

**NATIONAL INSTITUTE OF TECHNOLOGY
KURUKSHETRA -136119**

**AGENDA
OF
FINANCE COMMITTEE MEETING**



**33rd MEETING
HELD ON 28.07.2016**

**NATIONAL INSTITUTE OF TECHNOLOGY
KURUKSHETRA-136119**

Agenda : 33rd Finance Committee Meeting

Place : Committee Room (New Building)
Shri Lal Bahadur Shastri Rashtriya Sanskrit Vidyapeetha,
Qutub Institutional Area, New Delhi-110016.

Date & Time : July 28th 2016 & 11:00 am

| Item No. | Agenda | Page No. |
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| 33.1 | To confirm the minutes of 32 nd Meeting of the Finance Committee, National Institute of Technology, Kurukshetra held on 15.12.2015. | 1-5 |
| 33.2 | To note follow up action taken on the 32 nd meeting of the Finance Committee held on 15.12.2015. | 6-10 |
| 33.3 | To place quarterly Internal Audit Report for 3 rd and 4 th quarter ending 31.03.2016. | 11-29 |
| 33.4 | To consider and approve the Annual Accounts of National Institute of Technology, Kurukshetra for the financial year 2015-16. | 30-31 |
| 33.5 | To consider and approve the preliminary cost estimate for providing kitchen equipments in 600 seater Girls Hostel (Multi- Storeyed) RCC framed structure (Ground +5) at NIT, Kurukshetra. | 32 |
| 33.6 | To approve the minutes of the 21 st meeting of the Building & Works Committee of National Institute of Technology, Kurukshetra held on 27.05.2016. | 33 |
| 33.7 | To consider and approve the financial implications due to enhancement of no. of Ph.D scholarships from 2015-16 onwards. | 34-35 |

Item 33.1 To confirm the minutes of 32nd meeting of Finance Committee, National Institute of Technology, Kurukshetra held on 15.12.2015

The 32nd meeting of the Finance Committee of the Institute was held on 15.12.2015 at Committee Room (New Building), Shri Lal Bahadur Shastri Rashtriya Sanskrit Vidyapeetha, Qutab Institutional Area, New Delhi. The minutes of the proceedings of the meeting were circulated to all members of the Finance Committee in pursuance with clause 10 (5) read with clause 4(13) of the 1st statutes of NIT Act 2007.

The Institute has not received any comments from any of the members of the Finance Committee.

The Finance Committee may confirm the minutes of the 32nd meeting of the Finance Committee held on 15.12.2015. A copy of the minutes is placed as **Appendix-1 on page 2 to 5.**

The Finance Committee may consider and confirm.

NIT Kurukshetra

**NATIONAL INSTITUTE OF TECHNOLOGY
KURUKSHETRA - 136119**

Minutes of 32nd Meeting of the Finance Committee, NIT, Kurukshetra held on 15th December, 2015 at 10:30 a.m at Committee Room (New Building), Shri Lal Bahadur Shastri, Rashtriya Sanskrit Vidyapeetha, Qutub Institutional Area, New Delhi-110016.

Present:

- | | | |
|----|--|----------------------|
| 1. | Prof. Anand Mohan Director National Institute of Technology Kurukshetra | Chairperson (Acting) |
| 2. | Shri S. P. Goyal, Joint Secretary (Technology Enabled Learning) Department of Higher Education Ministry of Human Resource Development Govt. of India, Shastri Bhawan New Delhi - 110 001 | Member |
| 3. | Mrs. Darshana M Dabral Joint Secretary & Financial Advisor (IFD) Department of Higher Education Ministry of Human Resource Development Govt. of India, Shastri Bhawan New Delhi - 110 001 | Member |
| 4. | Shri G. R. Samantaray Registrar Incharge National Institute of Technology Kurukshetra | Member-Secretary |

At the outset, the Hon'ble Chairperson (Acting) welcomed the members to the 32nd meeting of the Finance Committee and expressed its gratitude to the Joint Secretary (Tech. Education) and Joint Secretary & Financial Advisor, Ministry of Human Resource Development for sparing their valuable time to attend the meeting.

The agenda was taken up. The Finance Committee made recommendations/took decisions as under:

CAH



Item 32.1: To confirm the minutes of 31st Meeting of the Finance Committee, National Institute of Technology, Kurukshetra held on 08.05.2015.

The Finance Committee confirmed the minutes of the 31st Meeting of the Finance Committee held on 08.05.2015.

Item 32.2: To note follow up action taken on the 31st meeting of the Finance Committee held on 08.05.2015.

The Finance Committee noted the follow up action taken by the Institute on the 31st meeting of the Finance Committee held on 08.05.2015 and observed as under:

Item 31.2- In addition to cost benefit analysis as decided in the 31st meeting a comparison of the cost incurred by the Institute may be made between Cashless Medical Scheme and Non-Cashless Medical Scheme for 9 months i.e. 01-06-2015 to 31-03-2016 vis-à-vis 01.06.2014 to 31.03.2015.

Item 31.7- The Finance Committee suggested that instead of writing "Action has been taken", it should be written as "Action is being taken", as action is still pending.

The Finance Committee desired that the specific and clear action taken should be written in future.

Item 32.3: To consider Revised Budget Estimates for the year 2015-16 and Budget Estimates for the year 2016-17.

The Finance Committee considered the proposed Revised Budget Estimate 2015-16 and Budget Estimates 2016-17 and recommended them to the Board of Governors.

The Finance Committee desired that priority should be given to close / complete the ongoing projects before taking up new projects and new projects should be taken up keeping the availability of funds into consideration.

The Finance Committee also desired that the word "Deficit" should be written instead of "Balance Liability of Govt. of India" in future under the heading "Head of Account" at relevant place(s) in the accounts.

- Item 32.4 **To consider for Implementation of Accounting Standards in Educational Institutions of Department of Higher Education under MHRD.**

The Finance Committee resolved to switch over to Accrual Based Accounting including salary components as directed by the MHRD and as well as mandatory requirement of the Comptroller and Auditor General.

- Item 32.5: **To place quarterly Internal Audit Report for 1st and 2nd quarter ending 30.09.2015.**

The Finance Committee also considered the quarterly Audit Reports of Internal Auditor and desired that the cash book and other relevant documents should be maintained exactly as per established accounting standards and that the observations made by the Internal Auditor should be carefully examined and remedial action taken promptly so that the shortcomings and discrepancies observed are not repeated in future.

- Item 32.6: **To consider for Investment of Employee Provident Fund as per Ministry of Finance notification.**

The Finance Committee considered the directions issued by the Ministry of Finance vide letter No. 5(88)/2006- PR dated 14th August 2008 and recommended that the latest guidelines of the Ministry of Finance issued in April 2015 in this regard be followed in letter and spirit.

The Finance Committee suggested that if required, information in this regard may be obtained from other CFTIs (IITs and other NITs).

- Item 32.7: **To consider for the purchase of desktop computers for various departments of the Institute.**

The Finance Committee recommended the proposal of the Institute to the Board of Governors and suggested that the purchase should be as per the extant General Financial Rules and the CVC guidelines regarding transparency.


The Finance Committee suggested that in case the Institute wants to purchase the desktop computers on DGS &D rate contract, the purchase procedure as specified by the DGS & D be followed strictly.

NIT Kurukshetra

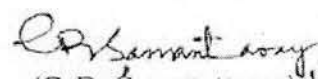
The Finance Committee also suggested that the old and unusable computers and accessories be disposed off as per the extant guidelines and procedures prescribed by the Department of Electronics and Information Technology, Ministry of Communications & IT in this regard.

The Finance Committee further resolved that in future the minutes of the Finance Committee should be placed before the Board of Governors for consideration only after their confirmation / finalization in the next meeting of the Finance Committee.

The meeting ended with a vote of thanks to the Chair.


16/12/15

(Anand Mohan)
Director & Chairperson (Acting)
NIT Kurukshetra


(G.R. Samantaray) 16/12/15
Registrar Incharge
& Member Secretary
NIT Kurukshetra

Item 33.2 To note follow up action taken on the 32nd meeting of Finance Committee, National Institute of Technology, Kurukshetra held on 15.12.2015

The 32nd meeting of the Finance Committee of the Institute was held on 15.12.2015 at Committee Room (New Building), Shri Lal Bahadur Shastri Rashtriya Sanskrit Vidyapeetha, Qutab Institutional Area, New Delhi. The minutes of the proceedings of the meeting were approved by the Board of Governors in its 39th meeting held on 5.4.2016.

The Institute had taken action on the minutes as decided by the Finance Committee and subsequently by the Board. The action taken report has been attached with this agenda item at **Appendix II from page 7 to 10.**

The Finance Committee may consider and note the follow up action on the minutes.

APPENDIX - II

| Item | Subject | Action Taken | | | | | | | | | | | | | | | | |
|----------------------|---|--|--|--|--|-------------|--------|---|------------------------|---------|----------------------|-------|------|---|----------------------|-------|-------|--|
| 32.1 | <p>To confirm the minutes of 31st Meeting of the Finance Committee, National Institute of Technology, Kurukshetra held on 08.05.2015.</p> <p>The Finance Committee confirmed the minutes of the 31st Meeting of the Finance Committee held on 08.05.2015.</p> | No action is required to be taken on these minutes. | | | | | | | | | | | | | | | | |
| 32.2 | <p>To note follow up action taken on the 31st meeting of the Finance Committee held on 08.05.2015.</p> <p>The Finance Committee noted the follow up action taken by the Institute on the 31st meeting of the Finance Committee held on 08.05.2015 and observed as under:</p> <p>Item 31.2- In addition to cost benefit analysis as decided in the 31st meeting a comparison of the cost incurred by the Institute may be made between Cashless Medical Scheme and Non- Cashless Medical Scheme for 9 months i.e. 01.06.2015 to 31.03.2016 vis-à-vis 01.06.2014 to 31.03.2015.</p> <p>Item 31.7- The Finance Committee suggested that instead of writing "Action has been taken", it should be written as "Action is being taken", as action is still pending. The Finance Committee desired</p> | <p>The observation in respect of Item no. 31.2, the cost benefit analysis and comparison statement is as under:</p> <table><tr><th colspan="3"></th><th>Rs. In Lacs</th></tr><tr><th>Period</th><th>Exp. Incurred on Medical Reimbursement & Health Centre Facilities</th><th>Insurance Premium Paid</th><th>Remarks</th></tr><tr><td>01.06.14 to 31.03.15</td><td>33.75</td><td>0.00</td><td>-</td></tr><tr><td>01.06.15 to 31.03.16</td><td>44.85</td><td>25.13</td><td>An amount of Rs. 40.00 Lacs has been sanctioned as claim against Medical Insurance Cover during the said period.</td></tr></table> <p>The net financial impact to implement the cashless medical scheme in the Institute comes to the tune of Rs.17.74 lacs. On the basis of above provided data, clearly indicates that if cashless medical facility may not be adopted in Institute, an</p> | | | | Rs. In Lacs | Period | Exp. Incurred on Medical Reimbursement & Health Centre Facilities | Insurance Premium Paid | Remarks | 01.06.14 to 31.03.15 | 33.75 | 0.00 | - | 01.06.15 to 31.03.16 | 44.85 | 25.13 | An amount of Rs. 40.00 Lacs has been sanctioned as claim against Medical Insurance Cover during the said period. |
| | | | Rs. In Lacs | | | | | | | | | | | | | | | |
| Period | Exp. Incurred on Medical Reimbursement & Health Centre Facilities | Insurance Premium Paid | Remarks | | | | | | | | | | | | | | | |
| 01.06.14 to 31.03.15 | 33.75 | 0.00 | - | | | | | | | | | | | | | | | |
| 01.06.15 to 31.03.16 | 44.85 | 25.13 | An amount of Rs. 40.00 Lacs has been sanctioned as claim against Medical Insurance Cover during the said period. | | | | | | | | | | | | | | | |

| | | |
|------|--|---|
| | that the specific and clear action taken should be written in future. | <p>additional financial burden to the tune of Rs. 40.00 Lacs (sanctioned medical claim amount) may be borne by the Institute.</p> <p>Item no. 31.2</p> <p>The suggestions given by the Finance Committee has been noted for future compliance.</p> |
| 32.3 | <p>To consider Revised Budget Estimates for the year 2015-16 and Budget Estimates for the year 2016-17.</p> <p>The Finance Committee considered the proposed Revised Budget Estimate 2015-16 and Budget Estimates 2016-17 and recommended them to the Board of Governors.</p> <p>The Finance Committee desired that priority should be given to close/ complete the ongoing projects and new projects should be taken up keeping the availability of funds into consideration.</p> <p>The Finance Committee also desired that the word "Deficit" should be written instead of "Balance Liability of Govt. of India" in future under the heading "Head of Account" at relevant place(s) in the accounts.</p> | <p>As decided, the CPWD, the agency to whom the construction works of various projects had been given, have been instructed to speed up the ongoing projects of constructions.</p> <p>The suggestions have been noted for future compliance.</p> |
| 32.4 | <p>To consider for Implementation of Accounting Standards in Educational Institutions of Department of Higher Education under MHRD.</p> <p>The Finance Committee</p> | |

| | | |
|------|--|---|
| | resolved to switch over to Accrual Based Accounting including salary components as directed by the MHRD and as well as mandatory requirement of the Comptroller and Auditor General. | The Institute has switched over to Accrual Based Accounting from the financial year 2015-16 as has been directed by the MHRD and C&AG. |
| 32.5 | <p>To place quarterly Internal Audit Report for 1st and 2nd quarter ending 30.09.2015.</p> <p>The Finance Committee also considered the quarterly Audit Reports of Internal Auditor and desired that the cash book and other relevant documents should be maintained exactly as per established accounting standards and that the observations made by the Internal Auditor should be carefully examined and remedial action taken promptly so that the shortcomings and discrepancies observed are not repeated in future.</p> | <p>All the main and subsidiary books are being maintained manually by the accounts section as pointed out by the Internal Auditor in its Audit Report for 1st and 2nd quarter for the year 2015-16. Observations in Audit Report were carefully examined and rectified.</p> |
| 32.6 | <p>To consider for Investment of Employee Provident Fund as per Ministry of Finance notification.</p> <p>The Finance Committee considered the directions issued by the Ministry of Finance vide letter no. 5(88)/2006- PR dated 14th August 2008 and recommended that the latest guidelines of the Ministry of Finance issued in April 2015 in this regard be followed in letter and spirit.</p> <p>The Finance Committee suggested that if required, information in this regard may</p> | <p>As directed by the Finance Committee, information has been sought from various IITs and NITs regarding pattern of investment of General Provident Fund.</p> <p>The replies received from the concerned NITs is given for kind consideration:</p> <ol style="list-style-type: none"> 1. NIT Delhi replied that the employees recruited in NIT Delhi come under New Pension Scheme. 2. NIT Surathkal didn't disclose their investment pattern of General Provident Fund. 3. NIT Calicut replied that the surplus fund of General Provident Fund is being invested in STDRs at higher rates of return with |

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|---------------------------------|---|--|
| | be obtained from other CFTIs (IITs and other NITs). | scheduled nationalized banks. 4. NIT Meghalaya replied that the employees recruited in NIT Meghalaya come under New Pension Scheme. |
| Tabled Agenda no. 32.7 | To consider for the purchase of desktop computers for various departments of the Institute. The Finance Committee recommended the proposal of the Institute to the Board of Governors and suggested that the purchase should be as per the extant General Financial Rules and the CVC guidelines regarding transparency. The Finance Committee suggested that in case the Institute wants to purchase the desktop computers on DGS & D rate contract, the purchase procedure as specified by the DGS & D be followed strictly. | The desktop computers are being purchased strictly according to the procedure specified by the DGS & D rate contract. |

Item 33.3 To place 3rd and 4th quarters Internal Audit Report for the financial year 2015-16.

In compliance to the directions issued by the Principal Accountant General (Audit) Haryana issued vide letter No. OAD (Special)/Performance/2010-11/2437 dated 10.02.2011, the Institute is engaging Chartered Accountants for detailed checks including audit of financial transactions of the Institute since 2011. Further, the Finance Committee in its 29th meeting held on 04.06.2014 while approving the Annual Accounts of the Institute for financial year 2013-14 recommended as under:

"The Committee recommends that the quarterly report of Internal Auditors along with action taken report thereon be placed before Finance Committee."

In view of the above decision, the Institute is placing all quarterly Internal Audit Reports before the Finance Committee for consideration since July 2014.

During 2015, the Institute engaged M/s Gurdyal Jony & Associates, Chartered Accountant, Kurukshetra for checking/auditing of financial transactions for the financial year 2015-16. The 1st and 2nd quarters Internal Audit Report of the said firm for the financial year 2015-16 were placed before the Finance Committee in its 32nd meeting held 15.12.2015. Now, the 3rd and 4th quarters Internal Audit Report for the financial year 2015-16 has been submitted by the said firm. These reports are attached **as Appendix - III from page 12 to 29** for consideration.

The firm raised some minor observations/errors regarding booking of income/expenditure amount in wrong heads of the accounts. All the observations have been rectified in consultation with the auditors and have been noted for future compliance.

The Finance Committee may consider and note.

**NATIONAL INSTITUTE OF TECHNOLOGY
KURUKSHETRA**

**INTERNAL AUDIT REPORT
FINANCIAL YEAR: 2015-16
QUARTER - THIRD**

A U D I T O R N A M E

**M/S GURDYAL JONY & ASSOCIATES
CHARTERED ACCOUNTANTS
KURUKSHETRA**

NATIONAL INSTITUTE OF TECHNOLOGY, KURUKSHETRA
INTERNAL AUDITOR'S REPORT

To The Members of Board of Governor of the National Institute of Technology, Kurukshetra.

INTRODUCTION:-

We have done the internal audit of financial statement of main account for National Institute of Technology, Kurukshetra. These financial statements are the responsibility of Institute Management. Our responsibility is to express an opinion on these financial statements on our audit.

THE OBJECTIVES OF INTERNAL AUDIT:-

- To determine the reliability and integrity of information: (i.e. evaluating the internal control systems and the integrity of financial and operating information produced by those systems).
- To determine whether compliance exists with policies, procedures, laws and regulations.
- To determine if assets are safeguarded and verify the existence of those assets.
- To appraise the economy and efficiency of recourse utility (i.e. physical, monetary and most important staff).
- To review operations of programs for consistency with established management goals.
- To assist members of our organization in the effective and successful performance of their responsibility by providing them with analyses, appraisals, recommendations, and other pertinent information concerning the activities being reviewed.



We conduct the audit in accordance with the Standards of Quality Control Standards promulgated by the Institute of Chartered Accountants of India (ICAI). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

OVERVIEW OF NATIONAL INSTITUTE OF TECHNOLOGY KURUKSHETRA:-

The Central Government in consultation with the Planning Commission had sanctioned a scheme of establishment of Regional Engineering Colleges under the Third Five Year Plan in order to expand the facilities for technical education in the country during the plan period. The Regional Engineering College, Kurukshetra was one of the seventeen colleges in the country.

National Institute of Technology Kurukshetra, Haryana is a premier Technical Institute of the region. The institute started working as Regional Engineering College, Kurukshetra in 1963. Like other Regional Engineering Colleges of India this institution too, had been a joint enterprise of the state and central Governments. This Institute was conferred upon status of Deemed University on June 26, 2002. Since then it has been renamed as National Institute of Technology, Kurukshetra.

National Institute of Technology, Kurukshetra is providing the various disciplines of Engineering and Technology at the Undergraduate and Postgraduate level, the institute offers excellent facilities for advanced research in the emerging areas of Science and Technology. The syllabus and the curricula are constantly being updated to meet the growing demands and need of the country in different areas of technology. The infrastructure is geared to enable the institute to turn out technical personnel of a high quality.



Technical Education in India has its roots in the 19th century, although it gained momentum in 20th century with the set up Constitution of Technical Education Committee of the Central University Board of Education (CABE) in 1943, preparation of sergeant Report in 1944 and formation of All India Council of Technical Education (AICTE) in 1945. The setting up of India Institute of Science was a major step in the development of technical education in India. The All India Council for Technical Education (AICTE) was set up. AICTE is responsible for planning, formation and maintenance of norms and standards, quality assurance through accreditation, funding in priority areas, monitoring and evaluation, maintaining parity of certification and awards and ensuring coordinated and integrated development and management of technical education in the country.

The courses, which are known as "Technical in India and, therefore come under the preview of AICTE, are:-

- (a) Degree and Diploma courses in Engineering
- (b) Master Degree courses in Engineering
- (c) Master of Business Administration
- (d) PhDs

CANTEEN / SHOPS: - The National Institute of technology, Kurukshetra normally allows the shop to operate on its premises to sell stationery, refreshments, etc., for its students. The shops are given on contract/lease to an outside party. The Institute had given the premises to SBI on lease to operate the banking facilities in the institute for itself as well as students.

HOSTEL FACILITIES: - The Institute charge fee from the students for providing them residential accommodation in the premises of the institute. This fee charged is, normally, not demarcated separately in the fee structure and the coaching, boarding and hostel fee is charged as a consolidated amount. The residential facilities provided in the premises of the institute. For running of hostel appointment of staff such as, hostel in charge, housekeepers and



There will have to be provision. The residential facility may take shape of a dormitory, twin sharing room, etc.

LIBRARY: - library is an integral part of National Institute of Technology, Kurukshetra. A Qualified Librarian, who might be assisted by helper staff, runs the library. Library books are systemized on two type of classification Dewey Decimal Classification (DDC) and Universal Decimal Classification (UDC). DDC is a proprietary system of library classification. This system organizes books on library shelves in a specific and repeatable order that makes it easy to find and book and return it to its proper place. UDC is a system of library classification, based on the DDC, but which uses auxiliary signs to indicate various special aspects of a subject and relationship between subjects.

Library security deposit charged separately from the students apart from the caution money deposit. The institute may follow a policy of making this security deposit a part of the fees structure and as such make it compulsory for the students. Fine are also recovered from the students for returning the books after the expiry of the loaning period or damage to books.

APPLICABILITY OF ACCOUNTING STANDARDS ISSUED BY ICAI:-

The Standards on Internal Audit shall apply whenever an internal audit is carried out. Internal audit is an independent management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvement thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity's strategic risk management and internal control system. Internal audit, thereof, 'provides assurance that there is transparency in reporting, as part good governance'.

Presently, the standards on Internal Audit issued by the ICAI are recommendatory in nature.



In the administration of the Institute the Director is the Principal Academic and Executive officer of the Institute and is responsible for the proper administration of the Institute and for imparting instruction and maintenance of discipline therein. He is assisted in his day to day work by Deans, Chairmen of the Departments, Professor-in-Charges, Registrar and other officers and various committees of the Institute".

REVENUE:-

Cash & bank Receipts for the quarter ended 31st December, 2015 was duly found in order or duly entered in the books of account.

EXPENDITURE:-

- A) Expenditure incurred by the institute are duly authorized and sanctioned by the competent authority.
- B) The Transaction was properly recorded in cash book & day book.
- C) The payment which was made by the institute is duly supported by the vouchers.

BANK RECONCILIATION STATEMENT:-

- Bank Reconciliation Statement is prepared for all banks on monthly basis.
- Balance shown in Bank Reconciliation Statement is tallied with the balance as per books.
- Cheques issued/ cheques issued but not yet presented for payment against which 3 months has been passed has been reversed/ transferred to Stale cheques account.



REPORTING OF ERRORS: -

a) We hereby point out that are such expenditure/ income are recorded in the wrong voucher/receipt no. in the books of accounts.

| Date | Particulars | Amount (₹) | Wrong Voucher/ Receipts No. | Correct Voucher/ Receipts No. | Remarks |
|-----------------|--------------------|---------------|--------------------------------------|-------------------------------------|-----------|
| October | | | | | |
| 13.10.2015 | Electricity Charge | 8,76,704 | 460/81-81 | 460/80-81 | Rectified |
| 14.10.2015 | Electricity Charge | 3,34,657 | 460/82-84 | 460/82-83 | Rectified |
| December | | | | | |
| 10.12.2015 | Consultancy | 2,86,250 | 467/15 | 467/45 | Rectified |
| 10.12.2015 | Consultancy | 1,145 | 470/21 | 470/36 | Rectified |
| 22.12.2015 | Tuition Fees | 41,350 | 12/18 | 128/18 | Rectified |
| 28.12.2015 | RTI Fee | 320 | 448/65 | 448/65-74 | Rectified |

b) We hereby point out that are such expenditure/ income are recorded in the wrong heads in the books of accounts.

| Date | V. No. | Amount (₹) | Recorded in Wrong Head | Correct Head as per voucher | Remark |
|-----------------|--------|---------------|-------------------------------------|--------------------------------|-----------|
| December | | | | | |
| 07.12.2015 | 93 | 580538 | Wages for Outsourcing Payable | Wages for Outsourcing | Rectified |



| Date | Particulars | Receipt / V. No. | Wrong Amount (₹) | Correct Amount (₹) | Remarks |
|--------------------|--------------------------------------|------------------|------------------|--------------------|---------------------------------|
| January, 15 | | | | | |
| 12.01.2015 | CPDA Revenue Exp (Ashwani Kumar EED) | 176 | 9,329 | 9,229 | Need to be Recovered of ₹ 100/- |
| March, 15 | | | | | |
| 31.03.2015 | CPDA Revenue Exp (Rajesh Kumar MED) | 852 | 14,304 | 14,034 | Need to be Recovered of ₹ 270/- |
| December | | | | | |
| 16/12/2015 | Tuition Fees | 128/13 | - | 41,350 | Rectified |
| 16/12/2015 | Tuition Fees | 128/14 | - | 41,350 | Rectified |
| 16/12/2015 | Tuition Fees | 128/15 | - | 42,500 | Rectified |
| 16/12/2015 | Tuition Fees | 128/16 | - | 41,350 | Rectified |
| 18/12/2015 | Student Security | 301 | - | 1,649 | Rectified |
| 18/12/2015 | Mtc of Inst. Buid | 302 | - | 300 | Rectified |
| 18/12/2015 | Mtc. of Elec fittin | 303 | - | 6,384 | Rectified |
| 18/12/2015 | Phd. Scholarship | 304 | - | 53,000 | Rectified |
| 18/12/2015 | Mtc of Computer | 305 | - | 3,400 | Rectified |
| 18/12/2015 | Hospital & other | 306 | - | 11,538 | Rectified |
| 18/12/2015 | Student Activity | 307 | - | 700 | Rectified |
| 18/12/2015 | Mtc of Computer | 308 | - | 14,400 | Rectified |



1) Bank Reconciliation Statement of SBI Bank Current Account No. 10716885013 as on 31/12/2015 includes following Cheque/Challan No. pending more than three month old. Need to be cancelled as per rules & regulation.

| Sr. No. | Date | Particulars | Cheque/Challan No. | Amount (₹) |
|---------|------------|---------------------------|--------------------|------------|
| 1 | 10.07.2015 | Student Security | NEFT | 1,446 |
| 2 | 10.07.2015 | Student Security | NEFT | 4,874 |
| 3 | 20.08.2015 | Student Security | NEFT | 12,751 |
| 4 | 25.08.2015 | New Pension Scheme | BT | 28,856 |
| 5 | 28.08.2015 | Mtc of Electrical Fitting | NEFT | 1,642 |
| 6 | 02.09.2015 | Student Security | NEFT | 2,836 |
| 7 | 02.09.2015 | Student Security | NEFT | 1,516 |
| 8 | 02.09.2015 | Student Security | NEFT | 2,731 |
| 9 | 02.09.2015 | Student Security | NEFT | 3,000 |
| 10 | 02.09.2015 | Student Security | NEFT | 1,882 |

Last Audit Report Observation:-

REPORTING OF IRREGULARITIES:-

(a) We observe that the following payments are made during the Current Year 2015-16 but Relates Previous Financial Year 2014-15. As per Accrual basis of Accounting these Expenditures are not allowed during the current year. NIT must follow accrual basis of accounting as per instruction of the MHRD.

| Date | Particulars | V. No. | Amount (₹) | Date as per Proof | Remarks |
|------------|-------------------|--------|-------------|-------------------|---------|
| 03/04/2015 | Salary of faculty | 01 | 1,68,58,494 | March | |
| 06/04/2015 | Pension | 02 | 78,68,577 | March | |
| 06/04/2015 | Pension | 03 | 1,19,186 | March | |



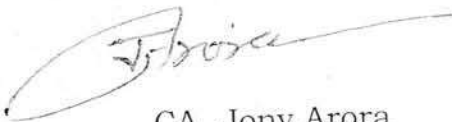
AUDIT OPINION

In our opinion the financial statements give a true and fair view of the business and application of funds for the period ended 31st December, 2015 in accordance with accounting principles generally accepted in India subject to observations given above.

For Gurdial Jony & Associates
Chartered Accountants

Place: Kurukshetra

Dated: 25/01/2016



CA. Jony Arora

Partner

M. No. 515210



**NATIONAL INSTITUTE OF TECHNOLOGY
KURUKSHETRA**

**INTERNAL AUDIT REPORT
FINANCIAL YEAR: 2015-16
QUARTER - FOURTH**

AUDITOR NAME

**M/S GURDYAL JONY & ASSOCIATES
CHARTERED ACCOUNTANTS
KURUKSHETRA**

NATIONAL INSTITUTE OF TECHNOLOGY, KURUKSHETRA
INTERNAL AUDITOR'S REPORT

To The Members of Board of Governor of the National Institute of Technology, Kurukshetra.

INTRODUCTION:-

We have done the internal audit of financial statement of main account for National Institute of Technology, Kurukshetra. These financial statements are the responsibility of Institute Management. Our responsibility is to express an opinion on these financial statements on our audit.

THE OBJECTIVES OF INTERNAL AUDIT:-

- To determine the reliability and integrity of information: (i.e. evaluating the internal control systems and the integrity of financial and operating information produced by those systems).
- To determine whether compliance exists with policies, procedures, laws and regulations.
- To determine if assets are safeguarded and verify the existence of those assets.
- To appraise the economy and efficiency of recourse utility (i.e. physical, monetary and most important staff).
- To review operations of programs for consistency with established management goals.
- To assist members of our organization in the effective and successful performance of their responsibility by providing them with analyses, appraisals, recommendations, and other pertinent information concerning the activities being reviewed.



SCOPE OF INTERNAL AUDIT

We conduct the audit in accordance with the Engagement and Quality Control Standards promulgated by the Institute of Chartered Accountants of India (ICAI). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

OVERVIEW OF NATIONAL INSTITUTE OF TECHNOOY KURUKSHETRA:-

The Central Government in consultation with the Planning Commission had sanctioned a scheme of establishment of Regional Engineering Colleges under the Third Five Year Plain in order to expand the facilities for technical education in the country during the plan period. The Regional Engineering College, Kurukshetra was one of the seventeen colleges in the country.

National Institute of Technology Kurukshetra, Haryana is a premier Technical Institute of the region. The institute started working as Regional Engineering College, Kurukshetra in 1963. Likes other Regional Engineering Colleges of India this institution too, had been a joint enterprises of the state and central Governments. This Institute was conferred upon status of Deemed University on June 26, 2002. Since then it has been renamed as National Institute of Technology, Kurukshetra.

National Institute of Technology, Kurukshetra is providing the various disciplines of Engineering and Technology at the Undergraduate and Postgraduate level, the institute offers excellent facilities for advanced research in the emerging areas of Science and Technology. The syllabus and the curricula are constantly being updated to meet the growing demands and need of the country in different areas of technology. The infrastructure is geared to enable the institute to turn out technical personal of a high quality.



TECHNICAL EDUCATION: - The history of imparting formal technical education in India can be traced back to mid 19th century, although it got momentum in 20th century with the set up Constitution of Technical Education Committee of the Central University Board of Education (CABE) in 1943 preparation of sergeant Report in 1944 and formation of All India Council of Technical Education (AICTE) in 1945. The setting up of India Institute of Science was a major step in the development of technical education in India. The All India Council for Technical Education (AICTE) was set up. AICTE is responsible for planning. Formation and maintenance of norms and standards, quality assurance through accreditation, funding in priority areas, monitoring and evaluation, maintaining parity of certification and awards and ensuring coordinated and integrated development and management of technical education in the country.

The courses, which are known as "Technical in India and, therefore come under the preview of AICTE, are:-

- (a) Degree and Diploma courses in Engineering
- (b) Master Degree courses in Engineering
- (c) Master of Business Administration
- (d) PhDs

CANTEEN / SHOPS: - The National Institute of technology, Kurukshetra normally allows the shop to operate on its premises to sell stationery, refreshments, etc., for its students. The shops are given on contract/lease to an outside party. The Institute had given the premises to SBI on lease to operate the banking facilities in the institute for itself as well as students.

HOSTEL FACILITIES: - The Institute charge fee from the students for providing them residential accommodation in the premises of the institute. This fee charged is, normally, not demarcated separately in the fee structure and the coaching, boarding and hostel fee is charged as a consolidated amount. The residential facilities provided in the premises of the institute. For running of hostel appointment of staff such as, hostel in charge, housekeepers and



...staff is required. Infrastructure such as buses, study tables, bedding, etc. will have to be procured. The residential facility may take shape of a dormitory, twin, sharing room, etc.

LIBRARY: - library is an integral part of National Institute of Technology, Kurukshetra. A Qualified Librarian, who might be assisted by helper staff, runs the library. Library books are systemized on two type of classification Dewey Decimal Classification (DDC) and Universal Decimal Classification (UDC). DDC is a proprietary system of library classification. This system organizes books on library shelves in a specific and repeatable order that makes it easy to find and book and return it to its proper place. UDC is a system of library classification, based on the DDC, but which uses auxiliary signs to indicate various special aspects of a subject and relationship between subjects.

Library security deposit charged separately from the students apart from the caution money deposit. The institute may follow a policy of making this security deposit a part of the fees structure and as such make it compulsory for the students. Fine are also recovered from the students for returning the books after the expiry of the loaning period or damage to books.

APPLICABILITY OF ACCOUNTING STANDARDS ISSUED BY ICAI:-

The Standards on Internal Audit shall apply whenever an internal audit is carried out. Internal audit is an independent management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvement thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity's strategic risk management and internal control system. Internal audit, thereof, provides assurance that there is transparency in reporting, as part good governance". Presently, the standards on Internal Audit issued by the ICAI are recommendatory in nature.



MANAGEMENT CONTROL IN NATIONAL INSTITUTE OF TECHNOLOGY:-

In the administration of the institute, the Director is the Principle Academic and Executive officer of the Institute and is responsible for the proper administration of the Institute and for imparting instruction and maintenance of discipline therein. He is assisted in his day to day work by Deans, Chairmen of the Departments, Professor-in-Charges, Registrar and other officers and various committees of the Institute".

REVENUE:-

Cash & Bank Receipts for the quarter ended 31st March, 2016 was duly found in order or duly entered in the books of account.

EXPENDITURE:-

- A) Expenditure incurred by the institute are duly authorized and sanctioned by the competent authority.
- B) The Transaction was properly recorded in cash book & day book.
- C) The payment which was made by the institute is duly supported by the vouchers.

BANK RECONCILIATION STATEMENT:-

- Bank Reconciliation Statement is prepared for all banks on monthly basis.
- Balance shown in Bank Reconciliation Statement is tallied with the balance as per books.
- Cheques issued/ cheques issued but not yet presented for payment against which 3 months has been passed has been reversed/ transferred to Stale cheques account.



REPORTING OF ERRORS, IRREGULARITIES:-

REPORTING OF ERRORS:-

a) We hereby point out that are such expenditure/ income are recorded in the wrong voucher/receipt no. in the books of accounts.

| Date | Particulars | Amount (₹) | Wrong Voucher/ Receipts No. | Correct Voucher/ Receipts No. | Remarks |
|-----------------|-------------------|------------|-----------------------------|-------------------------------|-----------|
| January | | | | | |
| 11.01.2016 | Salary and Wages | 2,10,000 | 130 | 130-131 | Rectified |
| 22.01.2016 | CSAB | 4,38,355 | 348 | 348-349 | Rectified |
| 30.01.2016 | S.Tax Consultancy | 248 | 474/89 | 474/89-90 | Rectified |
| February | | | | | |
| 08.02.2016 | RTI Fee | 10 | 448/61 | 448/81 | Rectified |
| 23.02.2016 | Tuition Fees | 26,000 | 132/77 | 132/78 | Rectified |

b) We hereby point out that are such expenditure/ income are recorded in the wrong heads in the books of accounts.

| Date | V. No. | Amount (₹) | Recorded in Wrong Head | Correct Head as per voucher | Remark |
|----------------|---------|------------|------------------------|-----------------------------|-----------|
| January | | | | | |
| 15.01.2016 | 226-230 | 1,90,046 | Leave Encashment | LTC Teaching | Rectified |
| 19.01.2016 | 261-266 | 2,96,823 | Leave Encashment | LTC Teaching | Rectified |
| 20.01.2016 | 298-302 | 2,03,419 | Leave Encashment | LTC Teaching | Rectified |

c) We hereby point out that are such expenditure/ income are recorded by the wrong amount in the books of accounts.

| Date | Particulars | Receipt / V. No. | Wrong Amount (₹) | Correct Amount (₹) | Remarks |
|-----------------|------------------|------------------|------------------|--------------------|-----------|
| February | | | | | |
| 10.02.2016 | Mtc. of Computer | 184 | 14,980 | 14,900 | Rectified |



LAST AUDIT REPORT OBSERVATION:-

REPORTING OF IRREGULARITIES:-

(a) We observe that the following payments are made during the Current Year 2015-16 but Relates Previous Financial Year 2014-15. As per Accrual basis of Accounting these Expenditures are not allowed during the current year. NIT must follow accrual basis of accounting as per instruction of the MHRD.

| Date | Particulars | V. No. | Amount (₹) | Date as per Proof | Remarks |
|------------|-------------------|--------|-------------|-------------------|---------|
| 03/04/2015 | Salary of faculty | 01 | 1,68,58,494 | March | |
| 06/04/2015 | Pension | 02 | 78,68,577 | March | |
| 06/04/2015 | Pension | 03 | 1,19,186 | March | |

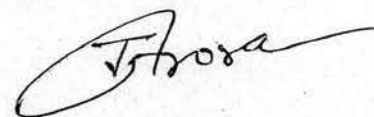
AUDIT OPINION:-

In our opinion the financial statement give a true and fair view of the sources and application of funds for the period ended 31st March, 2016 in accordance with accounting principles generally accepted in India subject to observations given above.

For Gurdyal Jony & Associates
Chartered Accountants

Place: Kurukshetra

Dated: 12/05/2016



CA. Jony Arora

Partner

M. No. 515210



Item 33.4 To consider and approve the Annual Accounts of the Institute for the financial year 2015-16

In pursuance of the instructions issued by Indian Audit & Accounts Department, Chandigarh vide letter no. PDA (C) / CE/ SARs/2016-17/23 dated 04.05.2016, the Approved Annual Accounts of the Institute for the financial year 2015-16 is to be sent to C&AG along with a copy of approval of Board of Governors for preparation and issuance of Audit Report of the Institute.

The Institute has prepared the Annual Accounts for the financial year 2015-16 of Main Current Account, Scheme Account, TEQIP-II Account, MCA and other Accounts i.e. Ex-employees, SWF and merit scholarship Accounts with the following contents:

- i) Balance sheet
- ii) Income & Expenditure Account,
- iii) Schedule I to XXIV,
- iv) Receipts & Payment Account

A draft copy of the prepared annual accounts is attached as

Annexure – A.

The major highlights of Institute Accounts for the financial year 2015-16 are as under:

| ₹ in lacs | | | | |
|--|-----------------|-----------------|-----------|---|
| Particulars | 2014-15 | 2015-16 | Variation | Remarks |
| RECEIPTS | | | | |
| Opening Balance | 1483.13 | (-)1227.14 | - | The closing balance of Financial year 2014-15 is forwarded as opening balance for F.Y. 2015-16. |
| Grant Received from Govt. of India | 6200.00 | 12200.00 | 49.18% | Plan 5300.00 Non-Plan 6900.00 |
| Other receipts including Tuition fee Interest earned on deposits, Lease of Land & CPF account etc. | 5140.86 | 4853.89 | -5.91% | Due to waiving off the tuition fee of SC/ST students admitted to M. Tech. Degree Course. |
| Total | 12823.99 | 15826.75 | | |

| PAYMENTS | | | | |
|---|-----------------|-----------------|---------|--|
| Establishment & Other Administrative expenses | 8705.41 | 9479.10 | 8.16% | Due to increase of DA and increment of regular employees and new recruitees. |
| Deposit to CPWD for Construction Projects | 3971.68 | 3997.86 | 0.65% | Advances have been issued to CPWD for capital works in progress, out of which approximately 20.04 Lacs has been capitalized during this year only. |
| Capital Expenditures | 1374.04 | 787.72 | -74.43% | Building Construction works yet to be capitalized. |
| Closing Balance | (-)1227.14 | 1562.07 | | |
| Total | 12823.99 | 15826.75 | | |

The Finance Committee may consider and make suitable recommendations to the Board.

Item No. 33.5 To consider and approve the preliminary cost estimate for Providing Kitchen Equipments in 600 seater Girls Hostel (Multi-storeyed) RCC framed structure (Ground +5) at NIT, Kurukshetra

The Preliminary Cost Estimate for providing Kitchen Equipments such as receiving table, electronic weighing scale, working table refrigerator, dirty dish landing table, overhead glass rack, loading table, dishwasher machine, unloading table, dish rack, pot rack, storage rack, potato/onion rack, potato peeler machine, wet masala grinder, support table, utility trolley, mobile table, spice rack, S.S. Tandoor, preparation table, dough mixer, tilting pan, bulk cooker, cooking gas, chapatti plate-cum-puffer, exhaust hood, GI ducting, Centrifugal blower, fire extinguisher, automatic chapatti making machine & cold room for vegetables in 600 seater Girls Hostel (Multi-storeyed) received from the Superintending Engineer (Elect.), CPWD, Chandigarh vide letter no. 23(130)CCEC/2016/165 dated 28.01.2016 for an amount of Rs. 1,18,28,927/- was putup before the EAC meeting held on 16.02.2016 and resolved that the estimate be putup in the ensuing B&WC meeting. The same was approved by competent authority.

The Building & Works Committee approved the cost estimate for providing kitchen equipments in 600 seater Girls Hostel(Multi storeyed) RCC framed structure (Ground+5) at NIT Kurukshetra for an amount of Rs. 1,18,28,927/- after due deliberations as recorded in the minutes of the meeting.

The Finance Committee may consider and make suitable recommendation to the Board of Governors.

Item No. 33.6 To approve the Minutes of the 21st meeting of the Building & Works Committee of National Institute of Technology Kurukshetra held on 27.5.2016.

The Minutes of the 21st meeting of the Building & Works Committee of National Institute of Technology , Kurukshetra held on 27.5.2016 under the Chairmanship of the Hon'ble Director & Chairman Building & Works Committee NIT, Kurukshetra were circulated to all the members of the Building & Works Committee. The Agenda and Minutes of the meeting are enclosed as **Annexure - B and Annexure - C** to Item 33.6.

The Finance Committee may approve the minutes of the 21st meeting of Building & Works Committee held on 27.5.2016 and recommend to Board of Governors for the Administrative Approval & Expenditure Sanction.

Item No 33.7 To consider and approve the financial implications due to enhancement of no. of Ph. D scholarships from 2015-16 onwards.

The Senate in its 25th meeting held on 24.02.2015 vide agenda Item No. 25.12 approved enhancement of no. of Ph. D scholarships from Academic session 2015-16. The Senate proposed 60 scholarships per year for Ph. D Scholars of the Institute. The Institute is already having 25 scholarships for Ph. D programmes. Thus there is increase of 35 scholarships in 1st year and thereafter 60 scholarships per year upto 5th year. At any point of time after five years, the Institute will have maximum 300 Ph. D scholarships out of which 120 would be JRF and 180 would be SRF. Presently JRF is being paid Rs. 25000/- per month and SRF is being paid Rs. 28000/- per month along with contingencies including HRA.

The decision of the Senate in this regard was placed in the 31st Finance Committee meeting held on 08.05.2015 vide Agenda Item No. 36.17 and also placed before the BOG in its 36th meeting held on 08.05.2015.

The Deputy Registrar (Accounts) vide letter no. DR/Acs/2016/332 dated 05.02.2016 has informed that the enhanced/new scholarships may be considered only when the required funds are provided by the MHRD as the Institute is already in deficit under the scholarship head (PG and Ph. D Scholarship) from the last three years which may be ascertained from the following table:

| Rs. in lacs | | | | | | |
|-------------|-------------------|-----------------|--------------|--|-----------------|---------|
| Sr. No. | Financial Year | M. Tech. Intake | Ph. D intake | Amount of scholarship disbursed (M. Tech. & Ph.D.) | Grants received | Deficit |
| 1. | 2013-14 | 702 | 25 | 519.00 | 200.00 | 319.00 |
| 2. | 2014-15 | 796 | 25 | 519.00 | 452.00 | 67.00 |
| 3. | 2015-16 till date | 876 | 25 | 708.00 | 896.00 | 188.00 |

Therefore, it was also suggested by accounts to place a rectified agenda Item in the next Finance Committee meeting with the revised financial implications for all financial years 2015-16 to 2020-21.

In view of above, the Finance Committee may consider the revised financial implications for the increased no. of Ph. D Scholarships as per table given below and recommend to the Board to approve the same.

Amount in Lacs at Sr. No. 6 onwards

| Sr. No | Particulars | Year 2015-2016 | Year 2016-2017 | Year 2017-2018 | Year 2018-2019 | Year 2019-2020 | Year 2020-2021 onwards |
|---------------|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------|
| 1. | Existing Scholarships | 25 | 60 | 120 | 180 | 240 | 240 |
| 2. | Enhanced Scholarships | 35 | 60 | 60 | 60 | 60 | 60 |
| 3. | Total Scholarships | 60 | 120 | 180 | 240 | 300 | 300 |
| 4. | Total JRF Scholarships | 60 | 120 | 120 | 120 | 120 | 120 |
| 5. | Total SRF Scholarships | * | - | 60 | 120 | 180 | 180 |
| 6. | Financial Implication of additional Scholarships to JRF | 216.00 | 432.00 | 432.00 | 432.00 | 432.00 | 432.00 |
| 7. | Financial Implication of additional Scholarships to SRF | - | - | 239.76 | 479.52 | 719.28 | 719.28 |
| 8. | Total Financial Implication on Ph.D. Sch. | 216.00 | 432.00 | 671.76 | 911.52 | 1151.28 | 1151.28 |

* Existing Scholarship of JRF & SRF have separate financial provision in the Institute budget and this has not been taken in financial implication.

The Financial Implication includes emoluments per month +HRA+ Contingencies.

The Finance Committee may consider and make suitable recommendations to the Board.