Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of India Development Foundation of Overseas Indians for the year 2013-14

We have audited the attached Balance Sheet of India Development Foundation of Overseas Indians, IDF-OI (Trust) as at 31 March 2014 and the Income & Expenditure Account/Receipts & Payments Account for the year ended on that date under Section 20(1) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971. These financial statements are the responsibility of the India Development Foundation of Overseas Indians (IDF-OI) management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. The audit has been conducted in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and 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 and Income & Expenditure Account/Receipts & Payments Account dealt with in this report have not been drawn up in the uniform format of accounts prescribed by Ministry of Finance.
   iii. In our opinion, proper books of accounts and other relevant records have not been maintained by the India Development Foundation of Overseas Indians (IDF-OI) as required and so far as it appears from our examination of such books.
   iv. We further report that:

A. Non-adherence to Uniform Format of Accounts

1. Autonomous Bodies under Government of India are required to compile their accounts in a Uniform Format of accounts as prescribed by Government of India, Ministry of Finance. The accounts prepared by IDF-OI are not in the uniform format of accounts as prescribed.
2. Previous year's figure are not mentioned in the balance sheet, income and expenditure account and receipt and payment account.

3. Provision for depreciation has not been made in the income and expenditure account.

A.1. Opening balances

In view of observation in previous SAR, correctness of opening balance under the fixed assets, current liabilities and provisions and grant-in-aid cannot be ascertained.

B. Balance Sheet

B.1 Liabilities

B.1.1 Unspent Grant

In Balance Sheet, grant of Rs. 1.74 lakh has been depicted under sources of funds. Further in the schedule of grant (Annexure – 1), opening balance of Rs. 46.94 lakh is shown. During the year contributions of Rs. 11.56 lakh towards philanthropy received from donors had been included under the head. An amount of Rs. 56.76 lakh had been shown as grant and foreign contributions utilised and balance of Rs. 1.74 lakh has been shown as closing balance in the accounts. However, in the utilisation certificate a sum of Rs. 45.16 lakh had been shown as utilised out of Govt. Grant. IDF-OI has not maintained separate account for each grant and not depicted foreign grant separately in the accounts.

The amount of Government grant utilised and unspent grant could not be verified due to non maintenance of separate account for each grant and non reflection of grant related expenditure in the Income and Expenditure account.

B.1.2 Advances received of Rs. 4.83 lakh

In the Balance Sheet, an amount of Rs. 4.83 lakh has been shown as advances received from ICM. However, audit noticed that during 2013-14, a balance amount of Rs. 4.83 lakh payable to ICM had been incorrectly depicted as advance received in Balance Sheet.

B.1.3 Non-depiction of foreign contribution as a separate Earmarked Fund

It has been seen in IDF-OI that foreign contributions are received through Institution or individuals across the world. The expenditure out of the contributions for the specified purposes were not separately shown in the accounts. Amount received for the specified purposes are to be shown in separate schedule indicating opening balance, additions and utilisation/expenditure towards objectives of funds, any refund thereon/deletions. Thus, non-depiction of foreign contribution as a separate Earmarked Fund resulted in mixing of fund.

(Shri Murali Shanmugam)
Minister of State for External Affairs
Govt. of India, New Delhi
a. In so far as it relates to the Balance Sheet, of the state of affairs of the India Development Foundation of Overseas Indians as at 31st March 2014; and

b. In so far as it relates to Income and Expenditure Account of the nil balance for the year ended on that date.

For and on behalf of the C &AG of India

Place: New Delhi
Dated: 10.1.2017

Director General of Audit,
Central Expenditure

(विनोबा बावकर)  
(V MURALEEDHARAN)  
Minister of State for Finance
Government of India, New Delhi
Annexure-I

1. **Internal Audit System:**

   There is no internal audit mechanism and no internal audit has been conducted since 2011-12.

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

   **Control Environment**
   - Inadequate internal control system due to absence of internal audit and physical verification of assets/inventory.
   - There was no separate full-time official assigned for preparation of bills, maintaining the accounts etc..
   - No fixed assets register were maintained.

3. **System of physical verification of fixed assets/inventory**

   No physical verification of asset/inventory have been carried out since 2011-12. No Fixed assets register has been maintained since 2011-12.

4. **Regularity in payment of statutory liabilities**

   No amount was outstanding as per accounts.

\[\text{(V MURALIDHARAN)}\]

Minister of State for External Affairs
Government of India, New Delhi