



Thru SDO
MCN/for
Accounts ✓

Annexure - A.
भारतीय लेखा तथा लेखा परीक्षा विभाग

कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
तथा पदेन सदस्य लेखा परीक्षा बोर्ड, चेन्नै

Indian Audit and Accounts Department
Office of the Principal Director of Commercial Audit
and ex-officio Member Audit Board, Chennai

CAD

31/10

Dated: 24.10.2017

No. PDCA/CHENNAI/CA 3/2-107/IRDA /A/cs16-17/2017-18/474

To
The Secretary,
Ministry of Finance,
Department of Financial Services,
Room No.32, Jeevan Deep Building,
Parliament Street,
New Delhi 110 001.



Sir,

Sub: Separate Audit Report on the accounts of Insurance Regulatory and Development Authority of India for the year 2016-17 -- Regarding.

I forward herewith the Separate Audit Report on the accounts of Insurance Regulatory and Development Authority of India for the year 2016-17.

A copy of the Audit Report and the Accounts as presented to Parliament may be sent to this office and four copies thereof may be sent to the Director General (Commercial), O/o the Comptroller and Auditor General of India, Pocket 9, Deen Dayal Upadhyaya Marg, New Delhi 110 124.

The dates of presentation of the Accounts and Audit Report to Parliament may kindly be intimated to this office.

The receipt of this letter with enclosures may be acknowledged.

Yours faithfully,

Sd/-

(G. SUDHARMINI)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI.

Encl: As stated

No. PDCA/CHENNAI/CA 3/2-107/IRDA /A/cs16-17/2017-18/475

24.10.2017

Copy of the Separate Audit Report for the year 2016-17 forwarded to The Chairman, Insurance Regulatory and Development Authority of India for placing the same before the Board. Five copies of English and Hindi version of the Accounts, Audit Report and Audit Certificate may be arranged to be sent.



(G. SUDHARMINI)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI.

No. PDCA/CHENNAI/CA 3/2-107/IRDA /A/cs16-17/2017-18/476

24.10.2017

Copy of the Separate Audit Report of Insurance Regulatory and Development Authority of India for the year 2016-17 is forwarded to the Director General (Commercial), O/o the Comptroller and Auditor General of India, Pocket 9 Deen Dayal Upadhyaya Marg, New Delhi 110124 with reference to Headquarters Letter No 408/CA III/CHENNAI/SAR/IRDA/2016-17 dated 20.10.17. Facts and figures verified before issue of SAR to the Authority.

Sd/-

(G. SUDHARMINI)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI.

SEPARATE AUDIT REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA FOR THE YEAR ENDED 31 MARCH 2017

We have audited the attached Balance Sheet of Insurance Regulatory and Development Authority of India as at 31 March 2017 and Income and Expenditure Account / Receipts and Payment Account for the year ended on that date under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 17(2) of the Insurance Regulatory and Development Authority (IRDA) Act, 1999. The financial statements are the responsibility of the Insurance Regulatory and Development Authority of India'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 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 Laws, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects etc., if any, are reported through Inspection Reports/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 reasonable assurance about whether the financial 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 and Income & Expenditure Account/Receipts & Payments Account dealt with by this report have been drawn up in the common format of accounts prescribed by Ministry of Finance.

- iii. In our opinion proper books of accounts and other relevant records have been maintained by the Insurance Regulatory and Development Authority of India as required under Section 17(1) of the Insurance Regulatory Development Authority Act, 1999 in so far as it appears from our examination of such books.
- iv. We further report that the Insurance Regulatory and Development Authority of India has revised its Balance Sheet and Income & Expenditure Account/Receipts & Payments Account for the year based on the audit observations issued by CAG. As a result, the Excess of Income over Expenditure increased by Rs.12.76crore i.e. from Rs. 33.99 crore to Rs.51.75crore.
- v. We report that the revised Balance Sheet and Income and Expenditure Account / Receipts and Payment 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 I** 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 Insurance Regulatory and Development Authority of India as at 31 March 2017; and
- b. In so far as it relates to Income and Expenditure Account / Receipts and Payment Account of the surplus for the year ended on that date.

For and on behalf of the C&AG of India


(G.SUDHARMINI)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI

Place: Chennai
Date: 24.10.2017

Annexure I

1. **Adequacy of Internal Audit System**

Internal Audit of the Authority is conducted by the Internal Audit Department. Review of Internal Audit Reports for the period ending 31.03.2017 on the Final Accounts, revealed that Bank Reconciliation is being done manually and Form 16 are not generated through SAP, which needs to be streamlined.

2. **Adequacy of Internal Control System**

System of Internal control is not commensurate to the size of the Authority.

3. **System of Physical verification of assets**

The physical verification of assets was stated to be completed for the year 2016-17. However, the physical verification report was not furnished to audit for review.

4. **System of Physical verification of inventory**

The physical verification of books and publications and stationery and consumable items was stated to be completed for the year 2016-17. However, the physical verification report was not furnished to audit for review.

5. **Regularity in payment of Statutory Dues**

The authority is regular in depositing undisputed statutory dues.



DIRECTOR