

24/7/21



शाखा कार्यालय: ओडिसा, भुवनेश्वर
OFFICE OF THE DIRECTOR GENERAL OF AUDIT
(Central), HYDERABAD,
BRANCH OFFICE: ODISHA, BHUBANESWAR

No. CRA-V/ IR No. 09(2021-22)/2021-22/124

Dtd:-27.10.2021

To

The Principal,
Kendriya Vidyalaya No.1,
At- Ordnance Factory Badmal, Bolangir PIN-767070

Sir/Madam,

I am to forward herewith the Inspection Report No **09/2021-22** on the accounts of your establishment for the period from **04/2018 to 03/2021** along with Financial Audit for the year **2020-21**. Reply to the Inspection Report may please be furnished through to **The Asst. Commissioner, Kendriya Vidyalaya Sangathan, Regional Office Complex, Pragati Vihar Colony, Mancheswar Bhubaneswar-751017** within one month from the date of its issue. Kindly acknowledge the receipt of the Inspection Report.

Yours faithfully,

Senior Audit Officer/ CEA

प्रतिवेदन संख्या-09/2021-22
Inspection Report No-09/2021-22

Name of the accounts audited:	Accounts of the Principal, Kendriya Vidyalaya No.1, Bolangir, at Ordnance Factory Badmal-767070
Period of accounts audited :	Transaction Audit:-2018-19 to 2020-21 and financial audit 2020-21
Time taken for audit	04.10.2021 to 08.10.2021(5 working days)
Name of the officer in charge of	(i) S.K Mishra principal from 01.04.2018 to 31.10.2018 (ii) V.K. Mishra Principal from 1.11.18 to 18.11.2018 (iii). Shri S K Behera, Principal 19.11.2018 to date.
Name & designation of the Head of Office	Shri S.K Behera Principal
Name & designation of the next higher authority	Shri. Sumanta Kumar Chopdar, Dy. Commissioner, KVS, R.O Bhubaneswar
Name of the officers who conduct the audit	i) Shri P.K. Mohanty, AAO ii) Shri K.M. Viswakarma, AAO
Name of the Reviewing Officer	Shri B.K. Sahoo, Sr. AO
Scope of audit	Test check and general examination of accounts records for the period covered under audit u/s 20(1) of the C & AG's (DPC) Act 1971.

भाग-1

Part-I

INTRODUCTION

1.1 Introductory:- The Kendriya Vidyalaya-1, Bolangir came into existence in July 1988 with its Regional Office at Bhubaneswar and Head Office at New Delhi. It is an educational institution under the Ministry of Human Resource Development, Department of Education, Govt. of India, New Delhi. Its main objective is to impart education to the pupils. As regards to the organizational set-up, Principal is the head of the Vidyalaya and PGT, TGT, PRT along with official staff are his supporting hands in accomplishing all official functions.

1.2 Scope of Audit: The compliance audit and financial audit of the accounts of office of the Principal, KV-1, Bolangir was conducted under Section 20 (1) of the C & AG's DPC Act 1971 in accordance with the applicable Auditing Standards. The compliance audit was conducted covering the period from April 2018 to March 2021 with test check of records and financial audit was conducted for the financial year 2020-21.

1.3 Criteria: The compliance audit findings have been benchmarked against the criteria derived from the General Financial Rules (GFR), FRSR, Receipt & Payment Rules and Guidelines, Orders, Instructions, Circulars etc. issued by Government of India/KVS headquarters from time to time.

1.4 **Audit Sampling:** The month of March 2019, March 2020, and March 2021 were selected for detail check of vouchers based on highest magnitude of expenditure. Regarding other fields, the audit was conducted as per the samples selected from the audit universe incorporated in this report.

1.5. **Entry & Exist Conference:** Audit has been conducted in accordance with the applicable auditing standard of C &AG of India. An entry conference was conducted on 4 October 2021 with the Principal, KV-1, Bolangir and the objective; scope and methodology of the audit were discussed. Audit findings were discussed on the Exit Conference held on 8 October 2021 with the Principal, KV-1, Bolangir. Replies to the audit observations were duly incorporated at appropriate places.

Audit Findings

भाग-2(अ)

Part-II (A)

- NIL -

भाग-2(ब)

Part-II (B)

2. Irregularity in Pay fixation

As per Government of India, MOF, Deptt. of Expenditure Office Memorandum dated 31-07-2018, date of next increment Rule-10, CCS(RP) Rules, 2016, in case of an employee is promoted or granted financial upgradation including upgradation under the MACP scheme on 1st January or 1st July, where the pay is fixed in the level applicable to the post on which promotion is made in accordance with rule 13 of CCS (RP) Rules, 2016, the 1st increment in the level applicable to the post in which the promotion is made shall accrue on the following 1st July or 1st January as the case may be provided a period of six months qualifying service is strictly fulfilled. The next increment thereafter shall, however, accrue only after completion of one year.

On scrutiny of Service Book, it was revealed that Sri Vidya Charan Chourasia, (PGT, level-8) was serving as a PGT teacher w.e.f. 10.09.2007. Senior scale of pay was granted to him (level-10) w.e.f.10.09.2019 after completion of 12 years of service vide regional office, BBSR order dated 09-09-2020. He opted his pay fixation on the date of next increment i.e. 01.07.2020.

His Basic pay was Rs 68,000/- (level-8, cell-13) during the month of 07/2019 and shall be Rs 69,000/- (level-10) without any increment on 10-09-2019. He shall get two increments from the previous basic pay of Rs 68,000/- with DNI 01-07-2020. As such his pay on 01-07-2020 should be at Rs. 73,200/- (level-10, cell-10) with DNI on 01-07-2021 instead of Rs. 71,100/- fixed by the department.

In reply it was stated that the matter would be taken up with the regional office for taking necessary action.

The matter may be examined and correct fixation as per rule may be done.

3. Non maintenance of various registers and records

During the check of records of O/o the Principal, KV-1, Ordnance Factory, Bolangir, it was observed that various important registers/ records like Bill transit register, Grants in Aid register, contingent bill register, TA and LTC Advance registers, bank passbook, were not maintained by the auditee during the period from 2018-19 to 2020-21 contrary to the stipulations contained in the R & P Rules. Besides, pay bill register was not maintained properly as per rule: only print out copy of pay bill schedule was pasted in the PBR. Non-maintenance of above important records may likely to cause improper accounting of government transaction vis-à-vis loss of government property. However, all these important records may please be maintained, and relevant transaction routed through them forthwith under intimation to audit.

In reply it was stated that all the register and records would be prepared and produced to audit.

4. Excess payment of travelling allowance Rs.7644.00

As per Travelling Allowance Rule (SR-46), TA on tour is from duty point/residence at headquarters station to the duty point at the tour station and vice versa.

Test check of records of O/o the Principal, KV-1, Ordnance Factory, Bolangir, revealed that Sh. Mukesh Soni (PGT, L-8)availed onward transit from his native place Chhabra (Rajasthan on Vacation) on 06.06.2019 and 07.06.2019 and attended 10 days induction course from 08.06.19 to 17.06.19 at Bhubaneswar. Prior to that he was on summer vacation leave. He came to Bhubaneswar from native place by hiring taxi, then by mode of train and air for training. He reached to his duty pointBadmal by train (2AC) after completion of the training course. On scrutiny of TA bill, it was revealed that Rs. 9784/-(1200+1840+5674 +1070) was paid to Shri Soni for his journey from native place to Bhubaneswar and from Bhubaneswar to Badmal. Hence, Rs. 7644/- was paid in excess to Shri. Soni as Travelling Allowance as detailed below.

Hired Taxi/Train/Air Charge claimed	Applicable to and fro fare charge as per rule.	Excess amount paid
1200+1840+5674 +1070= 9784	1070 +1070	7644/-

The amount paid in excess may be recovered with applicable interest under intimation to Audit.

In reply it was stated that the excess payment of TA would be verified and recovered under intimation to audit.

5. Excess payment of Fooding and lodging Charges Rs. 7000.00

As per Travelling Allowance Rule (SR-46), TA on tour is from duty point/residence at headquarters station to the duty point at the distant station and vice versa.

During check of records of O/o the Principal, KV-1, Ordnance Factory, Bolangir, it was observed that Sh. Mukesh Soni (PGT, Level-8) and Susanta Laha (PGT, Level-8) attended 10 days induction course from 08.06.19 to 17.06.19 at Bhubaneswar training Centre/school. They were relieved from training Centre on 17.06.19 AN, stayed in the Lodge at Bhubaneswar up to 19.06.19 and returned to the duty point at Bolangir (Badmal) on 20.06.19.

As the distance between Bhubaneswar and Badamal is 380 KM by road and 473Km by train, claiming of DA beyond the date 18.06.2019 is inadmissible and excess DA amounting to Rs 7000.00 claimed by the trainees as per the following may be recovered with applicable interest under intimation to audit.

Name	Admissible fooding charges @800 per day	Admissible Lodging Charges @ 750 per day	Amount of Lodging and fooding charges paid	Amount of admissible	Excess payment
Sh Mukesh Soni	07.06.19 to 18.06.19 (12 days)	07.06.19 to 17.06.19 (10 days)	21000/- (12000+9000)	17100/-	3900/-
Sh Sushant laha	07.06.19 to 18.06.19 (12 days)	07.06.19 to 17.06.19 (10 days)	20200/-(11200 + 9000)	17100/-	3100/-
				Total	7000/-

In reply it was stated that the excess payment would be verified and recovered under intimation to audit.

6. Excess payment of Transportation charge Rs. 21680/-

As per Travelling Allowance Rule (SR-116), when the conveyance is sent under its own propulsion from one place to another place connected by rail, transportation charge will be at the prescribed rate limited to cost of transportation by passenger train.

Detailed scrutiny of records, it was revealed that during their transfer from old station to new station two Govt servants have brought their personal vehicles (Cars) and claimed the transportation charge more than the admissible amount as per the following.

Name of the employee	Old station	New Station	Distance covered in Km	Amount paid in Rs	Amount admissible for conveyance by passenger train in Rs	Excess paid in Rs
Shree Asutosh (TGT, Math)	NTPC Dadri(UP)	KV-1, Bolangir (Badmal)	1408	34,800	18000	16,800
Ms M. Pandey	KV, Bilaspur	KV-1, Bolangir (Badmal)	370	8,880	4000	4,880
					Total	21,680=00

As such the differential amount of Rs. 21,680/- paid in excess may be recovered from them with applicable interest under intimation to audit.

In reply it was stated that the excess payment would be verified and recovered under intimation to audit.

7. Improper maintenance of Cash Books (SF & VVN)

Rule 13 of Central Govt Account (R & P) Rules 1983, inter alia stipulated that all Government officers who are required to handle cash or to perform the functions of Drawing and Disbursing officers with or without cheque drawing powers or both-

- (i) Should maintain a Cash book in Form G.A.R.3
- (ii) All monetary transactions should be entered into the Cash Book as soon as they occur and attested by the head of the office/DDO.
- (iii) The Cash book should be closed regularly and completely checked. The Head of the Office should verify the totaling of the Cash book or have this done by some responsible subordinate other than the writer of the Cash book and initial it as correct.

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- (iv) At the end of the month, Head of the office should verify the cash balance in the Cash book and record a signed and dated certificate to that effect.

Check of Cash books (School Fund & VVN) of the O/o the Principal, KV-1, Ordnance Factory, Bolangir revealed that (i) monthly closing of Cash book during the period 2018-19 to 2020-21 was not carried out in contravention to the rule stated above.

(ii) Physical verification of cash in chest had not been conducted regularly.

(iii) there were many a overwriting/erases in the cash book without being attested by the competent authority.

(iii) totaling check of cash book should be done at the end of each moth other than the writer of cash book and a certificate to that effect needs to be recorded in the cash book accordingly. But totaling check of cash book was not done by any responsible officer/staff other than the writer of cash book.

Compliance to the above may be furnished to audit.

In reply it was stated that in the absence of a regular SSA, a teacher, untrained in accounts matter maintained the records. Amended cash book shall be produced to audit as soon as possible.

8. Irregular payment of Spl cash package in lieu of LTC Rs. 124,000/-

Check of Service Books revealed that Shri. V K Mishra (PGT) and Shri. A K Jain (TGT) have not furnished their latest family declaration and dependency certificate during 2020-21. Further, list of family member as mentioned in the service book was not authenticated by the head of the office vis-a-vis they had not furnished dependency certificate of their family members. However, they availed spl cash package in lieu of LTC during the said period in favour of self and their family members and were paid an amount of Rs.124000.00 towards reimbursement of cash package which was not in order.

Name of the Govt Servant	Portion of cash package ineligible
Sh. V K Mishra	100000.00
Sh. A K Jain	24000.00
	124000.00

However, the facts and figure may be verified, and payment already made regulated/adjusted accordingly.

9.1 Grant-in-Aid received from MHRD

The Vidyalaya did not maintain any grant in aid register vis-a-vis furnished utilization certificates of funds/grants received from headquarter and regional office. Further Pass books of four numbers of bank accounts maintained (614002010012180 UBI SF, 614002010012179 UBI VVN, 10793976110 SBI SF, 10793975898 SBI VVN) by the vidyalaya also could not be made available to audit. As explained to audit, monthly salary bills of staff is prepared each moth and uploaded in KVFMS (Kendriya Vidyalaya Financial Management System) portal. Then payment is electronically transferred to the designated bank account of concerned employees directly by the KVS headquarter. Hence

no fund for salary is received and distributed by the Vidyalaya. Further, the Vidyalaya also received funds/grants in cash and kind from HQ,RO in support of which detailed supporting records, except annual accounts, could not be made available to audit. Besides, the transaction of Vidyalaya is routed through the Consolidated annual accounts prepared by regional office at Bhubaneswar. In view of this it is not possible to offer any fair comments on the receipt and utilization of grant in aid.

9.2 Understatement funds fixed assets (Sch-1 & Sch-4)

As per library book register, KV No-1 Bolangir has received library books (fixed assets) worth Rs.181762.00 from regional office (RO) Bhubaneswar during the year 2020-21. But this amount assets were not disclosed in the annual accounts.

9.3 Over statement of Capital fund (Sch-1) and understatement of Liability & Provision (Sch-3)

Check of cash book and connected records disclosed that an amount of Rs.4,49,320.00 was collected from two employees (Dinesh Kumar, JSA and Mukesh Soni, PGT of the Vidyalaya by forfeiting their security bonds (Rs.4.00 lakh) since they resigned from service before completion of tenure and recovery of House rent from staff (Rs.49320.00) which was not the income of the school. So, it should have to be reflected in the Current Liabilities & Provisions under Schedule-3 under sub-head Current Liabilities (Payable to Ministry) pending remittance of the amount to Ministry. However, instead of disclosing the said amount in Current Liabilities & Provisions it was shown as income in the Income & Expenditure Account. Non-refund of above amount to the Ministry resulted in overstatement of Capital Fund to the extent of Rs.4.49lakh and understatement of Current Liabilities & Provisions to the same extent.

9.4 Assets:

9.4.1 Depreciation (Schedule - 4) Rs.192.63 lakh

As per accounting policy followed by the Vidyalaya, depreciation is charged at the rate as prescribed by the VMC. The Vidyalaya has also been following the prescribed accounting policy and there was no change to the policy. However, check of annual accounts for 2020-21 disclosed that no depreciation amounting to Rs.13.33 lakh was charged to tangible assets during this period. Thus, the above amount had been understated by Rs.13.33 lakh due to non-charging of depreciation (Annexure - 1)

9.5 Observation as detailed in Annexure-I

भाग-3

PART-III

SL NO.	IR No & Year	Para No	Para Outstanding
-Nil-			

भाग-4

PART-IV

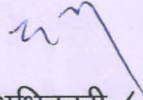
Best Practices

NIL

भाग-5

PART-V

Acknowledgement: The Audit team sincerely acknowledged the cooperation and support extended by principal, KV-1, Bolangir and other supporting staff by producing relevant records and providing logistic support for smooth conduct of audit.


व.लेखापरीक्षा अधिकारी / के.प्रा.ले.प-व

Sr. Audit Officer/CRA-V

ANNEXURE-I TO FINANCIAL AUDIT

1. **Adequacy of Internal Audit System:** The internal audit of the Institute was conducted by the Internal Audit team of KVS regional office Bhubaneswar up to June 2019 (2019-20). During the year important areas of the Institute were covered by the Internal Audit Wing. It is to mention here that the existence of internal audit system in the organization plays a vital role in overall operational enhancement.
2. **Adequacy in Internal Control System:** The Grants-in-Aid Register, Investment Registers, different Advance Registers, Expenditure Control Register, TA & LTC Bill Register, Medical Claim Register, bank passbook were not maintained manually and electronically in the prescribed format contrary to the stipulations contained in the R & P Rules. Besides, pay bill register was not maintained properly as per rule: only print out copy of pay bill schedule was pasted in the PBR. There should be a set of rules, policies procedures followed by regular supervision and guidance by controlling office to provide direction, increase efficiency and strengthen adherence to policies of the organization and internal control system
3. **System of Physical Verification of Fixed Assets:** The Annual Physical Verification of Fixed Assets of the Institute for the year 2020-21 was conducted by the Committee constituted for the purpose.
4. **System of Physical Verification of Inventory:** No inventory was there in the Institute for the year 2020-21.
5. **Regularity in payment of statutory dues:** The Institute is regular in depositing the statutory dues with appropriate authorities.


Sr. AO/CRAP-07

Sl.No	Fixed assets	Fixed assets net value as at 01.04.2020 plus addition during 2020-21	Rate of depreciation to be charged	Amount of depreciation to be charged	amount of depreciation charged	Differential amount not charged	Total depreciation up to 01.04.2020
1	Building	6040355	10	604035.5	0	604035.5	11240011
2	Furniture & fixtures	542257	10	54225.7	0	54225.7	1443833
3	Library books	228852	10	22885.2	0	22885.2	371258
4	Office equipments	37762	15	5664.3	0	5664.3	67417
5	Vehicles	0	15	0	0	0	0
6	Computers/Peripherals	2942559	20	588511.8	0	588511.8	4897995
7	Lab Equipments	80572	10	8057.2	0	8057.2	9485
8	Audio visual and musical instruments	49009	10	4900.9	0	4900.9	29452
9	Sports equipments	38542	10	3854.2	0	3854.2	31810
10	Other fixed assets	409560	10	40956	0	40956	1145021
11	Computer software etc	16188	20	3237.6	3072	165.6	23305
	Total	10385656	0	1336328.4	3072	1333256.4	19259587

Dr
S/As

23/11