure-4

Format for Goods Received Note(GRN)

GOODS RECEIVED NOTE

From: (Sup	oplier)		Orde	r No.:			
			De	elivery Note No.:			
		•••••	In	voice No.:			
To: (Receiv	/ing)		Inde	ent No:			
		Indented By:					
				Date:			
Serial No	Item Specification	unit	Qty ordered	Qty Received	Unit Cost	Total Vaue	Balance

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	5					

Distribution: Original (White copy) – Accounts, Duplicate (Green) – User, Triplicate (Pink) – Purchasing, Quadruplicate (Blue) – Stores





Process Audit - Purchase (Capital items + consumables + Printing Material etc)



Flowchart- Purchase procedure for fixed asset (FA) items

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Flowchart- Purchase procedure for consumable items

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Process Areas	Existing Process	Mapping with Existing Process	Process Improvement/Suggestions
Purchase	<u>алан талыпканын талдарда калардар калардар калардар талардар калардар калардар калардар калардар калардар калар</u>		
Contracts			··
A. Purchase of	Following procedure for purchase of consumable items is	We selected 2 sample vouchers related to	
consumable	prescribed in Accounts Manual- Chapter-4	purchase of consumables viz.	1. The indent form should be
items	• The Chairpersons/Head of Departments/Coordinators should plan out their requirements well in advance	a) Voucher No. 717 dated 13-08-2014 amounting Rs. 7,823; b) Voucher No. 1029 dated 14-10-2014	standardized and should have fields as per format in Annexure-1 2. Expected time for receipt of
	(indent) in order to enable the Administration Department to comply with prescribed procedure.	amounting Rs. 70,403. 1. There was no standard form of indent	consumables should be mentioned on the indent.
	 Indents indicating details of specifications, quantities, approximate value as well as the expected time for receipt of the capital items so indented should be submitted to 	prescribed for indenting purpose for user department. In both samples, we found	3. Budget code numbers should invariably be indicated on the indent
(100)	 the approving authority. Budget Code numbers should be assigned to all the Budget Operating Chairpersons/Coordinators/Head of 	that requisition is made on noting sheets only or as a letter by user departments. There was no indent number allotted to requisitions made.	form. 4. Admin department should maintain serial No. wise indent register. Annexure -2
	Departments, who will indicate these budget codes on all indents.	2. In both samples, we found that expected	5. Purchase order No's to be given
10	Approving Authority:	time for receipt of items in the	serially and separate series to be
) lan	a) DG has full powers regarding sanction for purchase of	requisition made is not mentioned.	used for consumables other than
	stationery and other consumable stores.	3. Expected cost was not mentioned in the	consumables.
	b) Director (F and A) has full powers regarding sanction	requisition.	6. Admin department should maintain
	for purchase of stationery and other consumable	4. In both samples, no Budget Code	purchase order register. (Format
	stores provided no single item in the P.O. is above Rs.	numbers were indicated on the indents/	attached as per Annexure-3) for keeping track of all the purchase
	50,000/	requisition made. 5. No indent register is being maintained.	made/follow up with vendor and
	c) Director (Admin.) has the power to authorize	 No indent register is being maintained. Approvals were properly taken in both 	subsequent verification.
	purchase of consumable items including tool kits not	cases.	7. There should be a list of approved
	exceeding Rs. 5000 in each case.	7. Proper purchase procedures were	suppliers for each category of assets
	Proper purchase procedure should be followed:-	followed except in case of Limited	for short listing in case of limited
	1. Purchase without inviting quotations: On the approval	Tender, there is no list of approved	tender enquiry.
	of the competent authority, purchases will be made	suppliers. Enquiries were issued to	8. Gate pass should be issued for
	for value up to Rs. 15000/- without getting quotation.	suppliers found with the help of internet	receiving the consumable items.
	2. Direct market purchase: purchases without inviting	in each case.	9. Certification regarding receipt of
	tenders/ quotations by a Purchase Committee consisting	8. No gate pass was issued for receiving the	goods in good condition and as per i
	of 3 members for small value items costing above	consumable items. Only the verbal	the specification should be done as
	Rs.15000 to Rs. 100000/	communication is made by the user	per GFR 145 and 146 as applicable. 10. Goods receipt Note (GRN) shc J be
	3. Limited tender	department to the security personnel at	

In NIFT HO, purchases are done in capital items, consumables and printing material which we have checked as follows:-

Gianender & Associates (Chartered Accountants)

	NATIONAL INST		
	a) This system may ordinarily be adopted when estimated	the gate.	prepared by admin department.
	value of goods to be procured is between 1 lakhs to	9. In voucher No. 717, certification	Annexure-4
	Rupees Twenty five lakhs.	regarding receipt of goods in good	11. Admin department should make
	b) The limited tender enquiries will be issued to those	condition was signed by the user and not	entry regarding receipt of
	firms which are appearing in the list of approved suppliers.	by the head of user department as	consumable items in PO register.
•	Past performance of successful supplier, should be one of	required under GFR 145.	
	the variables to be considered at the time of short listing	10. Certification required under GFR 146 was	
	firms for limited tender enquiry.	not available for Voucher No. 1029	
	c) At least three quotations/offers must be received in		
	normal conditions. In case offers received are less than		
	three after approval by competent authority and looking		
	at the situation, the same may be considered.		
	4) Single tender: The single tender system may be adopted		
	in case of purchase of articles which are specifically		
· · ·	certified as of proprietary nature by the indenting		
	department		
	5) Open tenders: The open tender system, that is,		
	invitation to tender by public advertisement should be		
\sim	used as a general rule for procurement of goods of		
	estimated value Rs. 25 Lakhs and above.		
9	• The Admin Officer will keep a track of the materials		
Ĩ €	ordered and take appropriate follow up action to ensure		
6	that the materials are obtained in prescribed time.		
26101	• While receiving the consumable items, records should be		
1	kept in gate passes and the concerned Head of Dept.		
	should certify that the asst has been received in good		
	condition and as per the specification. He shall forward		· · ·
	the bills duly certified to the admin officer who in turn will		
	forward the same to the Accounts Section.		
	• The consumable items so received should be entered in		
	the consumable register by the designated Officer and a		
	certificate to this effect should be forwarded to the		·
	Accounts branch who will take necessary steps for release		
	of payment.		
B. Purchase of	Following procedure for purchase of capital items is		
capital items	prescribed in Accounts Manual- Chapter-4	We selected 5 sample vouchers related to	1. The indent form should be
(IT and Non-	• The Chairpersons/Head of Departments/Coordinators	purchase of capital items viz.	standardized and should have fields
IT items)	should plan out their requirements well in advance	a) Voucher No. 186 dated 02-05-2014	as per format in Annexure-1
	(indent) in order to enable the Purchase Department to	amounting Rs. 1,58,282;	2. Expected time for receipt of fixed
<u></u>	comply with prescribed procedure.	b) Voucher No. 441 dated 18-06-2014	assets should be mentioned on the

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NATIONAL INSTITUTE OF FASHION TECHNOLOGY

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	 Indents indicating details of specifications, quantities, 	amounting Rs. 1,14,207		indent.
	approximate value as well as the expected time for receipt	c) Voucher No. 451 dated 20-06-2014	3.	Specification of all items indented
	of the capital items so indented should be submitted to	amounting Rs. 11,419;		should invariably be mentioned on
	the approving authority.	d) Voucher No. 538 dated 08-07-2014		the indent form by the user.
	• Budget Code numbers should be assigned to all the	amounting Rs. 58,800	4.	Budget code numbers should
	Budget Operating Chairpersons/Coordinators/Head of	e) Voucher No. 564 dated 14-07-2014		invariably be indicated on the indent
	Departments, who will indicate these budget codes on all	amounting Rs. 2,20,206;		form.
	indents.	1. There was no standard form of indent	5.	Purchase department should
	Approving Authority:	prescribed for indenting purpose for user		maintain serial No. wise indent
· ·	a) DG has the full powers to purchase capital item	department. In all 5 samples, we found		register. Annexure -2
	approved in capital budget. If not mentioned in the	that requisition is made on noting sheets	6.	Purchase order No's to be given
	budget, he has full powers to purchase capital items	only or as a letter by user departments.		serially and separate series to be
	value not exceeding Rs. 25 lakhs on any one item on	There is no indent number allotted to		used for Fixed Assets and other than
	each occasion.	requisitions made. In voucher No. 538, a		fixed Assets.
	b) Director (F & A) has Full powers to purchase capital	total of 30 days were taken from the date	7.	Purchase department should
	item value not exceeding Rs. 500000/- on any one	of requisition made by user department		maintain purchase order register.
	item on each occasion.	to date of settling of specifications of the		(Format attached as per Annexure-
	c) Campus director has full powers to purchase capital	asset with the help of I⊤ department.		3) for keeping track of all the
N J)	item value not exceeding Rs.500000 on any one item	2. In all 5 samples, we found that expected		purchase made/follow up with
(<u>,</u>)	on each occasion.	time for receipt of items in the requisition		vendor and subsequent verification.
	Proper purchase procedure should be followed:-	made is not mentioned.	8.	There should be a list of approved
	1. Purchase without inviting quotations: On the approval	3. Requisition noting which are used as		suppliers for each category of assets
196	of the competent authority, purchases will be made	indent were found to be in order except :-		for short listing in case of limited
	for value up to Rs. 15000/- without getting quotation.	a) In Voucher No. 451, requisition contains		tender enquiry.
	2. Direct market purchase: purchases without inviting	only the name of the item and	9.	For high value purchase orders,
	tenders/ quotations by a Purchase Committee consisting	quantities. It did not contain any		purchase/procurement should be
	of 3 members for small value items costing above	specification and estimate cost of the		done through e-procurement
	Rs.15000 to Rs. 100000/	item required.		process of the government.
	3. Limited tender	b) In voucher No. 538, requisition contains	10.	Gate pass should be issued for
	a) This system may ordinarily be adopted when estimated	only the name of the item as "All-in-one		receiving the fixed asset items.
	value of goods to be procured is between 1 lakhs to	computer" and quantity. It does not	11.	Certification regarding receipt of
	Rupees Twenty five lakhs.	contain any detailed specification. Only		goods in good condition and as per
	b) The limited tender enquiries will be issued to those	the brand of the item is suggested by I.T.		the specification should be done.
	firms which are appearing in the list of approved suppliers.	Department along with the cost	12.	Goods receipt Note (GRN) should be
·	Past performance of successful supplier, should be one of	estimate.		prepared by purchase department.
	the variables to be considered at the time of short listing	4. In all 5 samples, no Budget Code numbers		Annexure-4
	firms for limited tender enquiry.	were indicated on the indents/ requisition	13.	Purchase department should make
	c) At least three quotations/offers must be received in	made.		entry regarding receipt of Fixed
	normal conditions. In case offers received are less than	5. No indent register is being maintained.		Asset items in PO register.
	three after approval by competent authority and looking	6. Approvals were properly taken in all 5	14.	Accession number shoul be
		cases.		recorded in Fixed Asset Register.

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NATIONAL INSTITUTE OF FASHION TECHNOLOGY

	at the situation, the same may be considered.	7. Proper purchase procedures were	
	4) Single tender: The single tender system may be adopted	followed except in case of Limited Tender,	
	in case of purchase of articles which are specifically	there is no list of approved suppliers.	-
	certified as of proprietary nature by the indenting	Enquiries were issued to suppliers found	
	department	with the help of internet in each case.	
	5) Open tenders: The open tender system, that is,	8. No gate pass was issued for receiving the	· · ·
	invitation to tender by public advertisement should be	fixed asset items. Only the verbal	
	used as a general rule for procurement of goods of	communication is made by the user	· .
	estimated value Rs. 25 Lakhs and above.	department to the security personnel at	
	• The Purchase Officer will keep a track of the materials	the gate.	
	ordered and take appropriate follow up action to ensure	9. Certification by user department	
	that the materials are obtained in prescribed time.	regarding receipt of goods in good	
	• While receiving the Fixed Asset items, records should be	condition and as per the specification is	
	kept in gate passes and the concerned Head of Dept.	not found in Voucher No. 186, 451,538	
	should certify that the asst has been received in good	and 564.	
	condition and as per the specification. He shall forward	10.In all 5 samples, entries were made in	
	the bills duly certified to the purchase officer who in turn	Fixed Asset Register but accession number	
	will forward the same to the Accounts Section.	was not recorded in Fixed Asset Register.	
3-	• The Fixed Asset items so received should be entered in the		
000	Fixed Asset register by the designated Officer and a		
99 Y	certificate to this effect should be forwarded to the		
7	Accounts branch who will take necessary steps for release		· ·
<u></u>	of payment.		
C. Placement of	Following procedure for printing of forms, brochures etc is	 It is observed that printer/printing houses 	Printers of printing houses of repute
orders for	prescribed in Accounts Manual- Chapter-4	are not prequalified but for every printing	should be pre-qualified annually after
printing of	1. Printers of printing houses of repute should be pre-	order, normal purchase procedure is	following due process of selection.
forms,	qualified after following due process of selection by the	followed.	Recommended short listed printing
brochures	standing committee consisting of Director, Senior Faculty	• We selected voucher No. 500 dated 1 st July	houses should be approved by the
and	member, Registrar, Accounts Officer and any outside	,2014 amounting Rs. 65,520 related to	Director General of NIFT.
magazines	expert in the matter.	printing of CE programme brochures:-	Enquiries shall be floated among the
etc.	2.Such a selection process should be based on defined	1. Since estimated cost was above Rs.	short listed printing houses.
	criteria such as existing facilities and equipments, annual	15,000/- and upto Rs. 1,00,000/-, a	• Order should be placed on L-1 printer.
	turnover and the likes of a printing house	local purchase committee was	
	3. The recommended short listed printing houses should be	formed consisted of three members	
	approved by the Director General of NIFT.	only i.e. Ms. Amrita Roy(UI-CE &	
ł	4.Short listed or empanelled printing houses should not be	Diploma Prog), Sh. Ankit Kumar	
	more than five and not less than three.	(Assistant Account) and Ms. Asha	
	5.Concerned department may float enquiry among the	Rani (AD/PO-Convener).	
	approved shortlisted printing houses.	2. Quotations were collected from 4	
	· · · · · ·	printers.	

			houses were r Director Genera	short listed printing not approved by the		
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Annexure -1 Format for Indent

NATIONAL INSTITUTE OF FASHION TECHNOLOGY - HEAD OFFICE

То

Department Indent No:

Indent Date

Department :

Types of Material: Purchase Order Type (Please Tick Where ever-applicable Item Category)

Consumable	
Non-Consumable	

Items Details of Required Items

Serial	Complete Description of Items (Specification	Stock Held On date (Where ever	Quantity	Purpose	Days within which	Estimated Price	Estimated Total
No	Model, Catalog No) Use separate Sheet If required	Applicable)	Required		required	Per Unit(Rs)	cost(Rs)
		· · ·				(optional)	

Suggested Supplier(Only in case of proprietary items)

4	H	Serial No.	Name	Address
	<u>.</u>			
Τ	0			

<u>o</u>	
Indenter's Signature	

Name : _____

Designation : ______ Contact No:- _____

(For Purchase/ Administration Department use only)

Approved HOD Signature

(Signature)

Indent Number-_____

Purchase Officer/Administration Officer Signature

(Signature)

-

Annexure -2

Format for Indent Register

<u>S. No.</u>	Date	Indent No. by User Dept.	Name of User Dept.	Indent No. by Purchase Dept.	<u>P.O No.</u>

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Annexure -3

Format for Purchase Order Register

	<u>S. No.</u>	<u>Date</u>	<u>ltem</u>	<u>Indent</u> <u>No.</u>	<u>P.O</u> <u>No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocated</u>	<u>Budget</u> Exhausted	<u>Balance</u> <u>Budget</u>	<u>Party</u> <u>Name</u>	Expected Date of Receipt	<u>Gate</u> Pass <u>No.</u>	<u>Date of</u> <u>Receipt</u>	<u>Goods</u> <u>Receipt</u> <u>Note</u> <u>No.</u>	<u>Bill</u> <u>No.</u>	<u>Remark</u>
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		. `					·									

Annexure-4

Format for Goods Received Note(GRN)

To: (Recei			I	ent No: ndented By: Date:					
Serial No	Item Specification	unit	Qty ordered	Qty Received	Unit Cost	Total Vaue	Balance		
								-	
)	·					-			
		•						-	
		-l.,				I			
Name:	Signature		Designation						
	eptance Certificate:						Design	nation	Date



		A STREET CONTRACTOR OF STREET	
Process Areas Service Contracts	Existing Process)	Verification of process	Process Improvement/Suggestions
A. Contracts for availing of services such as Cleaning, Canteen, Horticulture, Security, Travel Agency, Car Hiring Agency, and issue of Work Orders for various works of Annual Recurring Nature, etc.	 Following procedure is prescribed for service contracts in Accounts Manual- Chapter-4 At least two month prior to the expiry of contract period, the concerned user department will inform the administration department who will float inquiry among local and reputed service contractors. The Local Purchase Committee will give its recommendations in this regard. Approving Authority: a) Director General and Director (F & A) has the power to accept, award and pay all type of services contracts like Office upkeep, security, Horticulture etc. Such contracts can be made up to a period of 3 years. b) If the value of the contract is expected to be above Rs.2,00,000/- (Rupees Two lakhs), prior approval by DG is required. c) The contracts may be awarded following the procedures recommended depending on the value of the contract. If the services for which the contract is entered into has not been outsourced earlier and the monthly value of the contract exceeds Rs.25,000/- then prior approval by DG is required. Proper procedure should be followed:- 1) Limited tender (GFR 181) a) This system may ordinarily be adopted when estimated value of service or work is up to 10 lakhs. b) The limited tender enquiries will be issued to those contractors. c) The number of the contractors so identified for issuing limited tender enquiry should not be less than six. 2) Open tenders: (GFR 181) 	 We have selected the following 2 service contracts as sample :- 1. Travel Agent for NIFT-HO & 15 Campuses: 2. Advertisement Agency We observed that:- In case of Travel Agent for NIFT HO & 15 campuses:- a) Proposal for entering into new contract was put up 2 months before expiry of the contract in 2012. b) Approvals were properly taken. c) Proper procedures were followed. d) Work order/letter of award of contract was issued to contractor but that was not serially numbered. e) Agreement was duly entered with contractor. f) The proposal for extending the contract for third year is put up by the administration department 2 month before the expiry of the Service contract. g) The head of admin department certified the satisfactory performance of the contractor in notings moved for approval. h) The contract extension request was made by contractor j) Contract was extended for 1 year and proper extension letter had also been issued to contractors. 	 The admin department should put up the proposal to extend or enter into new service contract atleast 2 months prior to the expiry of contract. Work order Number should be giver serially. Admin department should maintain work order register. (Format attached as per Annexure-5) for keeping track of all the services. Satisfactory performance certificates should be taken from user department before extending the contract.

(10 204	 a) This system may ordinarily be adopted when estimated value of service or work is above 10 lakhs. b) The Department should issue advertised tender enquiry asking for the offers by a specified date and time etc. in at least one popular largely circulated national newspaper and web site of the Department. Before finalization, party's performance, clients' list, performance certificates, company's profile etc., should also be evaluated. On the basis of performance report and company's profile and lowest rates, the contract will be issued for one year. The concerned departmental head will certify and give specific comments on performance of the contract of the same Contractors. No contract will be automatically renewed at the expiry of the contract period. No advance to any Contractor without valid Bank Guarantee. If the value of the annual contract for the previous 	 In case of advertising agency- a) Proposal for entering into new contract was put up 2 months before expiry of the contract in 2013. b) Approvals were properly taken. c) Proper procedures were followed. d) Work order/letter of award of contract was issued to contractor but that was not serially numbered. e) Agreement was duly entered with contractor. f) The proposal for extending the contract for second year is put up by the administration department only 23 days before the expiry of the Service contract. g) The head of admin department certified the satisfactory performance of the contractor in notings moved for approval. 	
	 circulated national newspaper and web site of the Department. Before finalization, party's performance, clients' list, performance certificates, company's profile etc., should also be evaluated. On the basis of 	 b) Approvals were properly taken. c) Proper procedures were followed. d) Work order/letter of award of contract was issued to contractor but that was not serially numbered. 	
	 year. The concerned departmental head will certify and give specific comments on performance of the contractors for the extensions - renewal of the 	 f) The proposal for extending the contract for second year is put up by the administration department only 23 days before the expiry of the 	
204	will be automatically renewed at the expiry of the contract period. No advance to any Contractor without valid Bank Guarantee.	 g) The head of admin department certified the satisfactory performance of the contractor in notings moved for approval. h) The contract extension request was 	
	 performance as certified by the user department, the same may be renewed for one more year on the basis of the recommendations of the Purchase Committee without inviting competitive bids. If the value of the annual contract for the previous 	 made by contractor. i) Requisite approval from DG was also obtained. j) Contract was extended for 1 year and proper extension letter had also 	·
	 year is above Rs.25,000/- an extension of a maximum three months may be given before following the sugam procedures for award of fresh contracts. For further period of renewals if any, the approval 	been issued to contractors.	
¢.	 of the Head Office is to be obtained. In any of the contract is of short duration, and the value of the contract exceeds Rs.25,000/-, then prior approval of DG is required before approving the contract. 		
B. Annual	Following procedure is prescribed for AMC in Accounts	We have selected the following 2 AMCs as	1. The admin department should put up

NATIONAL INSTITUTE OF FASHION TECHNOLOGY

Maintenance	Manual- Chapter-4	sample :-	the proposal to renew or enter into
Contracts	At least two month prior to the expiry of warranty	1. AMC for Franking Machine	AMC atleast 2 months prior the
	period, the concerned user department will inform the	2. AMC for EPBAX	expiry of warranty period or contract.
	administration department of the need to renew or		2. Work order Number should be given
	enter into AMC. The admin department depending on	In case of AMC for Franking Machine:-	serially.
	the estimated value of the AMC, should follow the	a) The machine was purchased from M/s	3. Admin department should maintain
	procedure for awarding the contract.	OST Electronic Limited, (which is the	work order register. (Format attached
•	Approving Authority:	authorized dealer of the Franking	as per Annexure-5) for keeping track
· .	b) Director General and Director (F & A) has the power	Machine). Since the warranty of the	of all the services.
	to accept, award and pay all type of services	machine expired on 17.01.2012, the	4. Satisfactory performance certificate
	contracts like Office upkeep, security, Horticulture	admin department proposed to enter	should be taken from user department
	etc. Such contracts can be made up to a period of 3	into AMC with the above dealer though	before extending the contract.
	years.	the proposal was put up 42 days after	· . ·
	c) If the value of the AMC is expected to be above	expiry of the warranty period.	
	Rs.2,00,000/- (Rupees Two lakhs), prior approval by	b) The proposal for extending the contract	
	DG is required.	for 3 rd year was put up by the	
	Proper procedure should be followed:-	administration department only 18 days	
	1. If the value of the AMC is below Rs.10,000/- per year	before the expiry of the contract.	· ·
	the same may be decided by inviting quotations.	c) No satisfactory performance certificate	· · · · · ·
	2. Limited tender (GFR 181)	by user department was found.	
h.	a) This system may ordinarily be adopted when estimated	d) Director (Finance & Accounts) has	
<u>↓</u> _}`	value of service or work is upto 10 lakhs.	approved to renew the contract.	
	b) The limited tender enquiries will be issued to those		
Q	contractors which are appearing in the list of approved	In case of AMC for Siemens EPBAX	
8. 0 17	contractors.	system:-	
	c) The number of the contractors so identified for issuing	a) The contract with M/s Gurusons	
U UI	limited tender enquiry should not be less than six.	Communications Private Limited (which	
	3. Open tenders: (GFR 181)	is the authorized distributor and service	
	a) This system may ordinarily be adopted when estimated	provider of Siemens EPABX system) is	
	value of service or work is above 10 lakhs.	being renewed every year since last 9	· ·
	b) The Department should issue advertised tender	years.	
	enquiry asking for the offers by a specified date and time	b) The proposal for extending the contract	
	etc. in at least one popular largely circulated national	is put up by the administration	
	newspaper and web site of the Department	department 5 days after the expiry of	
	• As far as possible, it has been instructed repeatedly	the contract.	
	NIFT must deal directly with OEMs and not with	c) No satisfactory performance certificate	
_. .	vendors unless the OEMs inform us that they do not	by user department was found.	
	deal directly and operate only through "authorised	d) Due approval from Director (Finance	
	vendors". After 23 years of existence, NIFT and	and Accounts) has been taken.	
	technical departments should be well aware of who are		
L	teenander departmente snould be wen aware of who are	· · · · · · · · · · · · · · · · · · ·	<u>ــــــــــــــــــــــــــــــــــــ</u>

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Annexure -5

Format for Work Order Register

		<u>S. No.</u>	<u>Date</u>	Name of Service	<u>Work</u> Order No.	Party Name	<u>Period of</u> <u>Service</u> <u>(New)</u>	Period of Service (Extension)	<u>Amount(RS.)</u>	<u>Copy of</u> Agreement/contract <u>maintained with</u> <u>department</u>	<u>Remarks</u>
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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner • MRN:083878

Date: Place: New Delhi

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Process Audit - Advances

LEAVE TRAVEL CONCESSION (LTC) PROCESS FLOWCHART



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Process Areas	Existing Process	Mapping with Existing Process	Process Improvement/Suggestions
1. Advances			
A. Leave Travel Concession (LTC) Advance	 Following conditions for LTC advance is prescribed in Central Civil Services(LTC) Rules,1988 LTC to visit hometown in a block of two years and to any place in India once in four years will be allowed to employees. LTC shall be admissible to all those regular employees of the institute and their families who have completed one year of continuous service on the date of journey performed by him. Employee shall apply for LTC advance in application form for grant of advance provided in above said Rules. Advance may be granted up to 90% of the estimated Fare. Campus Director and Joint Director have full powers in respect of LTC. If the family travels separately from the Employee the advance may also be drawn separately to the extent admissible. The advance may be drawn both for the forward and return journey, provided the period of leave taken by the Government servant or the period of anticipated absence of the members of the family does not exceed three months or ninety days. If this limit is exceeded, then the advance may be drawn for the outward journey only. If the limit of 3 months or ninety days is exceeded after the advance had already been drawn for both the journeys, one half of the advance should be refunded to the Government forthwith. The advance should be refunded in full if the outward journey is not commenced within 30 days of the grant 	 We selected LTC Advances given to: (a) Ms. Kripal Mathur for Rs. 29,115/- on 15/09/2014 (b) Shri. Vijay Kumar Dua for Rs.53,420/- on 30/10/2014 as sample:- In both the cases employees has availed for journey anywhere in India & were entitled to travel by Air on the basis of Grade pay. In both the cases employees has submitted application form for grant of advance. In both the samples we observed that the amount of advance given is less than 90% of estimated fare. Proper approvals were taken. In all the cases family travels with the employee, therefore advance was not drawn separately. In all the cases journey was performed maximum within 10 days, therefore the anticipated absence of the employee or member of the family doesn't exceed three months. In case of Ms. Kripal Mathur and Shri Vijay Kumar Dua the journey was commenced within 30 days of grant of advance. In both the cases the claim for the settlement of the journey. 	 Joining Report of the employees/faculties should be documented in the file after availing LTC.

	 of advance. However, in cases where reservations can be made sixty days before the proposed date of the outward journey and advance is granted accordingly, the Employee should produce the tickets within ten days of the withdrawal of advance, irrespective of the date of commencement of the journey. Where an advance has been drawn by the Employee, the claim for reimbursement of the expenditure incurred on the journey shall be submitted within one month of the completion of the return journey. On a Employee's failure to do so, he shall be required to refund the entire amount of advance forthwith in one lump sum. No request for recovery of the advance in installments shall be entertained. Employee is required to submit joining report after completion of journey. LTC Register should be maintained as per CCS (LTC) Rules. 	 9. Joining Report was not documented in the file in case of Sh. Vijay Kumar Dua. 10. Entry was made in LTC Register as per the format prescribed in CCS (LTC) Rules. 	
B. Travelling Advance	 Accounts Manual Chapter-6 An employee on official tour will be entitled for travelling allowance which is intended to cover expenditure incurred in connection with journeys performed for the Institute work after preparing tour approval form. Hotel Rates, Daily allowance & Local Transport (Mileage Allowance) will be admissible at rates prescribed in the accounts manual of which advance may be granted up to 80%. Reimbursement on fares for journey performed between the Head office Station and tour station by the employee of various levels/pay ranges by different means of transport shall be as prescribed in the accounts manual subject to actual. For foreign tour, release of foreign exchange for abroad covers consolidated amount to cover room rent and DA for food, Taxi charges/Local conveyance, entertainment, 	Daily Conveyance (Mileage Allowance) was paid as per rates prescribed in manual. (For Grade Pay of Rs. 5,400/- or more)	 DD (F&A-1)/DD (F&A-2) should ensure that the advances are settled/adjusted as per prescribed rules. They may watch it through a weekly statement to be prepared by their account branch to monitor the timely settlement of staff advances. The Staff advance register should be maintained as per prescribed format in the manual & should be got verified by DD (F&A-1)/DD (F&A-2) on monthly basis.

 official telephone calls and other contingency expenditure are chargeable extra on actual basis. Cancellation charges may be reimbursed, at the discretion of the Controlling Officer where journey is not undertaken by an employee due to natural calamities or any mishap in his family and any other perceptible reasons. The daily allowance shall be admissible for journey purpose, halt on tour and holidays across during the period of tour, but the same will not be admissible for a period of leave of any kind availed while on tour. If an employee breaks journey in route due to personal reasons he shall not be paid DA for a period during the stay. In case where official has to proceed on journey at short notice and under emergent circumstances, a second advance be sanctioned by the competent authority subject to the conditions: (a) The second journey is required to be undertaken soon after the first one, i.e. within a week after completion of the first tour. (b) The bill for the advance drawn should be submitted latest within a week after completion of the second journey. (c) In any case not more than two advances should be allowed to remain outstanding at a time. Campus Director and Joint Director has full powers in respect of Travelling Advance. Official shall submit original cash memos/bills to adjust the advance. In any case, it should not take more than 3 	 In case (a) travelling allowance bill for tour (As per format prescribed in manual) and original bills & was settled within 3 weeks from the date of submission of bills. In case (b) travelling allowance bill for tour (As per format prescribed in manual) and original bills submitted on 11/07/2014, but the same was settled on 07/08/2014 i.e. after 3 weeks from the date of submission of bills. Staff advance register was not maintained. 	
weeks to get the advances adjusted from the date of submission in the accounts branch.Staff advance register shall be maintained.		
 Travelling allowance claim of a government servant shall fall due for payment on the date succeeding the date of completion of the journey. He shall submit the travelling 	· · · · · · · · · · · · · · · · · · ·	

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	allowance claim within one year of its becoming due failing which it shall stand forfeited. (As per Rule – 259)		
C. Office Expenses	 Accounts Manual Chapter - 6 The Head of Departments/Coordinators should plan out their requirements through requisitions/indents. Indents indicating details of specifications, quantities, approximate value of items so indented should be submitted to the approving authority. Director Campus & Joint Director has full powers in respect of office expense advance. Department shall indicate the official name in the requisition to whom office expense advance to be paid. Requisition is sent to accounts section for releasing the advance to the mentioned official. Official shall submit original cash memos/bills to adjust the advance. In any case, it should not take more than 3 weeks to get the advances adjusted from the date of submission in the accounts branch. A second advance should not be given to any official normally without settling the first advance under the same head. Department shall certify that the goods purchased from vendor are of requisite quality and found to be in good condition. Necessary entries shall be passed in the Staff Advance Register or other Registers. 	 We selected office expense advance given to: a. Mr. Ashok Sharma for Rs.3,000/- on 03/06/2014 b. Mr. Rajeev Saxena for Rs.15,000/- on 14/07/2014 as sample:- In both the cases, head of department or coordinators submit their requirements through requisitions but that was on noting sheets only. Detail of specifications, quantities, approximate value of items was duly provided in the requisition in case (b) only. Proper approvals were taken in both the cases. After approvals, requisition is forwarded to accounts section for release of advance. Employee has submitted original bills for settlement of advance. In both the cases advance was settled within 3 weeks from the date of submission of bills. No any other advance was given to the both the official under the same head. In both the cases, department has not certified that the goods are of requisite quality and found in good condition. Staff advance register was not maintained. In case of Mr. Rajeev Saxena necessary entry of the bill was 	 Requisition made should contain detailed specification of the requisite goods. Department should certify that the goods were of requisite quality & found in good condition. The Staff advance register should be maintained as per prescribed format in the manual & should be got verified by DD (F&A-1)/DD (F&A-2) on monthly basis.

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	made in stock register.					
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D. Party Advances	 Advances are given to parties requiring advance to initiate the work/service or enter contract with the party. Campus Director has full powers in respect of party advances. Approval on noting sheets with supporting documents is forwarded to accounts section and advance is released to parties. On receipt of Invoice after completion of work/service, advance is settled with prior approval of Campus Director Party advance register shall be maintained by account section. 	 We selected 2 samples which are as follows: <u>BPCL:</u> As per explanation, contract was entered with the party but it was not provided to us for verification. Advance given Rs. 1,00,000/- on 13/06/2014. As per Delegation of power, proper approvals were taken. On basis of invoice received from party, advance was settled on 05/09/2014. Haldiram Marketing Pvt. Ltd & Evergreen Sweet House: Committee was constituted on 13/10/2014 to obtain the rates from open market on or before 15/10/2014. Requisition for advance from party was not documented in file. Full & final advance of Rs. 1,44,100/- was given on 16/10/2014. As per Delegation of power, proper approvals were taken. On receipt of invoice from parties, advance was settled on 05/11/2014. 	 Contract should be documented in the file, if enter with the party. Proper clause should be entered in contract regarding advance to be provided to the party. Requisition for advance from party should be documented in the file. Party Advance Register should be maintained. 			
E. Festival Advance	In terms of Ministry of Finance office memorandum no. A-2712/1/2014-Estt. (Allowance) and Rule No. 53 & 58	We selected festival advance given to employees on occasion of Diwali &	 Register should be maintained for festival advance provided to 			

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 of Compendium of rules of advance to government servants whose grade pay not exceeding Rs. 4,800/- are eligible for grant of festival advance which may be recovered in ten equal installments. Festival Advance may be granted to employees who submit the application for grant. Grant should be drawn & disbursed before the festival. The time lag between dates of drawl and disbursement to be reduced to the minimum. Campus Director and Joint Director have full powers in respect of Festival Advance. Temporary Staff who are not likely to continue in service at least for six months beyond the month of drawing the advance are not eligible. The recovery will commence from the month following that in which the advance is paid to the official in ten no. equal installments. It should be certified that the officials have not taken any festival advance granted on previous occasion is outstanding for recovery. 	 Raksha bandhan as sample: Festival advance is provided to eligible employees whose grade pay doesn't exceed Rs. 4,800/- which is to be recovered in ten equal installments. 12 eligible employees have submitted application on occasion of Diwali & 2 eligible employees on occasion of Raksha bandhan for festival advance. In both cases, advance was drawn & disbursed before the festival. Proper approvals were taken. In both the cases no advance was paid to temporary staff. In both cases, recovery was commenced from the following month in which the advance was paid in ten equal installments. In both cases, officials have not taken any festival advance during the year 2014 and no festival advance of 	 officials to keep check on previous outstanding advances and installment due and paid. (Refer Annexure – 1) The festival advance register should be got verified by DD (F&A) on quarterly basis. DD (F&A) should ensure that the installments are settled/adjusted on timely basis. Penalty shall be charged from the officials in case where installments were not made timely.
outstanding for recovery.	2014 and no festival advance of previous years is outstanding in the books of accounts for recovery.	· · · · · · · · · · · · · · · · · · ·

Annexure -1

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Format for Register of Advances

<u>S. No.</u>		Type of	Date of	Total Amount	Installment Due	Installment Paid	Balance Amount	<u>Remarks (if any)</u>
	the official	<u>Advance</u>	<u>Advance</u>	<u>Paid (In Rs.)</u>	<u>(Monthly) (In Rs.)</u>	<u>(Monthly) (In Rs.)</u>	(Monthly) (In Rs.)	
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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

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For Gianender & Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

Date: Place: New Delhi



- KANGRA CAMPUS; Advances

PROCESS AUDIT REPORT

(F.Y. 2014-15)

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GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060

<u>.</u>
Process Audit - Advances

LEAVE TRAVEL CONCESSION (LTC) PROCESS FLOWCHART





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Process Areas	Existing Process	Mapping with Existing Process	Process Improvement/Suggestions
1. Advances			
1. Advances A. Leave Travel Concession (LTC) Advance	 Following conditions for LTC advance is prescribed in Central Civil Services(LTC) Rules,1988 LTC to visit hometown in a block of two years and to any place in India once in fouryears will be allowed to employees. LTC shall be admissible to all those regular employees of the institute and their families who have completed one year of continuous service on the date of journey performed by him. Employee shall apply for LTC advance in application form for grant of advance provided in above said Rules. Advance may be granted up to 90% of the estimated Fare. Campus Director and Joint Directorhave full powers in respect of LTC. If the family travels separately from the Employee the advance may be drawn both for the forward and return journeys at the time of commencement of the forward journey, provided the period of leave taken by the Government servant or the period of anticipated absence of the members of the family does not exceed three months or ninety days. If this limit is exceeded, then the advance may be drawn for both the journeys, one half of the advance should be refunded to the Government forthwith. The advance should be refunded in full if the outward journey is not commenced within 30 days of the grant of advance. However, in cases where reservations can be made sixty days before the proposed date of the outward journey and advance 	 We selected LTC Advances given to: (a) Mr. Sourabh Chaturbedi for Rs. 48,139/- on 11/09/2014. (b) Mr. Rohit Kumar for Rs.55,985/- on 03/06/2014 as sample:- 1. In both the cases employees has availed for journey anywhere in India &were entitled to travel by Air on the basis of Grade pay. 2. In both the cases employees has submitted application form for grant of advance. 3. In both the samples we observed that the amount of advance given is less than 90% of estimated fare. 4. Proper approvals were taken. 5. In all the cases family travels with the employee, therefore advance was not drawn separately. 6. In all the cases journey was performed maximum within 10 days, therefore the anticipated absence of the family doesn't exceed three months. 7. In case of Mr. Sourabh Chaturbedi and Mr. Rohit Kumar the journey was commenced within 30 days of grant of advance. 8. In both the cases the claim for the settlement of the expenditure is submitted within one month of completion of the journey. 	 Joining Report of the employees/faculties should be documented in the file after availing LTC. LTC Register should be maintained as per CCS (LTC) Rules.

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	 is granted accordingly, the Employee should produce the tickets within ten days of the withdrawal of advance, irrespective of the date of commencement of the journey. Where an advance has been drawn by the Employee, the claim for reimbursement of the expenditure incurred on the journey shall be submitted within one month of the completion of the return journey. On a Employee's failure to do so, he shall be required to refund the entire amount of advance forthwith in one lump sum. No request for recovery of the advance in installments shall be entertained. Employee is required to submit joining report after completion of journey. LTC Register should be maintained as per CCS (LTC) Rules. 	 9. Joining Report was not documented in the file in both the cases. 10. No LTC Register was maintained. 	
B. Travelling Advance	 Accounts Manual Chapter-6 An employee on official tour will be entitled for travelling allowance which is intended to cover expenditure incurred in connection with journeys performed for the Institute work after preparing tour approval form. Hotel Rates, Daily allowance & Local Transport (Mileage Allowance) will be admissible at rates prescribed in the accounts manual of which advance may be granted up to 80%. Reimbursement on fares for journey performed between the Head office Station and tour station by the employee of various levels/pay ranges by different means of transport shall be as prescribed in the accounts manual subject to actual. For foreign tour, release of foreign exchange for abroad covers consolidated amount to cover room rent and DA for food, Taxi charges/Local conveyance, entertainment, official telephone calls and other contingency expenditure are chargeable extra on 	 was submitted by the official & 80% of which was provided to the official as advance after proper approval of Campus Director. In both cases Hotel Charges, Local & Daily Conveyance (Mileage Allowance) was paid as per rates prescribed in manual. (For Grade Pay of Rs. 5,400/- or more) After the approval, advance was released by finance department in both the cases. 	 The Staff advance register should be maintained as per prescribed format in the manual &should be got verified by DD (F&A-1)/DD (F&A-2) on monthly basis.

 actual basis. Cancellation charges may be reimbursed, at the discretion of the Controlling Officer where journey is not undertaken by an employee due to natural calamities or any mishap in his family and any other perceptible reasons. 	allowance bill for tour (As per format prescribed in manual) and original bills &was settled within 3 weeks from the date of submission of bills. 5. Staff advance register was not
• The daily allowance shall be admissible for journey purpose, halt on tour and holidays across during the period of tour, but the same will not be admissible for a period of leave of any kind availed while on tour. If an employee breaks journey in route due to personal reasons he shall not be paid DA for a period	maintained.
 during the stay. In case where official has to proceed on journey at short notice and under emergent circumstances, a second advance be sanctioned by the competent authority subject to the conditions: 	
 (a) The second journey is required to be undertaken soon after the first one, i.e. within a week after completion of the first tour. (b) The bill for the advance drawn should be 	
submitted latest within a week after completion of the second journey.(c) In any case not more than two advances should be allowed to remain outstanding at a time.	
 Campus Director and Joint Directorhas full powers in respect of Travelling Advance. Official shall submit original cash memos/bills to 	
 adjust the advance. In any case, it should not take more than 3 weeks to get the advances adjusted from the date of submission in the accounts branch. Staff advance register shall be maintained. 	
 Travelling allowance claim of a government servant shall fall due for payment on the date succeeding the date of completion of the journey. He shall submit the travelling allowance claim within one year of its becoming due failing which it shall stand forfeited. (As per Rule – 259) 	

C. Office Expenses	Accounts Manual Chapter – 6	We selected "office expense"	• The Staff advance register should L
C. Office Expenses	 Accounts Manual Chapter - 6 The Head of Departments/Coordinators should plan out their requirements through requisitions/indents. Indents indicating details of specifications, quantities, approximate value of items so indented should be submitted to the approving authority. Director Campus & Joint Director has full powers in respect of office expense advance. Department shall indicate the official name in the requisition to whom office expense advance to be paid. Requisition is sent to accounts section for releasing the advance to the mentioned official. Official shall submit original cash memos/bills to adjust the advance. In any case, it should not take more than 3 weeks to get the advances adjusted from the date of submission in the accounts branch. A second advance should not be given to any official normally without settling the first advance under the same head. Department shall certify that the goods purchased from vendor are of requisite quality and found to be in good condition. Necessary entries shall be passed in the Staff Advance Register or other Registers. 	 We selected "office expense" advance given to: a. Ms. Paramita Mazumderfor Rs.21,000/- on 12/09/2014 b. Ms. Ramneek Lata for Rs.16,000/- on 19/09/2014 as sample:- In both the cases, head of department or coordinators submit their requirements through requisitions but that was on noting sheets only. Proper approvals were taken in both the cases. After approvals, requisition is forwarded to accounts section for release of advance. Employee has submitted original bills for settlement of advance. In both the cases advance was settled within 3 weeks from the date of submission of bills. No any other advance was given to both the officials under the same head. Staff advance register was not maintained. 	 maintained as per prescribed format in the manual & should be got verified by DD (F&A-1)/DD (F&A-2) on monthly basis. The indent form should be
D. Party Advances	 Advances are given to parties requiring advance to initiate the work/service or enter contract with the party. Campus Director has full powers in respect of party advances. Approval on noting sheets with supporting documents is forwarded to accounts section and advance is released to parties. On receipt of Invoice after completion of work/service, advance is settled with prior approval of Campus Director. Party advance register shall be maintained by account 	• No Party advance was given during the year.	Nil

	section.		
E. Festival Advance	 In terms of Ministry of Finance office memorandum no. A-2712/1/2014-Estt. (Allowance) and Rule No. 53 & 58 of Compendium of rules of advance to government servants whose grade pay not exceeding Rs. 4,800/- are eligible for grant of festival advance which may be recovered in ten equal installments. Festival Advance may be granted to employees who submit the application for grant. Grant should be drawn & disbursed before the festival. The time lag between dates of drawl and disbursement to be reduced to the minimum. 	No Festival Advance was granted to employees.	Nil
	 Campus Director and Joint Director have full powers in respect of Festival Advance. Temporary Staff who are not likely to continue in service at least for six months beyond the month of drawing the advance are not eligible. The recovery will commence from the month 		
ہ ۷	 following that in which the advance is paid to the official in ten no. equal installments. It should be certified that the officials have not taken any festival advance during the current calendar year and no festival advance granted on previous occasion is outstanding for recovery. 		

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enartm	ient Indent No:					Indent Da	ite		
epartm						indent be			
ypes of	Material: Purchase Order Type	e (Please Tick Wher	e ever-applicable Item	Category)					-
	umable Consumable								
ems De	etails of Required Items							•	
Serial No	Complete Description of Items Model, Catalog No) Use separ required		Stock Held On dat Applicable)	e (Where ever	Quantity Required	Purpose	Days within which required	Estimated Price Per Unit(Rs) (optional)	Estimated Total cost(Rs)
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Serial N	ю.	Name		Address					
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EXPRESSION OF GRATITUDE

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We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

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Date: Place: New Delhi

HEAD OFFICE ? Advances

PROCESS AUDIT REPORT

(F.Y. 2014-15)

GIANENDER & ASSOCIATES

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CHARTERED ACCOUNTANTS

Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar

New Delhi - 110060





Gianender & Associates (Chartered Accountants)

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Process Audit Report 2014-15



Gianender & Associates (Chartered Accountants)

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Process Audit Report 2014-15



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Process Areas	Existing Process	Mapping with Existing Process	Process Improvement/Suggestions
 Advances 			
A. Leave Travel Concession (LTC) Advance	 Following conditions for LTC advance is prescribed in Central Civil Services(LTC) Rules,1988 LTC to visit hometown in a block of two years and to any place in India once in four years will be allowed to employees. LTC shall be admissible to all those regular employees of the institute and their families who have completed one year of continuous service on the date of journey performed by him. Employee shall apply for LTC advance in application form for grant of advance provided in above said Rules. Advance may be granted up to 90% of the estimated Fare. Entitlement for class of accommodation was based on the grade pay of the employees for journey by Air/Rail/Road. DG and Director (F&A) has full powers in respect of LTC. If the family travels separately from the Employee the advance may also be drawn separately to the extent admissible. The advance may be drawn both for the forward and return journeys at the time of commencement of the forward journey, provided the period of leave taken by the Government servant or the period of anticipated absence of the members of the family does not exceed three months or ninety days. If this limit is exceeded, then the advance may be drawn for the outward journey only. If the limit of 3 months or ninety days is exceeded after the advance had already been drawn for both the journeys, one half of the advance should be refunded to the 	 We selected LTC Advances given to: (a) Mr. Brijesh Aneja on 23/5/2014 for Rs.72,000/-, (b) Mr. Jaswant Singh on 25/4/2014 for Rs.43,400/-, (c) Sh. Parvez Ahmed Burney on 16/05/2014 for Rs. 57,900/- as sample:- 1. In all the cases employees has availed for journey to J&K and were entitled to travel by Air on the basis of office memorandum of ministry of personnel irrespective of grade pay of employees. 2. In all the cases employees has submitted application form for grant of advance. 3. In all the cases we observed that the amount of advance given is 90% of estimated fare. 4. Approvals from Director (F&A) were taken in all cases. 5. In all the cases family travels with the employee, therefore advance was not drawn separately. 6. In all the cases journey was performed maximum within 10 days, therefore the anticipated absence of the employee or member of the family doesn't exceed three months. 7. In case of Mr. Brijesh & Mr. Parvez Ahmed Burney the journey was performed within 30 days of grant of advance. But in case of Mr. Jaswant Singh the advance was given on 25th April, 2014 but the outward journey was performed on 14th June, 2014 i.e. beyond 30 days of grant of advance. Thus as per the rules, the advance should have been refunded in full. 	 If the outward journey is magnetized within 30 days of grate of advance, the advance should be taken back from employee in fur Proper follow up should be made. Register of LTC Claims should be a per CCS (LTC) Rules, 1988.

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	• The advance should be refunded in full if the 8. In all the cases the claim for the second	he
·	outward journey is not commenced within 30settlement of the expendituredays of the grant of advance. However, in cases where reservations can be made sixtysubmitted within one month completion of the journey.	is of as he all hly ce
	 Employee is required to submit joining report after completion of journey. LTC Register should be maintained as per CCS 	
	(LTC) Rules.	
B. Travelling Advance	 Accounts Manual Chapter-6 An employee on official tour will be entitled for travelling allowance which is intended to cover expenditure incurred in connection with journeys performed for the Institute work after preparing tour approval form. Reimbursement on fares for journey performed between the Head office Station and tour station by the employee of various levels/pay ranges by different means of transport shall be as prescribed in the accounts manual subject to actual. Hotel Rates, Daily allowance & Local Transport (Mileage Allowance) will be admissible at rates prescribed in the accounts manual of which advance may be granted up to 80%. We selected Travelling Advances given to: (a) Mr. Raj Singh on 17/04/2014 f Rs.74,400/-, (b) Mr. Abdul Malik on 23/4/2014 f Rs.5,600/-, In case (a) advance was provided f foreign tour (Dubai) to two officials S Pawan Godiawala (Director, Gandhinaga & Sh. Raj Singh (Asst. Director-Admissic Head Office) for admission process of N students after the approval of Director Gener Director (F&A) and Director (Admissio was taken. 	 settled/adjusted as per prescriber rules. They may watch it through weekly statement to be prepared b their account branch to monitor th timely settlement of staff advances. The Staff advance register should b maintained as per prescribed forma in the manual & should be go verified by DD (F&A-1)/DD (F&A-2 on monthly basis.

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	For foreign tour, release of foreign exchange was pr	rovided to the official as advance
	for abroad covers consolidated amount to after p	roper approval of DG.
	cover room rent and DA for food, Taxi 3. In case	e (a) release of foreign exchange for
	charges/Local conveyance, entertainment, abroad	l covers the consolidated amount
	official telephone calls and other contingency for all	the expenses & was paid as per
	expenditure are chargeable extra on actual rates p	prescribed in manual:
		or Director - 350 USD/- Day
		or Others – 300 USD/- Day
		e (b) Hotel Charges, Local & Daily
·	+	vance (Mileage Allowance) was
		s per rates prescribed in manual.
		rade Pay of Rs. 5,400/- or more)
	· · · · · · · · · · · · · · · · · · ·	he approval, advance was released
		ince department in both the cases.
>		e (a) travelling allowance bill for
	- · · · · · · · · · · · · · · · · · · ·	n tour (As per format prescribed in
	· · · · · · · · · · · · · · · · · · ·	and original bills submitted on
		2014, but the same was settled on
	• • •	2014 i.e. after 3 weeks from the
		f submission of bills.
	 In case where official has to proceed on 7. In case 	
		As per format prescribed in manual)
		/2014, but the same was settled on
	i i	(2014 i.e. after 3 weeks from the
		f submission of bills.
		sary entry was made in staff
ġ		ce register of both the cases.
	tour.	
	(b) The bill for the advance drawn should be	
	submitted latest within a week after	
	completion of the second journey.	
	(c) In any case not more than two advances	
	should be allowed to remain outstanding at	
	a time.	
	DG and Director (F&A) has full powers in	
	respect of Travelling Advance.	
	Official shall submit original cash memos/bills	
	to adjust the advance. In any case, it should	
1	not take more than 3 weeks to get the	

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	advances adjusted from the date of		· · · · · · · · · · · · · · · · · · ·
	submission in the accounts branch.		· · ·
	 Staff advance register shall be maintained. 	• · · · ·	
	Travelling allowance claim of a government		
	servant shall fall due for payment on the date		
	succeeding the date of completion of the		
	journey. He shall submit the travelling		
	allowance claim within one year of its		
	becoming due failing which it shall stand		
	forfeited. (As per Rule – 259)		·
. Office Expense	Accounts Manual Chapter – 6	We selected office expense advance given	• DD (F&A-1)/DD (F&A-2) shou
Advances	a. The Head of Departments/Coordinators should	to:	ensure that the advances a
	plan out their requirements through	a. Mr. Prakash B. for Rs.10,000/- on	settled/adjusted as per prescribe
	requisitions/indents.	30/04/2014	rules. They may watch it through
,	b. Indents indicating details of specifications,	b. Mr. Shesh Nath Shah for Rs. 2,000/- on	weekly statement to be prepared
	quantities, approximate value of items so	30/05/2014 as sample:-	their account branch to monitor t
	indented should be submitted to the	• In both the cases, head of department or	timely settlement of staff advances
	approving authority.	coordinators submit their requirements	 Penalty shall be charged from the standard sta standard standard st standard standard st standard standard st standard standard st standard standard st standard standard st standard standard st standard standard st standard standard st standard standard standard standard standard standard standard standard stand
	c. DG & Director (F&A) has full powers in respect	through requisitions but that was on	officials in case where settleme
	of office expense advance.	noting sheets only.	was made after the due date
	d. Department shall indicate the official name in		office order.
	•	Detail of specifications, quantities,	
	the requisition to whom office expense	approximate value of items was duly	The Staff advance register should by
	advance to be paid.	provided in the requisition.	maintained as per prescribed form
	e. Requisition is sent to accounts section for	• Proper approvals were taken in both the	in the manual & should be g
	releasing the advance to the mentioned	cases.	verified by DD (F&A-1)/DD (F&A-
	official.	After approvals, requisition is forwarded	on monthly basis.
	f. Official shall submit original cash memos/bills	to accounts section for release of	
	to adjust the advance. In any case, it should	advance.	· · ·
	not take more than 3 weeks to get the	• Employee has submitted original bills for	
	advances adjusted from the date of	settlement of advance.	
	submission in the accounts branch.	• In case (2), advance was settled within 3	
	g. A second advance should not be given to any	weeks from the date of submission of	
	official normally without settling the first	bills. But in case (1), advance was not	
	advance under the same head.	settled within 3 weeks as a result of	•
	h. Department shall certify that the goods		
	purchased from vendor are of requisite quality	which office order has been issued by DD	
	and found to be in good condition.	(F&A-1) towards settlement of advance	· ·
		within 7 days from the date of issue of	
	i. Necessary entries shall be passed in the Staff	order i.e. 30/05/2014, but due to absence	
	Advance Register or other Registers.	of official till 20/06/2014, the file was in	

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		process & the same was settled on	
		30/06/2014.	
		• No any other advance was given to the	
		both the official under the same head.	
		• In both the cases, department has	
		certified that the goods are of requisite	
		quality and found in good condition.	
		Necessary entry was passed in staff	
		advance register of both cases. In case of	
		Mr. Prakash necessary entry of the bill	
		was made in expenditure & fixed asset	
•		register & In case of Mr. Shesh Nath Shah	
·		entry of the bill was made in expenditure	
		and consumable register.	
D. Party Advances	Advances are given to parties requiring advance	We selected 2 samples following:	
	to initiate the work/service or as per terms &	• <u>BPCL:</u>	
	conditions of the contract entered with the	As per explanation, contract was	• Contract should be documented in
	party.	entered with the party but it was	the file, if enter with the party.
	• DG & Director (F&A) has full powers in respect	not provided to us for verification.	Proper clause should be entered in
	of party advances.	> Advance given Rs. 15,000/- on	contract regarding advance to be
	• Approval on noting sheets with supporting	26/09/2014.	provided to the party.
	documents is forwarded to accounts section and	As per Delegation of power, proper	
	advance is released to parties.	approvals were taken. ➤ On basis of invoice received from	
	• On receipt of Invoice after completion of	party, advance was settled on	
	work/service, advance is settled with prior	11/12/2014.	
	approval of director general.	• Tata AIG General Insurance company	
	Party advance register shall be maintained by	limited:	
	account section.	 Requisition for advance from party 	Requisition for advance from party
		was not documented in file.	should be documented in the file.
		> Advance given Rs. 28,467/- on	silouid be documented in the flic.
		23/07/2014.	
	· · ·	 As per Delegation of power, proper 	
		approvals were taken.	
		 On receipt of invoice from party, 	
		advance was settled on 01/10/2014	
		• Entry was made in Party Advance Register	
		of both the cases.	
E. Festival	In terms of Ministry of Finance office	We selected festival advance given to	 Register should be maintained for

Gianender & Associates (Chartered Accountants)

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Process Audit Report 2014-15

Advance	 memorandum no. A-2712/1/2014-Estt. (Allowance) and Rule No. 53 & 58 of Compendium of rules of advance to government servants whose grade pay not exceeding Rs. 4,800/- are eligible for grant of festival advance may be granted to employees who submit the application for grant. Festival Advance may be granted to employees who submit the application for grant. Grant should be drawn & disbursed before the festival. The time lag between dates of drawl and disbursement to be reduced to the minimum. DG and Director (F&A) have full powers in respect of Festival Advance. Temporary Staff who are not likely to continue in service at least for six months beyond the officials in ten o. equal installments. The recovery will commence from the month following that in which the advance is paid to the officials have not taken any festival advance during the grant data ne officials have not taken any festival advance during the grant do ne previous occasion is outstanding for recovery. The recovery will commence from the month of drawing the advance during the grant due and paid. (Refer Annexure - 1) The recovery will commence from the month of drawing the advance are not eligible. In both cases, necovery was commenced from the following month in which the advance was paid in ten equal installments. In both cases, officials have not taken any festival advance during the covery. In both cases, officials have not taken any festival advance during the granted on previous occasion is outstanding for recovery.

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Annexure -1

Format for Register of Advances

<u>S. No.</u>	<u>Name of</u> the official	<u>Type of</u> <u>Advance</u>	Date of Advance	<u>Total Amount</u> <u>Paid (In Rs.)</u>	Installment Due (Monthly) (In Rs.)	Installment Paid (Monthly) (In Rs.)	Balance Amount (Monthly) (In Rs.)	Remarks (if any)
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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

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Thanking you, Yours truly,

For Gianender & Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

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Date: Place: New Delhi

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Investment

PROCESS AUDIT REPORT

(F.Y. 2014-15)

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GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060

AreasExisting ProcessImprovement/Suggestion1. Investmen tAccounts Manual- Chapter-5 • Ascertaining/deciding the surplus funds for investment is based on idle funds available with the management & after approval of Competent Authority the same will be invested. • The Committee members (Joint Director, DD F&A and DD Estt. & Administration) should plan out well in advance for quotation of investments in Fixed Deposit Receipts from banks to timely renew the• We have verified 2 Fixed Deposit Receipts(FDR's) which were renewed: 1. Date of Investment – 22.07.2014 Amount – Rs. 0.14 Crores. 2. Date of Investment – 21.09.2014, Amount Rs. 2.66 Crores.1. Fixed Deposit Receipts Register should be maintained manually.2. Date of Investment – 21.09.2014, and DD Estt. & Administration) should plan out well in advance for quotation of investments in Fixed Deposit Receipts from banks to timely renew the• We have verified 2 Fixed Deposit Receipts(FDR's) which were renewed: 1. Date of Investment – 22.07.2014 Amount Rs. 2.66 Crores.1. Fixed Deposit Receipts register should be maintained manually.2. Date of Investment – 21.09.2014, Amount Rs. 2.66 Crores.2. The Fixed Deposit Receipts register should be got verified by DD (F&A) & Joint Director on quarterly basis.			<u>SS Addit-Investinent</u>	Process
tAccounts mandar chapter of investment is based on idle funds available with the management & after approval of Competent Authority the same will be invested.Receipts(FDR's) which were renewed: 1. Date of Investment - 22.07.2014 Amount - Rs. 0.14 Crores.1. Fixed Deposit Receipts Register should be maintained manually.• The Committee members (Joint Director, DD F&A and DD Estt. & Administration) should plan out well in advance for quotation of investments in Fixed Deposit Receipts from banks to timely renew the0.14 Crores.1. Fixed Deposit Receipts Register should be maintained manually.• The Committee members (Joint Director, DD F&A and DD Estt. & Administration) should plan out well in advance for quotation of investments in Fixed Deposit Receipts from banks to timely renew the0.14 Crores.1. Fixed Deposit Receipts Register should be maintained manually.• The Committee members (Joint Director, DD F&A and DD Estt. & Director, DD F&A Deposit Receipts from banks to timely renew the0.14 Crores.1. Fixed Deposit Receipts register should be maintained manually.• The Committee members (Joint Director, DD F&A and DD Estt. & Director, DD F&A and DD Estt. & Administration) made quotation of1. Fixed Deposit Receipts register should be register should be got verified by DD (F&A) & Joint Director on quarterly basis.	and the second second second second	Existing Process		Improvement/Suggestions
 Fixed Deposit Receipts. A committee of officials should be constituted to open the quotations. An Invitation of Quotations/Offer for Fixed Deposit rates should be given in a proper format and the same should be sent to Nationalized banks. The delivery of quotations should be ensured as to 	t 154	 Ascertaining/deciding the surplus funds for investment is based on idle funds available with the management & after approval of Competent Authority the same will be invested. The Committee members (Joint Director, DD F&A and DD Estt. & Administration) should plan out well in advance for quotation of investments in Fixed Deposit Receipts from banks to timely renew the Fixed Deposit Receipts. A committee of officials should be constituted to open the quotations. An Invitation of Quotations/Offer for Fixed Deposit rates should be given in a proper format and the same should be sent to Nationalized banks. The delivery of quotations should be ensured as to verify that the same has been delivered on time. Based on the minutes of committee, the quotation having highest rate of interest should be selected by recommendation of committee (Joint Director, DD F&A and DD Estt. & Administration) Net balancing system was replaced by flexi deposit system via letter no. 1509(29)/Accts/HO/Finalization of Banker/12 dated 19.10.2012. Details of Fixed Deposits Receipts (FDR's) in fixed deposit Register should be properly maintained. 	 Receipts(FDR's) which were renewed: 1. Date of Investment – 22.07.2014 Amount – Rs. 0.14 Crores. 2. Date of Investment – 21.09.2014, Amount Rs. 2.66 Crores. (a) The Committee members (Joint Director, DD F&A and DD Estt. & Administration) made quotation of investments in Fixed Deposit Receipts before maturity of Previous FDR's. (b) Committee of officials was constituted to open the quotations. (c) Invitation of Quotations/Offer for Fixed Deposit rates was requested in a proper format. (d) The delivery letter of quotations was sent through email to respective banks. (e) On recommendation by the committee members IDBI was selected in case (1) and Vijaya Bank & Indian Bank was selected in case (2) respectively on the basis of providing higher rate of interest, but minutes of committee was not prepared in both cases. (f) For the balance outstanding in Savings bank account, flexi deposit account system is being followed where amount is automatically transferred to flexi account from savings account in multiples of Rs.10,000/- when balance in Saving account exceeds by prescribed 	 Register should be maintained manually. 2. The Fixed Deposit Receipts register should be got verified by DD (F&A) & Joint Director on quarterly basis. 3. Fixed Deposit Receipts may also be maintained in a digital form (softcopy) to avoid risk/loss of original FDR's is getting misplaced. 4. It is suggested that quotation letter should be sent through hand delivery to ensure that the same was delivered on time. 5. Minutes of Committee should be prepared.

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Process Audit-Investment

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	 (g) Fixed Deposits Receipts (FDR's) Register was maintained & updated in digital form (soft copy) only. (h) FDR's income is accounted on accrual basis quarterly. 	*
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EXPRESSION OF GRATITUDE

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For Gianender& Associates **Chartered Accountants** FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

Date: Place: New Delhi

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	Proce	ess Audit-Investment	
Process Areas	Existing Process	Mapping with Existing Process	Process Improvement/Suggestions
1. Investmen t	 Accounts Manual- Chapter-5 Ascertaining/deciding the surplus funds for investment is based on idle funds available with the management & after approval of Competent Authoritythe same will be invested. The Committee members (Joint Director, DD F&A and DD Estb & Administration) should plan out well in advance for quotation of investments in Fixed Deposit Receipts from banks to timely renew the Fixed Deposit Receipts. A committee of officials should be constituted to open the quotations. An Invitation of Quotations/Offer for Fixed Deposit rates should be given in a proper format and the same should be sent to nationalize banks. The delivery of quotations should be ensured as to verify that the same has been delivered on time. Based on the minutes of committee, the quotation having highest rate of interest should be selected by recommendation of committee (Joint Director, DD F&A and DD Estb & Administration) Net balancing system was replaced by flexi deposit system via letter no. 1509(29)/Accts/HO/Finalization of Banker/12 dated 19.10.2012. Details of Fixed Deposits Receipts (FDR's) in fixed deposit Register should be properly maintained. FDR's incometo be accounted on quarterly basis. 	 verified the same. Committee of officials was not constituted. An Invitation of Quotations/Offer for Fixed Deposit rates was not sent to Nationalize banks. For the balance outstanding in Savings bank account, flexi deposit account system is being followed where amount is automatically transferred to flexi account from savings account in multiples of Rs.10,000/- when balance in Saving account exceeds by prescribed limit. Fixed Deposits Receipts (FDR's) Register was not maintained. FDR's income is accounted on accrual 	 Fixed Deposit Receipts Register should be maintained manually. The Fixed Deposit Receipts register should be got verified by DD (F&A) & Joint Director on quarterly basis. Fixed Deposit Receipts may also be maintained in a digital form (softcopy) to avoid risk/loss of original FDR's is getting misplaced. It is suggested that proper committee of officials should be constituted to plan out well in advance for quotation of investments in Fixed Deposit Receipts & to open the quotations letter. Minutes of Committee should be prepared.

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Process Audit-Investment

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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

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For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN:083878

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Date: Place: New Delhi

NATIONAL INSTITUTE OF FASHION TECHNOLOGY Investment **PROCESS AUDIT REPORT** (F.Y. 2014-15) 104 **GIANENDER & ASSOCIATES** CHARTERED ACCOUNTANTS ጼ Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar N OP New Delhi - 110060
Process Audit-Investment				
Process Area	Existing Process	Mapping with Existing Process	Process Improvement/Suggestions	
1. Investmen	 Accounts Manual- Chapter-S Ascertaining/deciding the surplus funds for investment is based on idle funds available with the management & after approval of Competent Authority the same will be invested. The Committee members (DD F&A-1, DD F&A-2 and DD Estt.) should plan out well in advance for quotation of investments in Fixed Deposit Receipts from banks to timely renew the Fixed Deposit Receipts. A committee of officials should be constituted to open the quotations. An Invitation of Quotations/Offer for Fixed Deposit rates should be given in a proper format and the same should be sent to Nationalized banks. The delivery of quotations should be ensured as to verify that the same has been delivered on time. Based on the minutes of committee, the Quotation having highest rate of interest should be selected by recommendation of committee (DD F&A-1, DD F&A-2 and DD Estt.) Net balancing system was replaced by flexi deposit system via letter no. 1509(29)/Accts/HO/Finalization of Banker/12 dated 19.10.2012. Details of Fixed Deposits Receipts (FDR's) in fixed deposit Register should be properly recorded time to time. FDR's income to be accounted on quarterly basis. 	a proper format. (e) The hand delivery letter of	 Fixed Deposit Receipts Register to be updated on regular basis. The Fixed Deposit Receipts register should be got verified by DD (F&A-1) & DD (F&A-2) on quarterly basis. Fixed Deposit Receipts may also be maintained in a digital form (softcopy) to avoid risk/loss of original FDR's is getting misplaced. Income from Investment should be accounted for on quarterly basis, since NIFT is following quarterly closing of Balance Sheet. 	

	 preparing analysis statement.	∽
	(g) For the balance outstanding in	\
	Savings bank account, flexi deposit	
	account system is being followed	
	where amount is automatically	
	transferred to flexi account from	
ł	savings account in multiples of	
	Rs.10,000/- when balance in savings	1
	account exceeds by prescribed limit.	
	(h) Fixed Deposits Receipts (FDR's)	
	Register was observed to be not	
	updated but same was maintained &	
	updated in digital form (soft copy)	
	only.	
	(i) FDR's income is accounted on	
į	accrual basis yearly after receipt of	
	bank certificates.	· .
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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender & Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

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S S N

Date: Place: New Delhi

NATIONAL INSTITUTE OF FASHION TECHNOLOGY DELHI CAMPUS'. Projects **PROCESS AUDIT REPORT** (F.Y. 2014-15) 11 る **GIANENDER & ASSOCIATES** б Ч CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar t New Delhi - 110060

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		mandays spent on various Projects in a year was not maintained. As a result, there would be no control over the ceiling of 60 days.	facultywise mandays spent on various Projects in a year should be maintained. <u>.</u>
B. Project Receipt	 Total project receipts consist of three component which are as follows:- Project Direct expenses: Direct expenses are charged on basis of budget drafted by project development team and approved by approving authority. Any saving out of direct expenses shall be charged in following two manner: i) If more than 25% of direct expenses are unspent, saving will be return to client. ii) If less than 25% of direct expenses are unspent, saving will be deposited to NIFT revenue Administrative & Infrastructure Overhead are charged @	 For Projectwith receipts more than Rs. 50 Lakhs, separate Bank A/C has been opened. For Projects having value less than Rs. 50 Lakhs, receipts and payment is through General Bank account. <u>Designing of I card for Ex governors</u> Project value Rs 1,72,416 (Including service tax @12.36%) Advance received Rs 68,960 (40% of Project value) Admin & Infra Overhead of Rs 29700 have been transferred to HO DDF, DC DDF and CDF. Waiting of receiving of final installment. Consultancy fee will be recognized on completion of Project. <u>Designing of uniform for personnel of CATS</u> Project Value Rs 2,49,046 (Including service tax @12.36) Amount received as advance Rs 1,99,237 (80% of Project value) Admin & Infra Overhead of Rs 42,900 have been transferred to HO DDF, DC DDF and CDF. Waiting of receiving of final installment. Consultancy fee will be recognized on completion of Project value) Amount received as advance Rs 1,99,237 (80% of Project value) Admin & Infra Overhead of Rs 42,900 have been transferred to HO DDF, DC DDF and CDF. Waiting of receiving of final installment. Consultancy fee will be recognized on completion of Project. Consultancy fee will be recognized on completion of Project. 	

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	 <u>Distribution schedule:</u> i) On receipt of first installment, admin & infrastructure overhead should be debited and disbursed. Balance amount should be released to project coordinator meant for direct expenses. ii) On receipt of second installment, consultancy fee should be debited and balance should be given to project coordinator. Separate bank accounts shall be opened for the projects having value more than Rs. 50 lakhs and one another general projects bank account shall be opened for projects having value less than Rs. 50 Lakhs 	 Navy officers for sourcing and quality. Project value Rs 14,19,511 (Incluiding service tax @12.36%) No advance received Project has been paused due to non-receipt of fee. Designing of ceremonial uniform for railway protection force. Project Value Rs 3,92,726 (Including service tax @12.36%) Advance received Rs 3,93,260 Project ongoing The final adjustment of following project is still pending, which have been conducted either prior to or during 2013-14, due to non-receipt of fee from client and non-distribution of credit balance standing in project Account which are as follow: Air India project Rs 13,20,672 Cr Bal. Chamba Project Rs 3,70,827 Dr Bal. Designing of Delhi daredevil brand Rs 30,000 Cr Bal. EDMC project Rs 9,2,678 Cr Bal. Indo Swiss Rs 29,038 Cr Bal. Donka Project Rs 3,40,124 Dr Bal. Danka Project Rs 61,821 Dr Bal. ITPO Project Rs 61,821 Dr Bal. Jan Shikshan sansthan printing of 	
C. Project Expenses	1. All expenses should be incurred according to Budget.		Monthly expenditure statement
C. FTOJECT EXPENSES	Budget will be approved from approving authority.	Direct expenses approved in budget Rs	should be prepared and submitted to

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			99,000.	Project cell.
2	2. With prior approval of the approving authority, fund may	Þ	Rs 20,000 were released to	,
b	be utilized from DFF of HO/Campus for project initiated by		Coordinator.	 After completion of project,
N N	NIFT and Central/ State Government scheme.	\succ	No monthly expenditure statement	Utilization Certificate should be
			has been submitted to Project Cell.	prepared and get it audited.
	3. A monthly Expenditure statement should be received	≻	Utilization Certificate has not been	
	from project coordinator and on basis of expenditure		submitted.	
	statement, Project Division should make UC and getit			
a	audited by Chartered Accountant to ensure settlement of all		aning of uniform for personnel of CATS	
a	account.	\triangleright	Direct expenses approve in budget Rs	
			1,43,000	
			Expenditure incurred Rs 56,000	
	·	\triangleright	Utilization Certificate for Rs 56,000 has	
			been submitted to Project Cell.	
		, >	Monthly expenditure statement has	
	•		not been submitted to Project cell	
		• Cond	duct of short term course for Indian	· · ·
			officers for sourcing and quality.	
			Direct expenses approved in budget	
			Rs 7,89600	
		\triangleright	Expenses incurred through NIFT's own	
			funds Rs 4,26,150	
		\triangleright	No monthly expenditure statement	
			has been submitted to project Cell.	
		• Desi	gning of ceremonial uniform for railway	
	·		ection force.	
		-	Direct expenses approved in budget Rs	
		<i>,</i>	2,25,500	• •
		\triangleright	No expenses incurred.	
·			···· ·································	
	•	• Exne	nses were incurred by Project	
		•	dinator and invoices signed by	,
			dinator and PAAS.	· · · · ·
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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

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For Gianender & Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN:083878

Date: Place: New Delhi

KANGRA CAMPUS; Projects

PROCESS AUDIT REPORT

(F.Y. 2014-15)

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GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi – 110060







Process	Existing Process	Mapping with Existing Process	Process
Areas			Improvement/Suggestions
1. Projects			
A. Project execution	 Normally there are two ways to receive project Directly approach by client to NIFT (can be government projects and non-government projects) NIFT project/ Sponsorship project Approving Authority will approve the project. Approving Authority is Director General at HO and Campus Director at campus. Project of value more than Rs 50 Lakhs require prior approval of Director general. In Sponsored project, project fund may be made available from DDF (Departmental Development Fund) of head office /Campus. Project Division will seek a request for proposal (RFP) for consultancy assignment from faculty. Approving authority shall nominate a project development team (PDT) and project coordinator on basis of capabilities & interest of faculty. Project development team and project coordinator will develop a detailed project report (DPR) on basis of initial consultation with client. Project Division along with DPR. The budget will have 3 components i.e. direct expenses, admin and infra overheads and consultancy fees. Project cell will place recommendations to approval authority. Project Cell will place recommendation of PEC for approval of Approving Authority. There would be ceiling of 60 man days of project work that can be taken by a faculty in an academic year. A monthly project progress report will be submitted to HO director before 7th of every month and to DG before 10th 	 3. Dress making for ITI Trainers Documents are not being serially arranged in Projects files except in case of Cutting & sewing training for ITI trainers. Papers in file should be serially numbered and index also be affixed on inside cover of files to make verification easy and to reduce possibility of misplace of documents. All projects were approved by approving authority. In all projects, RFP was taken from faculty. In all projects, Project team and coordinator was nominated by approving authority. In all projects, detail project report, draft agreement and budget were drafted in proper manner as prescribed in policy. In all projects that we have verified were completed within the month hence no Project progress reports have been drafted. Register /Record of number of faculty wise man days spent on various projects in a year were not maintained. As a result, there would be no control over the ceiling of 60 days. 	 All paper in file should be serially numbered and index also be affixed inside on cover page of files to make easily verification and to reduce possibility of misplace of document. Register/record of number of faculty wise man days spent on various Projects in a year should be maintained.

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	of every month.	1	1
B.Project Receipt	 Total project receipts consist of three component which are as follows:- Project Direct expenses: Direct expenses are charged on basis of budget drafted by project development team and approved by approving authority. Any saving out of direct expenses shall be charged in following two manner: If more than 25% of direct expenses are unspent, saving will be return to client. If less than 25% of direct expenses are unspent, saving will be deposited to NIFT revenue Administrative & Infrastructure Overhead are charged @ 30% of estimated direct expenses but if project requires, intensive usage of NIFT space/ Machines or laboratories, this limit is 40%. Distribution of Admin & Infrastructure overhead are as follow: 50% to Campus DDF 25% to HO DDF 25% to CDF Consultancy fee: It shall be charged at least 25% of estimated direct expenses. Distribution of Consultancy fee are as follow: 1/3 of consultancy fee will be deposited with HO DDF 1/3 of consultancy fee will be distributed to PDT & PIT to their man days contribution. Manner of receipt: Normally 80% of fund should be made to receive in advance and balance before handover of prototype. Distribution schedule: On receipt of first installment, admin & infrastructure overhead should be debited and disbursed. Balance amount should be released to project coordinator meant for direct expenses. 	 Cutting & sewing training for ITI trainers Project value Rs. 2,59,551 (Including service tax @12.36%) Embroidery & needle work Project Value Rs. 2,96,630 (Including service tax @12.36%) Dress making for ITI Trainers Project value Rs. 3,33,709 (Including service tax @12.36%) In all selected project Project works is completed. Advance amounting to Rs. 3,70,707 was received as on 19/06/2014 and balance on 25/08/2014 as per books of account. Kangra Campus had not transferred any amount to Admin & Infra Overhead On 06.01.2015 Consultancy fees was also pending to be recognized. 	

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	 ii) On receipt of second installment, consultancy fee should be debited and balance should be given to project coordinator. Separate bank accounts shall be opened for the projects having value more than Rs. 50 lakhs and one another general projects bank account shall be opened for projects having value less than Rs. 50 Lakhs 		-
C. Project Expenses	 All expenses should be incurred according to Budget. Budget will be approved from approving authority. With prior approval of the approving authority, fund may be utilized from DFF of HO/Campus for project initiated by NIFT and Central/ State Government scheme. A monthly Expenditure statement should be received from project coordinator and on basis of expenditure statement Project Division should make UC and get it audited by Chartered Accountant to ensure settlement of all account. 	 Cutting & sewing training for ITI trainers Direct expenses approved in budget Rs. 2,59,551 (Including service tax @12.36%) Expenditure booked till date Rs.47,765 on books of accounts. Embroidery & needle work Direct expenses approved in budget Rs. 2,96,630 (Including service tax @12.36%) Expenditure booked till date Rs.19,973 on books of accounts. Utilization Certificate has not been prepared till date. 	 Monthly expenditure statement should be prepared and submitted to Project cell. After completion of project, Utilization Certificate should be prepared and get it audited.
277		 Dress making for ITI Trainers Direct expenses approved in budget Rs 3,33,709 (Including service tax @12.36%) Expenditure booked till date Rs. 41,495 on books of accounts. 	

EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

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Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

Date: Place: New Delhi

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Process Areas	Existing Process	Verification of process	Process Improvement/Suggestions
Projects			Devenue in file chaulat he conjethe
A. Project execution	 Normally there are two ways to receive Project Directly approach by client to NIFT (can be government Projects and non-government Projects) NIFT Project/ Sponsorship Project Approving Authority will approve the Project. Approving Authority is Director General at HO and Campus Director at campus. Project of value more than Rs 50 Lakhs require prior approval of Director General. In Sponsored Project, Project fund may be made available from DDF (Departmental Development Fund) of head office /Campus. Project Division will seek a request for proposal (RFP) for consultancy assignment from faculty. Approving authority shall nominate a Project development team (PDT) and ProjectCoordinator on basis of capabilities & interest of faculty. 	 Documents are not being serially arranged in Projects files. Papers in file should be serially numbered and index also be affixed on inside cover of files to make verification easy and to reduce possibility of misplace of documents. We have selected following 4 Projects out of total 9 Projects under new policy that are either ongoing or completed during 2014-15:- JSS MHRD Phase-I (Diagnostic study and consultative discussions) Project Development of E content in Fashion design and technology –chennai DONER Project- kolkata Setting up of CFC Project –Barali 	 Papers in file should be serially numbered and index should also be affixed on inside cover of the files to make verification easy and to reduce possibility of misplace of document.
22 N	 Project development team and ProjectCoordinator will develop a detailed Project report (DPR) on basis of initial consultation with client. Project development team shall draft the proposed budget and letter of understanding/ agreement and submit it to Project Division along with DPR. The budget will have 3 components i.e. direct expenses, admin and infra overheads and consultancy fees. Project evaluation committee (PEC) constituted at both HO and campus level will evaluate the detailed Project report and make necessary recommendations to approval authority. Project Cell will place recommendation of PEC for approval of the Approving Authority. There would be ceiling of 60 man days of Project work that can be taken by a faculty in an academic year. A monthly Project progress report will be submitted to HO director before 7th of every month and to DG before 10th of every month. 	 All Projects were approved by approving authority. In all Projects, RFP was taken from faculty. In all Projects, Project team and Coordinator was nominated by approving authority. In all Projects, detail Project report, draft agreement and budget were drafted in proper manner as prescribed in policy. In all Projects, DPR was evaluated by Project evaluation committee. Register /Record of number of facultywisemandays spent on various Projects in a year was not maintained. As a result, there would be no control over the ceiling of 60 days. 	 Register/record of number of facultywisemandays spent on various Projects in a year should be maintained.

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			 In all Projects, Project progress reports have not been drafted regularly. These reports should be drafted monthly as prescribed in NIFT policy to evaluate the progress of Project and accordingly release the fund. 	 Project progress reports should be drafted monthly as prescribed in policy to evaluate the progress of Project and accordingly release the funds. It should be kept in the Project file.
(89)	B. Project Receipt	 Total Project receipts consist of three component which are as follows:- Project Direct expenses: Direct expenses are charged on basis of budget drafted by Project development team and approved by approving authority. Any saving out of direct expenses shall be charged in following two manner: i) If more than 25% of direct expenses are unspent, saving will be return to client. ii) If less than 25% of direct expenses are unspent, saving will be deposited to NIFT revenue Administrative & Infrastructure Overhead are charged @ 30% of estimated direct expenses but if Project requires, intensive usage of NIFT space/ Machines or laboratories, this limit is 40%. Distribution of Admin & Infrastructure overhead are as follow: i) 50% to Campus DDF ii) 25% to CDF Consultancy fee: It shall be charged at least 25% of estimated direct expenses. 	 For Projectwith receipts more than Rs. 50 Lakhs, separate Bank A/C has been opened. For Projects having value less than Rs. 50 Lakhs, receipts and payment is through General Bank account. JSS – MHRD Project Project Value Rs 37.28 Lakhs (Including service Tax Rs 1.57 lakhs on service portion) Amount Received from client Rs 22.36 (60% including service tax). Share of Admin & Infra Overhead of Rs 6.91 lakhs have been transferred to Campus DDF, Ho DDF and CDF. Consultancy fee will be recognized on completion of Project. DonerProject–Kolkata Campus : 	• Final Project deliverable/Report to be released to the party only after clearing of all dues.
		$\frac{1}{1/3} $ of consultancy fee will be deposited with HO	 Doner Hoject – Kolkata Campus . Project value Rs 203.00 lakhs 	

			<u> </u>
E.	DDF II) 1/3 of consultancy fee will be NIFT revenue of relevant campus III) 1/3 of consultancy fee will be distributed to PDT & PIT to their man days contribution. • <u>Manner of receipt</u> : Normally 80% of fund should be made to receive in advance and balance before handover of prototype. • <u>Distribution schedule:</u> i) On receipt of first installment, admin & infrastructure overhead should be debited and disbursed. Balance amount should be released to ProjectCoordinator meant for direct expenses. ii) On receipt of second installment, consultancy fee should be debited and balance should be given to ProjectCoordinator. • Separate bank accounts shall be opened for the Projects having value more than Rs. 50 lakhs and one another general Projects bank account shall be opened for Projects having value less than Rs. 50 Lakhs	 Plus service Tax Amount Received by Kolkata Campus is Rs 152.25 lakhs Rs12.12 lakhstransferred by Kolkata Campus to HO as Share of HO DDF (25% of Admin & infra Overhead of Rs 48.48 lakhs) Consultancy fee will be recognized on completion. Development of E content in Fashion design and technology –Chennai Campus Project ValueRs 116.55 lakhs(Including service tax @10.30%) Total Amount received as advance in 2012 Final Budget revised In Sept 2014 Admin & Infra overhead was charged @ 25 % of Direct Expenses instead of 30% (Rs 17.61 lakhs) Rs 17.61 to be receivedfrom Chennai Campus as HO DDF. Consultancy fee will be recognized on completion. Setting up of CFC Project –Barali Campus : Project value Rs 60Lakhs Amount received Rs 30Lakhs 	
		<u>Campus :</u>	

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		has been sent to HO.	· · · · · · · · · · · · · · · · · · ·
		• The final adjustment of 40 Projects is still	i
		pending, which have been completed	l
		either prior to or during 2013-14,due to	
		non receipt of fee from client and non	i .
	. • • •	distribution of credit balance standing in	i
		Project Account.Some of these having	i
		huge balances are as follow:	i
			i .
	· · · · ·	1.TIDI EthopiaProjectRs 14,17,818 Dr	1
		balance	1
		2.Textile 2004 Rs 1,26,470 Dr bal.	1
	· · · · · · · · · · · · · · · · · · ·	3. Size India Project Rs 69,114 Dr bal.	1
		4. MKSS –Soft Project Rs 5,12,500	1
		Cr Bal.	1
	· · ·	5.IPR RaebraliDC Rs 1,40,232 Cr bal.	ĺ
		6.Designing of craft identified Rs	1
, k		1,20,890Dr bal.	
1	· ·	7. Course for WSC design Rs 1,77,999	1
1		Cr bal.	1
~	1	8.Designing of press kit Rs 34,323	
1.	· · ·	Drbal	ĺ
2 19		9. Designing of T-shirt Rs 48,787	1
À	· · · · · · · · · · · · · · · · · · ·	Dr bal.	-
p +		10.CCER MOU ProjectRs 10,00,000	1
	. I	Cr bal.	1
		1	
,			· · · · · · · · · · · · · · · · · · ·
C. Project Expenses	1. All expenses should be incurred according to Budget.	In JSS Project: Head Office	For Campus Project,
	Budget will be approved from approving authority.	Direct Expenses approved in	Expenditure statement shou
		budget Rs 23.04 Lakhs	be prepared by respective
	2. With prior approval of the approving authority, fund may	Expenses incurred upto Oct, 2014	Campus and submitted to He
	be utilized from DFF of HO/Campus for Project initiated by	are Rs 5.18 lakhs	Office regularly. It should be
•	NIFT and Central/ State Government scheme.	Monthly expenditure statement weresubmitted.	kept in the Project file.
	3. A monthly Expenditure statement should be received from	 DonerProjectKolkata Campus; 	
	ProjectCoordinator and on basis of expenditure	Direct Expenses approved in	1

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	statement, Project Division should make UC and getit audited	budget 121.20 lakhs
	by Chartered Accountant to ensure settlement of all account.	Expenses incurred up to Nov,
		2014 areRs 79.36 lakhs.
		Monthly Expenditure Statement
		was not submitted
		 <u>Development of E content in Fashion</u>
		design and technology – Chennai Campus
	·	Direct expenses approved in
		budget Rs 70.44 lakhs
•		> Expenses incurred up to
		Oct,2014 is Rs 22.51 lakhs
		Monthly expenditure statement
		was not submitted.
		• Expenses were incurred by
		ProjectCoordinator and invoices signed
		by Coordinator and PAAS.

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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

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For Gianender & Associates Chartered Accountants FRN.-004661N

(ManjuAgrawal) Partner MRN:083878

Date: Place: New Delhi

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New Delhi campus. Fixed Assels

PROCESS AUDIT REPORT

GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060

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Process Audit - Fixed Assets



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المتكافية فتقعش فالمعهدين جريدن وجرمان مرتمان مترامة تشتقن ومحمد ومحمد والمستعققة فتقاف	EXISTING Process		Process improvement/suggestions
Fixed Assets A. Purchase of Fixed Assets (IT and Non-IT items)	 Following procedure for purchase of Fixed Assets is prescribed in Accounts Manual-Chapter-4 The Chairpersons/Head of Departments/Coordinators should plan out their requirements well in advance (indent) in order to enable the Administration/ Purchase Department to comply with prescribed procedure. Indents indicating details of specifications, quantities, approximate value as well as the expected time for receipt of the items so indented should be submitted to the approving authority. Budget Code numbers should be assigned to all the Budget Operating Chairpersons/Coordinators/Head of Departments, who will indicate these budget codes on all indents. Approving Authority: a) DG has the full powers to purchase capital item approved in capital budget. If not mentioned in the budget, he has full powers to purchase capital items value not exceeding Rs. 25 lakhs on any one item on each occasion. b) Director (F & A) has Full powers to purchase of capital item value not exceeding Rs. 500000/- on any one item on each occasion. c) Campus director has full powers to purchase capital item value not exceeding Rs. 500000 on any one item on each occasion. c) Proper purchase procedure should be followed:- Purchase without inviting quotations: On the approval of the competent authority, purchases will be made for value upto Rs. 15000/- without getting quotation. 	 We selected 5 sample vouchers related to purchase of fixed assets viz. a) Voucher No. 318 dated 06-06-2014 amounting Rs. 12,21,570/- b) Voucher No. 64 dated 15-04-2014 amounting Rs. 1,07,940/- c) Voucher No. 441 dated 04-07-2014 amounting Rs. 1,40,000/- d) Voucher No. 130 dated 06-05-2014 amounting Rs. 22,658/- e) Voucher No. 724 dated 01-09-2014 amounting Rs. 27,675/- 1. There was no standard form of indent prescribed for indenting purpose for user department. In all 5 samples, we found that requisition is made on noting sheets only or as a letter by user departments. There is no indent number allotted to requisitions made. 2. In 4 samples except voucher no. 64, we found that expected time for receipt of items in the requisition made is not mentioned. Details regarding specifications, quantities and approximate value were found to be submitted in all samples. 3. In all 5 samples, no Budget Code numbers were found to be indicated on all the indents/ requisition made. Though budget approved for the 	 The indent form should be standardized and should have fields as per format in Annexure-1 Expected time for receipt of fixed assets should be mentioned on the indent. Budget code numbers should invariably be indicated on the indent form. Purchase department should maintain serial No. wise indent register. Annexure -2 Purchase department should maintain purchase order register as per format attached as per Annexure-3 for keeping track of all the purchase made/follow up with vendor and subsequent verification. There should be a list of approved suppliers for each category of assets for short listing in case of limited tender enquiry. Gate pass should be issued for receiving the fixed asset items. Certification regarding receipt of goods in good condition and as per the specification should be done. Goods receipt Note (GRN) should be prepared by purchase
	1. Purchase without inviting quotations: On the approval of the competent authority, purchases will be made for	numbers were found to be indicated on all the indents/ requisition made.	the specification should be done. 9. Goods receipt Note (GRN) should

Process Audit Report 2014-15

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8. R	 estimated value of goods to be procured is between 1 lakh to Rupees Twenty five lakhs. b) The limited tender enquiries will be issued to those firms which are appearing in the list of approved suppliers. Past performance of successful supplier, should be one of the variables to be considered at the time of short listing firms for limited tender enquiry. c) At least three quotations/offers must be received in normal conditions in case offers received is less than three after approval by competent authority and looking at the situation the same may be considered. 4) Single tender: The single tender system may be adopted in case of purchase of articles which are specifically certified as of proprietary nature by the indenting department 5) Open tenders: The open tender system, that is, invitation to tender by public advertisement should be used as a general rule for procurement of goods of estimated value Rs. 25 Lakhs and above. The Purchase Officer will keep a track of the materials ordered and take appropriate follow up action to ensure that the materials are obtained in prescribed time. While receiving the material, records should be kept in gate passes and the concerned Head of Dept. should certify that the material has been received in good condition and as per the specification. And forward the bills duly certified to the purchase officer who in turn will forward the same to the Accounts Section. The Fixed Asset items so received should be entered in the Fixed Asset items so received should be entered in the Accounts branch who will take necessary steps for release of payment. 	regarding receipt of goods in good condition and as per specification is not found in Voucher No. 130, 64 & 724. 10.In voucher no. 64, detail of receipt & release of EMD to Info Creations & Corporate Infotech Pvt. Ltd. (non- selected vendors) were not in records. 11.In all samples except voucher no. 64 entries were made in Fixed Asset Register.	
 B. Maintenance of Fixed Asset Register 	 Following procedure for maintenance of fixed assets register is prescribed in Accounts Manual- Chapter-13 It shall be the responsibility of the Purchase Officer to maintain and update the Fixed Asset Register. All the details of items purchased should be entered in the 	We selected 5 sample vouchers related to purchase of capital items viz. a) Voucher No. 318 dated 06-06-2014 amounting Rs. 12,21,570/- (Desktop)	 Purchase officer should initial each and every page of Fixed Asset Register. Date of put to use should be entered.

Fixed Asset Register before it is issued to any department.

- Asset register should be maintained in the GFR-40.
- Purchase Officer will initial each and every page of Fixed Asset Register.
- Separate page for each type of asset should be maintained.
- Revenue nature items like Stationery, Register, Internet charges, Magazine periodicals etc should not be entered in the Fixed Asset Register.
- Location of assets should also be indicated.
- Cost of assets and summary of assets also should be prepared and mentioned in the end of the Fixed Asset Register so that the total amount of the assets available can be matched with the total amount capitalized in the balance sheet and the financial accounts.
- Accession number should be mentioned on the Assets purchased by the Centre/HO and these accession numbers should be mentioned in the Fixed Asset Register also.
- While opening new Fixed Asset Register, the entries/balances of the Gross Block of old Fixed Asset Register should be brought forward in the new Fixed Asset Register.
- Location of the Assets and all other entries etc., in the Fixed Asset Register should be written by Pen and not in Pencil.
- The entries in Fixed Asset Register should be signed by the Dealing Assistant/ Purchase Dept Assistant, and then counter signed by the Purchase Officer of the centre.
- Renovation and major repairs which increases the value of the assets and building should be entered in the Asset Register at the appropriate page (below the same item as renovated) and linked with the asset itself.
- Freight charges, Transportation charges, Customs duty, Labour charges paid to the labourers for lifting

- b) Voucher No. 64 dated 15-04-2014 The entries in Fixed Asset Rec amounting Rs. 1,07,940/- (Anti virus)
- c) Voucher No. 441 dated 04-07-2014 amounting 1.40.000/-Rs. (Computerized Yarn Equipment)
- d) Voucher No. 130 dated 06-05-2014 amounting Rs. 22,658/- (Chair)
- e) Voucher No. 724 dated 01-09-2014 amounting Rs. 27,675/- (Bio-metric System)
- Asset register was maintained in the GFR-40.
- Purchase Officer had not initialed each and every page of Fixed Asset Register.
- Separate page for each type of asset was maintained.
- In all samples except voucher no. 64, entries were made in Fixed Asset Register under the proper head.
- In all samples, date of put to use was not entered.
- Location of assets was mentioned in all samples and it was written by pen.
- In all samples, signature of both purchase department assistant and purchase officer were not found.
- Cost of assets and summary of assets was not prepared and mentioned in the end of the Fixed Asset Register.
- While opening new Fixed Asset Register(2014-15), the entries/balances of the Gross Block of old Fixed Asset Register (2013-14) have not been brought forward in the new Fixed Asset Register (2014-15). Fixed Asset Register has been maintained year-wise and not cumulative.

- er should be signed by the Dealing Assistant/ Purchase Dept Assistant. and then counter signed by the Purchase Officer of the centre.
- Cost of assets and summary of assets should be prepared and mentioned in the end of the Fixed Asset Register.
- While opening new Fixed Asset Register, the entries/balances of the Gross Block of old Fixed Asset Register should be brought forward in the new Fixed Asset Register.

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Process Audit Report 2014-15
(201) C. Phys		 the machines, Customs duty, Sales Tax, VAT, etc., of the assets equipments should be included in the cost of the asset and entered as such in the Fixed Asset Register as per Accounting Standards – 10. For the assets purchased by Head Office and supplied/ transferred to centres should also be entered in the same Fixed Asset Register under the respective category/nomenclature of the assets Debit Note No. etc., through which the assets were transferred to the centres should also be indicated along with other usual details of Bill Nos. etc. It is the duty of the Campuses that the entry should be made in the Fixed Asset Register under the proper head of the asset i.e. Building, Class room equipment, Furniture/Fixtures, IT equipments, A/V etc. However, it is observed that for Debit Note for assets received from HO by Centres, no proper entry in the Fixed Asset Register. They are classified as "Assets received from HO" which is not correct. 	Transfer of Assets We have selected 2 fixed assets as samples which have been transferred to campuses by HO:- a) JV No. 313 – Software b) JV No.418- Software • No entry was found in Fixed Asset Register in both samples.	• Whenever asset is transferred from head office or other campus, entry should be made in fixed asset register. Debit note reference number along with details of bill number should be indicated.
ທ _{verit}	rsical ification of ed Assets	 Following procedure for maintenance of fixed assets register is prescribed in Accounts Manual- Chapter-13 Physical verification of the assets should be done at the close of the Financial Year. These assets should be physically verified by the Committee consisting of the following:- a) A representative from Administration Department. b) A representative from Finance Department. c) A representative of the Purchase Department. These assets should be reconciled with the Fixed Asset Register. Shortfall/ excess If any listed should be listed separately and intimated to the Director immediately by the Purchase Officer. 	 Physical verification of Fixed Assets is not carried out in the campus. 	
D. Disp Asse			 We could not map the process with the existing transactions because no transaction of disposal of assets was made available to us. 	

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c) Campus director has powers upto book value of Rs.5 Lakh per annum			
 Separate accounts shall be kept of "Dead Stock" such as 		· ·	
plant, machinery, furniture, equipment and fixtures in all			
NIFT Campuses including NIFT Headquarters in a form to			
be prescribed by Director (Finance & Accounts)			
• The items to be declared obsolete, surplus or			
unserviceable shall be examined by a Committee			
appointed by the Authority competent to declare an			
item of Asset/ Store as obsolete, surplus or			
unserviceable and order their disposal.			
• The authority competent to purchase or sanction			
purchase of an Asset/ Store item shall be competent to			
declare the Asset/ Store item as obsolete, surplus or			
unserviceable for the purpose of this Rule.			
• The Committee referred to in Rule 5 (i) above, shall			
consist of not less than three members of whom one will			
be from Technical side having knowledge of the Asset/			
Store and the third will be from Finance.			
• The Committee should take into account the prescribed			
or stipulate life period of the Asset/Store. In case such			
period is not prescribed or stipulated or it is not over,			
the Committee should examine the conditions of			
Assets/Stores and records suitable reasons for declaring			
an Asset/Store items obsolete, surplus or unserviceable.			
• If an item has become obsolete surplus or unserviceable			
on account of negligence, fraud or mischief on the part			
of any NIFT employee, the same should be clearly			
brought out.		-	
• Where the life period has been prescribed or stipulated			
and is already over it should normally be taken as		L	
enough ground for declaring the item obsolete and			
unserviceable. However the condition of the item should			
still be examined to see whether the item could be put			
to further, use after repair, if required.		· ·	
• In other cases where the life period is not over or not life			
period is prescribed or stipulated, the reasons for			
declaring the item unserviceable may be normal wear			
 and tear, excessive use in public interest, accident etc.	· · · · · · · · · · · · · · · · · · ·		

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item(s) as surplus or obsolete or unserviceable.

- The book value, guiding price and reserved price, which will be required while disposing of the surplusgoods, should also be worked out. In case where it is not possible to work out the book value, the original purchase price of the goods in question may be utilised. A report of stores for disposal shall be prepared in Form GFR - 17.
- In case an item becomes unserviceable due to negligence, fraud or mischief on the part of a Government servant, responsibility for the same should be fixed.

Modes of Disposal (Rule 197)

- Surplus or obsolete or unserviceable goods of assessed residual value above Rupees Two Lakh should be disposed of by :
 - a) obtaining bids through advertised tender or
 - b) public auction.
- For surplus or obsolete or unserviceable goods with residual value less than Rupees Two Lakh, the mode of disposal will be determined by the competent authority, keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed of.

Disposal through Advertised Tender (Rule 198)

- The broad steps to be adopted for this purpose are as follows :
- a) Preparation of bidding documents.
- b) Invitation of tender for the surplus goods to be sold.c) Opening of bids.
- d) Analysis and evaluation of bids received.
- e) Selection of highest responsive bidder.
- f) Collection of sale value from the selected bidder.
- g) Issue of sale release order to the selected bidder.h) Release of the sold surplus goods to the selected bidder.

i) Return of bid security to the unsuccessful bidders

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Disposal through Auction (Rule 199)

(i) A Ministry or Department may undertake auction of goods to be disposed of either directly or through approved auctioneers.

(ii) The basic principles to be followed here are similar to those applicable for disposal through advertised tender so as to ensure transparency, competition, fairness and elimination of discretion. The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender.

(iii) While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale etc., (as already indicated earlier while giving vide publicity for the same), should be announced again for the benefit of the assembled bidders. (iv) During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five per cent. of the bid value) should immediately be taken on the spot from the successful bidder either in cash or in the form of Deposit-at-Call-Receipt (DACR), drawn in favour of the Ministry or Department selling the goods. The goods should be handed over to the successful bidder only after receiving the balance payment.

(v) The composition of the auction team will be decided by the competent authority. The team should however include an officer of the Internal Finance Wing of the department.

Rule 200. Disposal at scrap value or by other modes: If a Ministry or Department is unable to sell any surplus or obsolete or unserviceable item in spite of its attempts through advertised tender or auction, it may dispose off the same at its scrap value with the approval of the competent authority in consultation with Finance division.



In case the Ministry or Department is unable to sell the item even at its scrap value, it may adopt any other mode of disposal including destruction of the item in an ecofriendly manner.

• A statement of surplus/Obsolete items/Unrepairable assets should be prepared every year and placed before the nominated Committee for declaring these assets as surplus/obsolete items/un repairable and action should be taken for disposing it off on time.

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<u> </u>	at for Indent	-		NAL INSTITUTE	OF FASHION	TECHNOLO	SY - NEW DI	ELHI		
То										
-	rtment Indent No: rtment :			I	ndent Date					
Types	of Material: Purchase Or	der Type (Please Tick Where ev	er-applicable Item	Category)					
	onsumable						·			
No	on-Consumable						·			
Items	Details of Required Item			· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·	۹ ــــــــــــــــــــــــــــــــــــ		T	
Seria No	al Complete Description Model, Catalog No) L			Stock Held On da Applicable)	te (Where ever	Quantity Required	Purpose	Days within which required	Estimated Price Per Unit(Rs)	Estimated Total cost(Rs)
		•							(optional)	
· }									, <u> </u>	I
Sugge (د	ested Supplier(Only in cas	e of propr	ietary items)							
Seria	al No.		Name		Address					
4	· · · · ·			•						
-					Approve					
Inden	iter's Signature				HOD Sigr	lature			• •	
		• .		-						
Name					(Signa)	:ure)				
	nation :									
Conta	act No:									
		10 18	· ·	(For Purchase/	Administration	Department				
Inder	nt Number	_					Purcha	ase Officer/Administr	ation Officer Signa	ature
							•			
	•									
								()	Signature)	
								•		

Annexure -2

Format for Indent Register

	<u>S. No.</u>		D	ate	Inde	ent No. by U	ser Dept.	Name of	User Dept	<u>.</u> <u>In</u>	<u>dent No. b</u> Der	y Purchase ot.		<u>P.O No.</u>
									-					
	·													
nnexure -	<u>3</u>		·											
ormat for	Purchase (Order Regi	<u>ster</u>											
<u>S. No.</u>	<u>Date</u>	ltem	<u>Indent</u> <u>No.</u>	<u>P.O No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocated</u>	<u>Budget</u> Exhausted	Balance Budget	<u>Party</u> Name	Expect ed Date of Receip t	<u>Gate</u> <u>Pass</u> <u>No.</u>	<u>Date of</u> <u>Receipt</u>	<u>Goods</u> <u>Receipt</u> <u>Note</u> <u>No.</u>	<u>Bill No.</u>
										· · · ·				

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<u>Annexure-4</u>

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Format for Goods Received Note(GRN)

	GOODS RECEIVED NOTE
From: (Supplier)	Order No.:
	Delivery Note No.:
	Invoice No.:
To: (Receiving)	indent No:
	Indented By:
	Date:

202	Serial No	Item Specificaton	uni t	Qty ordered	Qty Received	Unit Cost	Total Vaue	Balance
					· · · · · · · · · · · · · · · · · · ·			
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							······································	

Name:Desi		
Users Acceptance Certificate:	NameDateDate	
Remarks:		

Distribution: Original (White copy) - Accounts, Duplicate (Green) - User, Triplicate (Pink) - Purchasing, Quadruplicate (Blue) - Stores

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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

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We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

Date: Place: New Delhi

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NATIONAL INSTITUTE OF FASHION TECHNOLOGY [KANGRA CAMPUS;] Fixed Assels **PROCESS AUDIT REPORT GIANENDER & ASSOCIATES М** О CHARTERED ACCOUNTANTS 5 Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar 1 New Delhi - 110060 1 N ~~

Process Audit - Fixed Assets

Flowchart- Purchase procedure for fixed asset (FA) items





Flowchart- Maintenance of Fixed Asset Register



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Process Audit Report 2014-15

Process Areas	ss Areas, Film, R. M. Existing Process	Mapping with existing process	Process Improvement/Suggestion
Fixed Assets	sets		
	naseofFollowing procedure for purchase of Fixed Assets isAssets (ITprescribed in Accounts Manual- Chapter-4Non-IT• The Chairpersons/Head of Departments/Coordinators	 Wapping with existing process We selected 3 sample vouchers related to purchase of fixed assets viz. a) Voucher No. 947 dated 07-10-2014 amounting Rs. 2,99,250/- b) Voucher No. 91 dated 21-11-2014 amounting Rs. 11,431/- c) Voucher No. 1105 dated 04-12-2014 amounting Rs. 20,37,655/- There was no standard form of indent prescribed for indenting purpose for user department. In all samples, we found that requisition is made on noting sheets only or as a letter by user departments. There is no indent number allotted to requisitions made. We found that expected time for receipt of items in the requisition made is not mentioned. Details regarding specifications, quantities and approximate value were found to be submitted in all samples. In all samples, no Budget Code numbers were found to be indicated on all the indents/ requisition made. No indent register is being maintained. Proper approvals were properly taken in all cases. No gate pass was issued for receiving the fixed asset items. Only the verbal communication is made by the user department to the security personnel at 	 Intervieweight in the indext form should standardized and should ha fields as per format in Annexure- Expected time for receipt of fixe assets should be mentioned on the indext. Budget code numbers should invariably be indicated on the indext form. Purchase department shout maintain serial No. wise indext register. Annexure -2 Purchase department shout maintain purchase order regist as per format attached as per f

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	estimated value of goods to be procured is between 1	in file.	
	lakh to Rupees Twenty five lakhs.	9. In all samples entry were made in Fixed	
	b) The limited tender enquiries will be issued to those	Asset Register.	
	firms which are appearing in the list of approved		
	suppliers. Past performance of successful supplier,		
	should be one of the variables to be considered at the		
	time of short listing firms for limited tender enquiry.		. ·
	c) At least three quotations/offers must be received in		
-	normal conditions in case offers' received is less than		
	three after approval by competent authority and looking	·	•
	at the situation the same may be considered.		
	4) Single tender: The single tender system may be		
	adopted in case of purchase of articles which are		
	specifically certified as of proprietary nature by the		
	indenting department		
	5) Open tenders: The open tender system, that is,		
<u>۲</u>	invitation to tender by public advertisement should be		•
	used as a general rule for procurement of goods of		
	estimated value Rs. 25 Lakhs and above.		
W	• The Purchase Officer will keep a track of the materials		
õ	ordered and take appropriate follow up action to ensure	. •	· · ·
U U	that the materials are obtained in prescribed time.	· · · ·	
	 While receiving the materials, records should be kept in 		
	gate passes and the concerned Head of Dept. should		
=	certify that the material has been received in good		
	condition and as per the specification. And forward the		
•	bills duly certified to the purchase officer who in turn		
,	will forward the same to the Accounts Section.		
	• The Fixed Asset items so received should be entered in		
	the Fixed Asset register by the designated Stores Officer		
	and a certificate to this effect should be forwarded to	· .	
	the Accounts branch who will take necessary steps for	-	
	release of payment.		
B. Maintenance of	Following procedure for maintenance of fixed assets	We selected 3 sample vouchers related to	• Purchase officer should initial each
Fixed Asset	register is prescribed in Accounts Manual- Chapter-13	purchase of fixed assets viz.	and every page of Fixed Asset
Register	It shall be the responsibility of the Purchase Officer to	a) Voucher No. 696 dated 25-06-2014	Register.
	maintain and update the Fixed Asset Register. All the	amounting Rs. 14,000/-	• Date of put to 'use should be
	details of items purchased should be entered in the	b) Voucher No. 947 dated 07-10-2014	entered.
•	Fixed Asset Register before it is issued to any	amounting Rs. 2,99,250/-	• The entries in Fixed Asset Register

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Process Audit Report 2014-15

department.

- Asset register should be maintained in the GFR-40.
- Purchase Officer will initial each and every page of Fixed Asset Register.
- Separate page for each type of asset should be maintained.
- Revenue nature items like Stationery, Register, Internet charges, Magazine periodicals etc should not be entered in the Fixed Asset Register.
- Location of assets should also be indicated.
- Cost of assets and summary of assets also should be prepared and mentioned in the end of the Fixed Asset Register so that the total amount of the assets available can be matched with the total amount capitalized in the balance sheet and the financial accounts.
- Accession number should be mentioned on the Assets purchased by the Centre/HO and these accession numbers should be mentioned in the Fixed Asset Register also.
- While opening new Fixed Asset Register, the entries/balances of the Gross Block of old Fixed Asset Register should be brought forward in the new Fixed Asset Register.
- Location of the Assets and all other entries etc., in the Fixed Asset Register should be written by Pen and not in Pencil.
- The entries in Fixed Asset Register should be signed by the Dealing Assistant/ Purchase Dept Assistant, and then counter signed by the Purchase Officer of the centre.
- Renovation and major repairs which increases the value of the assets and building should be entered in the Asset Register at the appropriate page (below the same item as renovated) and linked with the asset itself.
- Freight charges, Transportation charges, Customs duty, Labour charges paid to the labourers for lifting the machines, Customs duty, Sales Tax, VAT, etc., of

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- c) Voucher No. 1105 dated 04-12-2014 amounting Rs. 20,37,655/-
- Fixed Asset register was maintained in the GFR-40.
- Purchase Officer had not initialed each and every page of Fixed Asset Register.
- Separate page for each type of asset was maintained.
- In all samples entries were made in Fixed Asset Register under the proper head.
- In all samples, date of put to use was not entered.
- Location of assets was mentioned in all samples and it was written by pen.
- Accession number is not mentioned in case of fixed asset purchased through Voucher No. 696.
- In all samples, signature of both purchase department assistant and purchase officer were not found.
- Cost of assets and summary of assets was not prepared and mentioned in the end of the Fixed Asset Register.
- Single Fixed asset register is being maintained by Kangra Campus since inception.
- No Fixed assets were found to be transferred to Kangra Campus by the HO during the year.

should be signed by the Dea....g Assistant/ Purchase Dept Assistant, and then counter signed by the Purchase Officer of the centre.

 Cost of assets and summary of assets should be prepared and mentioned in the end of the Fixed Asset Register.

(218) 512	C. Physical	of	 the assets equipments should be included in the cost of the asset and entered as such in the Fixed Asset Register as per Accounting Standards – 10. For the assets purchased by Head Office and supplied/ transferred to campus should also be entered in the same Fixed Asset Register under the respective category/nomenclature of the assets Debit Note No. etc., through which the assets were transferred to the campus, should also be indicated along with other usual details of Bill Nos. etc. It is the duty of the Campuses that the entry should be made in the Fixed Asset Register under the proper head of the asset i.e. Building, Class room equipment, Furniture/Fixtures, IT equipments, A/V etc. However, it is observed that for Debit Note for assets received from HO by Campus, no proper entry in the Fixed Asset Register. They are classified as "Assets received from HO" which is not correct. Following procedure for maintenance of fixed assets register is prescribed in Accounts Manual- Chapter-13 Physical verification of the assets should be done at the close of the Financial Year. These assets should be physically verified by the Committee consisting of the following:- a) A representative from Finance Department. b) A representative from Finance Department. c) A representative of the Purchase Department. 	 Physical verification of Fixed Assets is not carried out in the campus. 	Nil		
-			 Register. Shortfall/ excess If any listed should be listed separately and intimated to the Director immediately by the Purchase Officer. 				
	D. Disposal Assets	of		 We could not map the process with the existing transactions because no transaction of disposal of assets was made available to us. 	Nil		

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	plant, machinery, furniture, equipment and fixtures in all		
	NIFT Campuses including NIFT Headquarters in a form to		
	be prescribed by Director (Finance & Accounts)\		
	• The items to be declared obsolete, surplus or		
	unserviceable shall be examined by a Committee		
-	appointed by the Authority competent to declare an		
	item of Asset/ Store as obsolete, surplus or		
	unserviceable and order their disposal.		
	• The authority competent to purchase or sanction		
	purchase of an Asset/ Store item shall be competent to		
	declare the Asset/ Store item as obsolete, surplus or		
	unserviceable for the purpose of this Rule.		
	• The Committee referred to in Rule 5 (i) above, shall		
	consist of not less than three members of whom one will		
	be from Technical side having knowledge of the Asset/		
	Store and the third will be from Finance.		
	• The Committee should take into account the prescribed		
	or stipulate life period of the Asset/Store. In case such		
	period is not prescribed or stipulated or it is not over,	· .	
1 M	the Committee should examine the conditions of		
	Assets/Stores and records suitable reasons for declaring	·	
	an Asset/Store items obsolete, surplus or unserviceable.		
CN	 If an item has become obsolete surplus or unserviceable 		
· · ·	on account of negligence, fraud or mischief on the part		
	of any NIFT employee, the same should be clearly	· · · · ·	
•	brought out.		
	• Where the life period has been prescribed or stipulated		
	and is already over it should normally be taken as	- · · ·	
	enough ground for declaring the item obsolete and	•	
	unserviceable. However the condition of the item should		
	still be examined to see whether the item could be put		
	to further, use after repair, if required.		· · ·
	 In other cases where the life period is not over or not life 		
	 In other cases where the me period is not over or not me period is prescribed or stipulated, the reasons for 		
	declaring the item unserviceable may be normal wear		
	-		
	and tear, excessive use in public interest, accident etc.		
	• An item may be declared obsolete or surplus if it is no		
	longer required by the user Department and a certificate		
	to this effect shall be obtained from the user		L

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- Director (Finance & Accounts) may prescribe the life period of an Asset/Store item in consultation the manufacturer.
- Previous sanction of the Competent Authority shall be obtained in writing before sale/disposal of Assets/ Stores.
- The Committee shall prepare or cause to prepare a comprehensive list of Assets/ Stores for disposal.
- The said Committee shall fix the reserve prices of item/items of Asset/ Store which have been approved by Competent Authority for disposal.
- A sale account in appropriate form to be prescribed by Director (Finance & Accounts) should be prepared recording all sales/ disposal and submitted to Director (Finance & Accounts) for records.
- A copy of each order declaring Assets/ Stores as obsolete, surplus or unserviceable should be endorsed by Competent

Authority to Audit Officer and Accounts branch of NIFT.

- A copy of the sale accounts may also be endorsed to the Audit Officer and Accounts branch of NIFT.
- A separate sanction for write off of loss will not be necessary when the Assets/Stores which are declared as obsolete surplus or unserviceable and are disposed off by following the procedures outlined in these Rules.
 Disposal (Rule 196)
- An item may be declared surplus or obsolete or unserviceable if the same is of no use to the Ministry or Department. The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the authority competent to purchase the item.
- The competent authority may, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable.
- The book value, guiding price and reserved price, which will be required while disposing of the surplus goods, should also be worked out. In case where it is not possible to work out the book value, the original

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	purchase price of the goods in question may be utilized.		
	A report of stores for disposal shall be prepared in Form		
	GFR - 17.		
	 In case an item becomes unserviceable due to 		
* *	negligence, fraud or mischief on the part of a		
	Government servant, responsibility for the same should		
	be fixed.		
	Modes of Disposal (Rule 197)		
	• Surplus or obsolete or unserviceable goods of assessed		
	residual value above Rupees Two Lakhs should be		,
	disposed of by :		
	 a) obtaining bids through advertised tender or b) Public surface 		
	b) Public auction.		
·	• For surplus or obsolete or unserviceable goods with		·
	residual value less than Rupees Two Lakhs, the mode of		· · ·
	disposal will be determined by the competent authority,		
	keeping in view the necessity to avoid accumulation of		
~	such goods and consequential blockage of space and,		
	also, deterioration in value of goods to be disposed of.		
	Disposal through Advertised Tender (Rule 198)		
É	• The broad steps to be adopted for this purpose are as		
	follows :		
(4	a) Preparation of bidding documents.		
	b) Invitation of tender for the surplus goods to be sold.		
1 N	c) Opening of bids.		
	d) Analysis and evaluation of bids received.	, , , , , , , , , , , , , , , , , , ,	
	e) Selection of highest responsive bidder.		
	f) Collection of sale value from the selected bidder.		
	g) issue of sale release order to the selected bidder.		
	h) Release of the sold surplus goods to the selected		
	bidder.		
	i) Return of bid security to the unsuccessful bidders		
			· · ·
	Disposal through Auction (Rule 199)		
	(i) A Ministry or Department may undertake auction of		
	goods to be disposed of either directly or through		
	approved auctioneers.		
	(ii) The basic principles to be followed here are similar to		
	those applicable for disposal through advertised tender so		
	as to ensure transparency, competition, fairness and		

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elimination of discretion. The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender.

(iii) While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale etc., (as already indicated earlier while giving vide publicity for the same), should be announced again for the benefit of the assembled bidders. (iv) During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five per cent. of the bid value) should immediately be taken on the spot from the successful bidder either in cash or in the form of Deposit-at-Call-Receipt (DACR), drawn in favour of the Ministry or Department selling the goods. The goods should be handed over to the successful bidder only after receiving the balance payment.

(v) The composition of the auction team will be decided by the competent authority. The team should however include an officer of the Internal Finance Wing of the department.

Rule 200. Disposal at scrap value or by other modes: If a Ministry or Department is unable to sell any surplus or obsolete or unserviceable item in spite of its attempts through advertised tender or auction, it may dispose-off the same at its scrap value with the approval of the competent authority in consultation with Finance division. In case the Ministry or Department is unable to sell the item even at its scrap value, it may adopt any other mode of disposal including destruction of the item in an eco-friendly manner.

• A statement of surplus/Obsolete items/Un-repairable assets should be prepared every year and placed before the nominated Committee for declaring these assets as surplus/obsolete items/un repairable and action should be taken for disposing it off on time.

Annexure -1 Format for Indent

NATIONAL INSTITUTE OF FASHION TECHNOLOGY - KANGRA

То

Department Indent No:

Indent Date _____

Department :

Types of Material: Purchase Order Type (Please Tick Where ever-applicable Item Category)

Consumable	
Non-Consumable	

Items Details of Required Items

Seria	Complete Description of Items (Specification	Stock Held On date (Where ever	Quantity	Purpose	Days within which	Estimated Price	Estimated Total
No	Model, Catalog No) Use separate Sheet If required	Applicable)	Required		required	Per Unit(Rs)	cost(Rs)
···· <u></u>						(optional)	
					,		

	Suggested Sup	oplier(Only	y in case of	proprietary	y items)
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السلا	Serial No.	Name	Address
7, [
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Name :

(Signature)

Approved HOD Signature

Designation : _____

Contact No:-_____

(For Purchase/ Administration Department use only)

Indent Number-_____

(Signature)

Purchase Officer/Administration Officer Signature

NATIONAL INSTITUTE OF FASHION TECHNOLOGY

Annexure -2

Format for Indent Register

ſ	<u>S. No.</u>	Date	Indent No. by User Dept.	Name of User Dept.	Indent No. by Purchase Dept.	<u>P.O No.</u>
-						
			•			

Annexure -3

Format for Purchase Order Register

815 Ac	<u>S. No.</u>	<u>Date</u>	<u>item</u>	<u>Indent</u> <u>No.</u>	<u>P.O</u> <u>No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocate</u> <u>d</u>	<u>Budget</u> <u>Exhauste</u> <u>d</u>	<u>Balance</u> <u>Budget</u>	<u>Party</u> <u>Name</u>	Expect ed Date of Receip t	<u>Gate</u> <u>Pass</u> <u>No.</u>	<u>Date of</u> <u>Receipt</u>	<u>Goods</u> <u>Receipt</u> <u>Note</u> <u>No.</u>	<u>Bill No.</u>	<u>Remar</u> <u>ks</u>
									-							
																\$

EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

Date: Place: New Delhi

NATIONAL INSTITUTE OF FASHION TECHNOLOGY HEAD OFFICE } fixed Assels **PROCESS AUDIT REPORT** (F.Y. 2014-15) W 20 **GIANENDER & ASSOCIATES** CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060

NATIONAL INSTITUTE OF FASHION TECHNOLOGY

Process Audit - Fixed Assets

Flowchart- Purchase procedure for fixed asset (FA) items



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Gianender & Associates (Chartered Accountants)



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Process Areas	🜻 🦈 📲 Existing Process	A Mapping with existing process P	Process Improvement/Sugitions
Fixed Assets			
. Purchase of	Following procedure for purchase of fixed	We selected 5 sample vouchers related to	1. The indent form should b
fixed asset (IT	assets is prescribed in Accounts Manual-	purchase of capital items viz.	standardized and should hav
and Non-IT	Chapter-4	a) Voucher No. 186 dated 02-05-2014	fields as per format in Annexure-
items)	• The Chairpersons/Head of	amounting Rs. 1,58,282;	2. Expected time for receipt of fixe
	Departments/Coordinators should plan out	b) Voucher No. 441 dated 18-06-2014	assets should be mentioned on th
	their requirements well in advance (indent)	amounting Rs. 1,14,207 c) Voucher No. 451 dated 20-06-2014	indent.3. Specification of all items indent
	in order to enable the Purchase Department	 c) Voucher No. 451 dated 20-06-2014 amounting Rs. 11,419; 	should invariably be mentioned of
	to comply with prescribed procedure.	d) Voucher No. 538 dated 08-07-2014	the indent form by the user.
	 Indents indicating details of specifications, 	amounting Rs. 58,800	4. Budget code numbers shou
	quantities, approximate value as well as the	e) Voucher No. 564 dated 14-07-2014	invariably be indicated on the
	expected time for receipt of the capital items so indented should be submitted to	amounting Rs. 2,20,206;	indent form.
	the approving authority.	1. There was no standard form of indent	5. Purchase department shou
	 Budget Code numbers should be assigned to 	prescribed for indenting purpose for user	maintain serial No. wise inde
	all the Budget Operating	department. In all 5 samples, we found that	register. Annexure -2
	Chairpersons/Coordinators/Head of	requisition is made on noting sheets only or	6. Purchase order No's to be giv
	Departments, who will indicate these	as a letter by user departments. There is no	serially and separate series to
	budget codes on all indents.	indent number allotted to requisitions made.	used for Fixed Assets and oth
	• Approving Authority:	In voucher No. 538, a total of 30 days were	than fixed Assets.
	a) DG has the full powers to purchase	taken from the date of requisition made by	7. Purchase department shou
	capital item approved in capital budget.	user department to date of settling of	maintain purchase order regist
	If not mentioned in the budget, he has	specifications of the asset with the help of IT	(Format attached as p
	full powers to purchase capital items	department.	Annexure-3) for keeping track
	value not exceeding Rs. 25 lakhs on any	2. In all 5 samples, we found that expected	all the purchase made/follow
	one item on each occasion.	time for receipt of items in the requisition	with vendor and subseque
	b) Director (F & A) has Full powers to	made is not mentioned.	verification.
	purchase capital item value not	3. Requisition noting which are used as indent	8. There should be a list of approv
	exceeding Rs. 500000/- on any one item	were found to be in order except :-	suppliers for each category
	on each occasion.	a) In Voucher No. 451, requisition contains	assets for short listing in case
	c) Campus director has full powers to	only the name of the item and quantities. It	limited tender enquiry.
	purchase capital item value not	did not contain any specification and	 For high value purchase order purchase/procurement should
	exceeding Rs.500000 on any one item	estimate cost of the item required.	done through e-procurem
	on each occasion.	b) In voucher No. 538, requisition contains only the name of the item as "All-in-one	process of the government.
	Proper purchase procedure should be	computer" and quantity. It does not	10. Gate pass should be issued
	followed:-	contain any detailed specification. Only the	receiving the fixed asset items.
	1. Purchase without inviting quotations:	contain any uctained specification. Only the	

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	NATIONALIN	STITUTE OF FASHION TECHNOLOGY	
	 records should be kept in gate passes and the concerned Head of Dept. should certify that the asst has been received in good condition and as per the specification. He shall forward the bills duly certified to the purchase officer who in turn will forward the same to the Accounts Section. The Fixed Asset items so received should be entered in the Fixed Asset register by the designated Officer and a certificate to this effect should be forwarded to the Accounts branch who will take necessary steps for release of payment. 		·
B. Maintenance of Fixed Asset Register	Following procedure for maintenance of	 We selected 5 sample vouchers related to purchase of capital items viz. a) Voucher No. 186 dated 02-05-2014 amounting Rs. 1,58,282; (Purchase of Furniture-Godrej Almirah) b) Voucher No. 441 dated 18-06-2014 amounting Rs. 1,14,207 (Purchase of Desktop) c) Voucher No. 451 dated 20-06-2014 amounting Rs. 11,419; (Purchase of computer table) d) Voucher No. 538 dated 08-07-2014 amounting Rs. 58,800 (Purchase of Desktop computer) e) Voucher No. 564 dated 14-07-2014 amounting Rs. 2,20,206; (Purchase of Multifunction Printer) 1. Asset register was maintained in the GFR-40. 2. Purchase Officer had not initialled each and every page of Fixed Asset Register. 3. Separate page for each type of asset was maintained. 4. In all 5 samples, entries were made in Fixed Asset Register under the proper head but accession number was not recorded in 	 assets should be prepared and mentioned in the end of the Fixed Asset Register. 4. While opening new Fixed Asset Register, the entries/balances of the Gross Block of old Fixed Asset Register should be brought forward in the new Fixed Asset Register.

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 Tinancial accounts. Accession number should be mentioned on the Assets purchased by the Campus/HO and these accession numbers should be mentioned in the Fixed Asset Register also. While opening new Fixed Asset Register, the entries/balances of the Gross Block of old Fixed Asset Register should be brought forward in the new Fixed Asset Register. Location of the Assets and all other entries etc., in the Fixed Asset Register should be written by Pen and not in Pencil. The entries in Fixed Asset Register should be signed by the Dealing Assistant/ Purchase Dept Assistant, and then counter signed by the Purchase Officer of the campus. Renovation and major repairs which increases the value of the assets and building should be entered in the Asset Register at the appropriate page (below the same item as renovated) and linked with the asset itself. Freight charges, Transportation charges, Customs duty, Labour charges paid to the labourers for lifting the machines, Customs duty, Sales Tax, VAT, etc., of the assets equipments should be included in the cost 	 the Fixed Asset Register. 8. While opening new Fixed Asset Register, the entries/balances of the Gross Block of old Fixed Asset Register has not brought forward in the new Fixed Asset Register. Fixed Asset Register has been maintained year-wise and not cumulative. <u>Transfer of assets</u> We have selected 2 fixed assets as samples which have been transferred to campuses by HO:- a) JV/HO/21 – Vehicle No. DL 3C AJ 6805 (Ambassador Car) transferred to NIFT Rae Bareli b) BP/HO/22/1707- SPSS 22.0 Software transferred to NIFT Campuses except NIFT Bhubaneshwar. 	5. Whenever asset is transferred to different campus, debit note reference number along with details of bill number should be indicated in the fixed asset register.
 campus. Renovation and major repairs which increases the value of the assets and building should be entered in the Asset Register at the appropriate page (below the same item as renovated) and linked with the asset itself. Freight charges, Transportation charges, Customs duty, Labour charges paid to the labourers for lifting the machines, Customs duty, Sales Tax, VAT, etc., of the assets equipments should be included in the cost 	 <u>Transfer of assets</u> We have selected 2 fixed assets as samples which have been transferred to campuses by HO:- a) JV/HO/21 – Vehicle No. DL 3C AJ 6805 (Ambassador Car) transferred to NIFT Rae Bareli b) BP/HO/22/1707- SPSS 22.0 Software transferred to NIFT Campuses except NIFT Bhubaneshwar. 	different campus, debit note reference number along with details of bill number should be indicated in
 of the asset and entered as such in the Fixed Asset Register as per Accounting Standards – 10. For the assets purchased by Head Office and supplied/ transferred to campuses should also be entered in the same Fixed Asset Register under the respective category/nomenclature of the assets Debit Note No. etc., through which the assets were transferred to the campus should also be indicated along with other 	details of bill number was not indicated in the fixed asset register in both samples.	

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 should be made under the program of Building, Class Furniture/Fixt However, it is for assets received from proper ent Register. They received from C. Physical verification of Fixed Assets Following proce fixed assets received from Accounts8 Manual Physical verification of These assets should be made under the program of the second s	of the Campus that the entry de in the Fixed Asset Register per head of the asset i.e. s room equipment, ures, IT equipments, A/V etc. observed that for Debit Note eived from HO by Campus, ry in the Fixed Asset are classified as "Assets HO" which is not correct. dure for maintenance of egister is prescribed in al-Chapter-13 ation of the assets should be se of the Financial Year. hould be physically verified tee consisting of the	 Physical verification report for the year 2013-14 was taken as sample. Physical verification was done by Committee consisting of 1 representative each from Administration, Finance and Purchase department. No reconciliation was done with Fixed 	 Physical verification should be done with reference to the asset with accession number in the Fixed Asset Register. Shortfall/ excess, if any, listed should be listed separately and intimated to the Director immediately by the Purchase Officer
 Physical verification done at the close of the commit following:- a) A represe Department b) A represe Department c) A represe Department c) A represe Department e) These assets short fall / excess listed separate 	ation of the assets should be se of the Financial Year. hould be physically verified tee consisting of the ntative from Administration ent. ntative from Finance ent. ntative of the Purchase ent. hould be reconciled with the	Committee consisting of 1 representative each from Administration, Finance and Purchase department.	2. Shortfall/ excess, if any, listed should be listed separately and intimated to the Director

Format for Indent							
	NATI	ONAL INSTITUTE OF	FASHION TECHNOLO	OGY - HEAD	OFFICE		. ·
То							
Department Indent No:			Indent Date				
Department :							
Types of Material: Purchase Orde	r Type (Please Tick W	here ever-applicable Item	n Category)		•		
Consumable							
Non-Consumable							
Items Details of Required Items Serial Complete Description of I	tems (Specification	Stock Held On date (V	Where Quantity	Purpose	Days within which	Estimated	Estimated
No Model, Catalog No) Use s		ever Applicable)	Required		required	Price Per	Total cost(R
required						Unit(Rs)	
						(optional)	
	·····						
Suggested Supplier(Only in case o	,						
Suggested Supplier(Only in case o Serial No.	f proprietary items) Name		Address				
	,		Address				
	,						
Serial No.	,		Approved				
	,						
Serial No.	,		Approved HOD Signature				
Serial No.	,		Approved				
Serial No.	,		Approved HOD Signature				
Serial No.	,		Approved HOD Signature				
Serial No.	,		Approved HOD Signature (Signature)				
Serial No.	,	(For Purchase/ Adm	Approved HOD Signature		Purchase Officer/A	dministration	Officer Signatu
Serial No.	,	(For Purchase/ Adm	Approved HOD Signature (Signature)		Purchase Officer/A	dministration (Officer Signatur
Serial No.	,	(For Purchase/ Adn	Approved HOD Signature (Signature)		Purchase Officer/A	dministration (Officer Signatur

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NATIONAL INSTITUTE OF FASHION TECHNOLOGY

Annexure -2

Format for Indent Register

<u>S. No.</u>	Date	Indent No. by User Dept.	<u>Name of User Dept.</u>	Indent No. by Purchase Dept.	<u>P.O No.</u>

Annexure -3

236

2 20 0 Format for Purchase Order Register

4	<u>S. No.</u>	<u>Date</u>	<u>ltem</u>	<u>Indent</u> <u>No.</u>	<u>P.O</u> <u>No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocated</u>	<u>Budget</u> <u>Exhausted</u>	<u>Balance</u> <u>Budget</u>	<u>Party</u> <u>Name</u>	Expected Date of <u>Receipt</u>	<u>Gate</u> <u>Pass</u> <u>No.</u>	<u>Date of</u> <u>Receipt</u>	<u>Goods</u> <u>Receipt</u> <u>Note</u> <u>No.</u>	<u>Bill</u> <u>No.</u>	<u>Remarks</u>
				,												
Annexure-4

237) 33

Format for Goods Received Note(GRN)

·	GOODS RECEIVED NOTE
From: (Supplier)	Order No.:
••••••	Delivery Note No.:
	Invoice No.:
To: (Receiving)	Indent No:
· · ·	Indented By:

	Serial No	Item Specificaton	unit	Qty ordered	Qty Received	Unit Cost	Total Vaue	Balance
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1								
	·		-					
			<u> </u>					-
	· ·	· · · · · · · · · · · · · · · · · · ·	-					
ļ		· · ·						
		· · · ·		· ·				

Name:.....Date.....Date.....Date.....

Users Acceptance Certificate:

Name......Date......Date.....Date..... Remarks:

Distribution: Original (White copy) – Accounts, Duplicate (Green) – User, Triplicate (Pink) – Purchasing, Quadruplicate (Blue) – Stores

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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

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Date: Place: New Delhi

NATIONAL INSTITUTE OF FASHION TECHNOLOGY

NEW DELHI CAMPUS

government Grants

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PROCESS AUDIT REPORT

(F.Y. 2014-15)

GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060

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Process Audit - Government Grants Process Areas Fristing Process Process Process						
Process Areas	Existing Process	Mapping with Existing Process				
			improvement/Suggestion			
Government Grants	 Accounts Manual- Chapter-8 Grant shall be diverted to campus from Head office on the basis of Grant received from central government for specific schemes. Head office transfer the Grant to campus on certain terms & conditions. Institution shall not divert the grant and entrust execution of the scheme or work concerned to another institution or organization and shall abide by the terms and conditions of the grant. If fails to utilize for the purpose for which the same has been sanctioned, the institution will be required to refund the amount of the grant with interest thereon @ 10% p.a. Approval of Director General is required before release of funds to campus. NIFT should also maintain a register of "Grant -In-Aid" for the Grant received for Plan and Non -Plan which should be signed by the competent Authority from time to time Separate bank account should be maintained for receipts of Grants. Grant from State Government should be accounted on "Accrual Basis" and from Central Government routed through Head office should be accounted on "Receipt basis." Unspent balance of the previous Grant should be taken into account while sanctioning the present grant. Release of grants for subsequent years is subject to Utilization certificate (as per Form GFR 19-A). 	 Grant was received by Head office from Central Government amounting Rs. 4.00 Crores for implementation of OBC quota reservation scheme for Delhi Campus. Instead of giving same to the campus, Head office raised a debit note to the campus & made payment directly on behalf of Delhi campus to DSIIDC on account of construction work. 	received for Plan and Non-Plan Grant should be prepared and duly verified and signed by the			

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Process Audit - Government Grants

of sanction. Utilization certificate for proper utilization of grant should be furnished to the administrative authority.

- Utilization certificate need not be furnished in cases where "Grant-In-Aid" are being made as reimbursement of expenditure already incurred on the basis of duly audited accounts.
- In respect of Central Autonomous Organization, the utilization certificate shall disclose separately the actual expenditure incurred and the loans and advances given to suppliers of stores and assets, to construction agencies, which do not constitute expenditure at that stage. These shall be treated as unutilized grant and allowed to be carried forward.
- Accounting of Grant should be done as per Accounting Standards. There are two methods for accounting of Grant which is mentioned below.

Capital Grant

Method-1:

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Under this method, the Grant is shown as a deduction from the gross value of asset concerned in arriving at it book value. The Grant is thus recognized in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge. Where the Grant equals to the whole, or virtually the whole, of the cost of asset, the asset is shown in the balance sheet at nominal value

Method-2:

(i) <u>Depreciable Asset</u>

Under this method, Grants related to depreciable assets are treated as deferred income which is recognized in the profit and loss statement on a systematic and rational basis over the useful life of asset. Such allocation of income is usually made over the periods and in the proportion in which depreciation on related assets is charged .

(ii) Non- Depreciable Asset

Grants related to non-depreciable assets are credited to capital reserve under this method, as there is usually no charge to income in respect of such assets. However, if a Grant related to a non-depreciable asset requires the fulfillment of certain obligations, the Grant is credited to income over the same period over which the cost of meeting such obligations is charged to income. The deferred income is suitably disclosed in the balance sheet pending its apportionment to profit and loss account.

Revenue Grant

38

Grants related to revenue are sometime presented as a credit in the profit and loss statement, either separately or under a general heading such as 'Other Income'. Alternatively, they are deducted in reporting the related expense.



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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender & Associates Chartered Accountants FRN.-004661N

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Date: Place: New Delhi

(Manju Agrawal)

Partner MRN:083878

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NATIONAL INSTITUTE OF FASHION TECHNOLOGY

Government Grante

PROCESS AUDIT REPORT

(F.Y. 2014-15)

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GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, GeetaMandir Marg, New Rajinder Nagar New Delhi - 110060

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Process Areas	Existing Process .	Mapping with Existing Process	Process Improvement/Suggestions
Government Grants	 Accounts Manual- Chapter-8 Grant shall be diverted to campus from Head office on the basis of Grant received from central government for specific schemes. Head office transfers the Grant to campus on certain terms & conditions. Institution shall not divert the grant and entrust execution of the scheme or work concerned to another institution or organization and shall abide by the terms and conditions of the grant. If fails to utilize for the purpose for which the same has been sanctioned, the institution will be required to refund the amount of the grant with interest thereon @ 10% p.a. Approval of Director General is required before release of funds to campus. NIFT should also maintain a register of "Grant -In-Aid" for the Grant received for Plan and Non -Plan which should be signed by the competent Authority from time to time Separate bank account should be maintained for receipts of Grants. Grant from State Government should be accounted on "Accrual Basis" and from Central Government routed through Head office should be accounted on "Receipt basis." Unspent balance of the previous Grant should be taken into account while sanctioning the present grant. Release of grants for subsequent years is subject to Utilization certificate (as per Form GFR 19-A). Grant should be furnished to the administrative 	 Till date no Grant is received by Head office from Central Government on behalf of Kangra Campus. State government had agreed to hand over the land and structure at Chheb to NIFT for setting up NIFT in Himachal Pradesh at Chheb in Kangra district. State government had also agreed to fund the construction and setting of the centre as per agreed terms and conditions subject to the condition. that total cost will not exceed Rs. 58.65 Crores inclusive of assets being transferred. As per Utilization certificate upto 13.03.2014 Rs. 25.89 crores was utilized for the purpose for which it was sanctioned. Upto 31st December, 2014 total grant received as per books of account is Rs.38.20 crores. Last grant was received on 21st May, 2014 amounting to Rs. 10 crores. Register of "Grant -In-Aid" received for Plan and Non-Plan Grant is not being maintained. Total grant is being shown as under the head Reserve & surplus as Capital Reserve. 	received for Plan and Non-Plan Grant should be prepared and duly verified and signed by the Competent Authority.

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authority.

- Utilization certificate need not be furnished in cases where "Grant-In-Aid" are being made as reimbursement of expenditure already incurred on the basis of duly audited accounts.
- In respect of Central Autonomous Organization, the utilization certificate shall disclose separately the actual expenditure incurred and the loans and advances given to suppliers of stores and assets, to construction agencies, which do not constitute expenditure at that stage. These shall be treated as unutilized grant and allowed to be carried forward.
- Accounting of Grant should be done as per Accounting Standards. There are two methods for accounting of Grant which is mentioned below:

Capital Grant

Method-1:

Under this method, the Grant is shown as a deduction from the gross value of asset concerned in arriving at it book value. The Grant is thus recognized in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge. Where the Grant equals to the whole, or virtually the whole, of the cost of asset, the asset is shown in the balance sheet at nominal value

Method-2:

(i) <u>Depreciable Asset</u>

Under this method, Grants related to depreciable assets are treated as deferred income which is recognized in the profit and loss statement on a systematic and rational basis over the useful life of asset. Such allocation of income is usually made over the periods and in the proportion in which depreciation on related assets is charged.

(ii) <u>Non-Depreciable Asset</u> Grants related to non-depreciable assets are credited to capital reserve under this method, as there is usually no charge to income in respect of such assets. However, if a Grant related to a non-depreciable asset requires the fulfillment of certain obligations; the Grant is credited to income over the same period over which the cost of meeting such obligations is charged to income. The deferred income is suitably disclosed in the balance sheet pending its apportionment to profit and loss account.

Revenue Grant

95

Grants related to revenue are sometime presented as a credit in the profit and loss statement, either separately or under a general heading such as 'Other Income'. Alternatively, they are deducted in reporting the related expense.





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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

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Date: Piace: New Delhi

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NATIONAL INSTITUTE OF FASHION TECHNOLOGY

HEAD OFFICE Gournment Grants

PROCESS AUDIT REPORT

(F.Y. 2014-15)

GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, GeetaMandir Marg, New Rajinder Nagar New Delhi - 110060

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Process Audit - Government Grants

Process	Existing Process	Mapping with Existing Process	Process Improvement/Suggestions
Areas			
Government Grants	 Accounts Manual- Chapter-12 An autonomous organization with a budgetary support of more than Rs.5 Crores p.a should be required to enter into memorandum of understanding with the administrative ministry (Ministry of Textiles) or department. For seeking grant from Government, NIFT will require to submit an application which will include all the relevant information such as Article of Association, bye laws, audited statement of accounts, source and pattern of income and expenditure as per GFR Rule 209. Award of grant is considered on the basis of viable and specific schemes drawn up by the institution (NIFT). Initially grant amount is sanctioned from ministry for plan and non-plan grant which is further divided into two parts i.e. Grant for specific purpose and general purpose. Request for the release of grant is made by institution as per their requirements. Amount of grant is released from ministry on fulfillment of following conditions: (a) Institution shall maintain subsidiary accounts of Grant-in-aid received from the government as per GFR Rule 210. (b) Institution shall submit performance cum achievement reports on or before 31st March every year. (c) The accounts shall be audited by the internal auditors of the institution and finally by the 	 Since NIFT has a budgetary support of more than 5 Crores p.a therefore they entered into memorandum of understanding with the Ministry Of Textile. After Entering into MOU with Ministry of Textiles, NIFT has submitted an application with all the relevant information for seeking grant. We have verified 3 types of Schemes for which Government Grant was received these are: (i) Creation of infrastructure of implementation of OBC Quota. (ii) Setting up of NIFT campus at Rae Bareli. (iii) Setting up of NIFT campus at Shillong under North East Region. During 2014-15 Grant of Rs 50.00 Crores and 1.50 Crores were received for implementation of OBC Quota reservation and Rae-Bareli campus for revenue deficit respectively on account of Non-Plan Grant. Following conditions for release of Grant have been fulfilled: (a) NIFT is maintaining "Grant-In-Aid Register" for subsidiary accounts 	 Register of "Grant in Aid" received for Plan and Non-Plan Grant should be updated on regular basis and duly verified and signed by the Competent Authority. Performance cum achievement reports should be submitted every year as per schedule.

	(d) Institution shall not divert the grant and entrust execution of the scheme or work		reports as on when demanded by the Ministry.
	concerned to another institution or or organization and shall abide by the terms and		(c) No Grant/Fund has been transferred to another institution
	conditions of the grant. If fails to utilize for the		or organization. In case of
	purpose for which the same has been		implementation of "OBC Quota
	sanctioned, the institution will be required to		reservation", NIFT has paid
	refund the amount of the grant with interest		interest of Rs 11.63 Crores on
	thereon @ 10% p.a.		account of unutilized Grant.
	(e) Institution should submit pre- receipts,		(d) The institution is submitting pre-
	utilization certificate (as per Form GFR 19-A)		receipts, utilization certificate (as
	and non corrupt certificate for release of grant.		, per Form GFR 19-A) and non-
	• NIFT should also maintain a register of "Grant-in-		corrupt certificate before release
	Aid" for the grant received for Plan and Non –Plan	Ì	of grant
	which should be signed by any Competent	•	NIFT is maintaining register of "Grant-
•	Authority from time to time		In-Aid" for the Grant received for Plan
	• Separate bank account should be maintained for		&Non-Plan. However the register is
	receipts of Grants.		not verified & signed by any
	• Grant from central government should be		Competent Authority
	accounted on "Receipt basis"	•	Separate bank account is maintained for receipts of Grant.
	Unspent balance of the previous Grant should be taken into account while constigning the present		Grant received is accounted on
	taken into account while sanctioning the present Grant. Release of grants for subsequent years is		"Receipt Basis"
	subject to Utilization Certificate.		
	• Grants are required to be utilized within 1 year of	ľ	was considered while sanctioning new
	issue of sanction. Utilization Certificate for proper		Grant and thereafter, on the basis of
	utilization of grant should be furnished to the		utilization certificates, Pre-receipts &
	administrative authority.		Non- corrupt certificate Grants are
	• Utilization certificate need not be furnished in		released.
	cases where grant in aid are being made as	•	Grants are utilized within 1 year of
	reimbursement of expenditure already incurred on		issue of sanction.
	the basis of duly audited accounts.	٠	Head Office is not accounting Grants
	• In respect of Central Autonomous Organization,		in its books as it is received for the
	the utilization certificate shall disclose separately		campuses and accounted by campuses
	the actual expenditure incurred and the loans and		only.
	advances given to suppliers of stores and assets, to	1	

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construction agencies, which do not constitute expenditure at that stage. These shall be treated as unutilized Grant and allowed to be carried forward.

• Accounting of Grant should be done as per Accounting Standards. There are two methods for accounting of Grant which is mentioned below. Capital Grant

Method-1:

Under this method, the Grant is shown as a deduction from the gross value of asset concerned in arriving at it book value. The Grant is thus recognized in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge. Where the Grant equals to the whole, or virtually the whole, of the cost of asset, the asset is shown in the balance sheet at nominal value

Method-2:

(i) Depreciable Asset

Under this method, Grants related to depreciable assets are treated as deferred income which is recognized in the profit and loss statement on a systematic and rational basis over the useful life of asset. Such allocation of income is usually made over the periods and in the proportion in which depreciation on related assets is charged

(ii) Non- Depreciable Asset

Grants related to non-depreciable assets are credited to capital reserve under this method, as there is usually no charge to income in respect of such assets. However, if a Grant related to a nondepreciable asset requires the fulfillment of certain obligations, the Grant is credited to income over the same period over which the cost of meeting such obligations is charged to income. The deferred

income is suitably disclosed in the balance sheet			
pending its apportionment to profit and loss	,	,	
account.			
Revenue Grant			
Grants related to revenue are sometime presented			
as a credit in the profit and loss statement, either			
separately or under a general heading such as 'Other			
Income'. Alternatively, they are deducted in			
reporting the related expenses.			

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EXPRESSION OF GRATITUDE

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For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN:083878

Date: Place: New Delhi

NATIONAL INSTITUTE OF FASHION TECHNOLOGY

DELHI CAMPUS Leaves

LEAVES PROCESS AUDIT REPORT

(F.Y. 2014-15)

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GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060

PROCESS AUDIT – PROCESS OF AVAILMENTOF DIFFERENT LEAVES FLOWCHART-PROCESS OF AVAILING LEAVE



Gianender& Associates (Chartered Accountants)

NATIONAL INSTITUTE OF FASHION TECHNOLOGY (DELHI CAMPUS)

Process Areas	Existing Process	Mapping with Existing Process	Process U Recommendation/Su ggestions
Process of Availing Leaves	 Different types of leaves which are allowed to employees such as Earned Leave, Commuted Leave, Paternity/Maternity Leave, Half Pay, Extraordinary Leave, Child care Leave. Process of availing leave is described as below:- Person who wishes to avail the leave writes an application in prescribed format to the head of his department. After the said approval, application is further moved to the establishment section. Employees are segregated into four categories i.e. Group A, Group B, Group C & Group D. Leave of Group A & B employee is approved by Director General & Director (Head Office) respectively. Leave of Group C & D are approved by Registrar of respect section. Establishment department after calculating the no. of leaves left to the credit of particular employee moves the file to respective department based on the category of employee. As soon as the approval of above mentioned sanctioning authority is availed, employee is allowed to go on leave. 	 in form prescribed in finance & accounts manual All the rules were being followed as described for availing the leave. 	Service book should be signed/validated by controlling officer/supervisor from time to time on fortnightly basis/monthly basis
Earned Leave	 The Leave account of every Government servant(other than a military officer) who is serving in department under the control of Central Government shall be credited with earned leave, in 	We selected cases of following three employees in random basis who took earned leaves (a) Mr. Chote Lal Rai (Assistant, Admin.)	Nil
	advance, in two installments of 15 days each on the first day of January and July of every calendar year	 (b) Mrs. Geeta Sharma (Junior Assistant, Accounts) (c) Mrs. Neha Singh (Asst. Professor) 	
	 Provided that the earned leave at his credit shall not exceed 300 days. The Leave at the gradit of a gevernment servent at the gradit of a gradit of a gevernment servent at the gradit of a gradit of a	 In case of Mr. Chote Lal Rai, Earned Leave as on 01/01/2014 was 189 and has availed 5 earned leave. 	
	 The Leave at the credit of a government servant at the close of the previous half year shall be carried 	 In case of Mrs. Geeta Sharma, Earned Leave as on 	

NATIONAL INSTITUTE OF FASHION TECHNOLOGY (DELHI CAMPUS)

forward to the next half year subject to condition that the leave so carried forward plus the credit for the half year do not exceed the maximum limit of 300 days as prescribed

- Provided that where the earned leave at the credit of Government servant as on last day of December or June is 300 days or less but more than 285 days, the advance credit of 15 days earned leave on first day of January or July to be afforded in the manner and shall instead of being credited in the leave account be kept separately and first adjusted against the leave that the government servant takes during that half year and balance if any, shall be credited to the leave account at the close of the half year subject to condition that balance of such earned leave plus leave already at credit do not exceed the maximum limit of 300 days.
- In case an employee has taken excess leaves of what was credited to his account in half year, then a office order is released by establishment department for deduction of salary of the respective employee for that particular month.

ENCASHMENT OF EARNED LEAVE

A Government servant may be permitted to encash earned leave up to ten days at the time of availing of Leave Travel Concession while in service subject to condition that:-

- a balance of at least thirty days of earned leave is available to his credit after taking into account the period of encashment as well as leave being availed of
- the total leaves so encashed during the entire career does not exceed sixty days in the aggregate.

- 01/01/2014 was 300+15 and has availed 9 earned leave up to 01/07/2014. On the same date 15 EL was credit to his account which results in balance of 300+15, after that she has availed 7 earned leave.
- In case of Mrs. Neha Singh, Earned Leave as on 01/01/2014 was 66 and has availed 45 earned leave.
- 15 Earned Leave were credited on first day of July to his account as per the rules and no excess leave was taken in all the cases.
- Service book of respective employees is maintained properly and vetted by the registrar/controlling officer of establishment department on bi-monthly basis.
- However, no such matter came to our notice where salary of an employee was deducted during last four-five months. All the above mentioned employees had sufficient no of leaves at their credit before going on leaves.

We have verified the earned leave encashed by following 2 employees:

- (a) Mr. Anupam Jain (Professor)
- (b) Mr. Chote Lal Rai (Assistant, Admin)

The process mentioned alongside was carefully followed by establishment department.

- In all the cases, service book of respective employee is taken as a basis for calculating no of earned leaves to be encashed if any,
- Mr. Anupam Jain has encash 10 earned leave at

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NATIONAL INSTITUTE OF FASHION TECHNOLOGY (DELHI CAMPUS)

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		The cash equivalent for encashment of leave under sub-rule (1) shall be calculated as follows-: Cash Equivalent is equal to pay admissible on the date of availing of the leave travel concession plus dearness allowance admissible on that date divided by thirty days and multiplied by no of days of earned leave being encashed subject to maximum of 10 days at one time.	 the time of availing leave travel concession & total leaves so encashed during the entire career does not exceed sixty days. Mr. Chote Lal Rai does not encashed his earned leave. Establishment department prepares an office order for payment of cash equivalent of earned leave left to the credit of employee and forwards it to accounts department for further action. Accounts department after calculating the actual amount to be paid on the basis of formula mentioned alongside as on the date of encashment. 	•
(260	Extra Ordinary Leave	 Extra-ordinary leave may be granted to a government servant(other than a military officer) in special circumstances- When no other leave is admissible When other leave is admissible, but government servant applies in writing for grant of extraordinary leave An employee who is not a permanent employee or quasi-permanent employee shall be granted extraordinary leaves in excess of the following limits:- (a) Three months (b) Six month, where the government servant has completed one year continuous service on the date of expiry of leave of the kind due and admissible under the rules and his request for such leave is supported by a medical certificate as prescribed 	 We have verified sample cases of following two employees for verification of process of granting extra ordinary leave (a) Mr. Dinesh Kochar (Accounts Officer) (b) Mr. Shahdab (Accounts Officer) We did not observe any case where extra-ordinary leave was granted. Hence this process could not be verified. 	Nil
-	Commuted Leave	Commuted leave not exceeding half the amount of half pay leave due may be granted on medical certificate to a government servant(other than military servant), subject to following conditions:- • The authority competent to grant leave is satisfied that there is reasonable prospect of the government servant returning to duty	 We have verified commuted leave availed by the following two employees to verify the process. (a) Mrs. Neha Singh (Asst. Professor) (b) Mr. Anupam Jain (Professor) In case of Mrs. Neha Singh, commuted leave of 42 days was granted and twice of the same was 	Nil

	NATIONAL INSTITUTE OF FASHION	N TECHNOLOGY (DELHI CAMPUS)	
	 on its expiry. When commuted leave is granted, twice the amount of such leave shall be debited against half pay leave due. Commuted leave for a period not exceeding ninety days may be granted to the government servant during his entire service when such leave is availed of for course of study which is certified to be in public interest by government 	 debited against half pay leave due. In case of Mr. Anupam Jain, commuted leave of 60 days was granted and twice of the same was debited against half pay leave due. Service book of the above mentioned employees has been cross verified from the personal files of employees and found to be correct. 	
Half-Pay Leave	 The half pay leave account of every government servant (other than a military officer) shall be credited with half pay leave in advance in two installments of ten days each on the first day of January & July of every calendar year. The leave shall be credited to said leave account at the rate of 5/3 days for each completed calendar month of service. The leave under this rule may be granted on medical certificate only An employee who is not a permanent employee, no half pay leave shall be granted unless the authority competent to grant leave has reasons to believe that Government servant will return to duty on expiry of its term. 	 We have verified the personnel records of two employees on random basis i.e. (a) Mr. Chote Lal Rai (Assistant, Admin.) (b) Mrs. Geeta Sharma (Junior Assistant, Accounts) In both the cases ten days was credited with half pay leave on 01/07/2014. Balance leave as on 31/12/2014 in case (a) was 208 & in case (b) was 269. Records have been verified from service book of the above mentioned employee which was ratified by his immediately controlling officer from time to time. 	Nil
Casual Leave	 Casual leave is not a recognized form of leave. Technically, therefore an employee on CL is not treated as absent from duty An employee may be granted casual leave of not more than 8 days in a calendar year, subject to limit of 5 days at a time Essentially intended for short periods, it should not normally be granted for more than 5 days at a time except under special circumstances. Sundays or closed holidays falling at beginning or at end or in between the days 	 We have verified the personnel records of following four employees and casual leave records. (a) Mr. Chote Lal Rai (Assistant, Admin.) (b) Mr. Geeta Sharma (Junior Assistant, Accounts) (c) Mrs. Neha Singh (Asst. Professor) (d) Mr. Anupam Jain (Professor) In case of Mr. Chote lal Rai, 8 days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days during the year & 5 days at a time. 	Nil

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	Casual leave can be combined with Special casual leave but not with any other kind of leave.	 days at a time. In case of Mrs. Neha Singh was granted during the yelimit of not more than 8 days at a time. In case of Mr. Anupam Jair was granted during the yelimit of not more than 8 days at a time. The records of casual lear personal files and found prescribed by Central gover 	ar 2014, subject to the ays during the year & 5 ar 7 days of casual leave ar 2014, subject to the ays during the year & 5 we were maintained in to be as per the limit	
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EXPRESSION OF GRATITUDE

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For Gianender & Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

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Date: Placè: New Delhi

NATIONAL INSTITUTE OF FASHION TECHNOLOGY

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PROCESS AUDIT REPORT

(F.Y. 2014-15)

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GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060

PROCESS AUDIT – PROCESS OF AVAILMENT OF DIFFERENT LEAVES FLOWCHART-PROCESS OF AVAILING LEAVE



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Process Areas	Existing Process	Mapping with Existing Process	Process Recommendation/Sugges tions
Process of Availing Leaves	 Different types of leaves which are allowed to employees such as Earned Leave, Commuted Leave, Paternity/ Maternity Leave, Half Pay, Extraordinary Leave, Child care Leave. Process of availing leave is described as below:- Person who wishes to avail the leave writes an application in prescribed format to the head of his department. After the said approval, application is further moved to the establishment section. Employees are segregated into four categories i.e. Group A, Group B, Group C & Group D. Leave of Group A & B employee is approved by Director General & Director (Head Office) respectively. Leave of Group C & D are approved by Registrar of respect section. Establishment department after calculating the no. of leaves left to the credit of particular employee moves the file to respective department based on the category of employee. As soon as the approval of above mentioned sanctioning authority is availed, employee is allowed to go on leave. 	in form prescribed in finance & accounts manual	Nil
Earned Leave	 The Leave account of every Government servant(other than a military officer) who is serving in department under the control of Central Government shall be credited with earned leave, in advance, in two installments of 15 days each on the first day of January and July of every calendar year Provided that the earned leave at his credit shall not exceed 300 days. The Leave at the credit of a government servant at the close of the previous half year shall be carried forward to the next half year subject to condition 	 We selected cases of following two employees on random basis who took earned leaves: (a) Mr. Asit jagdish Bhai Bhat (Associate Professor) (b) Ms. Lavdeep Singh (Asst. Professor) In case of Mr. Asit Jagdish Bhai Bhat, Earned Leave as on 01/01/2014 was 15 and has availed 12 earned leave. In case of Ms Lavdeep Singh, Earned Leave as on 31/12/2014 was 31.5 and has availed 18 earned leave up to 31/12/2014. 15 Earned Leave were credited on first day of July to his account as per the rules and no excess leave 	Nil

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that the leave so carried forward plus the credit for the half year do not exceed the maximum limit of 300 days as prescribed.

- Provided that where the earned leave at the credit. of Government servant as on last day of December or June is 300 days or less but more than 285 days, the advance credit of 15 days earned leave on first day of January or July to be afforded in the manner and shall instead of being credited in the leave account be kept separately and first adjusted against the leave that the government servant takes during that half year and balance if any, shall be credited to the leave account at the close of the half year subject to condition that balance of such earned leave plus leave already at credit do not exceed the maximum limit of 300 days.
- In case an employee has taken excess leaves of what was credited to his account in half year, then a office order is released by establishment department for deduction of salary of the respective employee for that particular month.

ENCASHMENT OF EARNED LEAVE

A Government servant may be permitted to encash earned leave up to ten days at the time of availing of Leave Travel Concession while in service subject to condition that:-

- a balance of at least thirty days of earned leave is available to his credit after taking into account the period of encashment as well as leave being availed of
- the total leaves so encashed during the entire career does not exceed sixty days in the aggregate.

The cash equivalent for encashment of leave under sub-rule (1) shall be calculated as follows-:

was taken in all the cases.

• Service book of respective employees is maintained

- properly and vetted by the registrar/controlling officer of establishment department on bi-monthly basis.
- However, no such matter came to our notice where salary of an employee was deducted during last four-five months. All the above mentioned employees had sufficient no of leaves at their credit before going on leaves.

We have verified the earned leave encashed by following 2 employees:

(a) Mr. Sunil Kumar Mudhai (Lab Assistant)

(b) Mr Rohit Kumar (M.T.S)

The process mentioned alongside was carefully followed by establishment department.

- In all the cases, service book of respective employee is taken as a basis for calculating no of earned leaves to be encashed if any,
- Mr. Sunil Kumar Mudhai has encashed 10 earned leave at the time of availing leave travel concession & total leaves so encashed during the entire career does not exceed sixty days.
- Mr. Rohit Kumar has encashed 10 earned leave at the time of availing leave travel concession & total leaves so encashed during the entire career does

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(iii) Commuted Leave Commuted leave not exceeding half the amount of No such case was found during our verification process. Nil

•		NATIONAL INSTITU	TE OF FASHION TECHNOLOGY	
	•••	half pay leave due may be granted on medical certificate to a government servant(other than `military servant), subject to following conditions:-		
96)		 The authority competent to grant leave is satisfied that there is reasonable prospect of the government servant returning to duty on its expiry. When commuted leave is granted, twice the amount of such leave shall be debited against half pay leave due. Commuted leave for a period not exceeding ninety days may be granted to the government servant during his entire service when such leave is availed of for course of study which is certified to be in public interest by government 		1g.
9 364	Half-Pay Leave	 The half pay leave account of every government servant (other than a military officer) shall be credited with half pay leave in advance in two installments of ten days each on the first day of January & July of every calendar year. The leave shall be credited to said leave account at the rate of 5/3 days for each completed calendar month of service. The leave under this rule may be granted on medical certificate only An employee who is not a permanent employee, no half pay leave shall be granted unless the authority competent to grant leave has reasons to believe that Government servant will return to duty on expiry of its term. 	 We have verified the personnel records of two employees on random basis i.e. (a) Sh. Santosh Kumar Singh (senior accts Assistant) (b) Mr. Aman Kumar (Assistant Professor) In both the cases ten days was credited with half pay leave on 01/07/2014. Balance leave as on 31/12/2014 in case (a) was 140 & in case (b) was 132. Records have been verified from service book of the above mentioned employee which was ratified by his immediately controlling officer from time to time. 	Nil
	Casual Leave	 Casual leave is not a recognized form of leave. Technically, therefore an employee on CL is not treated as absent from duty An employee may be granted casual leave of not more than 8 days in a calendar year, 	 We have verified the personnel records of following four employees and casual leave records. (a) Mr Sandeep Sachan (Associate Professor) (b) Mr Manish Verma (Prof DR. Manish Verma) 	Nil

	subject to limit of 5 days at a time	(c) Mr. Pardeep Sharma (Junior Assistant)	
•	Essentially intended for short periods, it should not normally be granted for more than 5 days at a time except under special circumstances. Sundays or closed holidays falling at beginning or at end or in between the days on which an employee is on casual leave shall not count towards casual leave. Casual leave can be combined with Special casual leave but not with any other kind of leave.	 In case of Mr. Sandeep sachan 8 days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days during the year & 5 days at a time. In case of Mr. Manish Verma 8days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days during the year & 5 days at a time. In case of Mr. Pardeep Sharma 8 days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days during the year & 5 	
		 days at a time. The records of casual leaves/RH were maintained in Casual Leave Register and found to be as per the limit prescribed by Central government. 	

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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

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For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN:083878

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Date: Place: New Delhi







Process Areas	Existing Process	Mapping with Existing Process	Process U Recommendation/Su ggestions
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Earned Leave	 The Leave account of every Government servant(other than a military officer) who is serving in department under the control of Central Government shall be credited with earned leave, in advance, in two installments of 15 days each on the first day of January and July of every calendar year 		Nil
370	 Provided that the earned leave at his credit shall not exceed 300 days. The Leave at the credit of a government servant at the close of the previous half year shall be carried forward to the next half year subject to condition that the leave so carried forward plus the credit for the half year do not exceed the maximum limit of 300 days as prescribed Provided that where the earned leave at the credit of Government servant as on last day of December or June is 300 days or less but more than 285 days, the advance credit of 15 days earned leave on first day of January or July to be afforded in the manner and shall instead of being credited in the leave account be kept separately and first adjusted against the leave that the government servant takes during that half year and balance if any, shall be credited to the leave already at credit do not exceed the maximum limit of 300 days. In case an employee has taken excess leaves of what was credited to his account in half year, then a office order is released by establishment department for deduction of salary of the respective employee for that particular month. 	 In case of Mr. Jaswant Singh, Earned Leave as on 01/01/2014 was 300+6 and has availed 15 earned leave up to 01/07/2014. On the same date 15 EL was credit to his account which results in balance of 300+15. In case of Mr. Shyamal Kant Barua, Earned Leave as on 01/01/2014 was 300+15 and has not availed any earned leave up to 01/07/2014 due to which 15 EL credited on the same date was lapsed. After that he has availed 14 EL. In case of Mr. M. Murugeshan, Earned Leave as on 01/01/2014 was 121 and has availed 25 earned leave. 15 Earned Leave were credited on first day of July to his account as per the rules and no excess leave was taken in all the cases. Service book of respective employee is maintained properly and vetted by the registrar/controlling officer of establishment department on bi-monthly basis. However, no such matter came to our notice where salary of an employee was deducted during last four-five months. All the above mentioned employees had sufficient leaves at their credit before going on leaves. 	

•	ENCASHMENT OF EARNED LEAVE	

A Government servant may be permitted to encash earned leave up to ten days at the time of availing of Leave Travel Concession while in service subject to condition that:-

We have verified the earned leave encashed by following 3 employees

The process mentioned alongside was carefully

condition that.	the process mentioned alongoide has called any	
 a balance of at least thirty days of earned leave is available to his credit after taking into account the period of encashment as well as leave being availed of the total leaves so encashed during the entire career does not exceed sixty days in the aggregate. 	 followed by establishment department. In all the cases, service book of respective employee is taken as a basis for calculating no of earned leaves to be encashed if any, Mr. Jaswant Singh & Mr. Shyamal Kant Barua has encash 10 earned leave at the time of availing leave travel concession & total leaves so encashed during the entire career does not exceed sixty 	· ·
The cash equivalent for encashment of leave under sub-rule (1) shall be calculated as follows-: *	 days. Mr. M. Murugeshan does not encashed his earned leave. 	
Cash Equivalent is equal to pay admissible on the date of availing of the leave travel concession plus dearness allowance admissible on that date divided by thirty days and multiplied by no of days of earned leave being encashed subject to maximum of 10 days at one time.	 Establishment department prepares an office order for payment of cash equivalent of earned leave left to the credit of employee and forwards it to accounts department for further action. Accounts department after calculating the actual amount to be paid on the basis of formula mentioned alongside as on the date of encashment. 	
 Extra-ordinary leave may be granted to a government servant(other than a military officer) in special circumstances- When no other leave is admissible When other leave is admissible, but government servant applies in writing for grant of extraordinary leave 	 We have verified sample cases of following two employees for verification of process of granting extra ordinary leave Avinash Gupta (Finance & Accounts Officer) Mukesh Sharma ((Finance & Accounts Officer) We did not observe any case where extra-ordinary 	Nil
An employee who is not a permanent employee or quasi-permanent employee shall be granted extra- ordinary leaves in excess of the following limits:-	leave was granted. Hence this process could not be verified.	

Extra Ordinary Leave

· · · · · · · · · · · · · · · · · · ·	(a) Three months		
	 (b) Six month, where the government servant has completed one year continuous service on the date of expiry of leave of the kind due and admissible under the rules and his request for for such leave is supported by a medical certificate as prescribed 		
Commuted Leave	 Commuted leave not exceeding half the amount of half pay leave due may be granted on medical certificate to a government servant(other than military servant), subject to following conditions:- The authority competent to grant leave is satisfied that there is reasonable prospect of the government servant returning to duty on its expiry. When commuted leave is granted, twice the amount of such leave shall be debited against half pay leave due. Commuted leave for a period not exceeding ninety days may be granted to the 	 We have verified commuted leave availed by the following two employees to verify the process. Mr. Jaswant Singh (Multi-Tasking Staff) Mr. Shashi Kant Barua (Associate Director) In case of Mr. Jaswant Singh, commuted leave of 10 days was granted and twice of the same was debited against half pay leave due. In case of Mr. Shyamal Kant Barua, commuted leave of 10 days was granted and twice of the same was debited against half pay leave due. In case of Mr. Shyamal Kant Barua, commuted leave of 10 days was granted and twice of the same was debited against half pay leave due. Service book of the above mentioned employees has been cross verified from the personal files of employees and found to be correct. 	Nil
. '	government servant during his entire service when such leave is availed of for course of study which is certified to be in public interest by government		
Half-Pay Leave	The half pay leave account of every government servant (other than a military officer) shall be credited with half pay leave in advance in two installments of ten days each on the first day of January & July of every calendar year. • The leave shall be credited to said leave	employees on random basis i.e.	Nil
	 account at the rate of 5/3 days for each completed calendar month of service. The leave under this rule may be granted on medical certificate only An employee who is not a permanent employee or quasi-permanent employee, no half pay leave shall be granted unless the 	 pay leave on 01/07/2014. Balance leave as on 31/12/2014 for Mr. M. Murugeshan was 400 & for Mr. Parvez Burney was 17. 	-

	authority competent to grant leave has by his immediately controlling officer from time to reasons to believe that Government servant time. will return to duty on expiry of its term. time.
Casual Leave	 Casual leave is not a recognized form of leave. Technically, therefore an employee on CL is not treated as absent from duty An employee may be granted casual leave records. Mr. M. Murugeshan(Multi-Tasking Staff) Mr. Shallu (Research Assistant) Mr. Shallu (Research Assistant) Mr. Kripal Singh (Junior Assistant) In case of Mr. M. Murugeshan 8 days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days at a time. In case of Mr. Parvez Burney 8 days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days during the year & 5 days at a time. In case of Mr. Kripal Singh 8 days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days during the year & 5 days at a time. In case of Mr. Kripal Singh 8 days of casual leave was granted during the year 2014, subject to the limit of not more than 8 days during the year & 5 days at a time. In case of Mr. Kripal Singh 8 days of casual leave was granted during the year & 5 days at a time. In case of Mr. Kripal Singh 8 days of casual leave was granted during the year & 5 days at a time. The records of casual leave were maintained in personal files and found to be as per the limit prescribed by Central government.

EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

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Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

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Date: Place: New Delhi

NEW DELHI CAMPUS Bank & Cash Payment

PROCESS AUDIT REPORT

(F.Y. 2014-15)

GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060

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Process Audit - Bank and cash payment

Flowchart-Payment Process through Bank



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Process Areas	Existing Process	Mapping with Existing Process	Process Improvement/Sugges tions
1. Bank Payment Process	After receiving the file for release of payment by accossection from concerned department after getting the approval in respect of any payment, following proced are followed • Payment voucher is prepared by the authorize person in Accounts Section after verification of approvals and supporting documents and sign him on Voucher. • Vouchers along with supporting documents are checked by another person in Account Section signed by him on Vouchers. • Payment file along with voucher is referred to cashier and Cheques are prepared by cashier cheque issue register are maintained by cashier cheque issue register are sent to concerned official for signing the cheque and approving payment voucher. • Signature of cheque signing person are also to on cheque issue Register. • As per Delegation of Power for cheque signing limit are as under:- Name of official Cheque Signing limit upto amount(Rs.) Sh Dinesh khosla 10,000/- Individu (Account officer) Sh Yogender singh, 25,000/- Individu	basis and verified payment process along with concerned file. Which are as follow: d 1.Voucher No.698 dated 26.08.2014, Amt Rs 1,05,599 cheque No 001982 Ref file- NIFT/MCD/Water/-06 ed by Ref file- NIFT/MCD/Water/-06 2. Voucher No. 700 dated 26.08.2014, Amt Rs 3,00,000 Cheque No 5465 -70 Ref. file - Ethopia Student > Voucher has not been approved by authorized person. nd 3.Voucher No 379 dated 20.06.2014, Amt Rs 3,30,975 cheque No 5402 Ref file -NIFT/DC/PO/Projector. nd 3.Voucher No 384 dated 23.06.2014, Amt Rs 3,30,975 cheque No 5402 Ref file -NIFT/DC/PO/Projector. ne 5.Voucher No 384 dated 23.06.2014, Amt Rs 30,000 Cheque no 5442-45 Ref. file -NIFT/DC/Estt/CEA/Admin scen 5.Voucher No 206 dated 21.05.2014, Amt Rs 11,35,510 Cheque No 5100 Ref file- NIFT/DC/02/Building/Elect. g, the The serial numbers of All payment vouchers have not generated by system. They are put up manually by staff on voucher. Illy Delegation of power as prescribed in NIFT Manual is exercised properly.	Vouchers should be generated through system to avoid manipulation.

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	Dy Director (F & A)		
	Sh Dinesh Rangra	Rs. 100,000/-	Individually
	(Joint Director)		
	Dr.Vandana Narang	Rs. 100,000/-	Individually
	(Director)		
	Dr.Vandana Narang	Above	Jointly by
	(Director)	Rs.1,00,000/-	any of two
	Sh Dinesh Rangra	Upto Rs	
	(Joint Director)	10,00,000/-	
	Sh Yogender singh,		
	Dy Director (F & A)		
	Sh Dinesh khosla		
	(Account officer)		

• Preparation of cheque

a) On the basis of the payment voucher duly passed for payment by the competent authority the Assistant of Cash Management Section shall prepare cheques (by means of cheques typewriter) duly crossed "Account Payee".

b) The assistant preparing/ typing cheques shall initials the counter- foils of the cheques in token of verifying that the contents of the cheques and counter-foil are the same.

c) If a cheque is cancelled, being not properly prepared, both the foils shall be cancelled by the officer signing the cheque. The original cancelled foils shall be attached with the counter-foil in the cheque book.

d) The number of the cancelled shall also be noted and entered in the Bank Book in order to maintain the continuity of the cheque numbers in the serial order.

- Cheque prepared on the basis of payment voucher is sent to concerned party by the Accounts Section.
- Proper recording of all transactions is done on daily

basis.

- Cheques were prepared on basis of payment voucher after payment approved by concern division.
- Cheques were prepared manually "A/C Payee" and signed by authorized persons.
- A cheques issue register was maintained containing following columns; Dates, Name of party to which cheque to be issued, Amount of cheque, Cheque Number, Cheque signing authority, cancellation of cheques. However Signatures of authorized persons were not taken on Cheque issue register.
- Monthly Bank reconciliation statement was prepared to consider outstanding cheques and to reverse stall cheques.
- Cheque receiving register was not maintained by Account Section.

Cheque receiving register should be maintained.

Cheque issue register should

be updated.

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	 basis in respect of receipt and payment. BRS should be done on monthly basis. Each Centre & Head Office shall Reconcile each Cheque with the Bankbook and prepare a list of outstanding Cheque. Proper filing and maintenance of Cash / Bank Receipt and Payment Vouchers in numerical order. Arranging transfer of fund from Center bank A/c to other center/head office bank A/c and vice-versa on basis of approval of competent authority. 		
2. Cash Payment process		No transaction is carried out in cash at Delhi Campus. They neither pay cash nor accept any cash and transact only through Banks.	
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EXPRESSION OF GRATITUDE

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Thanking you, Yours truly,

For Gianender & Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

Date: Place: New Delhi

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Process Audit - Bank and cash payment

Flowchart-Payment Process through Bank







Process Areas	Existing Process		Mapping with Existing Process	Process Improvement/Suggestion
1. Bank Payment Process	After receiving the file for release of accounts section from concerned d getting the approval in respect of a following procedures are followed• Payment voucher is prepare authorized person in Account after verification of approve supporting documents and on Voucher.• Vouchers along with support documents are checked by in Account Section and sign 	epartment after ny payment, ed by the nts Section als and signed by him orting another person ed by him on ocher is referred prepared by gister are ment voucher are sent to og the cheque t voucher. person are Register. wer for cheque er:- t Individually	 We have selected 3 payment voucher on sample basis and verified payment process along with concerned file. Which are as follow: I.Voucher no 1105 dated 04.12.2014, Amt Rs 20,37,665cheque No 008792-008812 Ref file- Procurement Capital Item 2013-14 Voucher No.1100dated 02.12.2014, Amt Rs 6,85,954 Cheque No 009613-009619 J.Voucher No1139 dated 16.12.2014, Amt Rs 1,59,872cheque No 008858-008859 Ref file – Admin/Tender/2014-15 The voucher No. entered in respective vouchers (Hard Copies) and books maintained in tally were found to be different. Delegation of power as prescribed in NIFT Manual is not being exercised properly as multiple cheques for single vouchers is being issued as can be observed from above sample vouchers. Transactions were recorded on daily basis. Cheques were prepared on basis of payment voucher after payment approved by concern division. Cheques were prepared manually "A/C Payee" and signed by authorized persons The original cancelled foils was attached with the counter-foil in the cheque books. A cheques issue register was maintained containing following columns; S. No., Dates, Cheque No Name of Expense, Name 	 The voucher No. entered in respective vouchers (Hard Copies) and books maintained in tally should be same. Delegation of power as prescribed in NIFT Manual should be exercised properly. Cheque issue register should be updated timely. Cheque receiving register should be maintained.

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Dy. Director	I
Account	
Officer	

• Preparation of cheque

a) On the basis of the payment voucher duly passed for payment by the competent authority the Assistant of Cash Management Section shall prepare cheques (by means of cheques typewriter) duly crossed "Account Payee".

b) The assistant preparing/ typing cheques shall initials the counter- foils of the cheques in token of verifying that the contents of the cheques and counter-foil are the same.

c) If a cheque is cancelled, being not properly prepared, both the foils shall be cancelled by the officer signing the cheque. The original cancelled foils shall be attached with the counter-foil in the cheque book.

d) The number of the cancelled shall also be noted and entered in the Bank Book in order to maintain the continuity of the cheque numbers in the serial order.

- Cheque prepared on the basis of payment voucher is sent to concerned party by the Accounts Section.
- Proper recording of all transactions is done on daily basis in respect of receipt and payment.
- BRS should be prepared on monthly basis.
- Each Campus & Head Office shall reconcile each Cheque with the Bankbook and prepare a list of outstanding Cheque.
- Proper filing and maintenance of Cash /

of party to whom cheque is issued, Amount of cheque, However it was found to be updated on 30.6.2014 and no entry was passed after 30.06.2014.

- Monthly Bank reconciliation statement was prepared to consider outstanding cheques and to reverse stale cheques but entries for stale cheques were not passed by campus.
- Cheque receiving register was not maintained by Account Section.

	 Bank Receipt and Payment Vouchers in numerical order. Arranging transfer of fund from Campus bank A/c to other campus/head office bank A/c and vice-versa on basis of approval of competent authority. 		
2. Cash Payment process		No transaction is carried out in cash at Kangra Campus. They neither pay cash nor accept any cash and transact only through Banks.	

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For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

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Date: Place: New Delhi

HEAD OFFICE ; Bank & Cash Payment

PROCESS AUDIT REPORT

(F.Y. 2014-15)

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GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, GeetaMandirMarg, New Rajinder Nagar New Delhi - 110060

Process Audit - Bank and cash payment

Flow Chart for Payment Process through Bank



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Process Areas	Existing	Process	Mapping with Existing process	Process Improvement/Suggestion s
1. Bank Payment Process	 (Preparer) in Accounts approvals along suppor signed by him. Vouchers along with suchecked by another pesection and further signed. Payment file along with cashier for preparation register is also maintain. The cheque along with supporting documents for signing the cheque voucher. Signature of cheque signed cheque issue Register. As per Delegation of limit are as under:- 	ed department for release of are followed :- epared by an authorized persor Section after verification of ting documents and further upporting documents are rson (Checker) in Account hed by him. In voucher is forwarded to of cheque. Cheque issue hed by cashier. payment voucher and are sent to concerned official and approving the payment uning person are also taken on Power for cheque signing, the peque Remarks	 Rs 58800, Cheque No 32691. Ref. File -1351/(216)/NIFT/purchase -/part file I (Purchase of desktop) 2Voucher No 564 dated14.07.2014, Amount Rs 2,20,206, Cheque No 32741 Ref File -1351/(193)/NIFT/Purchase/-2013 part File I(Purchase of printer) 3.Voucher No.214 dated 07.05.2014, Amount Rs 1,08,886, Cheque No32310 Ref File -1312/(227)/Hiring of rental taxi service /admin dept 4. Voucher No 371 dated 04.06.2014, Amount Rs 2530, Cheque no 32484 Ref. file - Noting /Accounts dept (Payment of Internal auditor's Expenses) 5. Voucher no 876 dated11.09.2014, Amount Rs 1, 2050, Chegue no 200820 	
	A	oto mount(<u>Rs.)</u> 5,000/- Individually	• Transactions were recorded on daily basis.	

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Sh Abdul Malik , Dy Director (F & A)	25,000/-	Individually
ShAnand Kumar Kedia , Director (F & A)	Rs. 100,000/-	Individually
MsAsha Rani, Assistant Director Sh S P Singh , Dy Director (F & A) Sh Abdul Malik,Dy Director (F & A) ShAnand Kumar Kedia Director (F & A)	Above Rs.25,000 /-	Jointly by any of two

• Preparation of cheque

a) On the basis of the payment voucher duly passed for payment by the competent authority the Assistant of Cash Management Section shall prepare cheques (by means of cheques typewriter) duly crossed "Account Payee".

b) The assistant preparing/ typing cheques shall initials the counter- foils of the cheques in token of verifying that the contents of the cheques and counter-foil are the same.

c) If a cheque is cancelled, being not properly prepared, both the foils shall be cancelled by the officer signing the cheque. The original cancelled foils shall be attached with the counter-foil in the cheque book.

d) The number of the cancelled cheque shall also be noted and entered in the Bank Book in order to maintain the continuity of the cheque numbers in the serial order.

Cheque prepared on the basis of payment voucher is

- Cheques were prepared on basis of payment voucher after expenses approved by concern department.
- "A/C Payee" Cheques were prepared manually and signed by authorized persons
- A cheques transit register was maintained containing following columns; Dates, Name of party to which cheque to be issued, Amount of cheque, Cheque Number, Cheque signing authority, cancellation of cheques.
- Monthly Bank reconciliation statement was prepared to consider outstanding cheques and to reverse stalls Cheques.
- Cheque/Draft Register for recording received cheques/drafts was also separately maintained containing following columns; Date of receipt, Party name from which Cheque/Draft received, Cheque/Draft number, Amount, Date of deposit, Receipt No., Accounting Head.

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	sent to concerned party by the Accounts Section.		
	 Proper recording of all transactions is done on daily basis in respect of receipt and payment. 		
	BRS should be done on monthly basis.		
	 Each Campus & Head Office shall reconcile each Cheque with the Bankbook and prepare a list of outstanding Cheque. 		
	 Proper filing and maintenance of Cash / Bank Receipt and Payment Vouchers in numerical order. 		
399) 39	 Arranging transfer of fund from Center bank A/c to other center/head office bank A/c and vice-versa on basis of approval of competent authority. 		
ک			
2. Cash Payment process	After getting the expenses approval, file is received by Accounts Section from concerned department for release of payment, following procedures are followed :-	 There was only single cash payment transaction which is as below. Voucher No.1 dated 16 June,2014 Amount Rs 1302 	
	Payment voucher is prepared by an authorized person (Preparer) in Accounts Section after verification of	(Hospitality Expenses)	
	approvals along with supporting documents and further signed by him.	Proper approval was taken.	
	 Vouchers along with supporting documents are checked by another person (Checker) in Account Section and further signed by him. 	 Cash Book is maintained in both physical form as register in proper manner and on tally software and initialed by authorized person. 	
	• Payment file with voucher is forwarded to Senior Officer of account section for approval.	 Cash book was checked by competent person whenever transactions took place. 	
	 Payment file along with voucher is forwarded to cashier for release of cash 	 Voucher is signed by authorized person and payment approved by competent person. 	



• The Cash-book should be regularly and completely checked. Total lying should be verified and initialed it as correct

• At the end of month, Head of office should verify the cash balance in the Cash-book and record a signed and dated certificate to that effect

 The Cash-books should be bound in convenient volume and page numbered. Before bringing a Cashbook in use, the Head of office or the officer nominated should count the number of pages and record a certificate of count on the first page of the Cash-book.

 The cash Chest/Almirah should be secured by two locks of different patterns so that the key of one do not fit into the other.

 Physical verification of cash should be carried out within a fixed interval of time.

 Money insurance policy & Fidelity -individual named policy should be taken to avoid the risk of cash theft and destroy etc.

- Whenever transaction was carried out, entry had been passed in cash Book.
- Physical verification of cash has been carried out quarterly by internal auditors.
- Money insurance policy & Fidelityindividual named policy were taken for the period up to Feb 15, 2015.
- Cash Chest /almirah is secured by two locks with different pattern.

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EXPRESSION OF GRATITUDE

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Thanking you, Yours truly,

For Gianender & Associates Chartered Accountants FRN.-004661N

(ManjuAgrawal) Partner MRN: 083878

Date: Place: New Delhi

Establishment Expenses

PROCESS AUDIT REPORT

(F.Y. 2014-15)

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GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, GeetaMandirMarg New Rajinder Nagar New Delhi - 110060

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Process Areas	Existing Pro	cess	Mapping with Existing Process	Process Recommendation/Suggestions	
1. Establishment Expenses					
Cash Handling Allowance to Cashiers	 The amount of receipts s account. Allowance is paid on the of cash disbursements d year. Security of requisite amou otherwise exempted by co. Allowance granted from cashier or from the date accepted forms of security. Not admissible to UDC handling is part of their jol . Average monthly cash disbursed UptoRs. 50,000 Over Rs. 50,000 and upto Rs 2,00,000 Over Rs. 5,00,000 and upto Rs 10,00,000 Over Rs. 10,00,000	basis of average amount luring previous financial int to be furnished unless impetent authority date of appointment as risk is covered through cum cashiers as cash b. Amount(Rs.) 188 300 400	Delhi Centre does not deal in cash transaction except for payment of some petty expenses. Maximum amount of disbursements was found to be up to Rs. 60,000. Presently, only one cashier is on roll i.e Mr. Mohan Prasad. However, no security of requisite amount is furnished by the above mentioned cashier before receipt of such amount. There is only a verbal understanding among cashier and the competent authority that in case of defalcation/loss/misappropriation of cash or as the case may be head cashier will be responsible to compensate the loss caused by such loss which is in contravention to rules mentioned alongside	Nil	
Washing Allowance	 Applicable for Group C employ Campuses. Rate Rs. 60/- per month 		Two cases were selected at random i.e. of Mr. Ramesh Kumar [Assistant] & Madan Ram [MTS].	Nil	
	 No Deduction during period of Undertaking- Staff to whom v needs to give undertaking that uniform else they will not be p washing allowance. 	washing allowance is given they will report on duty in	All the conditions were fulfilled from time to time before granting of washing allowance and undertaking is received from them.		
Hill Area Allowance	Special Hill Area allowance Government Employees at ad			Nil	

		t	below	:-						
			Cate	gory of E	mployees	(Rs.) Altituo mts	per Mont de of 100 and abov sea level	00		
			•	Rs 5 above Pay	e Pay of ,400 and e Scale of and above	Rs. 60				
				Grade	e Pay of than Rs.		80/-			
(305)		1							•	
MON (Hardship Allowance to Faculty	t a	be tra as nev of gra	nsferred/ w centers idation a	posted to to open	existing in future elow for	NIFT Cen shall be a period	ng faculty to tre's as well on the basis of 5 years	employees of Delhi Campus	Nil
		r	No.	Grade	Туре		me of the D	fficer		
				A	Hard	Shil	long, Kannu	r & Kængra		
				8	Semi-Hæd	Rae	- Barti	•		
		3	Æ,	ېر د رو	soft	Patr Shu	ra. Mohali, E bneshwar 8	lhopal, Jodhpur		
	S Designation Type A No. Centres (Rs.)				Centres	Type B Gentres (Rc.)	Type C Centres (Ra.)			
		1		Professor Associate F	rofessor	10,000/ 6,000/-	6.000/- 4.000/-	3,000/- 2.508/-		
		3		Assistant P		4,000/-	2,580/-	2,000/-		·

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Special Pay	to respo are not for the addition grade pa	nsibilities and arc specified in job d specific position al remuneration	ch involve specific duous nature of du lescription when a subject to condit shall not exceed yee up to maximut	ities that opointed ion that 20% of	We verified case of one employee on sample basis. He was receiving special pay as per the entitlement i.e.	Nil
Reimbursement of Hospitality Expenses (Staff Welfare)		of Hospitality expenses is as foll	penses which is als lowed	o known	 We have selected at random two cases of the underlying process of three employees namely (a) Mr. V.K. Dua (Associate Professor) 	Nil
	Category	Group	Revised		(b) Mr. Yogender Singh (DD F&A)	
	Category-I Category-II	not having administrativ responsibility Centres and	culty Rs. 4 ving per mo ve y as d of in the HO fficers + month Rs. 2 nembers per mor ve y in the HO	00/- 1th	 In case (a) reimbursement claimed and paid for one quarter amounting Rs. 600/- subject to the maximum of Rs. 600/- for Category-II officials. In case (a) reimbursement claimed and paid for two quarter amounting Rs. 1,200/- subject to the maximum of Rs. 1,200/- for Category-I officials. The process regarding reimbursement of hospitality expenses was found to be correct and no major lapses were found in the process. Besides the entry in the accounting software, corresponding entry is also passed in Register maintained with the concerned official and it is vetted by his controlling officer from time to time. 	
	Category-III	Group C & D	Rs. 1 per moi	.00/- 1th	,	
Reimbursement of Telephone Charges		g broadband an	ent of residential to d mobile phone c	elephone		Nil
•	Designation/F	Post Am	nount(Rs.)			
	Director/Senior		3200/- per month	1	• In case of Mrs. Ashima Tiwari reimbursement was	
(307 402	Reimbursement of Newspaper & Magazine Expenses	Coordinators (IL) Other faculty members The reimbursement shall be o Reimbursement of teleph the basis of production of half yearly basis as the cas The process should be p claiming the reimbursemen attaches along with reimbursement and is give Controlling Officer pas department for paymen approval. Besides the entry in corresponding entry is s	none allowances is strictly of bills on monthly, quarterly of e may be. properly followed. The perso ent fills up prescribed form it the relevant bills for ent o his controlling officer. ses the file to account the accounting software should be passed in Register erned official and it is vetted be time to time. ty/officials are not entitled to expenses. re on newspaper/magazines to deputationists) and all facult vels of AR shall be restricted to account of purchase of	or n & or * * * * * * * * * * * * *	 Claimed from April 14 to Sept 14 anothing Ks. 9,034/-, but was eligible for Rs. 400/- month i.e 400*6 = Rs. 2,400/- was sanctioned on production of bills. The process was properly followed. In all cases, person claiming the reimbursement fills up prescribed form & attaches along with it the relevant bills for reimbursement and is given to his controlling officer. Controlling Officer passes the file to accounts department for payment after giving his requisite approval of campus director. Besides the entry in the accounting software, corresponding entry is passed in Register maintained with the administration department and it is vetted by his controlling officer from time to time. No such case noticed during our verification. We have selected at random two cases of the underlying process of three employees namely Mr. Vijay Kumar Dua (Associate Professor) In case (a) Reimbursement claimed for first 	
----------	--	--	---	---	---	-------------
		SDAC, CIC and Coordinators (IL) Other faculty members The reimbursement shall be o Reimbursement of teleph the basis of production of	n production of bills only. none allowances is strictly o bills on monthly, quarterly o		claimed from April'14 to Sept'14 amounting Rs. 9,034/-, but was eligible for Rs. 400/- month i.e 400*6 = Rs. 2,400/- was sanctioned on production of bills. The process was properly followed. In all cases, person claiming the reimbursement fills up prescribed form & attaches along with it the	- - -
	,	Deputy Registrar & Other equivalentAdmn. Officers Asst. Director / Asst. Registrar / Other equivalent Admn. Officers	Rs.2500/- per month Rs.1500/- per month Rs.800/- per month	•	claimed from April'14 to Sept'14 amounting Rs. 5,159/-, but was eligible for Rs. 750/- month i.e 750*6 = Rs. 4,500/- was sanctioned on production of bills. In case of Mr. Yogender Singh reimbursement was claimed from April'14 to Sept'14 amounting Rs. 9,000/-, and was eligible for the same on production of bills. In case of Mrs. Jasmine Dixit reimbursement was	

	Honorarium/Incentiv es	intermittent character paid	nses. cial work of an occasional or d to an employee from the State/ Union Territory and prior	 Reimbursement of newspaper & magazine expenses was made strictly on the basis of production of bills on quarterly basis. Besides the entry in the accounting software, corresponding entry is not passed in Register maintained with the concerned official. Since Delhi Campus is not dealing in academic affairs related to students, therefore there were no major transaction were found in the books of accounts of 	
	Medical/OPD	sanction of the competent a work is undertaken.	uthority is necessary before the nt limit for NIFT employees is	Delhi Campus relating to payment of honorarium/incentives.	
	Expenses reimbursement	revised as follows:-	, muc tor mict employees is	 we have selected at random two cases of the livit underlying process of three employees namely (a) Mrs. Garima Anand (Associate Professor) 	2
	,	Group	Amount (Rs.)	(b) Mr. Ashok Kumar Sharma (Steno Grade)	
N		Group A Officials	20,000/-		
2	Į.	Group B Officials	18,000/-	In case (a) reimbursement claimed and paid for	
رت		· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	two quarters amounting Rs. 16,020/- subject to	
204 13		 Group C Officials Group D employees have Group C officials after th Commission. The above quarterly. The reimburseme prescribed above. No bills a OPT treatment. For other k be produced if the claim gementioned above. Recently Thematic Audit & Auditor General of Ine the period of FY 2012-1 were produced for OPD pointed out in Finance & So establishment depart 11/THEMATIC AUDIT/2 made mandatory for all of 	16,000/- been included in category of ne enforcement of Sixth Pay amount shall be reimbursed ent shall be restricted to limits re required to be produced for inds of treatment, bill needs to bes over prescribed amount as was conducted by Comptroller dia in the campuses of NIFT for 3. It was observed that no bills treatment by the claimant as		

Director/Accounts Officer				· · · · · · · · · · · · · · · · · · ·					
Reimbursement of Children Tuition Fees Payment of children Tuition Fees should be as per the limit prescribed by government rules & regulations and done usually on quarterly or half yearly basis. We verified two cases on sample basis of Mr. Dinesh Kumar Rangra (Joint Director & Mr. Director General A sper Actual Director Seneral A sper Actual Director Seneral Benor Professor Benor Professor Assistant Bo00/- Benior Professor Assistant Professor Bo00/- Benior Professor Bonor Professor			 Also it was pointed out employees who are on r and who were getti reimbursement under [0 	olls on deputation basis in NIF ing the facility of medica CGHS] in their previous office	T al				
Birectors 20,000/- Registrars 15,000/- Deputy Registrar 12,000/- Assistant 8,000/- Director/Accounts Officer Faculty Senior Professor 20,000/- Associate Professor 12,000/- Associate Professor 8,000/- Assistant Professor 8,000/- Associate Professor 8,000/- Assistant Professor 8,000/- Associate Professor 8,000/- Assistant Professor 8,000/- Reimbursement of Children Tultion Fees Payment of children tuition fees is allowed to all NIFT staff Reimbursement of Children Tultion Fees Payment of Children Tuition Fees should be as per the limit prescribed by government norms • We verified the process of two employee on sample basis and found the claim to be as per the prescribed rules namely Nil (a) Mr. Abdul Ahad Roomi Ansari (Accounts Assistant) (b) Mrs. Ananya Mitra (Asst. Professor) • Reimbursement of Children Tuition Fees is as per the limit prescribed by government rules & regulations and done usually on quarterly or half yearly basis. • In case (a) Reimbursement claimed from April'14 to Dec'14 amounting Rs. 13,610/- which was in the limit of Maximum Rs. 13,000/ • In case (b) Reimbursement claimed from April'14 • In case (b) Reimbursement cl		Housing Incentives	graded basis in metropolitan cities i.e Delhi, Kolkata, Mumbai, Chennai, Bangalore & Hyderabad in lieu of House Rent Allowance. For non-metropolitan states, incentives will be reduced to 75% of below mentioned limits. Administration Officers Amount (Rs.)		a, e	Incentives) is as per the limit described in rules alongside. We verified two cases on sample basis of Mr. Dinesh Kumar Rangra (Joint Director) & Mr. Dinesh Kochar (Accounts Officer) and observed that HRA is paid as per the entitlement of the			
Registrars 15.000/- Deputy Registrar 12,000/- Assistant 8,000/- Director/Accounts Officer - Faculty - Senior Professor 20,000/- Assistant Professor 12,000/- Associate Professor 12,000/- Assistant Professor 8,000/- Payment of Children tuition fees is allowed to all NIFT staff • Mill * * Beimbursement of Payment of Children Tuition Fees should be as per revised rates prescribed by government norms • Reimbursement of Children Tuition Fees should be as per the limit prescribed by government rules & regulations and done usually on quarterly or half yearly basis. • Beimbursement of Children Tuition Fees is as per the limit prescribed by government rules & regulations and was done usually on quarterly or half yearly basis. • Nil (a) Mr. Abdul Ahad Roomi Ansari (Accounts Assistant) • Beimbursement of Children Tuition Fees is allowed to all NIFT staff						respective employee.			
Note Deputy Registrar 12,000/- Assistant 8,000/- Director/Accounts Officer - Faculty - Senior Professor 20,000/- Assistant Professor 12,000/- Assistant Professor 12,000/- Assistant Professor 12,000/- Assistant Professor 8,000/- Reimbursement of Payment of children tuition fees is allowed to all NIFT staff maximum up to 2 children as per revised rates prescribed by government norms Wr. Abdul Ahad Roomi Ansari (Accounts Assistant) (b) Mrs. Ananya Mitra (Asst. Professor) • the limit prescribed by government rules & regulations and done usually on quarterly or half yearly basis. • egulations and was done usually on quarterly or half yearly basis. • In case (a) Reimbursement claimed from April'14 to Dec'14 amounting Rs. 13,610/- which was in the limit of						The process followed for eleming the			
Director/Accounts Officer	1				•	•	1		ľ
Director/Accounts Officer	Ŏ)		, , ,		,			
Faculty Senior Professor 20,000/- Associate Professor 12,000/- Assistant Professor 8,000/- Assistant Professor 9,000 criment norms Reimbursement of Children Tuition Fees should be as per ergulations and done usually on quarterly or half yearly basis. Reimbursement of Children Tuition Fees is as per the limit prescribed by government rules & regulations and ergulations and was done usually on quarterly or half yearly basis. In case (a) Reimbursement claimed from April'14 to Dec'14 amounting Rs. 13,610/- which was in the limit of Maximum Rs. 18,000/ In case (b) Reimbursement claimed from April'14 <th>39</th> <th></th> <th></th> <th>8,000/-</th> <th> ·</th> <th>no futtier anprovements/changes are suggested.</th> <th></th> <th></th> <th></th>	39			8,000/-	·	no futtier anprovements/changes are suggested.			
Output Description 22,000/- Associate Professor 12,000/- Assistant Professor 8,000/- Reimbursement of Children Tuition Fees Payment of children tuition fees is allowed to all NIFT staff at fixed amount i.e. @ Rs. 1,500 per month per child with maximum up to 2 children as per revised rates prescribed by government norms • We verified the process of two employee on sample basis and found the claim to be as per the prescribed rules namely Nil (a) Mr. Abdul Ahad Roomi Ansari (Accounts Assistant) (b) Mrs. Ananya Mitra (Asst. Professor) • Reimbursement of Children Tuition Fees is as per the limit prescribed by government rules & regulations and done usually on quarterly or half yearly basis. • Reimbursement of Children Tuition Fees is as per the limit prescribed by government rules & regulations and was done usually on quarterly or half yearly basis. • In case (a) Reimbursement claimed from April'14 to Dec'14 amounting Rs. 13,610/- which was in the limit of Maximum Rs. 18,000/	·d		· · · · · · · · · · · · · · · · · · ·						
Associate Professor 12,000/- Assistant Professor 8,000/- Reimbursement of Children Tuition Fees Payment of children tuition fees is allowed to all NIFT staff at fixed amount i.e. @ Rs. 1,500 per month per child with maximum up to 2 children as per revised rates prescribed by government norms Reimbursement of Children Tuition Fees should be as per the limit prescribed by government rules & regulations and done usually on quarterly or half yearly basis. • We verified the process of two employee on sample basis and found the claim to be as per the prescribed rules namely (a) Mr. Abdul Ahad Roomi Ansari (Accounts Assistant) (b) Mrs. Ananya Mitra (Asst. Professor) • Reimbursement of Children Tuition Fees is as per the limit prescribed by government rules & regulations and done usually on quarterly or half yearly basis. • We verified the process of two employee on sample basis and found the claim.to be as per the prescribed rules namely (a) Mr. Abdul Ahad Roomi Ansari (Accounts Assistant) (b) Mrs. Ananya Mitra (Asst. Professor) • Reimbursement of Children Tuition Fees is as per the limit prescribed by government rules & regulations and was done usually on quarterly or half yearly basis. • In case (a) Reimbursement claimed from April'14 to Dec'14 amounting Rs. 13,610/- which was in the limit of Maximum Rs. 18,000/ • In case (b) Reimbursement claimed from April'14	ō						1		
Associate Professor 12,000/- Assistant Professor 8,000/- Reimbursement of Children Tuition Fees Payment of children tuition fees is allowed to all NIFT staff at fixed amount i.e. @ Rs. 1,500 per month per child with maximum up to 2 children as per revised rates prescribed by government norms • We verified the process of two employee on sample basis and found the claim to be as per the prescribed rules namely Nil (a) Mr. Abdul Ahad Roomi Ansari (Accounts Assistant) (b) Mrs. Ananya Mitra (Asst. Professor) • Reimbursement of Children Tuition Fees is as per the limit prescribed by government rules & regulations and done usually on quarterly or half yearly basis. • Reimbursement of Children Tuition Fees is as per the limit prescribed by government rules & regulations and was done usually on quarterly or half yearly basis. • In case (a) Reimbursement claimed from April'14 to Dec'14 amounting Rs. 13,610/- which was in the limit of Maximum Rs. 18,000/	Ĩ								
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Children Tuition Feesat fixed amount i.e. @ Rs. 1,500 per month per child with maximum up to 2 children as per revised rates prescribed by government norms Reimbursement of Children Tuition Fees should be as per the limit prescribed by government rules & regulations and done usually on quarterly or half yearly basis.sample basis and found the claim to be as per the prescribed rules namely (a) Mr. Abdul Ahad Roomi Ansari (Accounts Assistant) (b) Mrs. Ananya Mitra (Asst. Professor)• Reimbursement of Children Tuition Fees should be as per the limit prescribed by government rules & regulations and done usually on quarterly or half yearly basis.• Reimbursement of Children Tuition Fees is as per the limit prescribed by government rules & regulations and was done usually on quarterly or half yearly basis.• In case (a) Reimbursement claimed from April'14 to Dec'14 amounting Rs. 13,610/- which was in the limit of Maximum Rs. 18,000/	ŀ					· · · · · · · · · · · · · · · · · · ·		· · ·	
limit of Maximum Rs. 18,000/			at fixed amount i.e. @ Rs. 1 maximum up to 2 children as government norms Reimbursement of Children the limit prescribed by gove	1,500 per month per child wit s per revised rates prescribed b Tuition Fees should be as pe rnment rules & regulations an	h y (a) r (b)	 sample basis and found the claim to be as per the prescribed rules namely Mr. Abdul Ahad Roomi Ansari (Accounts Assistant) Mrs. Ananya Mitra (Asst. Professor) Reimbursement of Children Tuition Fees is as per the limit prescribed by government rules & regulations and was done usually on quarterly or half yearly basis. In case (a) Reimbursement claimed from April'14 to Dec'14 amounting Rs. 13,610/- which was in the limit of Maximum Rs. 18,000/ In case (b) Reimbursement claimed from April'14 to Dec'14 amounting Rs. 13,500/- which was in the 	Nil		

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	· · · · · · · · · · · · · · · · · · ·	reimbursement was found to be satisfactory.	
Salary & Perquisites	It is a sum of following sums:-	• We have verified the salary sheet of Mr. Dinesh	Nil
	Basic Pay	Kochar (Accounts Officer) & Mrs. Geeta Sharma	
,	Grade Pay	(Junior Assistant, Accounts) employees of NIFT for	
	Dearness Allowance	the month of October 2014. All the rules as	
	House Rent allowance	prescribed in Finance & Accounts Manual in	
	Travelling Allowance	conjunction with Swami's Handbook (Central	
	Consolidated Salary	Government Employees) have been diligently	
	 CPF/EPF & Administration Charges 	followed from time to time round the year.	
	Bonus		
	Leave Salary & Pension Contribution		
	Since NIFT is an institution managed by Ministries of		
	Textiles, Government of India, it is following rules and norms		
	prescribed by Government of India under Sixth Pay		
	Commission and other relevant circulars,		
	notifications issued till date.		

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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender& Associates **Chartered Accountants** FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

Date:

Place: New Delhi

KANGRA CAMPUS

Establishment Expenses

PROCESS AUDIT REPORT

(F.Y. 2014-15)

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GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg New Rajinder Nagar New Delhi - 110060





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INATIONAL INSTITUTE OF PASITION TECHNOLOUT

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Process Areas	Existing Pr	ocess	Mapping with Existing Process	Process Recommendation/2-gg estions
1. Establishment Expenses	· .			
Cash Handling Allowance to Cashiers	 cash disbursements durin Security of requisite and otherwise exempted by constrained from cashier or from the data accepted forms of security 	basis of average amount of g previous financial year. bunt to be furnished unless ompetent authority date of appointment as te risk is covered through	of ss as th	
	AveragemonthlycashdisbursedUpto Rs. 50,000Over Rs. 50,000 and upto Rs2,00,000Over Rs. 2,00,000 and upto Rs	Amount(Rs.) 188 300 400		
2	Over Rs. 2,00,000 and upto Rs 5,00,000 Over Rs. 5,00,000 and upto Rs 10,00,000 Over Rs. 10,00,000 Image: state st			
Washing Allowance	 Applicable for Group C employees at NIFT Kangra Campus. Rate Rs. 60/- per month No Deduction during period of Leave Undertaking- Staff to whom washing allowance is given needs to give undertaking that they will report on duty in uniform else they will not be provided with uniforms and washing allowance. 		No such allowance is given to employee.	Nil

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Hill Allowance	Area	•	ernment {			applicable issible rate			s been observed that Kang rea allowance as per rate Category of Employees	mentioned below.	Kangra Campus should pay Hill Area allowance as per the admissible rates.
		Ca	tegory of I	Employees	(Rs.) Altitue mts	per Month de of 1000 and above sea level			Grade Pay of Rs 5,400 and above Pay Scale of HAG and	(Rs.) Rs. 625/-	
		5,₄ Pa ab	ove		Rs. 60	0/-			above Grade Pay of less than Rs. 5,400/-	Rs. 500/-	
Hardship Hardship Allowance Faculty	to	• This tran to c give	sferred/po pen in fu n below f	sted to exis ture shall b or a perio	ting NIF e on th	0/- the existing T Campus a he basis of years from	s well as nev gradation a	/ s	uch allowance is given to tl	he employee	Nil
		1. 2.	AB	Type Hard Semi-Hard	Shill Rae-	se of the Offic long, Kannur 3 - Bareli	i. Kangra				
		3. 	C Designation	in T	Patri Bhui Type A Centres (Ra.)	Gentres C	spal, ochpur ype C entres Ra.)				
		1 2 3	Professor Associate Assistant i	Professor	10,000/- 6,000/- 4,000/-	4,000/- 2	.000/- .500/- .000/-				
Special Pay						volve specifi ature of du			erified case of one employ	ee Mr. Deepak	Nil

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	specific p remunera	osition subje ition shall not	ct to cond exceed 209	ien appointed ition that ado % of grade pay mit of Rs. 2,500	litional of the	re 20	shi (Assistant Professor) on sample basis. He was ceiving special pay as per the entitlement i.e. 1% of Grade Pay as prescribed by the rule up to aximum ceiling limit of Rs. 2,500/-	
Reimbursement of Hospitality Expenses (Staff	Reimbursement o staff welfare expe	· ·	•	hich is also kno	own as	ł	We have selected at random two cases of the underlying process of two employees namely) Mr. Manish Verma (Professor)	Nil
Welfare)	Category	Group	,	Revised Rates		4) Mr. Vinod Kumar Sharma(Assistant Professor) In case (a) reimbursement claimed and paid for	
	Category-I	Group A Of (including f members h administrat	aculty aving	Rs. 400/- per month	•	•	one quarter amounting Rs. 1200/- subject to the maximum of Rs. 1200/- for Category-I officials.	
		responsibili Unit In char of Units/He Departmen Centres and	rge/Head ad of t in the		 In case (b) reimbursement claimed and paid for one quarter amounting Rs. 600/- subject to the maximum of Rs. 600/- for Category-II officials. The process regarding reimbursement of hospitality expenses was found to be correct and no major lapses were found in the process. Besides the entry in the accounting software (tally), corresponding detailed is also maintained in cost centre (tally). 			
	Category-II	Group B (Rs.200/- pe Faculty not having administrat responsibili	r month members ive	Rs. 200/- per month				
	Category-III	Centres and Group C & I		Rs. 100/- per month				
Reimbursement of Telephone Charges	The limit of revis charges including mentioned as belo	g broadband		esidential tele	-	•	We have selected at random two cases of the underlying process of two employees namely	Nil
-	Designation/Pc	1	mount(Rs	.)]	(a) Ms. Shipra Sharma (Associate professor)	
	Director/Senior	R	s.3200/- pe		1	(b) Mr. Aman Kumar (Assistant Professor)	
	Professor/Chairp				4			
	Registrar / CAO/I	· · · · · · · · · · · · · · · · · · ·	s.2500/- pe			•	In case of Ms Shipra Sharma reimbursement	
	Deputy Registrar Equivalent Officers	& Other Re Admin.	s.1500/- pe	r month			was claimed from July'14 to Sept'14 amounting to Rs. 4,113/- and was eligible for Rs. 1500/- month i.e 1500*3 = Rs. 4,500/-was sanctioned	
					J		- accordingly on production of bills.	

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Reimbursement of Newspaper & Magazine Expenses	Registrar / Other equivalent Admin. Officers	ion of bills only. vances is strictly on the onthly, quarterly or half followed. The person up prescribed form & bills for reimbursement to accounts department e approval. software, corresponding ter maintained with the by his controlling officer als are not entitled to vspaper/magazines to all and all faculty members estricted to Rs. 275 (less baper/magazine by them zine expenses should be lls on monthly, quarterly	• • (a) (b) •	underlying process of three employees namely Ms. Chavi Goyal (Assistant Professor)	 Reimbursement of newspaper & magazine expenses should be made only on production of bill. Entry to be made in Register and should be vetted by his controlling officer from time to time.
		·		(tally), corresponding detailed is also	

Overtime Allowance	Payment of overtime allowance is restricted to Staff Car Drivers, operational staff and industrial employees; however the NIFT has made the eligibility more restrictive. Non-Gazetted staff drawing a pay more than Rs. 2,200 per month are eligible to claim the Overtime allowance There are different types of rates for different grades & posts of employees as mentioned in the Finance & Accounts manual &	 maintained in cost centre (tally). Manual registered is not provided to us for our verification. No such allowance is given to the employee 	Nil
Medical/OPD Expenses reimbursement	Swamy's Handbook for Central Government Employees. OPD/Medical reimbursement limit for NIFT employees is revised as follows:- Group Amount (Rs.) Group A Officials 20,000/- Group C Officials 16,000/- Group D employees have been included in category of Group C officials after the enforcement of Sixth Pay Commission. The above amount shall be reimbursed quarterly. The reimbursement shall be restricted to limits prescribed above. No bills are required to be produced for OPT treatment. For other kinds of treatment, bill needs to be produced if the claim goes over prescribed amount as mentioned above. • Recently Thematic Audit was conducted by Comptroller & Auditor General of India in the campuses of NIFT for the period of FY 2012-13. It was observed that no bills were produced for OPD treatment by the claimant as pointed out in Finance & Accounts Manual. • So establishment department vide order no NIFT/HO/E-11/THEMATIC AUDIT/2013 dated 13 th January 2014 made mandatory for all classes of employees to produce OPD medical bills in order to get the reimbursement of medical expenses. • Also it was pointed out during the audit that all the employees who are on rolls on deputation basis in NIFT and who were getting the facility of medical reimbursement under [CGHS] in their previous offices; these limits does not	 underlying process of three employees namely (a) Ms. Shipra Sharma (Associate Professor) (b) Mr. Nandan S. Bora (Joint Director) In case (a) reimbursement claimed and paid upto 31st December is Rs.10,000/- subject to the maximum of Rs. 20,000/- for Group A officials. In case (b) reimbursement claimed and paid upto 31st December is Rs.10,000/- subject to the maximum of Rs. 20,000/- for Group A officials. In case (b) reimbursement claimed and paid upto 31st December is Rs.10,000/- subject to the maximum of Rs. 20,000/- for Group A officials. This process is as per the procedure prescribed in the F&A manual. Besides the entry in the accounting software (tally), corresponding detailed is also maintained in cost centre (tally). 	

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		applies to said officials.			<u> </u>		
	Housing Incentives	The following incentives as			•	-	Nil
		graded basis in metropolitan				Incentives) is as per the limit described in rules	
	, ,	Chennai, Bangalore & Hyd				alongside. We verified two cases on sample	
		Allowance. For non-metrop reduced to 75% of below me		/III be		basis of Mr. S. K Bala Siddhartha (Director) &	
		Administration Officers				Mr. Niraj Kumar Jaiswal (Assistant Professor) and observed that HRA is paid as per the	
		Director General		`		entitlement of the respective employee.	
		···	As per Actual			The process followed for claiming the	
		Directors	20,000/-			reimbursement was found to be satisfactory	
		Registrars	15,000/- 12,000/-			and no further improvements/changes are	
		Deputy Registrar Assistant	8,000/-			suggested.	
		Director/Accounts Officer	8,000/-				
(319)		Faculty					
		Senior Professor	20,000/-				
		Associate Professor	12,000/-				
	()	Assistant Professor	8,000/-			·	
	Reimbursement of					We verified the process of two employee on	Nil
	Children Tuition	fixed amount i.e. @ Rs. 1				sample basis and found the claim to be as per	· · ·
	Fees	maximum up to 2 children				the prescribed rules namely	
ب	government norms					Mr. Devendra Kumar (Lab Assistant)	
		Reimbursement of Children	Tuition Fees should be as p	er the	1	Mr. Gulsher (Jr. Assistant)	
		limit prescribed by governm	nent rules & regulations and	done	1	Reimbursement of Children Tuition Fees is as	
		usually on quarterly or half y	early basis.			per the limit prescribed by government rules &	
						regulations and was done usually on quarterly	
						or half yearly basis.	
					•	In case (a) Reimbursement claimed from	
		•				April'14 to Dec'14 amounting Rs. 17,00/- which	Í
						was in the limit of Maximum Rs. 18,000/	
					•	In case (b) Reimbursement claimed from	
						April'14 to Dec'14 amounting Rs. 14,124/-	
						which was in the limit of Maximum Rs. 18,000/.	. ·
					•	The process followed for claiming the	
						reimbursement was found to be satisfactory.	
	Salary &	It is a sum of following sums:	-		•	We have verified the salary sheet of Mr. Dinesh	Nil
	Perquisites	Basic Pay				Kochar (Accounts Officer) & Mrs. Geeta Sharma	
		Grade Pay				(Junior Assistant, Accounts) employees of NIFT	
		Dearness Allowance House Boot allowance				for the month of October 2014. All the rules as	
		House Rent allowant	ce			prescribed in Finance & Accounts Manual in	

Travelling Allowance	conjunction with Swami's Handbook (Central	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
Consolidated Salary	Government Employees) have been diligently	<
CPF/EPF & Administration Charges	followed from time to time round the year.	
Bonus		
 Leave Salary & Pension Contribution 		
Since NIFT is an institution managed by Ministries of Textiles,		
Government of India, it is following rules and norms prescribed		
by Government of India under Sixth Pay Commission and other	×	- ·
relevant circulars, notifications issued till date.		

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EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender& Associates **Chartered Accountants** FRN.-004661N

(Manju Agrawal) Partner ω MRN:083878 3 5

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Date: Place: New Delhi

HEAD OFFICE Establishment Expenses

PROCESS AUDIT REPORT

(F.Y. 2014-15)

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GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060



Process Areas	Existing Process	5	Mapping with Existing Process	Process Recommendation/Su ggestions
1. Establishment Expenses				
Cash Handling Allowance to Cashiers	 The amount of receipts shoul account. Allowance is paid on the basis of cash disbursements during year. Security of requisite amount to otherwise exempted by compe Allowance granted from date cashier or from the date risk accepted forms of security. Not admissible to UDC cun handling is part of their job. Average monthly cash Amedisbursed UptoRs. 50,000 1888 Over Rs. 50,000 and uptoRs 300 2,00,000 Over Rs. 5,00,000 and uptoRs 400 5,00,000 Over Rs. 5,00,000 and uptoRs 500 10,00,000 Over Rs. 10,00,000 600 	s of average amount g previous financial o be furnished unless etent authority e of appointment as a is covered through m cashiers as cash	Head office does not deal in cash transaction except for payment of some petty expenses. Maximum amount of disbursements was found to be up to Rs. 60,000. Presently, only one cashier is on roll i.e. Mr. Mohan Prasad. However, no security of requisite amount is furnished by the above mentioned cashier before receipt of such amount. There is only a verbal understanding among cashier and the competent authority that in case of defalcation/loss/misappropriation of cash or as the case may be head cashier will be responsible to compensate the loss caused by such loss which is in contravention to rules mentioned alongside	Nil
Washing Allowance	 Applicable for Group C emplo Office & Campuses. Rate Rs. 60/- per month No Deduction during period of Le Undertaking- Staff to whom w given needs to give undertaking on duty in uniform else they will u uniforms and washing allowance. 	eave vashing allowance is that they will report not be provided with	Two cases were selected at random i.e. of Mr. Ramesh Kumar [Assistant] &Madan Ram (Multi Tasking Staff). All the conditions were fulfilled from time to time before granting of washing allowance and undertaking is received from them.	Nil

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Hill Area Allowance	•	oecial Hill Ar						
		elow:- Category of E	mnlovees	Rate	per Mont	h		
		Category of t	.mpioyees	(Rs.)	le of 100			
					and abov			
				mean	sea level			
			e Pay of	D 60	o.(
		Rs 5 abov	5,400 and	Rs. 60	0/-			
			e Scale of					
		•	and above					
			e Pay of		_			
		less 5,400	than Rs. D/-	Rs. 48	0/-			•
Hardship Allowance		nis grant of s				,		Nil
<u>to Faculty</u>		e transferred		-				
		s new center asis of grada	-					
•		ears from ope	-					
	S	No. Grade	Туре	Nan	ne of the Of	licer	· ·	
	1.	A	Hard	Shill	iong, Kannur	& Kangra		
	2.	B	Semi-Hard	Rze	- Bareli			
	3 .		- Soft	Patr Bhui	ia, Mohali, 8 bneshwar &	hopal, Jechpur		
	àirg d	1 67 <i>s 10</i> 7	<u>L</u>					
	5. #No		1	Type A Gentres (Ra_)	Type B Gentres (Rc.)	Type C Centres (Ra.)		
	× 14	Professor		10,000/-	6,030/-	3,000/-		
	2	Associate	Professor	6,000/-	4,000/-	2,500/-		
	3.	Assistant i	Professor .	4,000/-	2,500/-	2,000/-	·	
Special Pay	• t i	is allowed in	cases whicl	h involv	e specific	addition to		Nil
	res	sponsibilities	and arduo	us natu	re of duti	es that are	(Junior Assistant) on sample basis. He was receiving	
	no	t specified in	job descrip	tion w	nen appoir	nted for the	special pay as per the entitlement i.e. 20% of Grade	

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			ion subject to conditior shall not exceed 20% of		Pay as prescribed by the rule.	
	Reimbursement of Hospitality Expenses (Staff Welfare)	employee upto Reimbursement of	o maximum ceiling limit o f Hospitality expenses wh penses is as followed Group	of Rs. 2,500/-	 We have verified two cases on sample basis of following employees:- (a) Ms. Shweta Trehan (Junior Assistant) (b) Mrs. Vandana Bhandari (Dean) 	Nil
		Category-I	Group A Officers	Rates Rs. 400/- per month	 In case (a) reimbursement was made quarterly for category-III employee and she has claimed amount of Rs. 100/- month for hospitality expenses for 2 quarters. In case (b) reimbursement was made quarterly for 	
			responsibility as Unit Incharge/Head of Units/Head of Department in the Centres and HO		 category-I employee and she has claimed amount of Rs. 1,200/- month for hospitality expenses for 2 quarters. The process regarding reimbursement of hospitality expenses was found to be correct and 	
(320 42	• · ·	Category-II	Group B Officers + Rs.200/- per month Faculty members not having administrative responsibility in the Centres and HO	Rs. 200/- per month	 no major lapses were found in the process. Besides the entry in the accounting software, corresponding entry is also passed in Register maintained with the concerned official and it is vetted by his controlling officer from time to time. 	
	•	Category-III	Group C & D	Rs. 100/- per month		
	Reimbursement of Telephone Charges		d reimbursement of resident of resident of resident of resident of the second sec	•		Nil
		Designation/Po Director/Senior Professor/Chairp Registrar / CAO/F Deputy Registrar Equivalent Officers Asst. Director / A	Rs.3200/- per erson PE (Bldg.) Rs.2500/- per & Other Rs.1500/- per Admin.	r month r month r month	 In case of Mrs. Noopur Anand reimbursement was claimed from April'14 to Aug'14 amounting Rs. 16,000/-, and was eligible for the same on production of bills. In case of Mrs. Asha Rani Reimbursement was claimed from April'14 to Nov'14 amounting Rs. 6,400/-, and was eligible for the same on 	

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		Registrar / Other			production of bills.	
Í		equivalent		•	The process was properly followed. In all cases,	-
		Admin. Officers	·		person claiming the reimbursement fills up	
		Centre Coordinators RIC,	Rs. 750/- per month		prescribed form & attaches along with it the	
		SDAC, CIC and			relevant bills for reimbursement and is given to his	
		Coordinators (IL)			controlling officer.	
		Other faculty members	Rs.400/- per month	•	Controlling Officer passes the file to accounts	
		The reimbursement shall be	•		department for payment after giving his requisite	
		Reimbursement of telep	hone allowances is strictly	on	approval of campus director.	
		the basis of production of	of bills on monthly, quarterly	or 🖣	Besides the entry in the accounting software,	
		half yearly basis as the ca	se may be.		corresponding entry is passed in Register	
		• The process should be	properly followed. The perse	on	maintained with the administration department	
	`		nent fills up prescribed form		and it is vetted by his controlling officer from time	-
·		-	it the relevant bills f	for	to time.	
		_	en to his controlling officer.	•	No such case noticed during our verification.	
		•	sses the file to accour			
\neg			nt after giving his requisi	ite		
ဖွဲ	\	approval.				
)		n the accounting softwar			
			should be passed in Regist			
£			cerned official and it is vetted	by	~	
F		his controlling officer from		**		
Π		-	ulty/officials are not entitled	10		
		reimbursement of telephone	expenses.			
-	Reimbursement of	Reimbursement of expenditu	ure on newspaper/magazines	to •	We have verified two cases on sample basis of	Nil
	Newspaper &	-	deputationists) and all facu		following employees:-	
	Magazine		evels of AR shall be restricted		(a) Mr. Virender Ahuja (PS-II)	
	Expenses		account of purchase		(b) Mrs. Asha Rani (AD, Project In charge)	
	Expenses	newspaper/magazine by the			In case (a) reimbursement was made quarterly and	
1			er & magazine expenses shou	blu	has claimed amount of Rs. 1,800/- for newspaper	
			production of bills on month		& Magazine expenses for 2 quarters, but was	
		quarterly or half yearly basis	as the case may be.		restricted to Rs. 741/- quarter.	
				•	In case (b) reimbursement was made quarterly and	
					has claimed amount of Rs. 1,800/- for newspaper	
		During Sabbatical Leave fa	aculty/officials are entitled	to	& Magazine expenses for 2 quarters, but was	
		newspaper & magazine expe	nses.		restricted to Rs. 741/- quarter.	
					Reimbursement of newspaper & magazine	
					expenses was made strictly on the basis of	
-			· · · · · · · · · · · · · · · · · · ·			

			 production of bills on quarterly basis. Besides the entry in the accounting software, corresponding entry is also passed in Register maintained with the concerned official and it is vetted by his controlling officer from time to time. 	
32.8 423	Overtime Allowance	 Payment of overtime allowance is restricted to Staff Car Drivers, operational staff and industrial employees; however the NIFT has made the eligibility more restrictive. Non-Gazetted staff drawing a pay more than Rs. 2,200 per month are eligible to claim the Overtime allowance. For first one hour in excess of the prescribed hours nothing should be paid and thereafter at the rate of Rs. 12.50/- Overtime allowance in a month not to exceed one-third of monthly working hours. There are different types of rates for different grades & posts of employees as mentioned in the Finance & Accounts manual &Swamy's Handbook for Central Government Employees 	 duty from extra duty performed and thereafter was paid at the rate of Rs. 12.50/- hour on monthly basis. Overtime allowance for the month of September was paid to both employees amounting Rs. 625/- which does not exceed one-third of monthly working hours. 	Nil
H	onorarium/Incentiv s	It is remuneration for special work of an occasional or intermittent character paid to an employee from the Consolidated fund of India/ State/ Union Territory and prior sanction of the competent authority is necessary before the work is undertaken.	Since head office is not dealing in academic affairs related to students, therefore there were no major transaction were found in the books of accounts of head office relating to payment of honorarium/incentives.	Nil

Medical/OPD OPD/Medical reimbursement OPD/Medical reimbursement OPD/Medical reimbursement Nil Expenses reimbursement Group A Officials 20,000/ Group A Officials 20,000/ Group C Officials 18,000/ Group C Officials 18,000/ Group C Officials 18,000/ Group C Officials 18,000/ Group C Officials 16,000/ Group C Officials						
reimbursement	•		ent limit for NIFT employees	is •	· · · · · · · · · · · · · · · · · · ·	NII
Group Amount (Rs.) Group A Officials 20,000/- Group D Officials 18,000/- Group C Officials 18,000/- Group C Officials 16,000/- Group C Officials if the endry and the reimbursement claimed of port wo quarters amounting Rs. 13,372/- subject to the maximum of Rs. 18,000/- for Group B officials. Commission. This process is as per the procedure prescribed in the reimbursement shall be reimbursed amount as mentioned above. • Recently Thematic Audit was conducted by Comptroller & Auditor General of India in the campuses of NIFT for the period of FV 2012-13. It was observed that no bills were produced for ODI treatment by the claimant as pointed out in Finance & Accounts Manual. • So establishment department vide order no NIFT/HO/F-11/THEMATIC AUDIT/2013 dated 13 th January 2014 made mandatory for all classes of employees to produce or molical expenses. • Also it was pointed out during the audit that all the employees who are on orils on deputation basis in NIT and who were getting the facility of medical reimbursement uder CGCHS in their previous offices; these limits does not applies to said officials. Housing incentives The following incentives as hoapplies to said officials.		revised as follows:-				
Group A Officials Amount (Rs.) Group A Officials 20,000/- Group Cofficials 16,000/- Quartery. The enhorsement shall be reimbursed This process is as per the procedure prescribed in the F&M annual. Besides the entry in the accounting offware, corresponding entry was also manually recorded in Register maintained with the concerned official and it is vetted by his controlling officer from time to time. * Necently Thematic Audit was conducted by Comptroller & Auditor General of India in the campuses of NIFT for the period of FY 2012-13. It was observed that no bills were produced for OPD treatment by the claimant as pointed out in Finance & Accounts Manual. * So establishment department vide order no NIFT/HO/E-11/THEMATIC AUDIT/2013 dated 13" January 2014 made mandatory for all classes of employees to produce OPD medical bills in order to get the reimbursement of medical expenses. • Also it was pointed out during the audit that all the employees who are on rolls on deputation basis in NIFT and who were getting the facilily of medi	reimbursement					
Group A Officials 20,000/- Group D ficials 18,000/- Group D employees have been included in category of Group C officials after the enforcement of Sixth Pay Commission. The above amount shall be reimburse quartery. The reimbursement shall be reimburse quartery. The reimbursement shall be reimburse quartery. The reimbursement shall be restricted to limits prescribed above. No bills are required to be produced for OPT treatment. For other kinds of treatment, bill needs to be produced if the claim goes over prescribed amount as mentioned above. This process is as per the procedure prescribed in the F&A manual. • Recently Thematic Audit was conducted by Comptroller & Auditor General of India in the campuses of NIFT for the period of FY 2012-13. It was observed that no bills were produced to in Finance & Accounts Manual. Seestablishment department vide order no NIFT/HO/F- 11/THEMATIC AUDIT/2013 dated 13 ^m January 2014 made mandatory for all classes of employees to produce OPD medical bills in order to get the reimbursement of medical expenses. Nall the reimbursement of medical prepares. • Also it was pointed out during the audit that all the employees who are on rolls on deputation basis in in NIFT and who were getting the facility of medical reimbursement under [CGHS] in their previous offices; these limits does not applies to said officials. • Payment of House Rent Allowance (i.e Housing Incentives) is as per the limit described in rules						
Group A Officials 20,000/- Group D Officials 18,000/- Group D employees have been included in category of in case (b) reimbursement claimed for two Group D officials 16,000/-		Group	Amount (Rs.)	Ó	In case (a) reimbursement claimed and paid for	
Group B Officials 18,000/- Group C Officials 16,000/- Group C Officials 16,000/- Group C Officials after the enforcement of Sixth Pay in case (b) reimbursement chained for two quarters amounting Rs. 13,272/- subject to the maximum of Rs. 18,000/- for Group E officials. OPT treatment. For other kinds of treatment, bill needs to be produced if the claim goes over prescribed amount as mentioned above. This process is as per the procedure prescribed in the F&A manual. Besides the entry in the accounting software, corresponding entry was also manually recorded in Register maintained with the concerned official and it is vetted by his controlling officer from time to time. Physical Structure Recently Thematic Audit was conducted by Comptroller & Auditor General of India in the campuses of NIFT for the period of FY 2012-13. It was observed that no bills were produced for OPD treatment by the claimant as pointed out in Finance & Accounts Manual. So establishment department vide order no NIFT/HO/E-11/THEMATIC AUDIT/2013 dated 13 th January 2014 made mandatory for all classes of employees to produce OPD medical bills in order to get the reimbursement of medical expenses. Also it was pointed out during the audit that all the employees who are on rolls on deputation basis in NIFT and who were getting the facility of medical reimbursement under [CGHS] in their previous offices; these limits dees not applies to said officials. Housing Incentives The following Incentives as housing benefits will be paid on grade basis in metropolitan cities i.e Dethii, Kolkata, Payment of Hous		Group A Officials			two quarters amounting Rs. 10,189/- subject to	
Group C Officials 16,000/- In case (b) reimbursement claimed for two guarters amounting Rs. 13,372/- subject to the maximum of Rs. 18,000/- for Group B officials. Group C Officials after the enforcement of Sixth Pay In case (b) reimbursement claimed for two guarters amounting Rs. 13,372/- subject to the maximum of Rs. 18,000/- for Group B officials. Commission. The above amount shall be retricted to limits This process is as per the procedure prescribed in the F&A manual. Deproduced if the claim goes over prescribed amount as mentioned above. This process is as per the procedure prescribed in the F&A manual. Besides the entry in the accounting software, corresponding entry was also manually recorded in Register maintained with the concerned official and it is vetted by his controlling officer from time to time. Variation Recently Thematic Audit was conducted by Comptroller & Auditor General of India in the campuses of NIFT for the period of FY 2012-13. It was observed that no bills were produced for OPD treatment by the claimant as pointed out in Finance & Accounts Manual. So establishment department vide order no NIFT/HO/E-11/THEMATIC AUDIT/2013 dated 13 th January 2014 made mandatory for all classes of employees to produce OPD medical bills in order to get the reimbursement of medical reimbursement under [CGHS] in their previous official; these limits does not applies to said officials; Housing Incentives The following incentives as housing benefits will be paid on graded basis in metropolitan cities i.e Dethi, Kolkata, Payment of House Rent Allowance (i.e Housing Incentives) is as per the limit described in rules <		Group B Officials			the maximum of Rs. 16,000/- for Group C officials.	
Group D employees have been included in category of Group C officials after the enforcement of Sixth Pay Commission. The above amount shall be reimbursed quarterly. The reimbursement shall be restricted to limits prescribed above. No bills are required to be produced for OPT treatment. For other kinds of treatment, bill needs to be produced if the claim goes over prescribed amount as mentioned above. This process is as per the procedure prescribed in the F&A manual. • Recently Thematic Audit was conducted by Comptroller & Auditor General of India in the campuses of NIFT for the period of FY 2012-13. It was observed that no bills were produced for OPD treatment by the claimant as pointed out in Finance & Accounts Manual. • See stabilishment department vide order no NIFT/HO/F- 11/THEMATIC AUDIT/2013 dated 13 th January 2014 made mandatory for all classes of employees to produce OPD medical bills in order to get the reimbursement of medical expenses. • Also it was pointed out during the audit that all the employees who are on rolls on deputation basis in NIFT and who were getting the facility of medical reimbursement under [CGHS] in their previous offices; these limits does not applies to said officials. • Payment of House Rent Allowance (i.e Housing Incentives) is as per the limit described in rules				•	In case (b) reimbursement claimed for two	
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Will The following incentives The following incentives The following incentives as housing benefits will be paid on graded basis in metropolitan cities is Delhi, Kolkata, • Payment of House Rent Allowance (i.e Housing Nil					This process is as per the procedure prescribed in	
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 pointed out in Finance & Accounts Manual. So establishment department vide order no NIFT/HO/E- 11/THEMATIC AUDIT/2013 dated 13th January 2014 made mandatory for all classes of employees to produce OPD medical bills in order to get the reimbursement of medical expenses. Also it was pointed out during the audit that all the employees who are on rolls on deputation basis in NIFT and who were getting the facility of medical reimbursement under [CGHS] in their previous offices; these limits does not applies to said officials. Housing Incentives The following incentives as housing benefits will be paid on graded basis in metropolitan cities i.e Delhi, Kolkata, 		•				
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these limits does not applies to said officials. + Payment of House Rent Allowance (i.e Housing Nil Incentives) Housing Incentives The following incentives as housing benefits will be paid on graded basis in metropolitan cities i.e Delhi, Kolkata, • Payment of House Rent Allowance (i.e Housing Nil Incentives) is as per the limit described in rules			-			
Housing Incentives The following incentives as housing benefits will be paid on graded basis in metropolitan cities i.e Delhi, Kolkata, Payment of House Rent Allowance (i.e Housing Nil Incentives) is as per the limit described in rules				es;		
graded basis in metropolitan cities i.e Delhi, Kolkata, Incentives) is as per the limit described in rules		these limits does not a	pplies to said officials.			
graded basis in metropolitan cities i.e Delhi, Kolkata, Incentives) is as per the limit described in rules						
	Housing Incentives				•	1
Mumbai, Chennai, Bangalore & Hyderabad in lieu of House alongside. We verified two cases on sample basis					•	
Rent Allowance. For non-metropolitan states, incentives will of Mr. Raj Singh (Assistant Director) & Mrs.				vill	· · ·	
be reduced to 75% of below mentioned limits. Noopur Anand (Senior Professor) and observed		be reduced to 75% of belo	w mentioned limits.		Noopur Anand (Senior Professor) and observed	

	Administration Officers	Amount (Rs.)	that HRA is paid as per the entitlement of the	
	Director General	As per Actual	respective employee.	
	Directors	20,000/-		
	Registrars	15.000/-	• The process followed for claiming the	
	Deputy Registrar 👒	12,000/-	reimbursement was found to be satisfactory and	
	Assistant	8,000/-	no further improvements/changes are suggested.	
	Director/Accounts Officer			
	Faculty			
	Senior Professor	20,000/-		
	Associate Professor	12,000/-		
	Assistant Professor	8,000/-		
Reimbursement of	Payment of children tuition	fees is allowed to all NIFT staff	We verified the process of two employee on sample	Nil
Children Tuition Fees	at fixed amount i.e @ Rs. 1	,500 per month per child with	basis and found the claim to be as per the prescribed	
		per revised rates prescribed by	rules namely	
	government norms		(a) Mr. Suhail Anwar (Professor)	•
			(b) Mrs. Neelam Goyal (Steno Grade - I)	
			• Reimbursement of Children Tuition Fees is as per	
\checkmark			the limit prescribed by government rules &	
[] ι	· .		regulations and was done usually on quarterly	
			basis.	
1			• In case (a) Reimbursement claimed from April'14	
4		F	to June'14 for 2 children amounting Rs. 14,085/- &	
			Rs. 17,835/- but sanctioned only Rs. 3,750/- each	
n			which was in the limit of Maximum Rs. 18,000/	
			• In case (b) Reimbursement sanctioned of balance	· .
		· .	amount of Rs. 750/- which does not exceed the	
			limit of Maximum Rs. 18,000/	
			The process followed for claiming the reimbursement	
			was found to be satisfactory.	A 11
Salary & Perquisites	It is a sum of following sums:	- , , , , , , , , , , , , , , , , , , ,	• We have verified the salary sheet of Mr. Suhail	Nil
	Basic Pay		Anwar (Professor) & Mr. Vijay Singh Negi	
	Grade Pay		(Research Assistant) employees of NIFT for the	
	 Dearness Allowance House Rent allowan 		month of October 2014. All the rules as prescribed	
			in Finance & Accounts Manual in conjunction with Swami's Handbook (Central Government	
	 Travelling Allowance Consolidated Salary 	:	· · · · · · · · · · · · · · · · · · ·	
	COnsolidated salary CPF/EPF & Administ	ration Charges	Employees) have been diligently followed from	
	Bonus	I ation Charges	time to time round the year.	
	- Donus			L

	- Lovo Salary & Dension Contribution	
	 Leave Salary & Pension Contribution Since NIFT is an institution managed by Ministries of Textiles, Government of India, it is following rules and norms prescribed by Government of India under Sixth Pay Commission and other relevant circulars, notifications issued till deta. 	
	notifications issued till date.	
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Minnander P. Annaniatia (Chartered Annauntanta)

EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender & Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

Date: Place: New Delhi











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Process Areas	Existing Process	Mapping with existing process	Process Improvement/Suggestions
Expenses A. Academic Expenses	 <u>Training and Development Expenses</u> The academic department takes the approval from approving authority regarding order to be provided to contractor providing details of estimated expenditure. <u>Approving Authority</u> - Campus directors has the residuary powers. After receipt of bills from the contractor, the academic department verifies the bills. Necessary entry is passed in the expenditure register under the relevant head. After expense approval, file is sent to accounts section for releasing the payment to the service provider. 	 We selected voucher no. 842 dated 24/09/2014 amounting Rs. 82,220/- as sample. 1. The academic department took the approval from approving authority regarding order to be provided to contractor providing details of estimated expenditure. 2. After receipt of bills from the contractor, the academic department verified the bills. 3. Necessary entry was passed in the expenditure register under the relevant head. 4. After expense approval, file was sent to accounts section for releasing the payment to the service provider. 	 Order placed to contractor/vendor should be placed in the file. Work order No's should be given serially. Academic department should maintain work order register as per format attached as per Annexure-6. In order to monitor the budget allocated and exhausted for the concerned expenditure, columns related to budget allocated, exhausted and balance should also be included in the expenditure register.
	 <u>Graduation Show - Tent Expenses</u> The academic department takes the approval from approving authority regarding order to be provided to contractor providing details of estimated expenditure. <u>Approving Authority</u> - Campus directors has the residuary powers. After receipt of bills from the contractor, the academic department verifies the bills. Necessary entry is passed in the expenditure register under the relevant head. After expense approval, file is sent to accounts section for releasing the payment to the contractor. 	 We selected voucher no. 390 dated 23/06/2014 amounting Rs. 35,022/- as sample. 1. The academic department took the approval from approving authority regarding order to be provided to empanelled contractor providing details of estimated expenditure. 2. The order was not found in the file. 3. After receipt of bills from the contractor, the academic department verified the bills. 4. Necessary entry was passed in the expenditure register under the relevant head. 5. After expense approval, file was sent to accounts section for releasing the payment to the contractor. 	 Order placed to contractor/vendor should be placed in the file. Work order No's should be given serially. Academic department should maintain work order register as per format attached as per Annexure-5. In order to monitor the budget allocated and exhausted for the concerned expenditure, columns related to budget allocated, exhausted and balance should also be included in the expenditure register.

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B. Administration	Security Expenses	We selected voucher no. BPV dated	Attendance record of the
Expenses	 After receipt of bills from the service provider, the administration department verifies the bills in accordance with the rates agreed as per contract. Administration department also verifies the duly signed electronic EPF challan cum return, ESI Challan, detail of member wages, declaration given by service provider regarding deposition of ESI & EPF on monthly basis, attendance record etc. Necessary entry is passed in the expenditure register under the relevant head. Expense is approved by the relevant approving authority:-<u>Approving Authority</u> a) DG has full powers b) Campus directors have full powers After expense approval, file is sent to accounts section for releasing the payment to the service provider. 	 19/11/2014 amounting Rs. 1,51,879/- as sample. After receipt of bills from the service provider (Diamond Security Services), the administration department verified the bills in accordance with the rates agreed as per contract. Detail of employees wages, attendance record, Declaration of ESI & EPF challans submitted by service provider & copy of challans was verified by admin department. Attendance record of the personnel was not found in the file. Necessary entry was passed in the expenditure register. Approval was properly taken. After approval, file was sent to accounts section for releasing the payment. 	 personnel should also be verified by the administration department. Appropriate clause should be included in the contract regarding maintenance of attendance record of personnel and submission of the same to NIFT along with the bills. In order to monitor the budget allocated and exhausted for the concerned expenditure, columns related to budget allocated, exhausted and balance should also be included in the expenditure register.
4 7 7	 <u>AMC of Lift</u> After receipt of bills from the service provider, the building department verifies the bills in accordance with the rates agreed as per contract. Building department also verifies the attendance sheet as well as faulty period, if any to calculate penalty to be charged from the payment. Necessary entry is passed in the expenditure register under the relevant head. Expense is approved by the relevant approving authority:-<u>Approving Authority</u> a) DG has full powers b) Campus directors have full powers After expense approval, file is sent to accounts section for releasing the payment to the service provider. 	 We selected voucher no. BPV 1098 dated 18/09/2014 amounting Rs. 39,225/- as sample. 1. After receipt of bills from the service provider (Mansha Elevator Co.), the building department verified the bills in accordance with the rates agreed as per contract. 2. Some deductions were made on account of penalty as per tender clause No-26(ii) and clause 27 for faulty period and absent days respectively. 3. Necessary entry was passed in the expenditure register under the head "R&M equipment" 4. Approval was properly taken. 5. After approval, file was sent to 	 In order to monitor the budget allocated and exhausted for the concerned expenditure, columns related to budget allocated, exhausted and balance should also be included in the expenditure register.

		accounts section for releasing the		
		payment.		
	Following procedure is prescribed in Accounts Manual-	We selected 2 sample vouchers related to		
	<u>Chapter-4</u>	purchase of consumables viz.	1.	The indent form should be
	Printing & Stationary	a) Voucher No. 492 dated 11-07-2014		standardized and should have
	• The Chairpersons/Head of Departments/Coordinators	amounting Rs. 2,72,434/-		fields as per format in
	should plan out their requirements well in advance	b) Voucher No. 770 dated 08-09-2014	_	Annexure-1
	(indent) in order to enable the Administration Department	amounting Rs. 2,80,047/-	2.	Expected time for receipt of
	to comply with prescribed procedure.	1. There was no standard form of indent		consumables should be
	 Indents indicating details of specifications, quantities, 	prescribed for indenting purpose for		mentioned on the indent.
	approximate value as well as the expected time for receipt	user department. In both samples, we	3.	5
	of the capital items so indented should be submitted to	found that requisition is made on		invariably be indicated on the
· ·	the approving authority.	noting sheets only or as a letter by user		indent form.
· ·	Budget Code numbers should be assigned to all the Budget	departments. There was no indent	4.	Admin department should maintain serial No. wise indent
	Operating Chairpersons/Coordinators/Head of	number allotted to requisitions made.		
	Departments, who will indicate these budget codes on all	2. In both samples, we found that	F	register. Annexure -2 Purchase order No's to be
	indents.	expected time for receipt of items in the requisition made is not mentioned.	э.	given serially and separate
	Approving Authority:	3. Details regarding specifications,		series to be used for
	1. DG has full powers regarding sanction for purchase of	quantities and approximate value were		consumables and other than
	stationery and other consumable stores.	found to be submitted in both		consumables.
W	2. Campus Director has full powers regarding the	samples.	6.	
N	sanction for the purchase of consumables.	4. In both samples, no Budget Code	0.	maintain purchase order
	 Director (Admin.) has the power to authorize purchase of consumable items including tool kits not 	numbers were indicated on the		register as per format attached
	exceeding Rs. 5000 in each case.	indents/ requisition made.		as per Annexure-3 for keeping
	Proper purchase procedure should be followed:-	5. No indent register is being maintained.		track of all the purchase
	1. Purchase without inviting quotations: On the approval	6. Approvals were properly taken in both		made/follow up with vendor
	of the competent authority, purchases will be made	cases.		and subsequent verification.
	for value up to Rs. 15000/- without getting quotation.	7. Proper purchase procedures were	7.	There should be a list of
	2. Direct market purchase: purchases without inviting	followed except in case of Limited		approved suppliers for each
	tenders/ quotations by a Purchase Committee consisting	Tender, there is no list of approved		category of assets for short
	of 3 members for small value items costing above	suppliers. Enquiries were issued to		listing in case of limited tender
	Rs.15000 to Rs. 100000/	suppliers found with the help of		enquiry.
	3. Limited tender	internet in each case.	8.	Gate pass should be issued for
	a) This system may ordinarily be adopted when estimated	8. Purchase order number is not serially		receiving the consumable
	value of goods to be procured is between 1 lakhs to	numbered.	-	items.
	Rupees Twenty five lakhs.	9. Purchase order register is not	9.	e e i
	b) The limited tender enquiries will be issued to those	maintäined.		of goods in good condition and
	firms which are appearing in the list of approved suppliers.	10. No gate pass was issued for receiving		as per the specification s uld
	Past performance of successful supplier, should be one of	the consumable items. Only the verbal		be done as per GFR 145 and

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146 as applicable.

- 10. Goods receipt Note (GRN) should be prepared by admin department. Annexure-4
- 11. Admin department should make entry regarding receipt of consumable items in PO register.

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<u>Annexur</u>									
<u>Format f</u>	for Indent								
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То 			•						
							,		
	ent Indent No:		Ir	ndent Date					
Departme	ent : Material: Purchase Order Type	(Please Tick Where ev	/er-applicable Item	Category)					
	umable			000080.77					
	Consumable								
	consumatic	·							•
Itoms De	tails of Required Items			·					
Items Det	Complete Description of Item	s (Specification	Stock Held On da	te (Where ever	Quantity	Purpose	Days within which	Estimated Price	Estimated To
No	Model, Catalog No) Use separ		Applicable)		Required		required	Per Unit(Rs)	cost(Rs)
•			· · · · · · · · · · · · · · · · · · ·					(optional)	
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	J		1		1				
	ed Supplier(Only in case of prop			· · · ·					
Serial N	lo	Name		Address	•				
					· · · ·				
L				· · · · · · · · · · · · · · · · · · ·	•				
				Approve					
Indenter'	's Signature			HOD Sigr	nature				
				(Signa	ture)				
Name :									
Designati	ion :								
Designati	No:								
Designati									
Designati		X	(For Purchase/ /	Administration I	Department ı	ise only)			
Designati Contact N 		X	(For Purchase/ A	Administration I	Department u		ase Officer/Administr	ation Officer Signa	ature

		,					•					(Signatur	e)	
<u>inexure -</u>														
rmat for	Indent Re	gister											<u> </u>	
	<u>S. No.</u>		ם	<u>)ate</u>	Inde	ent No. by U	ser Dept.	Name of	User Dept		dent No. t De	oy Purchase ot.		<u>P.O N</u>
						······································								
<u>nexure -</u>	<u>3</u>													
rmat for	Purchase	Order Reg	<u>ister</u>							·				
<u>S. No.</u>	Date	<u>ltem</u>	Indent No.	<u>P.O No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocated</u>	<u>Budget</u> Exhausted	<u>Balance</u> <u>Budget</u>	<u>Party</u> <u>Name</u>	Expect ed Date of Receip	<u>Gate</u> Pass <u>No.</u>	Date of Receipt	<u>Goods</u> <u>Receipt</u> <u>Note</u> <u>No.</u>	<u>Bill N</u>

Annexure-4

Format for Goods Received Note(GRN)

		GOODS RECEIVED NOTE						
	From: (Supplier) .	Order No.:						
3)								
		Invoice No.:						
	To: (Receiving)	Indent No:						
ジ		Indented By:						
		Date:						
~								

N /	Serial No	Item Specificaton	uni t	Qty ordered	Qty Received	Unit Cost	Total Vaue	Balance
					· · · · · · · · · · · · · · · · · · ·			
	· · · · · ·							
								,

Name:.....Date......Date.....Date.....

Users Acceptance Certificate:

Name......Date......Date......Designation......Date......Date.....

Remarks:
	i: Original (Wh	nte copy) – Acc	ounts, Duplica	ite (Green) – Us	ser, mplicate	e (Pink) – Purchasing, Quadruplica	te (Diue) – Stores]	
		- -	-						
							· .		
nnexure -5									
ermat for W	/ork Order Re	gister		•					
<u>S.No.</u>	Date	<u>Name of</u> <u>Service</u>	<u>Work</u> Order No.	Party Name	Period of Service (New)	Period of Service (Extension)	Amount (Rs.)	<u>Copy of</u> Agreement/contract <u>available with</u> <u>Department</u>	Rema
					ļ			Department	
							5	<u>Department</u>	
							5		
	· · · · · · · · · · · · · · · · · · ·								

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At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

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We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

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For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

Date: Place: New Delhi

KANGRÄCAMPUS Expenses

PROCESS AUDIT REPORT

(F.Y. 2014-15)

GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060

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Process Areas	Existing Process	Mapping with Existing Process	Process Improvement/Suggestions
Expenses			
A. Academic Expenses	 Insurance (Student Mediclaim) Accounts department check the calculation and verify the rates as per work order placed/ tender document. After verifying the calculation, it is forwarded to the approving authority. Expense is approved by the relevant approving authority:-a) DG has full powers b) Campus directors have full powers After expense approval, file is sent to accounts section for releasing the payment. Necessary entry is passed in the expenditure register under the relevant head. 	 We selected voucher no. 690 dated 23/06/2014 amounting Rs. 2,30,500/- as sample. Committee (appointed by competent authority) had recommended to place the work order. However no such work order was found to be placed on records. No bill from the Insurance Company was attached. Rates were mentioned on noting file and same was verified by accounts department. Proper approval was taken from the relevant approving authority. After expense approval, file was sent to accounts section for releasing the payment to the service provider. 	 Work order placed to vendor should be placed in the file. Work order No's should be given serially. Proper bill should be attached. Academic department should maintain work order register as per format attached as per Annexure-5.
	 <u>Graduation/Fashion Show</u> The academic department takes the approval from approving authority regarding order to be provided to contractor providing details of estimated expenditure. <u>Approving Authority</u> - Campus directors has the residuary powers. After receipt of bills from the contractor, the academic department verifies the bills. Necessary entry is passed in the expenditure register under the relevant head. After expense approval, file is sent to accounts section for releasing the payment to the contractor. 	 We selected voucher no. 615 dated 24/05/2014 amounting Rs. 3,00,000/- as sample. 1. The academic department took the approval from approving authority regarding one day event for "Fashion Show for FD Departments" 2. Proper committee was constituted for checking the experience and for recommendation of the model name. 3. After Fashion Show was conducted successfully, Jr. Asst FD Department recommended for releasing the payment. 4. After expense is approved by the competent authority, file was sent to accounts section for releasing the payment to the Model. 	

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B. Administration	Security Expenses	We selected voucher no.1029 BPV dated	
Expenses	 After receipt of bills from the service provider, the administration department verifies the bills in accordance with the rates agreed as per contract. Administration department also verifies the duly signed electronic EPF challan cum return, ESI Challan, detail of member wages, declaration given by service provider regarding deposition of ESI & EPF on monthly basis, attendance record etc. Necessary entry is passed in the expenditure register under the relevant head. Expense is approved by the relevant approving authority:-<u>Approving Authority</u> c) DG has full powers d) Campus directors have full powers After expense approval, file is sent to accounts section for releasing the payment to the service provider. 	 12/11/2014 amounting Rs. 92,887/- as sample. After receipt of bills from the service provider (Ms. The Vigilant Hawks), the administration department verified the bills in accordance with the rates agreed as per contract. Detail of employee wages, attendance record, Declaration of ESI & EPF challans submitted by service provider & copy of challans were verified by admin department. Attendance record of the personnel was found in the file. Expenditure register was not provided to us for our verification. Approval was properly taken. After approval, file was sent to accounts section for releasing the payment. 	 In order to monitor the budg allocated and exhausted for the concerned expenditure, columns related to budget allocated, exhausted and balance should also be included in the expenditure register.
1774 1774	 <u>Advertisement Expenses</u> After receipt of bills along with the copy of newspaper of the advertisement date from the service provider, the Administration department verifies the bills in accordance with the rates of Directorate of Advertising & Visual Publicity. Expense is approved by the relevant approving authority:-<u>Approving Authority</u> a) DG has full powers b) Campus directors have full powers After expense approval, file is sent to accounts section for releasing the payment to the service provider. Necessary entry is passed in the expenditure register under the relevant head. 	 We selected voucher no. BPV 1139 dated 16/12/2014 amounting Rs. 1,59,872/- as sample. 1. After receipt of bills from the service provider, the administration department verifies the bills in accordance with the rate of Directorate of Advertising & Visual Publicity. 2. Expense was properly approved and copy of newspaper was also attached. 3. Expenditure register was not provided to us for our verification 4. After approval, file was sent to accounts section for releasing the payment. 	 In order to monitor the budget allocated and exhausted for the concerned expenditure, columns related to budget allocated, exhausted and balance should also be included in the expenditure register.

Following procedure is prescribed in Accounts Manual-	We selected 2 sample vouchers related to	<u> </u>	
Chapter-4	purchase of consumables viz.	1.	The indent form should be
Printing & Stationary	a) Voucher No. 660 dated 10-06-2014		standardized and should have
• The Chairpersons/Head of Departments/Coordinators	amounting Rs. 1,85,087/-		fields as per format in
should plan out their requirements well in advance	b) Voucher No. 1050 dated 19-11-		Annexure-1
(indent) in order to enable the Administration Department	2014 amounting Rs. 1,35,428/-	2.	Expected time for receipt of
to comply with prescribed procedure.		_	consumables should be
 Indents indicating details of specifications, quantities, 	1. There was no standard form of indent		mentioned on the indent.
approximate value as well as the expected time for receipt	prescribed for indenting purpose for	3.	Budget code numbers should
of the capital items so indented should be submitted to	user department. In both samples, we		invariably be indicated on the
the approving authority.	found that requisition is made on		indent form.
Budget Code numbers should be assigned to all the Budget	noting sheets only. There was no	4.	Admin department should
Operating Chairpersons/Coordinators/Head of	indent number allotted to requisitions		maintain serial No. wise indent
Departments, who will indicate these budget codes on all	made.		register. Annexure -2
indents.	2. In both samples, we found that	5.	Purchase order No's to be
Approving Authority:	expected time for receipt of items in		given serially and separate
1. DG has full powers regarding sanction for purchase of	the requisition made is not mentioned.		series to be used for
stationery and other consumable stores.	3. Details regarding specifications,		consumables and other than
2. Campus Director has full powers regarding the	quantities and approximate value were		consumables.
sanction for the purchase of consumables.	found to be submitted in both	6.	Admin department should
3. Director (Admin.) has the power to authorize	samples.		maintain purchase order
purchase of consumable items including tool kits not	4. In both samples, no Budget Code		register as per format attached
exceeding Rs. 5000 in each case.	numbers were indicated on the		as per Annexure-3 for keeping
Proper purchase procedure should be followed:-	indents/ requisition made.		track of all the purchase
1. Purchase without inviting quotations: On the approval	5. No indent register is being maintained.		made/follow up with vendor
of the competent authority, purchases will be made	6. Approvals were properly taken in both		and subsequent verification.
for value up to Rs. 15000/- without getting quotation.	cases.	7.	Gate pass should be issued for
2. Direct market purchase: purchases without inviting	7. Proper purchase procedures were		receiving the consumable
tenders/ quotations by a Purchase Committee consisting	followed.	~	items.
of 3 members for small value items costing above	8. Purchase order number was not	8.	
Rs.15000 to Rs. 100000/	serially numbered.		of goods in good condition and
3. Limited tender	9. Purchase order register was not		as per the specification should
a) This system may ordinarily be adopted when estimated	maintained.		be done as per GFR 145 and
value of goods to be procured is between 1 lakhs to	10. No gate pass was issued for receiving	م	146 as applicable.
Rupees Twenty five lakhs.	the consumable items. Only the verbal communication is made by the user	9.	()
b) The limited tender enquiries will be issued to those	department to the security personnel		should be prepared by admin department. Annexure-4
firms which are appearing in the list of approved suppliers.	at the gate.	10	Admin department should
Past performance of successful supplier, should be one of	ai the gate.	10.	make entry regarding r ript
the variables to be considered at the time of short listing			of consumable items in PO
firms for limited tender enquiry.			

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c) At least three quotations/offers must be received in		register.
normal conditions. In case offers received are less than		e , 11. In order to monitor the bu
three after approval by competent authority and looking		allocated and exhausted fo
at the situation, the same may be considered.		the concerned expenditure
4) Single tender: The single tender system may be adopted		columns related to budge
in case of purchase of articles which are specifically		allocated, exhausted and
certified as of proprietary nature by the indenting		balance should also b
department		included in the expenditur
5) Open tenders: The open tender system, that is,		register.
invitation to tender by public advertisement should be		
used as a general rule for procurement of goods of		
estimated value Rs. 25 Lakhs and above.		
• The Admin Officer will keep a track of the materials		
ordered and take appropriate follow up action to ensure		
that the materials are obtained in prescribed time.		
• While receiving the consumable items, records should be	· ·	
kept in gate passes and the concerned Head of Dept.		
should certify that the asst has been received in good		
condition and as per the specification. He shall forward the		
bills duly certified to the admin officer who in turn will		· ·
forward the same to the Accounts Section.	·	
• The consumable items so received should be entered in		
the consumable register by the designated Officer and a		
certificate to this effect should be forwarded to the		
Accounts branch who will take necessary steps for releasingthe payment.		

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Annexure -1 Format for Indent

NATIONAL INSTITUTE OF FASHION TECHNOLOGY - KANGRA

Τo

Department Indent No:

Indent Date _____

Department :

Types of Material: Purchase Order Type (Please Tick Where ever-applicable Item Category)

Consumable

Non-Consumable

Items Details of Required Items

<u>(</u>)	Complete Description of Items (Specification Model, Catalog No) Use separate Sheet If required	Stock Held On date (Where ever Applicable)	Quantity Required	Purpose	Days within which required	Estimated Price Per Unit(Rs) (optional)	Estimated Total cost(Rs)
┢━━							
					t		

Suggested Supplier(Only in case of proprietary items)

Se	erial No.	 Name	Address	
			-*	

Indenter's S	ignature
--------------	----------

Name :

(Signature)

Approved HOD Signature

Designation : _____

Contact No:-

(For Purchase/ Administration Department use only)

Indent Number-

Purchase Officer/Administration Officer Signature

(Signature)

<u>Annexure -2</u>

Format for Indent Register

<u>S. No.</u>	Date	Indent No. by User Dept.	Name of User Dept.	Indent No. by Purchase <u>Dept.</u>	<u>P.O No.</u>
		· · · · · · · · · · · · · · · · · · ·			

Annexure -3

Format for Purchase Order Register

4 (5)	<u>S. No.</u>	Date	ltem	<u>Indent</u> <u>No.</u>	<u>P.O No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocated</u>	<u>Budget</u> <u>Exhausted</u>	<u>Balance</u> <u>Budget</u>	<u>Party</u> <u>Name</u>	Expect ed Date of Receip t	<u>Gate</u> <u>Pass</u> <u>No.</u>	<u>Date of</u> <u>Receipt</u>	<u>Goods</u> <u>Receipt</u> <u>Note</u> <u>No.</u>	<u>Bill No.</u>	Rei k
2																
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Annexure-4

Format for Goods Received Note(GRN)

			G	OODS RECEIVED	NOTE			
	From: (Sup	oplier)		Ord	er No.:			
					elivery Note No.:			
				I	nvoice No.:			
	To: (Receiv	/ing)		Ind	ent No:			
~					Indented By:	• • • • • • • • • • • • • • • • • • • •		
ίv	\				Date:	• • • • • • • • • • • • • • • • • • • •	·····	
È) .							
			uni					
C	Serial No	Item Specification	t	Qty ordered	Qty Received	Unit Cost	Total Vaue	Balance
~								

Serial No	Item Specificaton	t	Qty ordered	Qty Received	Unit Cost	Total Vaue	Balance
						-	
		_				· .	
				······································			

Name:Designation	Date			
Users Acceptance Certificate:	Name	Signature	Designation	Date
Remarks:				

Distribution: Original (White copy) – Accounts, Duplicate (Green) – User, Triplicate (Pink) – Purchasing, Quadruplicate (Blue) – Stores

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Annexure -5

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Format for Work Order Register

<u>S.No.</u>	Date	<u>Name of</u> <u>Service</u>	<u>Work</u> Order No.	Party Name	<u>Period of</u> <u>Service</u> <u>(New)</u>	Period of Service (Extension)	Amount (Rs.)	<u>Copy of</u> Agreement/contract <u>available with</u> <u>Department</u>	<u>Remarks</u>
							·		

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

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Date: Place: New Delhi

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Plot No. 6, S

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PROCESS AUDIT REPORT

(F.Y. 2014-15)

GIANENDER & ASSOCIATES

CHARTERED ACCOUNTANTS

Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar

New Delhi - 110060

<u> Process Audit - Expenses</u>

Flowchart-Expenses



Gianender & Associates (Chartered Accountants)

Process Areas	Existing Process	Mapping with existing process	Process Improvement/Suggestions
Expenses			
A. Academic Expenses	 <u>Membership Fees</u> 1. After receipt of bills from the organisation, the concerned department verifies the bills in accordance with the terms and conditions of supply order. 2. Necessary entry is passed in the expenditure register under the relevant head. 3. Expense is approved by the relevant approving authority- In respect of Membership of organizations, DG has the Full powers regarding enrolment of the Institute as a member of the organizations connected with matters of interest to the Institute. 4. After expense approval, file is sent to accounts section for releasing the payment to the service provider. 	 We selected Voucher No.184 dated 2nd May, 2014 amounting Rs. 1,20,675 as sample for verification of Annual Membership fees for year 2014 paid to International Foundation of Fashion Technology Institute (IFFTI) 1. The mail was received on 8th April, 2014 for renewal of membership subscription of IFFTI enclosing invoice. 2. Approvals from DG and Director (F & A) were taken for the release of payment for Annual Membership Fee. 3. Entry was not made in expenditure register. 4. The payment of Rs.120675 was then made by accounts section. 	 Entry should be made in expenditure register. Further, in order to monitor the budget allocated and exhausted for the concerned expenditure, column related to budget allocated, exhausted and balance should also be included in the expenditure register.
	 <u>Printing expenses</u> <u>Following procedure for printing of forms,</u> <u>brochures etc is prescribed in Accounts</u> <u>Manual-Chapter-4</u> 1. Printers of printing houses of repute should be pre-qualified after following due process of selection by the standing committee consisting of Director, Senior Faculty member, Registrar, Accounts Officer and any outside expert in the matter. 2. Such a selection process should be based on defined criteria such as existing facilities and equipments, annual turnover and the likes of a printing house 3. The recommended short listed printing houses should be approved by the Director General of NIFT. 4. Short listed or empanelled printing houses should not be more than five and not less than three. 	 It is observed that printer/printing houses are not prequalified but for every printing order, normal purchase procedure is followed. We selected voucher No. 500 dated 1st July ,2014 amounting Rs. 65,520 related to printing of CE programme brochures:- Since estimated cost was above Rs. 15,000/- and upto Rs. 1,00,000/-, a local purchase committee was formed consisted of three members only i.e. Ms. Amrita Roy(UI-CE & Diploma Prog), Sh. Ankit Kumar (Assistant Account) and Ms. Asha Rani (AD/PO-Convener). Quotations were collected from 4 printers. Selection process was based on L-1 rate criteria. After receipt of invoice, the purchase department verified the invoice in 	 Printers of printing houses of reput should be pre-qualified annual after following due process selection. Recommended short listed printin houses should be approved by th Director General of NIFT. Enquiries shall be floated among th short listed printing houses. Order shall be placed on L-1 printer In order to monitor the budg allocated and exhausted for th concerned expenditure, column related to budget allocate exhausted and balance should all be included in the expenditu register.

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	 5.Concerned department may float enquiry among the approved shortlisted printing houses. 6.Selection is based on L-1 rate criteria. 7.After receipt of bills from the printer, the purchase department verifies the bills in accordance with the terms and conditions of supply order. 8.Necessary entry is passed in the expenditure register under the relevant head. 9.Expense is approved by the relevant approving authority:- <u>Approving Authority</u> a) DG has full powers b) Director(F & A) have powers up to Rs. 1,00,000/- per order in each case, not exceeding Rs. 5,00,000/- p.a. 10.After expense approval, file is sent to accounts section for releasing the payment to the service provider. 	 accordance with terms and conditions of supply order. 5. Necessary entry was passed in the expenditure register under the head "Printing Office Stationery" 6. Approval was properly taken. 7. After approval, file is sent to accounts section for releasing the payment. 	
B. Administration Expenses	 <u>Hiring of Car Expenses</u> After receipt of bills from the service provider, the administration department verifies the bills in accordance with the rates agreed as per contract. Expense is approved by the relevant approving authority:- <u>Approving Authority</u> a) DG has full powers b) Director (H.O.) has the power to approve expenses upto Rs. 50,000/- per month. Necessary entry is passed in the expenditure register under the relevant head File is sent to accounts section for releasing the payment to the service provider. 	 We selected voucher no. BPV 462 dated 23/06/2014 amounting Rs. 1,15,780/- as sample. 1. After receipt of bills from the service provider(Masuta Tour and Travels), the administration department verified the bills in accordance with the rates agreed as per contract. 2. Expenditure was approved by DG. 3. Necessary entry was passed in the expenditure register under the head "Hiring of DLY/Taxi" 4. After approval, payment was made. 	In order to monitor the budget allocated and exhausted for the concerned expenditure, columns related to budget allocated, exhausted and balance should also be included in the expenditure register.

 Legal and professional expenses After receipt of invoice from the service provider, the board secretariat (legal department) verifies the invoice in accordance with the terms and conditions of the contract entered initially. File is sent to approving authority for expense approval. Director(Finance and Accounts has power to accept, award and pay all type of services contracts. After expense approval, file is moved for payment. 	 We selected voucher no. BPV 681 dated 05/08/2014 amounting Rs. 25,000/- as sample. 1. After receipt of invoice from the service provider (Swetank Shantanu, Advocate & Legal Counsel), the board secretariat verified invoice in accordance with the terms and conditions of the contract. 2. Expenditure was approved by DG. 3. After approval, payment was made. 	In order to monitor the budget allocated and exhausted fc the concerned expenditure, columns related to budget allocated, exhausted and balance should also be included in the expenditure register.
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Gianender & Associates (Chartered Accountants)

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Thanking you,

Yours truly,

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S P For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN:083878

Date:

Place: New Delhi

Gianender & Associates (Chartered Accountants)



Process Audit – Buying of Library Books

Flowchart- Buying of Library Books



Process Areas	Existing Process	Verification of process	Process Improvement/Suggestions
Buying of Library Books			
A. Purchase of books and periodicals	 Following procedure for purchase of resource centre items is prescribed in Accounts Manual- Chapter-4 The Resource Centre committee of which the Director (F&A)/Purchase officer/Accounts officer are also members will recommend acquisition of print materials received on approval/recommended by faculty or members of RCC. The list of recommended titles with tentative prices will be send to Local Academic Standards Committee (LASC)/Competent Authority for approval. After approval is received, the head librarian/DD (NRC) will place order for purchase of print to book sellers & other suppliers. Since books, periodicals, etc. are not store items, it is not feasible to obtain quotations as the rates are predetermined by the publishers. For conversion, the buying rates applicable on the date of invoice will be taken into consideration for calculating rupee component. Supplementary bills raised by the agents for periodicals in case of any revision of prices fluctuations in conversion rates, etc. have to be paid as and when received. Fixed discount rate for various categories of books as provided in accounts manual should be implemented. The prices of published materials, if not printed, will be confirmed from bibliographic and on line tools. If no price proof is available then the prices fixed by RCC will be accepted as final. Experts from other organization / institutions can be invited for evaluation of any print item on recommendation of the Committee. The bills will be sent to Accounts Dept. through competent authority for release of payment after entering the print material in the NRC / RC's Accession Register. Payment has to be released in advance for all bills for journals and some books or monographs as per publishers or suppliers terms and conditions. 	 a) Voucher No. 690 dated 25-08-2014 amounting Rs. 1,91,347 (Purchase of books) b) Voucher No. 159 dated 09-05-2014 amounting Rs. 7,911 (Purchase of periodicals) The Resource Centre committee/Library Advisory Committee has recommended acquisition of print materials received on approval/recommendation by faculty or members of RCC. List of recommended titles with tentative prices was approved by LASC/Competent Authority. In case of voucher 690, the Head Librarian has placed the order after the approval but in case of Voucher No. 159, the order placed was not found in the file. In case of Voucher No. 690, conversion buying rate for foreign currency was same as on the date of invoice. In case of Voucher No. 690, Fixed Discount rate of 20% was provided to supplier. In case of Voucher No. 690, after the receipt of books, the same has been entered in the accession register. 	 Purchase order should be serially numbered. Resource Centre department should maintain purchase order register as per format attached as per Annexure-1 for keeping track of al the purchase made/follow up with vendor and subsequent verification. Gate pass should be issued for receiving the print materials. Goods receipt Note (GRN) should be prepared by Resource Centre Annexure-2

Annexure -1

Format for Purchase Order Register

<u>S. No.</u>	<u>Date</u>	<u>ltem</u>	<u>P.O No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocated</u>	<u>Budget</u> Exhausted	<u>Balance</u> <u>Budget</u>	<u>Party</u> <u>Name</u>	Expected Date of Receipt	<u>Gate</u> Pass No.	<u>Date of</u> <u>Receipt</u>	<u>Bill No.</u>	<u>Remarks</u>
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Annexure-2

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Format for Goods Received Note(GRN)

GOODS RECEIVED NOTE

ļ	From: (Supplier)
	Delivery Note No.:
	Invoice No.:
	To: (Receiving)
	Indented By:

Serial No	Item Specificaton	unit	Qty ordered	Qty Received	Unit Cost	Total Vaue	Balance
						,	
				· ·			

Name:......Date......Designation......Date.....Date.....

Users Acceptance Certificate:	Name	Signature	Designation	Date
Remarks:				

Distribution: Original (White copy) – Accounts, Duplicate (Green) – User, Triplicate (Pink) – Purchasing, Quadruplicate (Blue) – Stores

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Thanking you, Yours truly,

For Gianender& Associates Chartered Accountants FRN.-004661N

(Manju Agrawal) Partner MRN: 083878

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Date: Place: New Delhi

RANGRA CAMPUS, Purchase of the sarry books

PROCESS AUDIT REPORT

(F.Y. 2014-15)

GIANENDER & ASSOCIATES CHARTERED ACCOUNTANTS Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar New Delhi - 110060

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Process Audit – Buying of Library Books

Flowchart- Buying of Library Books



Process Areas	Existing Process	Verification of process	Process
			Improvement/Suggestic
Buying of Library Books			
A. Purchase of books and periodicals	 Following procedure for purchase of resource Centre items is prescribed in Accounts Manual- Chapter-4 The Resource Centre committee of which the Director (F&A)/Purchase officer/Accounts officer are also members will recommend acquisition of print materials received on approval/recommended by faculty or members of RCC. The list of recommended titles with tentative prices will be send to Local Academic Standards Committee (LASC)/Competent Authority for approval. After approval is received, the head librarian/DD (NRC) will place order for purchase of print to book sellers & other suppliers. Since books, periodicals, etc. are not store items, it is not feasible to obtain quotations as the rates are predetermined by the publishers. For conversion, the buying rates applicable on the date of invoice will be taken into consideration for calculating rupee component. Supplementary bills raised by the agents for periodicals in case of any revision of prices fluctuations in conversion rates, etc. have to be paid as and when received. Fixed discount rate for various categories of books as provided in accounts manual should be implemented. The prices of published materials, if not printed, will be confirmed from bibliographic and on line tools. If no price proof is available then the prices fixed by RCC will be accepted as final. Experts from other organization / institutions can be invited for evaluation of any print item on recommendation of the Committee. The bills will be sent to Accounts Dept. through competent authority for release of payment after entering the print material in the NRC / RC's Accession Register. Payment has to be released in advance for all bills for journals and some books or monographs as per publishers or suppliers terms and conditions. 	 currency was same as on the date of invoice. Fixed Discount rate was provided by the supplier as per accounts manual. After the receipt of books, the same has been entered in the accession register. Bills were sent to the accounts department for release of payment and payment was released to supplier. 	 Purchase order should be serially numbered. Resource Centre department should maintain purchase order register as per format attached as per Annexure-1 for keeping track of all the purchase made/follow up with vendor and subsequent verification. Gate pass should be issued for receiving the print materials.

Annexure -1

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Format for Purchase Order Register

<u>S. No.</u>	Date	<u>ltem</u>	<u>P.O No.</u>	<u>Budget</u> <u>Code</u>	<u>Budget</u> <u>Allocated</u>	<u>Budget</u> <u>Exhausted</u>	<u>Balance</u> <u>Budget</u>	<u>Party</u> <u>Name</u>	<u>Expected</u> Date of <u>Receipt</u>	<u>Gate</u> <u>Pass No.</u>	<u>Date of</u> <u>Receipt</u>	<u>Bill No.</u>	<u>Remarks</u>
									-				

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Date: Place: New Delhi