

1068
04.09.19

He. Lin. 15
B. P. P. P.
B. P. P. P.
04/9/19
P-1

प्रधान महालेखाकार (आर्थिक एवं राजस्व क्षेत्र लेखापरीक्षा) का कार्यालय

ओडिशा :: भुवनेश्वर - 751001

पत्र सं० - आ० क्ष०-1(पु०-1)/28/2019-20/100

दिनांक - 26.08.2019

सेवा में,

.....
प्रधानाचार्य,
राजकीय पॉलिटेक्निक,
अंगुल
.....

विषय: निरीक्षण रिपोर्ट सं० 28/2019-20..... निर्गत करने के सम्बन्ध में।

महोदय/महोदया,

उपरोक्त विषय पर इस कार्यालय का अंग्रेजी पत्र सं० ई० एस० 1/वेट-1 - 28/2019-20/100

दिनांक - 26.08.2019 सूचनार्थ एवं आवश्यक कार्रवाई हेतु भेजा जा रहा है।

संलग्न: यथोपरि।

भवदीय,

पुनर्विचार
वरिष्ठ लेखापरीक्षा अधिकारी
(ई० एस०-1/वेटिग-1)

43
21

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (R&SA)
ODISHA: BHUBANESWAR

No. ES-I(V)/IR No. 28/2019-20/100

Date: 26/08/2019

To
Principal,
Govt. Polytechnic,
Angul.

Sir,
I am to forward herewith the Inspection Report No. 28/2019-20 relating to Transaction audit of your establishment for the year 2014-19. Reply to the Inspection Report is required to be furnished within four weeks of its receipt in terms of Regulation 197 on Audit and Accounts as notified by the Government of India. The reply may also be forwarded to Government (Administrative Department) for their comments.

The following paras of the previous Inspection Report may be treated settled

Sl. No.	IR No./Year	Part II-A Para	Part II-B Para	Remarks
			Nil	

Kindly acknowledge the receipt of the Inspection Report.

D. S. Mishra
26/8/2019
Sr. Audit Officer/ES-I (V)

Memo No. ES-I(V)/IR No.

दिनांक/Date:

Copy along with copy of Inspection Report forwarded to the for information and necessary action. Special attention is invited to the irregularities pointed out in Para No. for necessary action. In terms of Regulation 202 on Audit and Accounts, as notified by Government of India, the Government (Administrative Department) shall establish and implement systems and procedures that ensure adequate constructive and timely action on observations contained in Inspection Reports.

Reply to the Inspection Report, when received may be forwarded to this Office with your comments thereon

Sr. Audit Officer/ES-I(V)

Memo No. ES-I(V)/IR No.

दिनांक/Date:

Copy along with copy of Inspection Report forwarded to the for information and necessary action. Special attention is drawn to the irregularities pointed out in Para No. for necessary action.

Sr. Audit Officer/ES-I (V)

13/42

INSPECTION REPORT No.28/2019-20

Index

Part I	
1.1	Introduction
1.2	Scope of audit
1.3	Audit Objective
1.4	Audit Criteria
1.5	Audit Methodology
Part IIA	
Nil	
Part II B	
A2	Grant of Stipend/Scholarship to the students
A3	Non remittance of accrued interest of ₹ 26863/-
A4	Non-refund of caution money to the pass out students amounting to ₹ 13500/-.
A5	Physical verification of Stores and stock
A6	Outstanding Advance of ₹ 0.79 Lakh
A7	Cash Book and Management of cash
A8	Inadequate budgetary control
Part III	
Outstanding Paras of Previous Inspection reports	
Part IV	
Best Practices: Mentioned in IR	
Part V	
Acknowledgement: Mentioned in IR	

12

PRINCIPAL ACCOUNTANT GENERAL (E&RSA), ODISHA
DRAFT INSPECTION REPORT No 28/2019-20 Office of the Principal, Government
Polytechnic, Angul

1.Name of the accounts audited	Office of the Principal, Government Polytechnic, Angul At: Kusasinga P.O:Karadagadia Dist. AngulPIN:759132Phone:NA Mail Id:gpangul.org
2.Period of accounts audited	Transaction audit from July 2014 to June 2019
3.Time taken for audit	22-07-2019 to 27-07-2019(6 working days)
4.Name of the officer in charge of accounts	1.Er.Bijaya Kumar Nayak, I/c Principal (From 20/05/2014to till date)
6.Designation of the next higher authority	Director of Technical Education & Training, Cuttack
7.Name of the officer who audited the accounts	Shri G.N.Pati, Asst. Audit officer Shri P.M.Kandeyang, Sr. Auditor
8.Name of the Reviewing Officer	Shri U.N.Patra, Sr. Audit officer
9.Scope of audit	Test check and general examination of accounts records pertaining to the period covered under audit

PART-I

1.1 **Introductory:** Office of the Principal, Government Polytechnic, Angul was established since 2014 vide Government of Odisha Industries Department Notification No.IX-TTI-22/2010/772/I dtd.18.1.2010.In pursuance of the policy initiatives of Ministry of Human Resource Department, Government India for promotion of technical education in unserved/ under-served districts across the country supported under the "Sub-Mission on Polytechnics" Scheme the Institution was created.Theaim &objectives of this institution are to impart quality Diploma Education to the youth, to achieve quality output through improved teaching methodology in producing skilled manpower to fulfill all professional activities as well as encouraging self-employment.

1.2 **Scope of Audit :**

A test check and general examination of accounts records relating to Expenditure and Receipts & Refunds Accounts for the period covered under audit under section16 of C&AG'S DPC Act-1971.

1.3 **Audit Objective :**

The objectives of this transaction audit were to

- Checking accuracy of refunds of revenue

- Check of propriety, regularity and effectiveness of Expenditure, both Revenue Capital

1.4 Audit criteria :

- Instructions/Circulars of Govt. of Odisha,
- Physical/ Physical targets/norms fixed by Govt./IGR Odisha Treasury Code
- Odisha General Financial Rules
- Sanctions & Conditions of sanctions of different scheme funds etc.

1.5 Audit Methodology:

The audit methodology adopted for attaining audit objectives with reference to audit criteria were as follows:

- Scrutiny of records maintained by the office
- Study & application of press clippings/Inter Audit Reports/ Vigilance Reports/Public allegations
- Interaction with auditee officials
- Issue of POMs and discussion of audit findings with Head of the office with relation to reply.

41
11

EXPENDITURE AUDIT

PART-II-A

-NIL-

PART-II-B

A2. Grant of Stipend/Scholarship to the students

As per Notification of Government of Odisha Welfare Department of Schedule Tribe/Schedule Caste and Minority Community/Socially backward Class, all eligible students are required to apply for Post Matric Scholarship (PMS) through e-scholarship portal of the department. The printout applications are to be submitted to District Welfare Officer (DWO) through Principal, Government Polytechnic, Angul for approval and sanction of PMS. The amount so sanctioned shall be released in two phases for prosecuting their higher study and for better monitoring and follow up. The amount shall be paid to the students in their individual bank account of the beneficiaries.

Test check of PMS file and information furnished to audit it was observed that 975 students were enrolled during 2014-15 to 2018-19. Out of which applications of 552 students were recommended to DWO, Angul for payment of stipend/scholarship by the Principal, Government Polytechnic, Angul. On the basis of recommendations of Principal 477 applications were approved for payment of stipend/scholarship and 29 applications were under process.

Year wise enrollment and recommendation of application for payments of PMS for the period 2014-15 to 2018-19 is given below:

Academic Year	Students on Roll	No of applications recommended	Approved by DWO	No of students left out Polytechnic
		Hosteller/ Day-Scholar	Hosteller/ Day-Scholar	
2014-15	170	80 (SC-26,ST-18, SEBC/OBC-36)	80	05 (Sc-3,ST-1, OBC-1)
2015-16	214 (173+41LE)	140 (SC-47, ST-35,SEBC/OBC-58)	140	08 (SC-5, OBC-03)
2016-17	198 (169+29LE)	144 (SC-51, ST-42, SEBC/OBC-51)	144	09 (SC-3, ST-3,OBC-3)
2017-18	208 (164+44LE)	113 (SC-33, ST-24, SEBC/OBC-56)	113	06 (SC-2,ST-1, OBC-3)
2018-19	185 (169+16LE)	75 (SC-28, ST-13, SEBC/OBC-34)	29 (under process)	02 (SC-1,ST-0, OBC-1)
TOTAL	975	552	477+29	28+2

492
29
500

Further it was seen that 28 students of this institution were left out during 2018-19 without completion of three years diploma course on various grounds. However stipend/scholarship were granted to them for prosecuting their higher study. The fact of discontinuance of these students was also not intimated to DWO, Angul for withheld of stipend/scholarship or take necessary action against them. Resulting in the intention of Government could not be fulfilled and there was an unfruitful expenditure. The amount of stipend/scholarship drawn by the above 28 students could not be worked out as the payments were being made to the students through individual bank account.

On this being pointed out in Principal, Government Polytechnic, Angul stated that the list of left-out students would be communicated to DWO, Angul on issuing of leaving certificates and other testimonials by the concerned.

A3. Non remittance of accrued interest of ₹ 26863/-

Scrutiny of Cash Book of Principal Government Polytechnic, Angul, revealed that one Servings Accounts bearing Account No 33930992741, was opened at SBI Angul on 1.07.2014. An amount of Rs. 1100000/- was allotted by Director of Technical Education Orissa Cuttack to Principal polytechnic Angul for running the institution on 24.06.2014 vide Cheque No. 905542, 000012/ 4.7.2014 & the Principal deposit it in Account No. 33930992741.

The amount accrued Interest are as follows.

Name of the Bank	Account No.	Period from	Interest accrued in ₹
SBI Angul	33930992741	25.12.14	13498
Servings Accounts		25.6.15	3225
		25.12.15	400
		25.6.16	408
		25.9.16	209
		25.12.16	209
		25.3.17	209
		25.6.17	209
		25.9.17	275
		25.12.17	1064
		25.3.18	1032
		25.6.18	829
		25.9.18	1199
		25.12.18	1361
		25.3.19	1358
		25.06.2019	1378
		Total	26863

An amount of ₹ 26,863/- accrued interest with remaining unspent balance comes to total ₹ 160119/- was kept in Bank Pass book till the date of audit, which may please be remitted to Government account under intimation to audit.

40

On this being pointed out in Principal, Government Polytechnic, Angul stated that action would be taken in consultation with DTE&T, Cuttack.

A4. Non-refund of caution money to the pass out students amounting to ₹ 13500/-.

The institutional caution money amounting to ₹500/- was realised from each students at the time of admission and that amount refunded to the concerned student at the time of pass out after obtaining clearance from all department of college including College Living certificate.

Check of caution money register of Principal Government Polytechnic, Angul relating to passed out students admitted during session 2014-15 revealed that 27 numbers of students has not received their caution Money amounting to ₹13,500/- till the date of audit. The details are in **Annexure-A** ✓

On this being pointed out in Principal, Government Polytechnic, Angul stated that action would be taken to refund the caution-money to the students.

A5. Physical verification of Stores and stock

As per Rule 111 & 112 of OGFR, physical verification of all stores should be made at least once in every year and a certificate of verification of stores with its results should be recorded on the list, inventory or account. Further, Rule 121 of the Orissa General Financial Rules, subject to special Rules or Government orders, if any, the authority competent to sanction purchase of stores, equipment, tools, plants, etc. may condemn and dispose of or cause to be disposed of obsolete surplus or unserviceable stores, equipment, tools, plant, machinery and vehicles by sale or otherwise. The order, in each case, shall stipulate the upset price and the date, venue and mode of disposal.

Verification of stores and stock registers & information available to audit, it was observed that annual physical verification of Stock & Stores of Government Polytechnic, Angul was not conducted for the period of 2014-15, 2015-16, 2016-17 by the DDO or any authorized officer. However, on receipt of instruction from Directorate of Technical Education and Training (DTE&T), Odisha, Cuttack vide their letter No.15901(35) dtd.18.12.2018, Principal, Government Polytechnic, Angul issued order on 27.12.2018 for conducting of physical verification of all 10 departments including office stationary. Subsequently, physical verification of store and stock was conducted during January 2019 and prepared the list of unserviceable articles. As seen from the list furnished to audit, out of 4375 available stocks which are issued to/utilized in various departments 46 items were identified as unserviceable. The report was submitted to DTE&T, Odisha Cuttack on 09.04.2019. The details are given below:

SI No	Name of the department	No. of items available in the stock	No of unserviceable items	Balance stock available
1	Main Store	620	13	607
2	Office	08	0	08

3	Communication Lab	119	0	119
4	Ladies Hostel	174	0	174
5	Boys Hostel	213	0	213
6	Admission Section	03	0	03
7	Civil Department	1061	01	1060
8	Computer Department	221	0	221
9	Electronics Department	251	05	246
10	Electrical Department	285	01	284
11	Academic Section	01	0	01
12	Examination Section	18	0	18
13	Physics Department	201	0	201
14	Chemistry Department	224	0	224
15	Game, Sports & Culture	182	19	163
16	Vehicle	02	0	02
17	Library	60	0	60
18	Workshop	595	07	588
19	Mechanical Lab	137	0	137
	TOTAL	4375	46	4329

The DTE&T, Cuttack has constituted one condemnation Committee vide their order no. 8CT-1/48/2019/6831 dtd.26.4.2019 for disposal of unserviceable Tools, Equipment, Furniture and Scrap items etc. and condemnation committee will verify the unserviceable stores and stock and fix up the offset price. However, date of condemnation meeting was not fixed till date of audit.

On this being pointed out in Principal, Government Polytechnic, Angul stated that it could not be done due to lack of staff members, rush of works and as the institution was newly created. However, immediate steps would be taken for condemnation of listed items.

A6. Outstanding Advance of ₹ 0.79 Lakh

As per SR-509 of OTC Vol-I read with GOFD Letter No.43784/F dated. 01.12.85, advance paid to Government servants for departmental and allied purposes are to be adjusted by proper vouchers along with refund of unspent balance, if any, within one month from the date of payment. Further it is also emphasized that no second and subsequent advance should be given unless the first one is adjusted. The DDO is to be held personally responsible for any deviation on this score and for obtaining vouchers periodical verification of balances as per Ledger maintained for the purpose for finalisation/recovery of advance. Government of Odisha, Finance Department further instructed that without valid reason advances should not remain unadjusted for more than one year. The amount should be treated as loss to the organization and Government proceedings may be instituted as per FD-XIV-audit II/2002-2221/F dt.8.3.2002 and accordingly recovery effected.

Test check of Advance ledger maintained by the Principal, Government Polytechnic, Angul showed that an amount of ₹ 78,865/- was lying outstanding against 27 officials as on 31.03.2019. However, the advance figure as shown in Cash Books was ₹ 55,774/-. The

39/19
 details of outstanding advance and differential figure of ₹ 23,091/- between advance as per statement extracted from advance register and cash book is mentioned in **Annexure-B**. The advances were pending for the purposes of implementation of various works. On contrary to the above provision subsequent advance was granted and the same was not followed, which was irregular.

On this being pointed out in Principal, Government Polytechnic, Angul stated that steps would be taken to reconcile the differential amount and the balance would be recouped.

A7. Cash Book and Management of cash

The Principal, Government Polytechnic, Angul maintained seven Cash Books. The Cash Book wise closing balances as on 31.03.2019 and 30.06.2019 of ₹ 1,16,38,164.80 and ₹ 1,12,18,301.90 respectively were as follows.

Sl No.	Name of cash book	Closing balance as on 31.03.2019 (₹)	Closing balance as on 30.06.2019 (₹)
1	Government cash Book	7328799.00	7298490.00
2	Examination Cash Book	520861.60	275821.70
3	I.E.C Cash Book	21587.00	13397.00
4	P.L Cash Book	3766917.20	3625671.20
5	DET Cash Book	0.00	4912.00
6	RTI Cash Book	0.00	10.00
7	Stipend Cash Book	0.00	0.00
	TOTAL	11638164.80	1,12,18,301.90

Mode of retention of closing balance as on 30.06.2019 were as follows.

Sl No	Mode of keeping cash	Amount
	In shape of Cash in Hand	40095.00
	In shape of Advance	42646.00
	In shape of Paid Vouchers	61386.00
	In shape of SB A/cs (No 33930992741)	158909.00
	In shape of DDO Cu. A/cs (No 33934537029)	10896259.00
	In shape of Net-banking DDO Cu. A/cs (No 36207816575)	19005.90
	TOTAL	1,12,18,300.90

Further scrutiny of cash book revealed the following irregularities

- One consolidated Cash Book was required to be maintained in addition to Scheme-wise Subsidiary Cash Book.

- (ii) As per the provisions of SR-241 of OTC Vol-I read with G.O.F.D Circular TRA-29/64-20480/F dtd 18.2.1994, incurring expenditure from available cash without specific allotment and retention of paid vouchers in shape of cash is strictly prohibited. But contrary to the codal provision and Govt. instruction an amount of ₹.61,386/- was kept in shape of paid voucher.
- (iii) Retention of heavy cash balance is prohibited in terms of SR-242 of OTC vol-I and GOFD letter no.31088 dated 16.08.1981. It was noticed that heavy cash balance was retained in hand in contravention of the above provision.
- (iv) Surprise verification of cash balance was not made at least once in a month as required under note 6 of SR- 37 (vii) of OTC volume -I. Periodical verification of cash by DDO/Higher official of other section or division need to be done to strengthen internal control which was deficient now and to ensure carrying out proper internal check.
- (v) Daily totalling of cash book by the person other than the writer of cash book was to be checked with initial as correct as required under SR 37(iii) of OTC volume-I was not followed.
- (vi) Monthly abstract showing cash balance and bank balance as well as expenditure were not drawn.
- (vii) Eraser and overwriting in the cash book is strictly prohibited as required under rule SR- 37 (iv) of OTC volume -I. But it was seen that overwriting was made in cash books.
- (viii) Bill register was not reviewed which is required under Rule note-4 below SR-235 of OTC, volume.

On this being pointed out in Principal, Government Polytechnic, Angul stated that paid vouchers would be adjusted during this financial after obtaining Government allotment. The rest of audit observations were noted for future guidance.

A8. Inadequate budgetary control

As per rule 46 of Orissa Budget Manual (OBM) the Budget of the State is based on the Departmental estimates submitted by the Controlling officers based on the information submitted by the District offices. Both the Departmental estimates and District estimates should always receive the careful personal attention of the officer who submit them, so that they may be neither inflated nor under pitched but as accurate as possible. The savings, if any, anticipated shall be surrendered latest by 10th March of each year.

A test check of records relating to allotment, expenditure, surrender and saving/lapse of fund observed that the budget allotment received, expenditure incurred and surrender/savings during the year 2015-16 to 2018-19 are detailed below:

Year	Allotment	Expenditure	Surrender	% of surrender
2015-16	4710000	4585406	124594	2.64
2016-17	8050000	7481073	568927	7.06

2017-18	11800500	11383136	417364	3.54
2018-19	12657200	11907827	749373	5.92

It could be seen from the above table that the budget estimates was in excess of the actual requirement. The percentage of surrender against the allotment during the last three years were ranges from 2.64%, 7.06% and 3.54%, the savings/surrender was more than 5% percent of the total allotment which shows poor budgetary procedure and expenditure control during the year.

Further, all anticipated savings in a grant should be surrendered immediately after they are foreseen and latest by 10th March of the financial year. But it was seen that the Principal Government Polytechnic, Angul, surrendered the savings to the Director, after 10th March of the financial years which contradicts the provision of Odisha Budget Manual.

On this being pointed out in Principal, Government Polytechnic, Angul noted the audit observations for future guidance.

PART-III

Follow up on findings outstanding from previous reports

(A) Outstanding Paras		
IR No. /Year	Para No	Remarks
This is a first audit since creation of Institution. Hence, there is no outstanding paras.		

PART-IV

Best practices - Nil

PART-V

The co-operation extended by the office in all matters including production of records, information called for in audit during the course of field audit for smooth conduct of audit are deeply acknowledged.

Certificate on Disclaimer

Certified that the audit observations contained in this Inspection Report are based on facts & figures obtained by examination of records/information provided by the audited entity. The audited entity may examine these observations independently and satisfy themselves and take action accordingly without referring to such audit observations.


 Sr. Audit Officer/ES-I(V-1)