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**Office of the Accountant General (Audit), Bihar, Patna**

**Inspection Report No. 136 /2014-15**

**PART-I**

**INTRODUCTORY**

Name of auditee unit:	Govt. Polytechnic, Purnea
Period of audit:	April 2007 to December 2014
Date of audit:	12.01.2015 to 17.01.2015
Name of the Head of office:	Sri Jairam Saw Principal I/c
Scope of audit:	Audit of records of Govt. Polytechnic, Purnea was conducted. During audit the remittance from April 2007 to December 2014 and expenditure of the detailed month (March 2013 and March 2014) was verified in the Treasury. Selected individual files relating to several schemes were test checked for the period of audit.
Month of detail check:	March 2013, March 2014
Name of audit personals:	Sri Shashi Bhushan Kumar, AAO Sri Shashi Bhushan Pd. Sinha, Sr Auditor
Was discussion held on audit observations:	Yes, discussion was held with the Principal I/c, Govt. Polytechnic, Purnea on 17.01.2015.

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**PART-II - SECTION-B**

**Para No. 1: Fund out of cash book: ₹65.91 lakh and irregularities in maintenance of cash book**

As per rule 86 of Bihar Treasury Code each and every transaction should be made immediately in the cash book and the details of closing balance would be made each day and a certificate to this effect be made by the DDO.

During test check of records such as cash books, bank pass books, bank statement of Govt. Polytechnic, Purnea it was observed that the cash at bank were not exhibited in the closing balance of the cash book. Details were as under:

(Amount in ₹)

Month	Govt. cash book		SDF cash book	
	Cash book	Pass book	Cash book	Bank statement
March 2014	920.47	3020229	55788	3591833
December 2014	2560.47	2740541	11137	3864496

It was further observed that the cash book did not exhibit the actual expenditure, rather the amount received from various authorities/ students were transferred to bank account. The amounts were shown as expenditure merely on the basis of the above transfer. Actual expenditure from the bank account were not exhibited in the cash book. Non-inclusion of expenditure in the cash book is completely against the BTC/ financial rules.

Thus neither the actual expenditure were shown in the cash book nor the cash at bank were shown in the closing balance of the cash book. In the above circumstances possibility of serious financial irregularities cannot be ruled out.

The Principal I/c replied that the amount of bank as per pass book will be entered in the cash book and further cash book will be written as per the direction of audit.

**Para No. 2: non-installation of electronics equipment in the electronic lab led to non-utilisation of it: ₹6.65 lakh**

The electronics lab was to be established in Govt. Polytechnic Purnea for electronics branch in the year 2007-08. For the electronics labs electronics equipments were to be purchased and installed in the lab to facilitate the students to carry out the practical tests and to demonstrate.

Scrutiny of records, such as purchase file, stock register etc. revealed that electronics equipments were purchased (March 2007) in the year 2007-08 for ₹1,49,664. The same could not be installed in the electronics lab and further electronics equipments were purchased (March 2009) for ₹5,14,420. Thus electronics equipments of ₹6,64,084 were purchased for installation in the electronics lab and for use of the students.

Scrutiny revealed that the equipments were still in the store register of the office and were not issued to the labs. This indicated that the equipments were not installed in the

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labs and thus those are not used by the students. The physical verification was not conducted during April 2007 to December 2014 as the physical verification report was not made available to audit nor the certificate to this effect was recorded in the stock register.

The Principal I/c replied that the instruments of electronics are light and easily handable. As per requirement of the students, lecturers concerned carry with the help of assistants and returned to the store after experiments. Due to shortage of electronics staff, these have not been transferred to electronics lab. This will be done within a month.

**Para No. 3: Non-adjustment of advance: ₹ 75,800**

As per Bihar financial rule an official cannot be given fresh advance, unless he gives adjustment of previous one and that amount of advance must be adjusted before the end of financial year in which it was taken.

During test check of advance register it was observed that advances are given to various officials frequently and before adjustment of previous advances. Advances are due for adjustment since a long period. Major amounts are as under:

Date of advance	Name of the officials	Amount (in ₹)
08.05.2007	Sri Umesh Kumar Singh	1000
04.03.2008	Do	4000
05.03.2008	Do	4000
17.03.2008	Do	3000
18.03.2008	Do	2200
10.04.2008	Sri Ram Chandra Sharma	2000
28.04.2008	Sri Umesh Kumar Singh	5000
20.10.2008	Sri Dharendra Pd Yadav	3000
06.05.2009	Sri Shashi Shekhar Upadhyay	1000
16.11.2009	Sri Surendra Paswan	2000
10.12.2009	Sri Umesh Kumar Singh	7000
26.12.2009	Do	6000
21.04.2010	Sri Hamid Raza Akhtar	7000
30.04.2010	Do	13600
08.12.2010	Sri Ram Chandra Sharma	5000
31.05.2012	Sri Tuntun Sarkar	3000
31.05.2012	Sri Umesh Kumar Singh	7000
	<b>Total</b>	<b>75800</b>

The Principal I/c replied that the advances will be examined and adjusted and non-adjusted amounts will be distinguished very soon and proper action will be taken.

Complete examination of the advance register should be carried out and audit may be intimated immediately regarding adjustment of entire advance amount.

## TEST AUDIT NOTE

### **Note 1: Irregular maintenance of cash book**

During test check of records of Govt. Polytechnic Purnea it was observed that the cash book was not maintained properly. It was observed during scrutiny that inauguration work of Govt. Polytechnic Katihar was entrusted to the Principal I/c Govt. Polytechnic Purnea. The same person (Principal, Govt. Polytechnic Purnea) was in charge of both the institutions. The allotment for Govt. Polytechnic, Katihar was given to Govt. Polytechnic, Purnea the withdrawal of which was made through Purnea treasury.

During test check it was observed that the amount was withdrawn from Purnea treasury but entry of the same was not made in the cash book of Govt. Polytechnic, Purnea. The letter of allotment was also not made available with Govt. Polytechnic, Purnea. Thus allotment, expenditure and balance amount for Katihar Polytechnic was not verified during audit. The amount withdrawn by the DDO of Govt. Polytechnic, Purnea was not entered in the cash book which shows irregularity and possibilities of its misuse cannot be ruled out.

The Principal I/c replied that the allotment copy has been submitted, photocopy of cash book is available now. Original cash book was opened in the name of Govt. Polytechnic Katihar and is kept in the safe custody of Principal Govt. Polytechnic, Katihar.

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**Sr. Audit Officer**  
**Bihar, Patna**