



BRANCH: DIRECTOR GENERAL OF AUDIT (CENTRAL),
LUCKNOW AT PRAYAGRAJ



Ltr No: Central Expenditure/2023-2024/DIS-1272091

Date: 14 Nov 2023

To,

Secretary, Department of Higher Education,
Ministry of Education, Shastri Bhawan,
New Delhi-110001

Subject: Issue of Separate Audit Report : PR-77971 on the annual accounts of the Indian Institute of Technology Kanpur for the year 2022-23

Sir/Madam,

इस पत्र के माध्यम से भारतीय प्रौद्योगिकी संस्थान कानपुर के वर्ष 2022-23 के लेखों पर पृथक लेखा परीक्षा प्रतिवेदन (अंग्रेजी) अग्रसारित किया जा रहा है।

2. कृपया सुनिश्चित करें की पृथक लेखापरीक्षा प्रतिवेदन एवं सम्बंधित लेखे संसद के दोनों सदनों के सम्मुख प्रस्तुत हुए।

3. कृपया पृथक लेखापरीक्षा प्रतिवेदन एवं लेखो को संसद के दोनों सदनों के समक्ष अंतिम रूप से प्रस्तुत करने की तिथि भारत के नियंत्रक एवं महालेखापरीक्षक के साथ साथ इस कार्यालय को भी सूचित करने का कष्ट करें।

संलग्नक उपर्युक्तानुसार।
भवदीय,

प्रधान निदेशक लेखापरीक्षा (केंद्रीय)

Letter No. DIS-1272091 Dated 14.11.2023

वर्ष 2022-23 के लेखों पर पृथक लेखापरीक्षा प्रतिवेदन (अंग्रेजी) की प्रति निदेशक, भारतीय प्रौद्योगिकी संस्थान कानपुर को आवश्यक कार्यवाही हेतु प्रेषित है। संस्थान यदि आवश्यकता अनुभव करे, तो इस प्रतिवेदन का हिन्दी अनुवाद करवा सकता है परन्तु इस प्रतिवेदन के हिन्दी अनुवाद में निम्नलिखित अंकित होना चाहिए :

“प्रस्तुत प्रतिवेदन मूलरूप से अंग्रेजी में लिखित पृथक लेखापरीक्षा प्रतिवेदन का हिन्दी अनुवाद है। यदि इसमें कोई विसंगति परिलक्षित होती है तो अंग्रेजी में लिखित प्रतिवेदन मान्य होगा।”

हिन्दी अनुवाद की एक प्रति इस कार्यालय को भी प्रेषित करने का कष्ट करें।

संलग्नक: उपर्युक्तानुसार।

Yours faithfully,

Jayakar Babu
Deputy Director





कार्यालय प्रधान निदेशक लेखापरीक्षा (केन्द्रीय) लखनऊ
शाखा कार्यालय – प्रयागराज
Office of the Principal Director of Audit (Central) Lucknow
Branch Office – Prayagraj
15-ए, दयानन्द मार्ग, सत्यनिष्ठा भवन, प्रयागराज
15-A, Dayanand Marg, Satyanishtha Bhawan, Prayagraj – 211 001

पत्र संख्या: प्र0नि0ले0प0 (केन्द्रीय) / पृ.ले.प. / 2023-24 / डिस- 1272091 दिनांक: 14.11.2023

सेवा में,
निदेशक,
भारतीय प्रौद्योगिकी संस्थान कानपुर,
कानपुर – 208016
उत्तर प्रदेश

विषय : Management Letter for corrective measures – reg.

महोदय,

We have audited the Annual Accounts of the Indian Institute of Technology Kanpur for the year 2022-23 and have issued the Audit Report. Following deficiencies, observed during the course of audit which has not been included in the Separate Audit Report, are being brought to your kind notice for remedial/corrective action:

Part A: Persistent Irregularities

Nil

Part B: Other minor irregularities

(B.1) The Institute has inadvertently depicted Rs. 2.72 crore under the head 'Vehicles (Owned by Institution) instead of Vehicle (Taxi) hiring expenses in Transportation Expenses (Schedule-18). This needs to be rectified.

(B.2) The institute has inadvertently included Hostel Room rent expenses amounting to Rs. 1.03 crore within sub-head 'Laboratory expenses' in Academic Expenses (Schedule-16). It needs to be shown under Administrative and General Expenses.

(B.3) The Institute has received Rs. 10.54 lakh on sale of tender and included the amount within 'Other miscellaneous income' instead of depicting the same under the sub-head 'Sale of tender' in Other Income (Schedule-13) as prescribed in the Format. This needs to be rectified.

(B.5) The Institute has paid water charges amounting to Rs 3.88 lakh and shown it under Academic expenses instead of Administrative Expenses. This needs to be rectified.

भवदीय,

raj-dmt
प्रधान निदेशक लेखापरीक्षा (केन्द्रीय)

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

We have audited the attached Balance Sheet of the Indian Institute of Technology Kanpur (Institute) as at 31 March 2023, Income & Expenditure Account and Receipts & Payments Account for the year ended on that date under section 19(2) of the Comptroller & Auditor General (Duties, Powers & Conditions of Service) Act, 1971 read with Section 23(2) of the Institutes of Technology Act, 1961. These financial statements are responsibility of the Institute's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This separate Audit Report contains the comments of Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observation on financial transactions with regard to compliance with the Law, Rules and regulation (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any are reported through Inspection Report/CAG's Audit Reports separately.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain the reasonable assurance about whether the statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(ii) The Balance Sheet, Income & Expenditure Account and Receipts & Payments Account dealt with by this report have been drawn up in the Format of Financial

statement for Central Higher Educational Institutional Institutions (Format) prescribed by MHRD, Government of India.

(iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Institute as required under section 23(1) of the above said Act in so far as it appears from our examination of such books.

(iv) We further report that:

(A) Income & Expenditure Account

Repair & Maintenance (Schedule - 19)

Rs. 48.29 crore

The Institute has shown Rs. 1.23 crore as pay and allowances of Visitor Hostel's workers under Housekeeping and Rs. 14.89 crore on payment of manpower supply firm involved in sanitation in Repair and Maintenance (Schedule-19) whereas salary of contractual staff is to be shown in Administrative and General Expenses. This resulted in overstatement of Repair and Maintenance by Rs. 16.12 crore and understatement of Administrative and General Expenses by the same amount.

(B) General

(B.1) The Institute has shown Rs. 121.09 crore as 'Addition during the year' in Corpus/Capital Fund (Schedule-1) which includes Rs. 103.86 crore as the amount of assets purchased out of Earmarked Funds instead of depicting it clearly by the same name in the above schedule as prescribed in MHRD format. This needs to be rectified.

(B.2) The Institute has shown security deposits of Rs. 1.38 crore under the head Electricity in Loans, Advances & Deposits (Schedule-8) whereas as per electricity bill the same is Rs. 1.50 crore. Thus, there is difference of Rs. 0.12 crore which remained un-reconciled.

(B.3) The Institute has merged the credit balances of 'Sponsored Projects' and credit balances of 'Sponsored Fellowships' along with 'Other Projects' within same sub-head in Current liabilities, instead of depicting them separately as prescribed in the Format. Similar treatment is made out for debit balances as well. This needs to be segregated and depicted separately.

(B.4) The Institute has not classified the Establishment Expenses (Schedule-15) into teaching, non-teaching and adhoc-staff as required in the Format.

(B.5) The Institute has not bifurcated 'Expenditure on Fixed assets' into 'Expenditure on Fixed assets' and 'Expenditure on Capital work-in progress' in Receipts & Payments account as required in the MHRD format.

(C) Grants-in-Aid

(C.1) The Institute received Grants-in-aid of Rs. 712.24 crore from Govt. of India and Rs. 112.36 crore from Other Sources. After taking opening balance of Rs. 26.31 crore and Interest earned of Rs. 0.96 crore (Interest earned of opening balance), the total fund available worked out to Rs. 851.87 crore. The Institute utilised Rs. 832.48 crore and returned Rs. 6.90 crore, leaving a balance of Rs. 12.49 crore as at 31 March 2023.

(C.2) Project Grant: The Institute received project grants of Rs. 247.83 crore (Government of India, State Government and other) during the year 2022-23. After taking opening balance of Rs. 367.78 crore, the total fund available worked out to Rs. 615.61 crore. The Institute could utilise Rs. 300.85 crore and deducted payables amounting to Rs. 0.96 crore, leaving a balance of Rs. 313.81 crore as at 31 March 2023.

(D) Management letter: Deficiencies which have not been included in the Audit Report have been brought to the notice of the Institute through a management letter issued separately for remedial/corrective action.

(v) Subject to our observation in the preceding paragraphs, we report that the Balance Sheet, Income & Expenditure Account and Receipts & Payments Account dealt with by this report are in agreement with the books of accounts.

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:

(a) In so far as it relates to the Balance Sheet, of the state of affairs of the Indian Institute of Technology, Kanpur as at 31 March, 2023; and

(b) In so far as it relates to Income & Expenditure Account of the 'surplus' for the year ended on that date.

For and on behalf of the C&AG of India

Date: 14.11.2023

Place: Lucknow


Principal Director of Audit (Central)

Annexure

1. Adequacy of Internal Audit System

Internal Audit wing is established in the Institute and an Internal Audit Manual is also maintained, however, the wing conducts only pre-audit of Bills, Vouchers, Purchase files, Establishment matters, Service matters and all financial activities of the Institute etc. Hence, the conduct of Internal Audit for the year 2022-23 cannot be ascertained.

2. Adequacy of Internal Control System

The Inadequacy of Internal Control System of the Institute is characterised by the followings deficiencies:

- Non-adjustment of Rs. 917.92 lakh outstanding advances.
- Non-maintenance of Fixed Assets Register as per GFR-22.
- Non-filling of the posts in different cadres as only about 761 employees are posted as against 985 sanctioned posts.
- Non-compliance of 63 outstanding audit observations of Audit Inspection Reports since 2014-15.

3. System of Physical verification of fixed asset

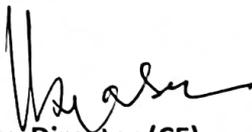
Physical verification of fixed assets has been conducted for the year 2022-23.

4. System of Physical verification of inventory

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

5. Regularity in Payment of Statutory Dues

The Institute is regular in payment of statutory dues.


Dy. Director (CE)