

Accounts
Accountant
21/10/17
Audit File

29/3
23/10/17

OFFICE OF THE ACCOUNTANT GENERAL (G&SSA)
ODISHA, BHUBANESWAR,

No. AG (G&SSA)/SS-III—Vetting (A)/IR No.283/2017-18/215

Date: 04.10.2017

To

The Principal,
Sailabala Women's Auto College,
Cuttack

Sub: Forwarding of Inspection Report No 283/2017-18.

Sir,

I am to forward herewith, the Inspection Report No. 283/2017-18 relating to your establishment. The Inspection Report has been prepared on the basis of information furnished and made available by your establishment. The Office of the Accountant General (G & SSA) Odisha, Bhubaneswar disclaims any responsibility for any misinformation and/or non-information on the part of the auditee.

The reply to the Inspection Report along-with confirmation of the facts and figures may please be furnished to audit within four weeks from the date of receipt of the letter.

The receipt of the Inspection Report may be acknowledged.

Yours' faithfully,


Sr. Audit Officer/SS-III

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Office of the Accountant General (G & SSA) Odisha, Bhubaneswar-751001

Inspection Report No.283/2017-18

Name of the accounts audited	Shailabala Women's College Cuttack
Period of accounts audited	04/2012 to 08/2017
Time taken for audit	07.09.17 to 15.09.17 (08 working days)
Name and designation of the officers in charge of the accounts:	Dr. Sreekantha Sarangi, from 28.10.2008 to 16.01.2010 Dr. Smita Hota, from 16.01.2010 to 31.03.2011 Sri Nabakishore Sahoo, from 01.04.2011 to 31.10.2011 Dr. Hadibandhu Pattnaik, from 01.11.2011 to 31.12.2011 Smt Manorama Devi, from 01.01.2012 to 31.01.2012 Dr. Trupti Nayak, from 01.07.2012 to 31.08.2012 Dr. Roshanara Begum, from 01.09.2012 to 12.03.2014 Dr. Kadambini Dash, from 13.03.2014 to 15.10.2014 Dr. Sanjukta Mohapatra, from 16.10.2014 to 30.04.2017 Dr. Kadambini Dash, I/C from 01.05.2017 to till date
Next higher authority	Director of Higher Education, Odisha, Bhubaneswar
Name of the officers who audited the accounts	Shri Ramesh Chandra Panda, Asst. Audit Officer Shri Subrat Kumar Das, Asst. Audit Officer Shri Ashok Kumar Swain, Sr Ar.
Name of the Reviewing Officer	Shri Pradipta Kumar Khato, Sr. Audit Officer
Scope of audit	A test check and general examination of accounts records, cash contingencies and UGC, RUSA pertaining to the period covered under audit.

PART-I

(A). Introduction

Shailabala Women's College, Cuttack is one of the oldest and most renowned college for women's education established in 1913. It was named in respect for Sailabala Das who donated her home as a college building to run intermediate and degree courses in 1946. The college was awarded 'A' grade by the NAAC (National Assessment and Accreditation Council) of the University Grants Commission. The College which was earlier under Utkal University has now been affiliated to Rama Devi Women's University since 2015-16.

(B) Budget allotment and Expenditure :

During the last three years, the Principal, Shailabala Women's College Cuttack had received an amount of Rs. 36.57 crore towards pay and allowances. Out of which an amount of Rs. 35.94 crore was utilised and balance amount of Rs. 0.12 crore was surrendered to Government. The details are given below:

Receipt, utilization and surrender of funds out of Budget Allotment (Rs. In lakh)

Year	Allotment received	Expenditure made	Surrendered	Balance
2014-15	1107.59	1098.41	1.09	8.09
2015-16	1259.88	1247.45	0	12.43
2016-17	1289.51	1248.08	11.10	30.33
Total	3656.98	3593.94	12.19	

(C) Physical targets and achievements

No such target has been fixed by Shailabala Women's College, Cuttack

(D) Audit Objective

The audit was conducted to ascertain whether:-

- Compliance has been made with the guidelines issued from time to time
- There was adequacy of internal control system in the organization with respect to maintenance of accounts and utilization of funds thereof.
- General review of the functioning of the organization including the Schemes/Projects undertaken by the college

(E) Audit Criteria

- Odisha General financial Rules (OGFR), Odisha Treasury Code (OTC) and Odisha Public Works Department (OPWD) code.
- Circulars/Instructions issued by Government of India/State Government from time to time and UGC guidelines.

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(F) Scope of Audit:

The Audit covered compliance audit for the period April 2012 to August 2017. Audit was conducted during the period from 07 September 2017 to 15 September 2017 through check of records. Audit was conducted in accordance with the Auditing Standards issued by the C&AG of India

(G) Audit Methodology

The following methodologies were adopted for attending the audit objectives with reference to the audit criteria.

(H) Sampling

The Month of August 2015 and March 2017 has been selected in current compliance audit for detailed check of vouchers.

Assurance Memo

(I) Fraud and corruption in the detailed check month

It is certified that no fraud and corruption is detected in the month/months in which detailed audit was conducted.

(J) Confirmation of facts and figures incorporated in the Draft Inspection Report

Certified that facts and figures incorporated in different paras of the inspection report are correct and have been verified from the basic records of the entity.

(K) Disclaimer

The Draft Inspection Report has been prepared on the basis of information furnished and made available by the Principal, Shailabala Women's College, Cuttack. The office of the Accountant General (G&SSA), Odisha, Bhubaneswar disclaims any responsibility for any mis-information and/or non-information on the part of auditee.

PART: II

(AUDIT FINDINGS)

PART-II-A

-NIL-

2. *Irregular expenditure out of RUSA and SFC Fund.*

Govt. of Odisha, Finance Deptt. OM No. 4939 Dated 13.12.2012 stipulates in Clause-3 that every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

The procedure to be followed in making public procurement must conform to the following yardsticks:-

- i) The specifications in terms of quality, type etc, as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organizations. The specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.

Rule-3 under Appendix-6 of OGFR Vol-II prescribes that all articles whether manufactured in India or abroad shall be subject to inspection before acceptance and articles for which specifications and/or tests have been prescribed by the competent authority shall be required to conform such specifications and/or to satisfy the prescribed test or tests which may be carried out during manufacture or before or after dispatch from the suppliers premises.

A. Purchase of Computers out of RUSA Fund :

Scrutiny of records revealed that RUSA grant amounting to Rs. 100 lakh was received by the College during April, 2016 and July, 2017 . The Project Monitoring Unit (PMU) in its meeting on 9.11.2016 resolved to purchase 05 nos of Desktop Computers, 20 nos of Laptops (both of HP make), 05 nos of UPS (APC make) along with other items from RUSA fund without obtaining list of requirements from all departments/sections. The Quotation Call Notice was issued on 3.9.2016 for purchase of Desktop Computers, Laptops, Printers, and UPS etc. having details of Make / Model / specifications with last date for receiving quotation on 17.9.2016. Omtron Powers Systems Pvt. Ltd, Bhubaneswar was the L1 with offer price of Rs.34,965 inclusive of VAT for Desktop Computers as noticed from comparative statement. Purchase Order was issued on 17 November 2016 for 5 sets of Desktop Computers and 5 nos of UPS. Again on 6.12.2016 college ordered for 19 Desktop Computers and UPS sets each out of RUSA fund.. The agency supplied the above goods on 26.11.2016 and 7.12.2016 respectively and an amount of Rs.8,87,040 against both the bills was paid on 3.1.2017. The Computers (24 nos) were distributed to different departments.

From the above findings, the following irregularities were noticed:

- i) Composite quotation of different items valuing more than 5 lakhs was called with bidding time of 14 days against the minimum time to be allowed was 3 weeks from the date of publication of Quotation. Due to lack of sufficient time, more numbers of prospective bidders failed to participate in the bidding process.

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- Y ii) The Desktop Computers (24 nos) were procured without assessing the actual requirement by various department/ sections. Audit did not find any record/ documents/ indents in this regard.
 - Y iii) The quantity of Computers required was not spelt out in the Quotation Call Notice as a result of which the offered price could not attract the whole selling rate of the bidders.
 - Y iv) The Purchase Orders were issued for supply of Desktops in lieu of Laptops without approval of the PMU. Further the P.O was issued after two months of receiving quotations. There was no specific timeline to complete the procurement process.
 - Y v) It was also found that the certificate towards verification of computers as per given specification was not recorded on the body of the bills while receiving the computers for which it was construed that the specifications of the computers were not verified by technical persons in violation of the above provisions of OGFR.

B. Purchase of Computers under SFC (B.ED) fund without Quotations.

Y On verification of records it was noticed that the Purchase Committee in its meeting held on 2.11.2016 decided to purchase two numbers of Desktop Computers and UPS from the approved list of RUSA quotation. In the annual budget proposal on 3.1.2017, the expenditure towards purchase of Computers for Rs.69930/- was shown against Omtron Powers Systems Pvt. Ltd., Bhubaneswar the L1 bidder of RUSA quotation. The P.O was first issued to Omtron Power System on 17.1.2017 for supply of two nos of UPS - APC 600 VA @ Rs.1995/- and Desktops of HP Make (HP-260-p021ln) with certain specifications @ Rs.34965/-. On the other hand it was found that without cancelling the order of Omtron Power System, another Order was issued to Datasoft System, Cuttack on 15.2.2017 for supply and installation of Desktop Computers of LENOVO BWIN with same specification and UPS-APC 600 VA (two nos each) @ Rs.34648/- and Rs.2050/- respectively without calling quotation. As per the terms and conditions, the Computers were to be supplied within 07 days from the issue of the order. But the Computers/UPS were received on 18.3.2017 i.e by late of 24 days without verifying the stipulated specifications. In absence of verification certificate on the body of the bills, the required specifications as per purchase order could not be ensured. The payment for Rs.73396/- was made on 7.4.2017.

Audit noticed that in above instances, prescribed guidelines for procurement of goods as well as the provisions of OGFR was not adhered strictly to satisfy the fundamental principle of public buying.

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Reply of the Principal awaited. Steps needs to be taken to adhere the codal provisions while making procurement.

3. *Idle expenditure of Rs.20.28 lakh due to non functional of Language Laboratory and excess payment of Rs.0.91 lakh for the set up.*

Govt. of Odisha, Higher Education Department (HED) has decided (January 2012) to set up Language Laboratory (LL) in govt. and govt. aided colleges with the objective to improve communicative skills of students, i.e., phonetic, personality development and soft skills.

7.

In the process, one LL was set up at Sailbala Women's College, Cuttack in 2013-14. The work was executed by Higher Education department through Centre for Advanced Communication (CACM), Calcutta as detailed below.

- o Work order No. 26889/HE dated 30.10.2013, HE FE-II(A) POL 003/2013 was issued to CACM for execution of the work.
- o CACM claimed Rs.2028417.00 as cost of the work and was paid including freight and taxes.
- o The set up was handed over by CACM during 2013.

Scrutiny of available records, information furnished by the college and joint physical inspection of the LL revealed the follows:

(i) *Deficient set up by CACM - Excess payment of Rs.0.91 lakh*

- As specified in the MoU between HED and CACM, LL was to be established in two adjacent rooms. One room with 520 sq ft for normal integrated learning and other one of 200 sq ft for self paced learning. The room was to be provided by the college and CACM will develop the learning environment with interior furnishing.
- In Sailabala Women's college, CACM claimed Rs.1144185 for interior furnishing of 720 sq ft. rate of claim was @ Rs.1525 per sq ft teaching area: 520 sq ft and self paced learning area: 200 sq ft @ Rs.450/- per sq. ft and fright, packaging and statutory taxes extra. But joint physical inspection of the Language laboratory in presence of audit revealed that actual executed area was 600 sq ft (30x20) being a single room. . So there was a excess claim of Rs.913914¹ by the CACM. The claim was countersigned by the Principal and paid to CACM by HED.

¹ (Rs.152319/ 200 sq ft)*(720 sq ft - 600 sq ft) = Rs.913914

- It is further to state that, Principal of the college has provided one room for set up of LL. Present set up with sitting arrangement of both types of students in one room was not a conducive learning environment.
- (ii) *Non utilisation of the LL resulted in idle set up of Rs.20.28 lakh:*
 - During 2015-16, 1152 students were enrolled in the LL. No students were enrolled during 2016-17 to till date of audit. As stated by the in charge officer, shortage of staff was the major reason for non commencement of any course. Due to non utilisation, LL set up expenditure of Rs.20.28 lakh was left idle.
 - Available teachers (in English department) were already overburdened with their regular classes. Government had not taken any policy decision for provision of additional resource person or any additional remuneration to present staff for taking sufficient classes in the LL and to cover maximum students.

Further it was noticed that Higher Education Department decided (23.08.2014) to introduce short term course of 3 months duration on communication skills in English language to make functional of the LLs. Recurring expenditure of Rs.1.50 lakh was received by the College in March 2016 for imparting the course to 4 batches. In the mean time, two batches had completed their short-term course on 'Communication Skills in English Language' during the period from September 2016 to November 2016 and from December 2016 to February 2017 respectively.

As per the guidelines for "Short-term course on Communication Skills in English Language for College Students", colleges have been authorized to issue a "Certificate of Participation" to students enrolled in the programme on Communication Skills in English. But it was noticed that Certificate of Participation has not been issued to the students after completion of the course for two batches.

In reply it was stated that Short term course in communication skill in English were completed in two bathes and certificates were issued to the participants with attendance of 70 per cent or more. However steps needs to be taken to recover the excess payment made to the agency as well as to utilize the laboratory under intimation to audit.

4. *Observations of UGC Grants*

(a) *Surrender of UGC grant due to non-utilisation within the financial year/Plan period*

As per the guidelines, the UGC grants released to the Colleges required to be utilized within the financial year or Plan period. On verification of UGC files, it was seen that the UGC had allotted an amount of Rs. 42,44,228 towards 11th and 12th Plan.

Out of which an amount of Rs.37,54,886 was utilized leaving an amount of Rs.489342 as detailed below.

Sl No	Plan	Purpose	Grants received	Grants utilized	Balance	Refund to UGC
1	11 th	College development	887808	886964	844	844
2		Additional Grant	1143000	1103440	39560	39560
3		Merged scheme	522000	408678	113322	113322
4		Seminar conference	81000	81000	0	0
5		MRP	156080	156080	0	0
6	12 th	College development	884340	884340	0	0
7		Merged scheme	75000	72600	2400	2400
8		IQAC	300000	161784	138216	138216
9		MRP	195000	0	195000	0
			4244228	3754886	489342	294342

Due to non-utilisation of the entire amount earmarked for 11th & 12th plan period as per the conditions mentioned in the sanction order and subsequent instructions of UGC, an amount of Rs. 3.63 lakh was refunded along with interest. Due to refund of the amount the intended benefits out of the scheme fund could not be availed. The details are given below:

Purpose	Unspent amount	Interest	Total amount	Remarks
Books, journal and equipments	844	548	1392	L.No.2517/23.11.15
Equipment	39560	51434	55384	50/06.01.16
NRC-UGC(MS)	2205	1395	3600	2517/23.11.15
Entry into service	11117	5559	16676	2517/23.11.15
High SC/ST/OBC	100000	45000	145000	2517/23.11.15
Entry into service	2400	600	3000	L.No.2517/23.11.15
IQAC	138216	0	138216	L.No.1296/24.04.17
TOTAL	294342	104536	363268	

(b) **Inadmissible expenditure of Rs. 17500 under college development grant**

As per UGC guide lines for General Development Assistance to colleges during the 12th Plan period, equipments which may include, among others, laboratory equipment including refrigerator, water purifier, fax, audio-visual equipment including digital camera, LCD/TV and other teaching aids, computer and accessories, software (including that for automation of Office and Library), CCTV, generator/inverter and reprographic facilities, public address system, networking and internet connection. It will not include typewriters, office furniture or fixtures. Any equipment other than those mentioned in this para needs adequate justification and may be procured only after getting specific approval of the Commission.

Scrutiny of vouchers revealed that an amount of Rs.17,500 was incurred for purchase of equipments as detailed below:

Sl No	Name of supplier	Description of goods	Quqnt y	Amount	Voucher No
1	M/s. City Aquarium	620 Glass Aquarium with cabinet light and cover and filter	1	9500.00	19/25.03.14
2	Geeta Agencies	Usha Swing Machine	2	8000.00	18/25.03.14
				17500.00	

It was noticed that the above articles were procured in violation of the UGC guidelines.

In a reply Principal stated that the unutilized fund was refunded due to frequent change of OIC, UGC and change of Principals, shortage of office assistants and late receipt of fund. Purchase of Aquarium and swing machine were purchased on the basis of requisition from the departments. However the reply is not tenable as the fund could not be utilized for the purpose and funds were utilized for purchasing the requirements for the departments in violation of the UGC Guidelines.

5. *Acute shortage of Teaching/ Non-Teaching staff in the College.*

As per sanctioned strength, Shailabala Women's College, Cuttack should have 93 Teaching staff for 22 subjects including Principal and 139 Non-Teaching employees of different cadres for various activities of the institution.

Verification of records and information furnished to audit revealed that Shailabala Women's College, Cuttack having sanctioned strength of 93 in teaching staff for 22 subjects in Arts, Science and Commerce stream. Against the sanctioned strength only 64 nos of Teaching staff have been posted and 29 posts (31 percent) were lying vacant as of August 2017. It was noticed that the posts of regular Principal was lying vacant from May 2017. There was no Teaching staff in Computer Science and Bengali subject against sanctioned strength of 2 and 1 respectively.

Similarly, the College have 34 categories of post in Non-Teaching cadre and there were 58 employees placed in different posts with 81 vacant (58 per cent) against the sanctioned strength of 139 as of August 2017. It was found that the posts of Librarian (02 nos), Junior Librarian (01 no), Library Watchman (01 no) were vacant and the Library was managed by one Assistant Librarian with three peons. All 04 posts of Lab Assistant were vacant. There were only 02 Demonstrators as against 22 and 09 Lab Attendants against 34 posts sanctioned. There was no regular Head Clerk and 03

posts of Junior Clerks were vacant out of 05 sanctioned strength. The date of vacancy of such posts could not be made available to audit.

B. Shortage of Academic Faculty/ Administrative and Professional staff in SFC (B.ED) Course.

The guidelines of National Council for Teacher Education stipulates in Clause -5.1 that for one basic unit of 50 students i.e. one hundred students' strength for two years, the number of faculty members shall be eight. The distribution of faculty across different curricular areas shall be: 1. Perspectives in Education- Two nos. 2. Pedagogy Subjects- Four nos, 3. Health and Physical Education- One and 4. Fine Arts- One. Clause 5.3 prescribes for posting of Administrative and Professional Staff. Accordingly the post of Librarian, Lab Assistant, Office-cum-Accounts Assistant, Office Assistant-cum-Computer Operator, Store-Keeper, Technical Assistant of one post each and two nos of Lab Attendant/ Helpers/ Support Staff. In a composite institution, the Principal and academic, administrative and technical staff can be shared.

Verification of records and information provided to audit revealed that there were 06 nos of academic faculties during 2016-17 and 2017-18. There were no faculty posted for Social Science and Mathematics. Similarly, there were 05 persons appointed as Administrative and Professional Staff.

In absence of required nos of Teaching and Non-Teaching Staff, it is obvious that the students of the College are not only being deprived of getting proper teaching facility in all subjects; but also the smooth functioning of college in providing prompt service in different wings of the College are being affected severely.

In reply it was stated that correspondence is being made with Govt. in Higher Education Department for posting of adequate teaching and Non-Teaching staff and latest developments in this regard may be intimated to audit.

6. Budgetary control and Management of Cash

a. Budgetary control

Control over budget allotment and expenditure done are essential for optimal utilisation of resources to achieve the objectives of the department and financial management. Review of budget provision and actual expenditure of the Shailabala Women's college during 2014-15 to 2016-17, the following deficiencies were observed:

(In Rupees)

Year	Allotment	Expenditure	Surrender/ Withdrawal	Balance	Total surrender/ withdrawal and balance
2014-15	112769500	111851715	00	917785	917785
2015-16	129248089	126600631	774664	1872794	2647458
2016-17	130608421	124808420	2010000	3790001	5800001
Total	372626010	363260766	2784664	6580580	9365244

Rs.2.24 lakh during 2015-16 and Rs 3.67 lakh during 2016-17 were surrendered under the head pay. Similarly, under the head Dearness Allowance (DA) Rs. 8.07 lakh in 2014-15 and Rs.7.48 lakh in 2015-16 and 25.99 lakh in 2016-17 were surrendered. Surrender of funds under Pay and DA heads indicated lapses on the part of the DDO for preparation and submission of realistic budget estimate.

b. Management of Cash:-

The Principal, Sailabala Women's College, Cuttack had maintained 15 Cash Books which were closed with closing balance of Rs. 249.99 lakh and Rs.227.48 lakh as on 31.03.2017 and 31.07.2017 respectively. The Cash Book wise closing balances as on above dates are detailed in the table below:

(in Rupees)

Sl. No.	Name of the Cash Book	Closing Balance as on 31.03.2017	Closing Balance as on 31.08.2017
1	+2 Govt. Cash book	0	0
2	+3 Govt. Cash Book	293644	210115
3	+2 PL Cash Book	3291389.80	3988102.80
4	+3 PL Cash Book	374476.34	1837740.34
5	UGC	278968.00	140174.00
6	RUSA	2716595.00	1534291.00
7	SAMS (old combined book)	4422204.69	1315851.00
8	Self Defence	1929	105723
9	Self Financing (Computer Science)	8560196.48	8404045.48
10	Self financing (BED)	1451836	1152655
11	IT	392687.23	411950.23
12	NSS	8974.00	17601.00
13	Red cross	176981	179189
14	CHSE	1763013.36	1606534.62
15	University	1266909.34	1843940.08
TOTAL		24999804.24	22747912.55

The Cash Book wise mode of keeping of closing balances as on 31.08.2017 is detailed in the table below:

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(In Rupees)

SL No.	Name of the Cash Book	Cash	BD	Fixed Deposit	PL	Advance	Bank	Total
	+2 Govt.			0	0	0		0
	+3 Govt.			0	0	0	210115	210115.00
	+2 PL			0	3988102.80	0	0	3988102.80
	+3 PL			0	0	0	1837740.34	1837740.34
	UGC			0	0	0	140174	140174.00
	RUSA			0	0	0	1534291.00	1534291.00
	SAMS			0	0	0	1315851.00	1315851.00
	Self Defence			0	0	0	105723	105723.00
✓	Self Financing (Computer Science)			6500000	0	12300	1891745.48	8404045.48
	Self financing (BED)			0	0	0	1152655	1152655.00
	IT			0	0	0	411950.23	411950.23
	NSS			0	0	8000	9601	17601.00
	Red cross			0	0	66200	112989	179189.00
✓	CHSE			0	0	99126	1507408.62	1606534.62
	University			0	0	387417	1456523.08	1843940.08
	TOTAL			6500000	3988102.80	573043	11686766.75	22747912.55

On review of the cash books revealed the following irregularities:

i. Govt. Cash book(+2 and +3)

Scrutiny of Bill Register and Book of Drawal revealed that an amount of Rs.13.62 lakh was drawn vide bill no. 193 on dated 22-03-2017 towards temporary withdrawal of G.P.F. and Rs. 0.90 lakh was drawn vide bill no. 202 on dated 28-03-2017 towards provisional pension. But both the amounts have not been taken in any of the Govt. Cash book.

ii. U.G.C. Cash book

On dated 25-02-2014 an amount of Rs.25000/- was withdrawn by cheque no.394299 and shown in the payment side of the cash book by decreasing the closing balance from Rs.544174 to Rs. 519174 but the purpose of expenditure for relating to withdrawn amount has not been recorded.

iii. Non-observance of Codal Provisions

- All monetary transactions should be entered in the cash book as soon as they occur, and attested by the head of the office. But on scrutiny of cash books it is revealed that in many instances the attestation of Principal is not made for a long time. The purpose is not mentioned for which the amount is entered in

the receipt side as well as the payment side for example Pg.45,46,47 of CHSE cash book.

- The cash book should be closed regularly and completely checked. The totalling of the cash book should have to be verified by a person other than the writer of the cash book and initial it as correct. But from April onwards no cash book has been updated.
- As per SR 38(iv) of OTC-Volume-I, at the end of each month, the head of the office should verify the cash balance in the cash book and record a signed and dated certificate to that effect. But no where the practice is being carried out.
- The analysis of closing balance of the cash books have not been done.

In reply it was stated that necessary compliance of audit observation will be made and fact will be intimated to audit. However cash books should be maintained as per the codal provision.

7. Outstanding advance of Rs.5.73 lakhs

As per the GOFD Notification No. 43784/F dated 2-12-86, advances granted to Govt. Servants for departmental and allied purposes in terms of SR 509 of OTC, Col-1 should be got adjusted within the month in which the advance is paid failing which the salary of the concerned govt.servant is held back from being disbursed. Further, second and subsequent advance is strictly prohibited unless the first advance is fully adjusted / recouped. The finance department in their letter no FD-XIV-Audit-11/2002-2221/F dated 7-03-02 even advised for initiation of departmental proceedings against the person responsible for long outstanding advances as delay in obtaining detailed accounts against the advances leads to misappropriation or misutilization of funds.

Scrutiny of Cash Books and advance registers revealed that outstanding advance amounting to Rs.573043 (Annexure-A) had been kept in the closing balance of the cash books as on 31.08.2017 as detailed below:

Sl. No.	Name of the Cash Book	Outstanding Advance as on 31.08.2017 (Rs)
✓ 1	Youth Red Cross	66200
2	NSS	8000
✓ 3	CHSE	99126
4	University cash book	387417
✓ 5	Self financing (Computer Science)	12300
TOTAL		573043

While scrutinizing the advance ledger the following observations were made which contradicts the rule of finance departments.

In case of Youth Red Cross Cash Book before recoupment of first advance, second and subsequent advance is given to Smt. Parbati Dei, Reader in Psychology. The Principal has not taken any step so far to adjust the outstanding amount till date of audit.

In reply it was stated that necessary adjustments will be made against the advances. Steps need to be taken for early adjustment of the outstanding advances under intimation to audit.

8. *Verification of Service books relating to the staffs of Sailabala Womens' college*

a. During scrutiny of the Service Books of the following staffs, it was noticed that the leave account has not been updated from the date noted against them.

Sl.No	NAME Shri/ Smt	Designation	From the date the leave account is to be updated
1	Sunamani Rout	Reader in Odia	1-09-13 to till date
2	Chitaranjan Panda	Lecturer in Odia	4-09-13 to till date
3	Dr. Mandakini Das	Reader in POI.Sc	22-12-13 to till date
4	Narmada Kumari Parida	Lecturer in philosophy	20-08-10 to till date
5	Dhirendra Kumar Dalei	Reader in Math	5-04-05 to till date
6	Puspanjali Pattnaik	Reader in Home.Sc	12-10-12 to till date
7	Kalpana Mallick	Reader in Economics	07-09-13 to till date
8	Jayalaxmi Das	Reader in Home.sc	01-08-10 to till date
9	Dr. Surekha Sundari Swain	Reader in Education	1-07-10 to till date
10	Saroj Kumar Padhi	Reader in English	4-09-13 to till date
11	Biswanath Mohanty	Lab. Attendant	6-04-12 to till date
12	Srimanta kumar Mohanty	Watchman	21-11-01 to till date

While scrutiny of the service book of **Smt. Geeta Naik (Sweeper)**, it was observed that on 1-10-16, she was allowed Rs. 10/- less pay while allowing her next annual increment. Her pay after allowing increment should be 5610 + 1700 (GP) instead of 5600 + 1700 (GP). Hence, the same may be corrected under intimation to audit.

Further scrutiny of the service book of **shri Himansu Pradhan, Lab. Attendant**, it was observed that while allowing annual increment on 1-10-14, the pay of Shri Pradhan raised from 8550 + 1800(GP) to 8870 + 1800 (GP), which seems to be irregular. After allowing increment @ 3% on 8550 + 1800(GP), his pay should be Rs. 8860 + 1800(GP), instead of 8870 + 1800(GP).

In reply it was stated that necessary compliance will be intimated later.

16

PART-III

Outstanding Paragraphs of Previous Inspection Reports

The position of outstanding paragraphs of previous Inspection Reports and paragraph settled are given in the table below.

Sl. No	✓ IR No	Outstanding Paras No
1	1035/2006-07	2
2	1231/08-09	5,6 and 7, 2(a,e), 3(a,b,c,d), 4
3	16/13-14	2 (2.1, 2.4), 4 (4.1)

Schedule of persistent irregularities

- i. Non analysis of closing balance
- ii. Non conducting of physical verification of cash
- iii. Non reconciliation with the bank pass books
- iv. Individual entries had not been attested by the DDO

PART: IV

Best Practices followed:

-Nil-

PART-V

Acknowledgement: The audit team acknowledged the cooperation and support extended by the Principal and his staff during the period of audit by producing relevant records and providing logistic support. We also express our thanks to Dr. Kadambini Dash, Principal for his initiative and efforts for mobilizing his staff to cooperate the audit team.


Sr. Audit Officer/ SS-III
O/o the AG (G&SSA), ODISHA
Bhubaneswar

Annexure-A

Position of Outstanding Advances as on 31-07-2017

Sl.no	Name of Cash Book	Amount of Outstanding advance	Persons/ Parties to whom advance is given	Purpose	Date of Advance	Total
1	Youth Red Cross	66200	Smt. Parbati Del, Reader in Psychology	Red Ribbon Programme	23-09-2015	4000
			--do--	Campus cleaning programme	29-10-2014	3000
			--do--	Road Safety and plantation programme	17-01-2015	8000
			--do--	Road safety programme	14-01-2016	4000
			--do--	Blood donation camp	3-11-2015	11200
			--do--	First-aid training for YRC students and dealing assistant remuneration	27-11-16	21000
			--do--	First-aid training	7-12-16	15000
	Total					66200
2	NSS	8000	Dr. Surekha sundari Swain, Reader in Education	Balijatra Programme and other	15.11.16	8000
3	CHSE	99126	Shri Jiban ballav Jena, Reader in Library science	+2, HUB	8-03-17	33054
			Smt. Saraswati Majhi, Lecturer in Botany	+2, Valuation contingency	17-04-17	3000
			Smt. Narmada Kumari Parida	+2, Annual Exam, Centre Charge	13-02-17	63072
	Total					99126
4	University cash book	387417	✓ K.K. Sahoo	Centre charge for university exam	12-16 and 2-17	66693
			✓ Kalpana Mallick	--do--	2-17 and 3-17	72390
			✓ Narmada kumari Parida	--do--	3-17	7500
			Renuka sahu	Centre charge for university exam	8-17	3500
			✓ Jayalaxmi Dash	Admission Processing	8-17	30000
			Sanjita Mishra	Centre charge	3-17 & 4-17	52250
			Jiban ballav Jena	--do--	2-17 & 3-17	73989
			Jamini Ranjan Mohanty	Nodal squad	1-17	9200

Sl.no	Name of Cash Book	Amount of Outstanding advance	Persons/ Parties to whom advance is given	Purpose	Date of Advance	Total
			Mandakini Das	Sports	12-16,1-17, 2-17	36836
			Swarnalata Bal	Sports	3-17	23770
			Jiban ballav Jena	Centre Charge	2-17	11289
	Total					387417
5	Self financing (Computer Science)	12300	Etech innovation	Maintenance of college website	18-08-17	7300
			Snehalata Pati	DSA	23-08-17	5000
		Grand Total				573043

OFFICE OF THE PRINCIPAL, SHAILABALA WOMEN'S (AUTO.) COLLEGE, CUTTACK

LETTER NO. 15/1 DT. 5-5-18

To

Sri Pradipta Kumar Khato,
Sr. Audit Officer (ID No. ORBWA3170323)
SS-III (A) (General & Social Sector Audit)
Accountant General
Odisha, Bhubaneswar.

Sub: - Internal Audit Report No.283/2017-2018.

Ref: - Your Letter No.AG (G&SSA) SS-III (A) IR NO. 283/ 2017- 2018/352, DT-
11.01.2018.

Sir,

With reference to the subject cited above, I furnish herewith the necessary compliance to the Audit Report No.283/2017-18 of (AG) with its Annexures for favour of your information and necessary action at your end.

Yours faithfully

Principal

Shailabala Women's (Auto.) College, Cuttack.

A.G. Audit Memo.

(To be returned in original with reply)

A.G. Audit Memo. Submitted

on 22.9.17

22.9.17

AG(G&SSA)/SS-III/EAP-2/POM No / 01.

Date: 14.09.2017

Sub: Observations of UGC Grants

This part of

Audit observation is covered

(a) Surrender of UGC grant due to non-utilisation within the financial year/Plan period

As per the guidelines, the UGC grants released to the Colleges required to be utilized within the financial year or Plan period.

On verification of UGC files, it was seen that the UGC had allotted an amount of Rs. 4244228 towards 11th and 12th Plan. Out of which an amount of Rs.3754886 was utilized leaving an amount of Rs.489342 as detailed below.

Sl No	Plan	Purpose	Grants received	Grants utilized	Balance	Refund to UGC
1	11 th	College development	887808	886964	844	844
2		Additional Grant	1143000	1103440	39560	39560
3		Merged scheme	522000	408678	113322	113322
4		Seminar conference	81000	81000	0	0
5		MRP	156080	156080	0	0
6	12 th	College development	884340	884340	0	0
7		Merged scheme	75000	72600	2400	2400
8		IQAC	300000	161784	138216	138216
9		MRP	195000	0	195000	0
			4244228	3754886	489342	294342

Due to non-utilisation of the entire amount earmarked for 11th & 12th plan period. As per the conditions of sanction and subsequent instructions of UGC, an amount of Rs. 3.63 lakh was refunded. Due to refund of the amount the benefits out of the scheme fund could not be availed. The details are given below.

Purpose	Unspent amount	Interest	Total amount	Remarks
Books, journal and equipments	844	548	1392	L.No.2517/23.11.15
Equipment	39560	51434	55384	50/06.01.16
NRC-UGC(MS)	2205	1395	3600	2517/23.11.15
Entry into service	11117	5559	16676	2517/23.11.15
High SC/ST/OBC	100000	45000	145000	2517/23.11.15
Entry into service	2400	600	3000	L.No.2517/23.11.15
IQAC	138216	0	138216	L.No.1296/24.04.17
TOTAL	294342	104536	363268	

Reasons for non utilization of above fund may be stated to audit.

(b) Inadmissible expenditure of Rs. 17500 under college development grant

As per UGC guide lines for General Development Assistance to colleges during the 12th Plan period, equipments which may include, among others, laboratory equipment including

refrigerator, water purifier, fax, audio-visual equipment including digital camera, LCD/TV and other teaching aids, computer and accessories, software (including that for automation of Office and Library), CCTV, generator/inverter and reprographic facilities, public address system, networking and internet connection. It will not include typewriters, office furniture or fixtures. Any equipment other than those mentioned in this para needs adequate justification and may be procured only after getting specific approval of the Commission.

Scrutiny of sanction order and vouchers revealed that an amount of Rs.17500/- was incurred for purchase of equipments as detailed below.

Sl No	Name of supplier	Description of goods	QuQty	Amount	Voucher No
1	M/s. City Aquarium	620 Glass Aquarium with cabinet light and cover and filter	1	9500.00	19/25.03.14
2	Geeta Agencies	Usha Swing Machine	2	8000.00	18/25.03.14
				17500.00	

It was noticed that the above articles were procured in violation of the UGC guidelines.

Reasons for such inadmissible purchase of equipments may be stated to audit.

To
The Principal
Shailabala Women's College, Cuttack

Sr. Audit Officer
AG's Audit Party/LAP-2

Compliance

a) The unutilized grant of Rs. 17,500/- was released to UGC as there was no time of completion of the year for utilization due to frequent changes of Principal and change of Principals for transfer and retirement of Office Assistants. The grant of UGC Head was on 27.04.2015 which was meant to be utilized by 31st. The grant of UGC is meant for the year 2014-2015. To late receipt the whole amount could not be utilized. Unspent amount was refunded to UGC. No extension was accorded/granted by UGC to utilization even if repeated commensurate.

b) The purchase of 620 Glass Aquarium for 2014 and Usha Swing Machine was made from UGC General Development Assistance on the basis of the said justification of purchase of teaching equipment.

Y. Chakraborty
Principal

OFFICE OF THE ACCOUNTANT GENERAL (G&SSA) ODISHA, BHUBANESHWAR

(To be returned in original with compliance) 07-2017

OM No. AG (G&SSA)/LAP-2/ 07

Date: 14-09-17

Outstanding advance of Rs.5.73 lakhs

Submitted by Compliance do
Concerned officers/section 22.7.12

As per the GOFD Notification No. 43784/F dated 2-12-86, advances granted to Govt. Servants for departmental and allied purposes in terms of SR 509 of OTC Col-1 should be got adjusted within the month in which the advance is paid failing which the salary of the govt. Servant concerned is held back from being disbursed. Further, second and subsequent advance is strictly prohibited unless the first advance is fully adjusted / recouped. The finance department in their letter no FD-XIV-Audit-11/2002-2221/F dated 7-03-02 even advised for initiation of departmental proceedings against the person responsible for long outstanding advances as delay in obtaining detailed accounts against the advances leads to misappropriation or misutilization of funds.

Position of Outstanding Advances as on 31-07-2017

Sl.no	Name of Cash Book	Amount of Outstanding advance	Persons/ Parties to whom advance is given	Purpose	Date of Advance	Total
1	Youth Red Cross	66200	Smt. Parbati Dei, Reader in Psychology	Red Ribbon Programme	23-09-2015	4000
			-do-	Campus cleaning programme	29-10-2014	3000
			-do-	Road Safety and plantation programme	17-01-2015	8000
			-do-	Road safety programme	14-01-2016	4000
			-do-	Blood donation camp	3-11-2015	11200
			-do-	First-aid training for YRC students and dealing assistant remuneration	27-11-16 2-17 and 17	21000
			-do-	First-aid training	7-12-16	15000
	Total					66200
2	NSS	8000	Dr. Surekha sundari Swain, Reader in Education	Balijatra Programme and other	15.11.16	8000
3	CHSE	99126	Shri Jiban ballav Jena, Reader in Library science	+2, HUB	8-03-17	33054
			Smt. Saraswati Majhi, Lecturer in Botany	+2, Valuation contingency	17-04-17	3000
			Smt. Narmada Kumari Parida	+2, Annual Exam Centre Charge	13-02-17	63072
	Total					99126
4	University cash book	387417	K.K. Sahoo	Centre charge for university exam	12-16 and 2-17	66693
			Kalpna Mallick	-do-	2-17 and 3-17	72390
			Narmada kumari Parida	-do-	3-17	7500
			Renuka sahu	Centre charge for university exam	8-17	3500

Sl.no	Name of Cash Book	Amount of Outstanding advance	Persons/ Parties to whom advance is given	Purpose	Date of Advance	Total
			Jayalaxmi Dash	Admission Processing	8-17	30000
			Sanjita Mishra	Centre charge	3-17 & 4-17	52250
			Jiban ballav Jena	-do-	2-17 & 3-17	73989
			Jamini Ranjan Mohanty	Nodal squad	1-17	9200
			Mandakini Das	Sports	12-16, 1-17, 2-17	36836
			Swarnalata Bai	Sports	3-17	23770
			Jiban ballav Jena	Centre Charge	2-17	11289
	Total					387417
5	Self financing (Computer Science)	12300	Etech Innovation	Maintenance of college website	18-08-17	7300
			Snehalata Pati	DSA	23-08-17	5000
		Grand Total				573043

While scrutinizing the advance ledger the following observations are made which contradicts the rule of finance departments.

In case of Youth Red Cross cash book before recoupment of first advance, second and subsequent advance is given to Smt. Parbati Del, Reader in Psychology. The Principal has not taken any step so far to adjust the outstanding amount till the date of audit.

The Facts and figures may be confirmed under intimation to audit.

Asst. Audit Officer/LAP 2

To
The Principal, Sallabala Womens college
Cuttack

Necessary adjustment will be made against advance taken & intimated to Audit

Principal
S.B. Womens (Auto.) College
Cuttack

OFFICE OF THE ACCOUNTANT GENERAL (G&SSA) ODISHA, BHUBANESWAR

(To be returned in original with compliance)

FORM AG (G&SSA) LAP-2/

Subject: Budgetary control and Management of Cash

Budgetary control

Date: 15-09-17

Over budget allotment and expenditure done are essential for optimal utilisation of resources to achieve the objectives of the department and financial management. Review of budget provision and actual expenditure of the F.M (Auto) college during 2014-15 to 2016-17, the following deficiencies are observed

(In Rupees)

Year	Allotment	Expenditure	Surrender/ Withdrawal	Balance	Total surrender/ withdrawal and balance
2014-15	112769500	111851715	00	917785	ixteen number 91,7785
2015-16	129248089	126600631	774664	1872794	ixteen number 2,647,458
2016-17	130608421	124808420	2010000	3790001	ixteen number 5,800,001
Total	372626010	363260766	2784664	6580580	ixteen number 9,365,244

Under the head Pay 2.24 lakh during 2015-16 and Rs 3.67 lakh in 2016-17 were surrendered. Similarly, under the head Dearness Allowance (DA) Rs. 8.07 lakh in 2014-15 and Rs.7.48 lakh in 2015-16 and 25.99 lakh in 2016-17 were surrendered. Surrender of funds under PAY and DA heads indicated lapses on the part of the DDO for preparation and submission of unrealistic estimate.

b. Management of Cash:-

The Principal, Sailabala Women's College, Cuttack maintained sixteen number of cash books consisting of eight number of Govt. Cash books and eight number of Non-Govt. Cash books during the period covered under audit i.e from 12/2012 to 07/2017. No consolidate cash book was maintained for the eight numbers of Govt. Cash books. The detailed closing balance of the above cash books on 31-03-17 and 31-07-17 were as under.

(In Rupees)

Sl.no	Name of the Cash books	CB as on 31-03-17	CB as on 31-07-17
1	+2 Govt. Cash book	Nil	Nil
2	+3 Govt. Cash Book	293644	210115
3	+2 PL Cash Book	3291389.80	3988102.80
4	+3 PL Cash Book	374476.34	1837740.34
5	UGC	278968.00	140174.00
6	RUSA	2716595.00	1534291.00
7	SAMS (old combined book)	4422204.69	(+3)10,56,824 (+2)259027.00
8	Self Defence	1929	105723
9	Self Financing (Computer Science)	8560196.48	88404045.48
10	Self financing (BED)	1451836	1152655
11	IT	392687.23	411950.23
12	NSS	8974.00	17601.00

CHSE	176981	179189
University	1763013.36	1606534.62
	1266909.34	1843940.08

The modes of retention of closing balance as on 31-08-2017 were as follows.

Sl.no	Name of the Cash Book	Cash (Rs.)	BD	FD	PL (Rs)	Advance (Rs)	Bank (Rs.)
1	+2 Govt.						
2	+3 Govt.						
3	+2 PL						
4	+3 PL				3988102.80		210115
5	UGC						1837740.34
6	RUSA						140174
7	SAMS						1534291.00
8	Self Defence						1056824(+3)
9	Self Financing (Computer Science)			6500000		12300 on 18/08/17 and 23/08/17	259027(+2)
10	Self financing (BED)						105723
11	IT 10861714433						1889579.48 + 2166
12	NSS 14791010063						1152655
13	Red cross					8000	1152655
14	CHSE					66200	411950.23
15	University					99126	179189.0
						387417	1507408.62
							1456523.08
							1843940.08

Check of cash books revealed the following irregularities:-

- Govt. Cash book (+2, +3):- After scrutiny of Bill Register and Book of Drawal it reveals that an amount of Rs.13,62,000/- was drawn vide bill no. 193 on dated 22-03-2017 towards temporary withdrawal of G.P.F. and Rs. 89,970/- was drawn by bill no. 202 on dated 28-03-2017 towards provisional pension. But both the amounts have not been taken in any of the Govt. Cash book.
- U.G.C. Cash book:- on dated 25-02-2014 an amount of Rs.25000/- was withdrawn by cheque no.394299 and shown in the payment side of the cash book by decreasing the closing balance from Rs.544174 to Rs. 519174 but the purpose of expenditure for relating to withdrawn amount has not been recorded.

Non-observance of Codal Provisions

- All monetary transactions should be entered in the cash book as soon as they occur, and attested by the head of the office. But on scrutiny of cash books it is revealed that in many instances the attestation of Principal is not made for a long time. The purpose is not mentioned for which the amount is entered in the receipt side as well as the payment side for example Pg.45,46,47 of CHSE cash book.
- The cash book should be closed regularly and completely checked. The totalling of the cash book should have to be verified by a person other than the writer of the cash book and initial it as correct. But from April onwards no cash book has been updated.

- (7)
- (c) As per SR 38(iv) of OTC Volume-I, at the end of each month the head of the office should verify the cash balance in the cash book and record a signed receipt. But no where the practice is being carried out.
- (d) Any erasure or overwriting of an entry once made in the cash book is strictly prohibited. If that happened it should be initialled in red ink by the writer.
- (e) It is observed that the corrections were made by white fluid and white ink on book page no. 45, 46, 47 etc.
- (f) The analysis of Closing balance of the cash book.

Asst. Auditor

To
The Principal,
Sailabala Women's college
Cuttack

Necessary Compliance will be made & intimated to Audit

15/9/17
Principal
S.B. Womens (Auto.) College
Cuttack

(To be returned in original with compliance)

Submitted to A/c Officer

on 22-9-17

Date: 15-09-17

FORM AG (G&SSA)/LAP-2/

006

Sub Budgetary control and Management of Cash

Budgetary control

Control over budget allotment and expenditure done are essential for optimal utilisation of resources to achieve the objectives of the department and financial management. Review of budget provision and actual expenditure of the F.M (Auto) college during 2014-15 to 2016-17, the following deficiencies are observed

(In Rupees)					
Year	Allotment	Expenditure	Surrender/ Withdrawal	Balance	Total surrender/ withdrawal and balance
2014-15	112769500	111851715	00	917785	112769500
2015-16	129248089	126600631	774664	1872794	2647458
2016-17	130608421	124808420	2010000	3790001	5800001
Total	372626010	363260766	2784664	6580580	9365244

Under the head Pay 2.24 lakh during 2015-16 and Rs 3.67 lakh in 2016-17 were surrendered. Similarly, under the head Dearness Allowance (DA) Rs. 8.07 lakh in 2014-15 and Rs.7.48 lakh in 2015-16 and 25.99 lakh in 2016-17 were surrendered. Surrender of funds under PAY and DA heads indicated lapses on the part of the DDO for preparation and submission of unrealistic estimate.

b. Management of Cash:-

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(In Rupees)

Sl.no	Name of the Cash books	CB as on 31-03-17	CB as on 31-08-17
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10	Self financing (BED)	1451836	1152655
11	IT	392687.23	411950.23
12	NSS	8974.00	17601.00

14	CHSE	176981	179189
15	University	1763013.36	1606534.62
		1266909.34	1843940.08

The modes of retention of closing balance as on 31-08-2017 were as follows.

Sl.no	Name of the Cash Book	Cash (Rs.)	BD	FD	PL (Rs)	Advance (Rs)	Bank (Rs.)	
1	+2 Govt.							
2	+3 Govt.							
3	+2 PL						210115	210115
4	+3 PL				3988102.80			3988102.80
5	UGC						1837740.34	1837740.34
6	RUSA						140174	140174
7	SAMS						1534291.00	1534291.00
8	Self Defence						1056824(+3)	131585
9	Self Financing (Computer Science)			6500000		12300 on 18/08/17 and 23/08/17	259027(+2)	105723
10	Self financing (BED)						1889579.48 + 2166	840404
11	IT 10861714433						1152655	1152655
12	NSS 1479101010063						411950.23	411950.23
13	Red cross					8000	9557+ 44	17601.0
14	CHSE					66200	112989	179189.0
15	University					99126	1507408.62	1606534.62
						387417	1456523.08	1843940.08

Check of cash books revealed the following irregularities:-

a. Govt. Cash book (+2, +3):- After scrutiny of Bill Register and Book of Drawal it reveals that an amount of Rs.13,62,000/- was drawn vide bill no. 193 on dated 22-03-2017 towards temporary withdrawal of G.P.F. and Rs. 89,970/- was drawn by bill no. 202 on dated 28-03-2017 towards provisional pension. But both the amounts have not been taken in any of the Govt. Cash book.

b. U.G.C. Cash book:- on dated 25-02-2014 an amount of Rs.25000/- was withdrawn by cheque no.394299 and shown in the payment side of the cash book by decreasing the closing balance from Rs.544174 to Rs. 519174 but the purpose of expenditure for relating to withdrawn amount has not been recorded.

Non-observance of Codal Provisions

- All monetary transactions should be entered in the cash book as soon as they occur, and attested by the head of the office. But on scrutiny of cash books it is revealed that in many instances the attestation of Principal is not made for a long time. The purpose is not mentioned for which the amount is entered in the receipt side as well as the payment side for example Pg.45,46,47 of CHSE cash book.
- The cash book should be closed regularly and completely checked. The totalling of the cash book should have to be verified by a person other than the writer of the cash book and initial it as correct. But from April onwards no cash book has been updated.

As per SR 38(iv) of OTC-Volume-I, at the end of each month, the head of the office should verify the cash balance in the cash book and record a signed and dated certificate to that effect. But no where the practice is being carried out. Any erasure or overwriting of an entry once made in the cash book is strictly prohibited. If that happened it should be initialled in red ink by the writer of the entry. It was observed that the corrections were made by white fluid and written over the original entry in the cash book page no.45, 46,47 etc.

(e) The analysis of Closing balance of the cash book...

Asst. Audit Officer

To
The Principal,
Sailabala Women's college
Cuttack

Necessary Compliance will be made & intimated to Audit

15/11/17
Principal
S.B. Womens (Auto.) College
Cuttack

OFFICE OF THE ACCOUNTANT GENERAL (G&SSA) ODISHA, BHUBANESWAR

(To be returned in original along with reply)

POM No/ AG(G&SSA)/SS III/ Party no.2/ Date:- 14-09-2017

Subj:- Verification of Service books relating to the staffs of Sailabala Womens' college

- a. During scrutiny of the Service Books of the following staffs, it was noticed that the leave account has not been updated from the date note against them:-

Sl.no	NAME	Designation	From the date the leave account is to be updated
1	Shri/ Smt Sunamani Rout	Reader in Odia	1-09-13 to till date
2	Chitranjan Panda	Lecturer in Odia	4-09-13 to till date
3	Dr. Mandakini Das	Reader in Pol.Sc	22-12-13 to till date
4	Narmada Kumari Parida	Lecturer in philosophy	20-08-10 to till date
5	Dhirendra Kumar Dalei	Reader in Math	5-04-05 to till date
6	Puspanjali Pattnaik	Reader in Home.Sc	12-10-12 to till date
7	Kalpna Mallick	Reader in Economics	07-09-13 to till date
8	Jayalaxmi Das	Reader in Home-sc	01-08-10 to till date
9	Dr. Surekha Sundari Swain	Reader in Education	1-07-10 to till date
10	Saroj Kumar Padhi	Reader in English	4-09-13 to till date
11	Biswanath Mohanty	Lab. Attendant	6-04-12 to till date
12	Srimanta kumar Mohanty	Watchman	21-11-01 to till date

While scrutiny of the service book of Smt. Geeta Naik (Sweeper), it was observed that on 1-10-16, she was allowed Rs. 10/- less pay while allowing her the next annual increment. Her pay after allowing increment should be 5610 + 1700 (GP) instead of 5600 + 1700 (GP). Hence, the same may be corrected under intimation to audit.

Further scrutiny of the service book of Shri Himansu Pradhan, Lab. Attendant, it was observed that while allowing annual increment on 1-10-14, the pay of Shri Pradhan raised from 8550 + 1800(GP) to 8870 + 1800 (GP), which does not appear to be correct. After allowing increment @ 3% on 8550 + 1800(GP), his pay should be Rs. 8860 + 1800(GP), instead of 8870 + 1800(GP).

Hence the facts and figures may be confirmed and the excess payment made thereon may be recovered under intimation to audit.

Sr. Auditor
LAP-2/SS III

To
The Principal, Sailabala Womens' college
Cuttack

Necessary compliance will be made & intimated to Audit

Principal
S.B. Womens' (Auto.) College
Cuttack

**OFFICE OF THE ACCOUNTANT GENERAL (G&SSA)
ODISHA :: BHUBANESWAR**

(To be returned in original with reply)

AG(G&SSA)/SS-III/LAP-2/POM No / 04.

Date: 12.9.2017

Sub: Irregular expenditure of RUSA and SFC Fund.

Govt. of Odisha, Finance Deptt, OM No. 4939 Dated 13.12.2012 stipulates in Clause-3 that every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. The procedure to be followed in making public procurement must conform to the following yardsticks:-

i) The specifications in terms of quality, type etc, as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The specifications so worked out should meet the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.

Rule-3 under Appendix-6 of OGFR Vol-II prescribes that all articles whether manufactured in India or abroad shall be subject to inspection before acceptance and articles for which specifications and/or tests have been prescribed by the competent authority shall be required conform such specifications and/or to satisfy the prescribed test or tests which may be carried out during manufacture or before or after dispatch from the suppliers premises.

Scrutiny of records revealed that RUSA grant of Rs.90 lakh and Rs.10.00 lakh were received by this College on 11.4.2016 and 4.7.2016 respectively. The PMU in its meeting on 9.11.2016 resolved to purchase 05 nos of Desktop Computers, 20 nos of Laptops (both of HP make), 05 nos of UPS (APC make) along with other items from RUSA fund without obtaining list of requirements from all departments/sections. Accordingly Quotation Call Notice was issued on 3.9.2016 for purchase of Desktop Computers, Laptops, Printers, and UPS etc. having details of Make / Model / specifications with last date for receiving quotation on 15.9.2016. Omtron Powers Systems Pvt. Ltd, Bhubaneswar was L1 with offer price of Rs.34965/- inclusive of VAT for Desktop Computers as per comparative statement dated 10.11.2016. Purchase Order was issued on 17.11.2016 for 5 sets of Desktop Computers and 5 nos of UPS and again on 6.12.2016 for 19 sets each of Desktop Computers and UPS. The agency supplied the goods on 26.11.2016 and 7.12.2016 respectively and an amount of Rs.8,87,040/- against both the bills was paid 3.1.2017. The Computers (24 nos) were distributed to different departments.

From the above findings, the following irregularities were noticed:

- i) Composite quotation of different items valuing more than 5 lakhs was called with bidding time of 14 days against the minimum time to be allowed was 3 weeks from the date of publication of Quotation. Due to lack of sufficient time, more numbers of prospective bidders would have been failed to participate in the bidding process.

- iii) The Desktop Computers (24 nos) were procured without assessing the actual requirement by various department/ sections. Audit did not find any record/ document/ indents in this regard.
- iii) The quantity of Computers required was not spelt out in the Quotation Call Notice in violation of above provision, as a result the unit price would not been lowered down.
- iv) The Purchase Orders were issued for supply of Desktops in lieu of Laptops without approval of the PMU. Further the P.O was not issued after two months of receiving quotations. There was no specific timeline to complete the procurement process.
- v) It was also found that the certificate towards verification of computers as per given specification was not recorded on the body of the bills while receiving the computers for which it was construed that the specifications of the computers were not verified by technical persons in violation of the above provisions of OGFR.

B. Purchase of Computers under SFC (B.ED) fund without Quotations.

On verification of records it was noticed that the Purchase Committee in its meeting held on 2.11.2016 decided to purchase two numbers of Desktop Computers and UPS from the approved list of RUSA quotation. In the annual budget proposal on 3.1.2017, the expenditure towards purchase of Computers for Rs.69930/- was shown against Omtron Powers Systems Pvt. Ltd., Bhubaneswar the LI bidder of RUSA quotation. Accordingly, the P.O was issued to Omtron Power System on 17.1.2017 for supply of two nos of UPS - APC 600 VA @ Rs.1995/- and Desktops of HP Make (HP-260-p021In) with certain specifications @ Rs.34965/-. On the other hand it was found that without cancelling the order of Omtron Power System, another Order was issued to Datasoft System, Cuttack on 15.2.2017 for supply and installation of Desktop Computers of LENOVO BWIN with same specification/ UPS- APC 600 VA (two nos each) @ Rs.34648/- and Rs.2050/- respectively without calling quotation. As per the terms and conditions, the Computers were to be supplied within 07 days from the issue of the order. But the Computers/UPS were received on 18.3.2017 i.e by late of 24 days without verifying the stipulated specifications. In absence of verification certificate on the body of the bills, the required specifications as per purchase order could not be ensured. The payment for Rs.73396/- was made on 7.4.2017.

Audit noticed that in above instances, prescribed guidelines for procurement of goods as well as the provisions of OGFR was not adhered strictly to satisfy the fundamental principle of public buying.

Facts and figures may please be confirmed and comments of the Principal on above observation if any, may be offered to audit.

To
The Principal,
S.B.Womens College, Cuttack.

K. S. K.
Asst. Audit Officer
AG's Audit Party/LAP-2

*The necessary compliance
will be made to audit
immediately.*

*Done
15/9/17*

on 15/9/2017