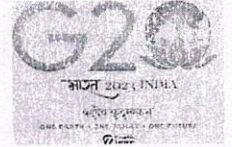
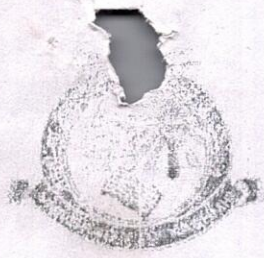


KU-2023-AUD-666



UNIVERSITY OF KASHMIR
INTERNAL AUDIT UNIT

No: F(Audit-NAAC)/KU/23
Dated:19.07.2023

The Chairman,
Sub-Steering Committee (Criterion-6),
(C/o DIQA office, Room No. 15),
University of Kashmir,
Srinagar


Subject:- NAAC-Self Study Report (SSR) Submission.

Sir,

Please refer to your communication No:-DIQA/SSR-(6/Ku/23 dated: 11.07.2023 regarding the subject cited above.

The required information is enclosed herewith. The soft copy has also been mailed at the identified Email. Id.

Yours Sincerely,


Assistant Registrar,
Audit

Audit of University Accounts

A. External Audit

The University accounts are required to be audited by the Auditors appointed by the government as per Section 38 of the university act, which reads as under:-

“The accounts of a University shall, once in every year and at the interval of not more than fifteen months, be audited by auditors appointed by the Government and a copy of the accounts together with auditor’s report shall be published in Government gazette”.

In terms of the above section, the University accounts were audited by the A.G’s office (Accountant General’s Office) which is the subordinate office of the Comptroller and Auditor General of India (CAG) for the period April, 2013 to March 2018 in the year 2019-20. The action taken report in response to the audit observations highlighted in the audit report pertaining to the above period stands already furnished to the concerned agency. The accounts of the university beyond 2018 have not yet been audited by the concerned agency. However, the Directorate of Audit and Inspection (Finance Department of the Government) has conducted the special audit on the accounts of the University for the period 2015-2020. The response to the observations stand already furnished to the concerned agency.

In addition to above, the grants/funds received from various funding agencies of the Government of India are regularly been audited by the statutory Auditors (Chartered Accountants).

B. Internal Audit

So far as the question of Internal Audit is concerned, the University is having an Internal Audit Unit which regularly conducts the Audit on the departmental accounts of the University. The observations noticed during the course of Audit are communicated to the concerned departments in the shape of an Audit report for appropriate action. The concerned Heads/Directors etc. rectify the deviations and submit their action taken reports to the Internal Audit Section accordingly. After receiving such reports from the concerned departments the observations are accordingly settled in accordance with the relevant rules/ regulations.

Moreover, each department is having a local fund committee comprising the following:-

- | | |
|---|------------------|
| 1. Head of the Department/Director of Institute/Centre | Chairman |
| 2. All Professors of the Department | Members |
| 3. One Associate Professor and One Assistant Professor,
by rotation in order of seniority. | Members |
| 4. Assistant Registrar/Section Officer | Member Secretary |

Among other things, the above committee is required to report the financial irregularities, if any, to the higher authorities. Thus a well defined mechanism for settling audit objections exists in the university. This fact has also been acknowledged by the previous NAAC team. Their comments about the system are as under:-

"Internal Audit System exists and Multi-tiered Auditing System has been adopted".

Copies of certain Audit Reports are enclosed for reference.


Assistant Registrar,
Audit



UNIVERSITY OF KASHMIR
INTERNAL AUDIT UNIT

No: F(Audit-L.Funds.Edu)KU/22
Dated: 07.01.2022

The Head
Deptt. of Education
University of Kashmir

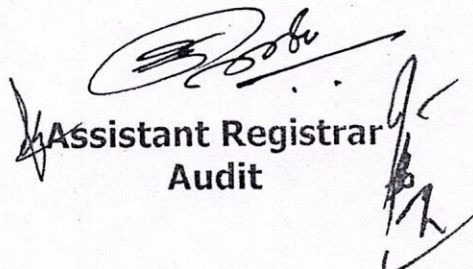
Subject : Internal Audit Report on the Local Funds of the
Department for the period April, 2018 to March, 2021

Madam,

Please find enclosed herewith the Internal Audit Report for the above mentioned period for necessary action at your end.

The action taken report may please be furnished within 15 days.

Yours sincerely,


Assistant Registrar
Audit

Enclosures : 5 Leaves

Copy to:

1. P.A. to Registrar for kind information of the Registrar;
2. File.



UNIVERSITY OF KASHMIR

INTERNAL AUDIT UNIT

No: F (Audit-L Funds) KU/22
Dated: 07-01-2022

Internal Audit Report on the Local Funds of the Department of Education for the period April, 2018 to March, 2021

Following Teachers were holding the charge of Headship during the above period:-

<u>Name</u>	<u>Period</u>
Prof. Mohammad Iqbal Mattoo	April, 2018 to April, 2020
Prof. Tasleema Jan	May, 2020 to March, 2021

After going through the records provided by the concerned officials following observations were noticed:-

i. Non-adherence of regulations governing Local Funds

As per the regulations governing the local funds, the department was/ is required to maintain a separate account in respect of each local fund including the consolidated local fund in the ledger. The department has completely ignored the regulations and has not maintained the component-wise details about the local funds despite earlier instructions. This is a serious issue and needs to be justified.

ii. Accumulation of Local Fund Money

As per regulations, the department was/is required to arrange amount of Local Fund money which is not anticipated to be utilized immediately in fixed deposit for such period as may be decided by the Head of the department in consultation with the Local Fund Committee. The department has ignored the regulation and has not placed the surplus amount in the fixed deposit. Thus a good amount of interest has been lost due to poor financial management. The department should make the optimum use of the funds and follow the regulations in letter and spirit.

iii. Aims & objectives of Local Fund

As per regulations governing the Local Funds, the aim of the local funds shall be to promote social, cultural and academic activities of the Department and general welfare of the students.

Contrary to above, huge expenditure has been made on purchase of various items and refreshment out of these funds and thereby defeating the very purpose of the said funds. The Department has not followed the instructions issued by the University vide order no. KU/Budget/21 of 2016 dated 05.03.2016 while incurring the expenditure out of the local funds. This is a serious irregularity & needs to be justified.

iv. Non-Remittance of prescribed share of revenue/closing balance to the University Chest

As per the recommendations of the Financial Reforms Committee, notified vide order No. F(Financial Reforms)Bgt/KU/16 dated 05-03-2016, issued by the Joint Registrar, Budget and Creation each department was/is required to transfer the following amount annually to the University Chest for the purpose indicated against each:-

1. Each Department /Centre shall transfer 10% of the revenues generated annually to University Chest as '**User Charges**' towards Electric Tariff.
2. At the end of Financial Year, the departments shall transfer 10% of the closing balance to the "**University's Consolidated Fund Account**" and additional 5% to "**Other Department Development Fund**" which shall be utilized towards infrastructure development of such teaching departments which do not generate sufficient funds internally.

The Department has not remitted the prescribed amount despite the detailed instructions issued by the Registrar on 11-05-2019 and the letter issued by this office dated 27-01-2020. This amounts to non-compliance of orders and financial irregularity. The issue, therefore, needs to be justified and in the meantime amount transferred to the concerned quarters, under an intimation to the Internal Audit Unit.

v. Improper monitoring of Reimbursable Payments

It has been practice in the department to make payments on account of TA/DA to experts out of the local funds and then forward the claim/s to the Accounts Branch for reimbursement. However, the department did not maintain proper records about these payments as revealed by the details furnished by the department. This unhealthy practice needs to be stopped forthwith and proper monitoring of reimbursable payments ensured.

vi. Maintenance of Stock Registers

As a general rule, stores should be paid only after the delivery thereof is checked both in respect of quantity as well as quality and an entry of that made in the stock book under the signatures of the purchasing officer. The Department has made purchases worth lacs of Rupees but the entries recorded in the Stock Registers have not been authenticated / attested by the Head. Moreover, Stock Registers have not been maintained in a systematic & proper manner. This is a serious irregularity and needs to be justified and in the meantime stock registers maintained properly.

vii. Non-deduction of taxes

As per the standing instructions, the departments while making the payments to the suppliers/contractors/ service providers out of the local funds are required to deduct following taxes (TDS) from the bills of the concerned agencies as per the rates indicated against each:

Agency (Nature of payment)	Taxes to be deducted	Remarks
Suppliers (Supply bills)	a) Intra-State supply 1% CGST + 1% UTGST = Total 2% On principal amount b) Inter-State supply 2% IGST	
Contractors (Works bills)	1. 1% CGST + 1% UTGST = Total 2% 2. Income tax @ 2% 3. Labour Cess @ 1%	
Service Providers (e.g. Advertisement bills)	1. 1% CGST + 1% UTGST = Total 2% 2. Income tax @ 2%	However, only income tax @ 2% is deductible from the bills of Service Providers / Agencies which purely supply labour (Outsource House keeping Agencies)
Professionals (Lawyers/ Chartered Accountants/Doctors/ Guest Faculty)	Income tax @ 10%	If the payment exceeds Rs 30,000/- per annum

Note: When GST is included in the Gross amount of the bill, principal amount can be calculated as per the following formula:-

$$\text{GST Amount} = \text{Original Cost} - [\text{Original Cost} \times \{100 \div (100 + \text{GST}\%)\}]$$

$$\text{Net Price (Principal Amount)} = \text{Original Cost} - \text{GST Amount.}$$

The department has not deducted the required taxes from the bills of suppliers, which is a financial irregularity. The department should ensure the TDS as per above rates and remit the same to the Balance Sheet / Tax Section by or before 5th of every month positively in the shape of a cheque favouring Registrar with the following details for onward transmission to the concerned quarters:

Name of the Supplier/ Contractor / Agency/ Professional/ Service Provider	GST NO	PAN No	Bill No	Principal Amount	CGST Amount @ 1%	UTGST Amount @ 1%	IGST Amount @ 2%	Income Tax @ 2%	Labour Cess @ 1%	Remarks

viii. Irregular Expenditure

As per rules, following two important elements are invariably observed before incurring any kind of expenditure :-

- There must be an act of sanction of an authority Competent to Sanction;
- There must be an act of appropriation of funds for the purpose by an authority Competent to appropriate.

Contrary to above, the department purely on the recommendations of the Department Committee has engaged two persons for cleanness purpose without obtaining the approval of the Competent Authority. Their wages were subsequently enhanced and presently they are being paid monthly wages @ Rs 6500 from March, 2021. The act of sanctioning recurring nature of expenditure does not fall within the domain of the Departmental Committee / HOD. Therefore, the whole expenditure is irregular, which needs to be got regularized by the Competent Authority.

ix. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted by May, 31st every year. The Department did not conduct the activity so far despite earlier instructions. The activity needs to be conducted immediately and report submitted to the concerned quarters at the earliest under an intimation to the Internal Audit Unit.

For the convenience of the department, the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks

The General principles relating to the activity are recorded below:-

- Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;

- b. All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- c. Shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

DISCREPANCIES FOUND ON VERIFICATION OF STORES

A deficiency detected during a verification of stores may be due to:

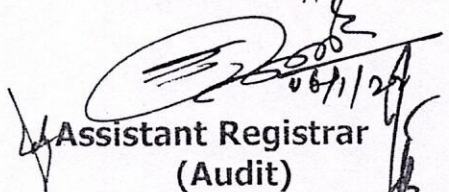
- 1) Incorrect or careless accounting,
- 2) Loss arising from fraud, theft or negligence, or
- 3) An unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.

The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

The above observations need to be addressed on priority and Action Taken Report submitted to the Internal Audit Unit within 15 days.

Yours sincerely,


Assistant Registrar
(Audit)

Copy to :

01. P.A to Registrar for kind information of the Registrar;
02. File.



UNIVERSITY OF KASHMIR

INTERNAL AUDIT UNIT

No: F (KU2023-AUD-624)

Dated : 15-02-2023

The Head,
Deptt. of Management Studies,
University of Kashmir,
Srinagar.

Subject: Internal Audit Report on the Local Funds of the Department for the period April, 2020 - March, 2022 (2 years)

Sir,

While examining the information furnished by your department about the local funds and other allied records it was observed as under:-

1. Improper maintenance of fee / admission details

The department has not maintained the fee details properly. The information furnished about the subject under format-A doesn't coincide with the actual details. Hence the accuracy of the fee could not be authenticated/ verified. This office has adopted a slackness approach in maintaining the details/ records. This unhealthy practice needs to be stopped and details maintained strictly in accordance with the format devised for the purpose.

2. Improper maintenance of accounts

As per the regulations governing the local funds, the department was/ is required to maintain a separate account in respect of each local fund including the consolidated local fund in the ledger. Besides, the Annual Financial Statements are required to be placed before the Local Fund Committee in terms of the guidelines issued by the Joint Registrar, Budget vide order No. F(Financial-Reforms)Bgt/KU/16 dated 05-03-2016. The composition of the said committee is as under:-

- | | |
|--|------------------|
| • Head of the Department/ Director of Institution / Centre | Chairman |
| • All Professors of the Department | Members |
| • One Associate Professor and one Asstt. Professor by rotation | |
| In order of seniority | Members |
| • Asstt. Registrar / Section Officer | Member Secretary |

The department has neither maintained the local fund accounts in accordance with the above guidelines and nor placed the Financial Statements before the Local Fund Committee. Had they prepared the Financial Statements and placed the same before the Local Fund Committee, the deficiencies would have been addressed/ rectified. This unhealthy practice needs to be stopped forthwith. The accounts need to be maintained strictly in accordance with the rules & regulations prescribed for the purpose.

3. Non-Remittance of prescribed share of revenue/closing balance to the University Chest

As per the recommendations of the Financial Reforms Committee, notified vide order No. F(Financial Reforms)Bgt/KU/16 dated 05-03-2016, issued by the Joint Registrar, Budget and Creation each department was/is required to transfer the following amount annually to the University Chest for the purpose indicated against each:-

1. Each Department /Centre shall transfer 10% of the revenues generated annually to University Chest as '**User Charges**' towards Electric Tariff.
2. At the end of Financial Year, the departments shall transfer 10% of the closing balance to the "**University's Consolidated Fund Account**" and additional 5% to "**Other Department Development Fund**" which shall be utilized towards infrastructure development of such teaching departments which do not generate sufficient funds internally.

Contrary to above, the Department has not remitted the required amount despite the detailed instructions issued by the Registrar and the letter dated 10.06.2022 issued by the Assistant Registrar, Audit about the matter. This is a sheer violation of orders/rules and needs to be curbed forthwith. The department should ensure the remittance of the prescribed share/ amount to the concerned quarter (Balance Sheet Section) in the shape of cheque favouring to the Registrar, UOK forthwith, under an intimation to the Internal Audit Unit.

4. Non-accountable of stores

As a general rule, stores should be paid only after the delivery thereof is checked both in respect of quantity as well as quality and an entry of that made in the Stock Register under the signatures of the Purchasing Officer. Ironically, no stock entries were made in respect of following purchases made during the period 2020-22:-

S.No	Particulars	Quantity	Bill No. & Date	Amount	Remarks
1	Adapter with power cord purchased from Metrol Sales Corp	1	116 17.08.2020	6322	

2	12 GB pen drive (OTG), 2 TB HDD purchased from Tech Valley	2	N.A	18000	
3	HDD purchased from Tech Valley	1	N.A	6000	

This is a serious irregularity and needs to be justified.

5. Improper maintenance of Stock Registers

As per rules, stores of consumable and non-consumable nature are to be entered in separate registers duly classified by the University. The department has ignored this principle and has mingled the items. They have not maintained the stock registers properly. There is total mess. False stock entries have been recorded. Issue Register in respect of assets viz laptops has not been maintained properly. As per the fixed asset statement 45 laptops had been purchased till March, 2021. Against these 45 laptops, only 28 have been issued to various persons as revealed by the records of the Department during a test check. This is a serious lapse and needs full justification and in the meantime Stock Registers (Fixed Assets & Consumables) need to be maintained properly so that actual position of the assets/ items is ascertained without any difficulty.

6. Non-Maintenance of Payment Register:

The department receives cheques/payments from the examination wing at regular intervals on account of examination duty & other allied activities. The amount was/is required to be disbursed among the concerned Supervisory staff against proper receipt. The department has not maintained records about these disbursements properly. Therefore, Audit could not verify the payments. This unhealthy practice needs to be stopped and proper records about these payments/disbursements maintained.

7. Non-submission of documents

Following cheques were drawn in favour of HOD & Cooperative Super Bazar out of the local funds:

Cheque No.	Date	Amount	Purpose
845922	24.12.2021	10000	Day-to-day expenses
845937	12.01.22	10000	Day-to-day expenses
002116	30.03.2021	16830	

The Department has failed to produce vouchers for the above payments. The necessary details/ vouchers about the above payments need to be provided for verification & check by the Audit.

8. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted by May, 31st every year. The Department did not conduct the activity so far despite earlier instructions. The activity needs to be conducted immediately and report submitted to the concerned quarters at the earliest under an intimation to the Internal Audit Unit.

For the convenience of the department, the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks
------	------------------	----------------	--------------	--------	----------	---------

The General principles relating to the activity are recorded below:-

- Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- Shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

DISCREPANCIES FOUND ON VERIFICATION OF STORES

A deficiency detected during a verification of stores may be due to:


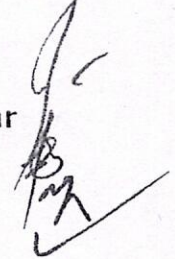
- 1) Incorrect or careless accounting,
- 2) Loss arising from fraud, theft or negligence, or
- 3) An unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.

The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

The above observations need to be addressed on priority and Action Taken Report submitted to the Internal Audit Unit within 15 days.

Yours sincerely,



**Assistant Registrar
(Audit)**

Copy to :

01. Special Secretary to V.C for kind information of the Hon'ble Vice-Chancellor;
02. P.A to Registrar for kind information of the Registrar;
03. File.



UNIVERSITY OF KASHMIR

INTERNAL AUDIT UNIT

No: F (I. A-LF)Chem/KU/22
Dated: 10-05-2022

The Head,
Department of Chemistry,
University of Kashmir,
Srinagar.

Subject: Internal Audit on the Local Funds of the Department for the period April, 2020 - March, 2021

Sir,

While examining the information furnished by your department about the local funds and other allied records it was observed as under:-

1. Non-adherence of regulations governing Local Funds

As per the regulations governing the local funds, the department was/ is required to maintain a separate account in respect of each local fund including the consolidated local fund in the ledger. The department has completely ignored the regulations and has not maintained the component-wise details about the local funds despite earlier instructions. This is a serious issue and needs to be justified.

2. Irregular Expenditure

As per rules, following two important elements are invariably observed before incurring any kind of expenditure:-

- i. There must be an act of sanction of an authority Competent to Sanction;
- ii. There must be an act of appropriation of funds for the purpose by an authority Competent to appropriate.

Contrary to above, huge expenditure has been made on purchase of various items and refreshment out of local funds and thereby defeating the very purpose of the said funds. The act of sanctioning recurring nature of expenditure does not fall within the domain of the Departmental Committee / HOD.

This unhealthy practice needs to be stopped forthwith and the expenditure incurred strictly in accordance with the rules.

3. Non-Remittance of prescribed share of revenue/closing balance to the University Chest

As per the recommendations of the Financial Reforms Committee, notified vide order No. F(Financial Reforms)Bgt/KU/16 dated 05-03-2016, issued by the Joint Registrar, Budget and Creation each department was/is required to transfer the following amount annually to the University Chest for the purpose indicated against each:-

1. Each Department /Centre shall transfer 10% of the revenues generated annually to University Chest as '**User Charges**' towards Electric Tariff.
2. At the end of Financial Year, the departments shall transfer 10% of the closing balance to the "**University's Consolidated Fund Account**" and additional 5% to "**Other Department Development Fund**" which shall be utilized towards infrastructure development of such teaching departments which do not generate sufficient funds internally.

Contrary to above, the Department has not remitted the required amount to the University Chest (Format-D) despite clear-cut instructions communicated through circular dated 11-05-2019 issued by the Registrar. The issue has also been highlighted by the External Audit Party. The amount needs to be remitted to the concerned quarter (Balance Sheet Section) in the shape of cheque favouring to the Registrar, UOK forthwith, under an intimation to the Internal Audit Unit.

4. Improper monitoring of Reimbursable Payments

It has been practice in the department to make payments on account of TA/DA to experts out of the local funds and then forward the claim/s to the Accounts Branch for reimbursement. However, the department did not maintain proper records about these payments as revealed by the details furnished by the department. This unhealthy practice needs to be stopped forthwith and proper monitoring of reimbursable payments ensured.

5. Improper maintenance of Stock Registers

The department has not maintained the stock registers properly. The previous balances have not been incorporated in the Registers. There is total mismatch between the Stock Registers and the Fixed Asset Statements prepared annually by the department. Normally the Stock Registers should reveal the same quantity of the items / articles as has been reflected in the Fixed Asset Statement. This fact was brought to the notice of the department earlier as well, but no substantial progress / development has been made in this behalf. This is a serious lapse and needs full justification and in the meantime Stock Registers need to be updated and

maintained properly so that actual position of the assets is ascertained without any difficulty.

6. Cash payments

As a general rule, all payments are to be made through cheques/ various electronic modes.

Contrary to above, the department has made payments to various persons/agencies in cash at regular intervals. This is a financial irregularity and needs to be justified.

7. Non-deduction of taxes

As per the standing instructions, the departments while making the payments to the suppliers/contractors/ service providers out of the local funds are required to deduct following taxes (TDS) from the bills of the concerned agencies as per the rates indicated against each:

Agency (Nature of payment)	Taxes to be deducted	Remarks
Suppliers (Supply bills)	a) Intra-State supply 1% CGST + 1% UTGST = Total 2% On principal amount b) Inter-State supply 2% IGST	
Contractors (Works bills)	1. 1% CGST + 1% UTGST = Total 2% 2. Income tax @ 2% 3. Labour Cess @ 1%	
Service Providers (e.g Advertisement bills)	1. 1% CGST + 1% UTGST = Total 2% 2. Income tax @ 2%	However, only income tax @ 2% is deductible from the bills of Service Providers / Agencies which purely supply labour (Outsource House keeping Agencies)
Professionals (Lawyers/ Chartered Accountants/Doctors/ Guest Faculty)	Income tax @ 10%	If the payment exceeds Rs 30,000/- per annum

Note: When GST is included in the Gross amount of the bill, principal amount can be calculated as per the following formula:-

GST Amount = Original Cost – [Original Cost x {100 ÷ (100+GST%)}]
Net Price (Principal Amount) = Original Cost – GST Amount.

The department has not deducted the required taxes from the bills of suppliers, which is a financial irregularity. The department should ensure the TDS as per above rates and remit the same to the Balance Sheet / Tax Section by or before 5th of every month positively in the shape of a cheque favouring Registrar with the following details for onward transmission to the concerned quarters:

Name of the Supplier/ Contractor / Agency/ Professional/ Service Provider	GST NO	PAN No	Bill No	Principal Amount	CGST Amount @ 1%	UTGST Amount @ 1%	IGST Amount @ 2%	Income Tax @ 2%	Labour Cess @ 1%	Remarks

8. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted by May, 31st every year. The Department did not conduct the activity so far despite earlier instructions. The activity needs to be conducted immediately and report submitted to the concerned quarters at the earliest under an intimation to the Internal Audit Unit.

For the convenience of the department, the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks

The General principles relating to the activity are recorded below:-

- Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- Shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

DISCREPANCIES FOUND ON VERIFICATION OF STORES

A deficiency detected during a verification of stores may be due to:


- 1) Incorrect or careless accounting,
- 2) Loss arising from fraud, theft or negligence, or
- 3) An unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.

The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

The above observations need to be addressed on priority and Action Taken Report submitted to the Internal Audit Unit within 15 days.

Yours sincerely,


Assistant Registrar
(Audit)

Copy to :

01. P.A to Registrar for kind information of the Registrar;
02. File.



UNIVERSITY OF KASHMIR

INTERNAL AUDIT UNIT

No: F (Audit-L Funds)Per/ KU/22
Dated : 13-07-2022

1589

The Head,
Department of Persian,
University of Kashmir,
Srinagar.

Sub: Internal Audit on the Local Funds of the Department for the period April, 2019- March, 2022

Sir,

While examining the information furnished by your department about the local funds and other allied records it was observed as under:-

1. Non-adherence of regulations governing Local Funds

As per the regulations governing the local funds, the department was/ is required to maintain a separate account in respect of each local fund including the consolidated local fund in the ledger. The department has completely ignored the regulations and has not maintained the component-wise details about the local funds despite earlier instructions. This is a serious issue and needs to be justified.

2. Improper monitoring of Reimbursable Payments

It has been practice in the department to make payments on account of TA/DA to experts out of the local funds and then forward the claim/s to the Accounts Branch for reimbursement. However, the department did not maintain proper records about these payments as revealed by the details furnished by the department. This unhealthy practice needs to be stopped forthwith and proper monitoring of reimbursable payments ensured.

3. Improper maintenance of Stock Registers

The University had prescribed new Stocks Registers for all kinds of stocks including assets viz. equipments, computers, furnishing & furniture etc from 2008.

However, department has not maintained these Stock Registers. This fact was brought to the notice of the department earlier as well, but no substantial progress / development has been made in this behalf. This is a serious lapse and needs full justification and in the meantime prescribed Stock Registers for fixed assets need to be maintained properly so that actual position of the assets is ascertained without any difficulty.

4. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted by May, 31st every year. The Department did not conduct the activity so far despite earlier instructions. The activity needs to be conducted immediately and report submitted to the concerned quarters at the earliest under an intimation to the Internal Audit Unit.

For the convenience of the department, the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks
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The General principles relating to the activity are recorded below:-

- Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- Shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

DISCREPANCIES FOUND ON VERIFICATION OF STORES

A deficiency detected during a verification of stores may be due to:

- 1) Incorrect or careless accounting,
- 2) Loss arising from fraud, theft or negligence, or
- 3) An unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.

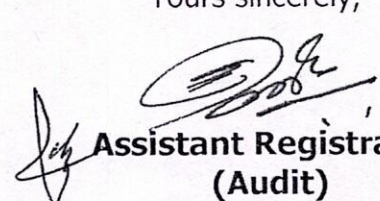
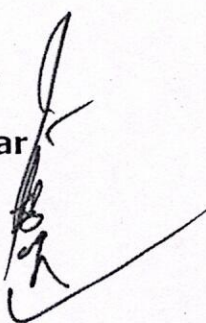
The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a

deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

The above observations need to be addressed on priority and Action Taken Report submitted to the Internal Audit Unit within 15 days.

Yours sincerely,


**Assistant Registrar
(Audit)**


Copy to :

01. Special Secretary to V.C for kind information of the Vice-Chancellor;
02. P.A to Registrar for kind information of the Registrar;
03. File.



KU2022-AUD-575
UNIVERSITY OF KASHMIR
INTERNAL AUDIT UNIT

No: F (I. A-LF)EVS/KU/22
Dated: 10-06-2022

The Head,
Department of Env. Science,
University of Kashmir,
Srinagar.

Subject: Internal Audit Report on the Local Funds of the Department for the period April, 2020 - March, 2022 (2 years)

Sir,

While examining the information furnished by your department about the local funds and other allied records it was observed as under:-

1. Improper maintenance of accounts

As per the regulations governing the local funds, the department was/ is required to maintain a separate account in respect of each local fund including the consolidated local fund in the ledger. The department has not maintained the accounts in accordance with the regulations. This irregular practice needs to be stopped forthwith and accounts maintained as per regulations as elucidated to the concerned staff on the spot.

2. Non-Remittance of prescribed share of revenue/closing balance to the University Chest

As per the recommendations of the Financial Reforms Committee, notified vide order No. F(Financial Reforms)Bgt/KU/16 dated 05-03-2016, issued by the Joint Registrar, Budget and Creation each department was/is required to transfer the following amount annually to the University Chest for the purpose indicated against each:-

1. Each Department /Centre shall transfer 10% of the revenues generated annually to University Chest as '**User Charges**' towards Electric Tariff.

2. At the end of Financial Year, the departments shall transfer 10% of the closing balance to the "**University's Consolidated Fund Account**" and additional 5% to "**Other Department Development Fund**" which shall be utilized towards infrastructure development of such teaching departments which do not generate sufficient funds internally.

Contrary to above, the Department has not remitted the required amount to the University Chest (Format-D) despite clear-cut instructions communicated through circular dated 11-05-2019 issued by the Registrar. The issue has also been highlighted by the External Audit Party. The amount needs to be remitted to the concerned quarter (Balance Sheet Section) in the shape of cheque favouring to the Registrar, UOK forthwith, under an intimation to the Internal Audit Unit.

3. Improper monitoring of Reimbursable Payments

It has been practice in the department to make payments on account of TA/DA to experts out of the local funds and then forward the claim/s to the Accounts Branch for reimbursement. However, the department did not maintain proper records about these payments as revealed by the details furnished by the department. This unhealthy practice needs to be stopped forthwith and proper monitoring of reimbursable payments ensured.

4. Non-accountal of stores

As a general rule, stores should be paid only after the delivery thereof is checked both in respect of quantity as well as quality and an entry of that made in the Stock Register under the signatures of the Purchasing Officer. Ironically, no stock entries were made in respect of following purchases made during the period 2020-22:-

S.No	Particulars	Quantity	Bill No. & Date	Amount	Remarks
1	Projector Screen	1 No	125 24.09.20	19973	
2	Carpet flooring	120Sft	1582 16.12.21	3060	

This is a serious irregularity and needs to be justified.

5. Non-Affixation of Revenue Stamps on Vouchers

As per rules, revenue stamps worth Rs 2/- are to be affixed on all vouchers exceeding Rs 20/-. The Department has not followed the rule in letter and spirit

while incurring expenditure out of the local funds, which temporarily amounts to embezzlement of money. This irregular practice needs to be stopped and revenue stamps of proper value affixed on all such vouchers or to deposit the amount so arrived in the concerned Government Account, under an intimation to the Audit Section.

6. Improper maintenance of Stock Registers

As per rules, stores of consumable and non-consumable nature are to be entered in separate registers duly classified by the University. The department has ignored this principle and has mingled the items. They have not maintained the stock registers properly. There is total mess. This is a serious lapse and needs full justification and in the meantime Stock Registers (Fixed Asset, Chemical & Miscellaneous) need to be maintained properly so that actual position of the assets/ items is ascertained without any difficulty.

7. Non-submission of documents

As per rules, payment for work done, service rendered or articles supplied should be made by the department against proper bill/ receipt. However, the Department has failed to produce vouchers / receipts of following payments made to various persons for execution of works as detailed below:

S.No	Name of the activity	Cheque No	Date	Amount
01.	Payment to Asif Amin, Electrician	299672	16.12.20	9500/-
02.	Payment to Mudasir on a/c of Lan connectivity to Labs	299677	30.12.20	4725/-
03.	Payment to Bashir Ahmad carpenter	299676	04.01.21	4500/-
04.	Payment to Shakeel Ahmad (Labour Charges)	299675	04.01.21	3100/-
05.	Payment to Aijaz Ahmad	299680	11.01.21	2800/-

This is a serious irregularity and needs to be justified.

8. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted by May, 31st every year. The Department

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did not conduct the activity so far despite earlier instructions. The activity needs to be conducted immediately and report submitted to the concerned quarters at the earliest under an intimation to the Internal Audit Unit.

For the convenience of the department, the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks
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The General principles relating to the activity are recorded below:-

- Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- Shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

DISCREPANCIES FOUND ON VERIFICATION OF STORES

A deficiency detected during a verification of stores may be due to:

- 1) Incorrect or careless accounting,
- 2) Loss arising from fraud, theft or negligence, or
- 3) An unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.

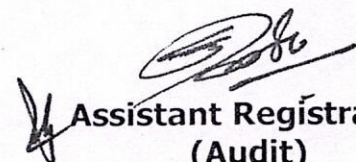
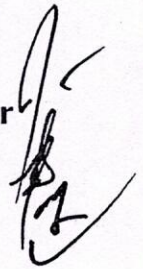
The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

5

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

The above observations need to be addressed on priority and Action Taken Report submitted to the Internal Audit Unit within 15 days.

Yours sincerely,


**Assistant Registrar
(Audit)** 

Copy to :

01. Special Secretary to V.C for kind information of the Hon'ble Vice-Chancellor;
02. P.A to Registrar for kind information of the Registrar;
03. File.



UNIVERSITY OF KASHMIR

INTERNAL AUDIT UNIT

No: F (I. A-LF)Stat/KU/22
Dated: 30-05-2022

The Head,
Department of Statistics,
University of Kashmir,
Srinagar.

Subject: Internal Audit on the Local Funds of the Department for the period April, 2019- March, 2021 (2 years)

Sir,

While examining the information furnished by your department about the local funds and other allied records it was observed as under:-

1. Non-adherence of regulations governing Local Funds

As per the regulations governing the local funds, the department was/ is required to maintain a separate account in respect of each local fund including the consolidated local fund in the ledger. The department has completely ignored the regulations and has not maintained the component-wise details about the local funds despite earlier instructions. This is a serious issue and needs to be justified.

2. Non-Remittance of prescribed share of revenue/closing balance to the University Chest

As per the recommendations of the Financial Reforms Committee, notified vide order No. F(Financial Reforms)Bgt/KU/16 dated 05-03-2016, issued by the Joint Registrar, Budget and Creation each department was/is required to transfer the following amount annually to the University Chest for the purpose indicated against each:-

- i. Each Department /Centre shall transfer 10% of the revenues generated annually to University Chest as '**User Charges**' towards Electric Tariff.
- ii. At the end of Financial Year, the departments shall transfer 10% of the closing balance to the "**University's Consolidated Fund Account**" and

2

additional 5% to "Other Department Development Fund" which shall be utilized towards infrastructure development of such teaching departments which do not generate sufficient funds internally.

Contrary to above, the Department has not remitted the required amount to the University Chest (Format-D) despite clear-cut instructions communicated through circular dated 11-05-2019 issued by the Registrar. The issue has also been highlighted by the External Audit Party. The amount needs to be remitted to the concerned quarter (Balance Sheet Section) in the shape of cheque favouring to the Registrar, UOK forthwith, under an intimation to the Internal Audit Unit.

3. Improper monitoring of Reimbursable Payments

It has been practice in the department to make payments on account of TA/DA to experts out of the local funds and then forward the claim/s to the Accounts Branch for reimbursement. However, the department did not maintain proper records about these payments as revealed by the details furnished by the department. This unhealthy practice needs to be stopped forthwith and proper monitoring of reimbursable payments ensured.

4. Non-Maintenance of Payment Register

The department receives cheques/payments from the examination wing at regular intervals on account of examination duty & other allied activities. The amount is required to be disbursed among the concerned Supervisory staff against proper receipt. The department has not maintained records about these disbursements properly. Therefore, Audit could not verify the payments. This unhealthy practice needs to be stopped and proper records about these payments/disbursements maintained.

5. Improper maintenance of Stock Registers

The department has not maintained the stock registers properly. The previous balances have not been incorporated in the Registers properly. This is a serious lapse and needs full justification and in the meantime Stock Registers need to be updated and maintained properly so that actual position of the assets is ascertained without any difficulty.

6. Cash payments

As a general rule, all payments are to be made through A/C payee cheques / various electronic modes.

Contrary to above, the department has made payments to various persons/agencies in cash at regular intervals. This is a financial irregularity and needs to be justified.

7. Non-accountal of stores

As a general rule, stores should be paid only after the delivery thereof is checked both in respect of quantity as well as quality and an entry of that made in the Stock Register under the signatures of the Purchasing Officer. Ironically, no stock entries were made in respect of following purchases made during the 2019-20:-

S.No	Particulars	Quantity	Bill No & Date	Amount	Remarks
1	Telephone Set	2 Nos	<u>1-10</u> 29.4.19	1700	
2	Air Cooler	1 No	<u>830</u> 25.11.19	14750	
3	Projector Screen	1 No	<u>103</u> 18.2.2020	26073	

This is a serious lapse and needs to be justified.

8. Non-deduction of taxes

As per the standing instructions, the departments while making the payments to the suppliers/contractors/ service providers out of the local funds are required to deduct following taxes (TDS) from the bills of the concerned agencies as per the rates indicated against each:

Agency (Nature of payment)	Taxes to be deducted	Remarks
Suppliers (Supply bills)	a) Intra-State supply 1% CGST +1% UTGST = Total 2% On principal amount b) Inter-State supply 2% IGST	
Contractors (Works bills)	1. 1% CGST + 1% UTGST = Total 2% 2. Income tax @ 2% 3. Labour Cess @ 1%	

Service Providers (e.g Advertisement bills)	1. 1% CGST + 1% UTGST = Total 2% 2. Income tax @ 2%	However, only income tax @ 2% is deductible from the bills of Service Providers / Agencies which purely supply labour (Outsource House keeping Agencies)
Professionals (Lawyers/ Chartered Accountants/Doctors/ Guest Faculty)	Income tax @ 10%	If the payment exceeds Rs 30,000/- per annum

Note: When GST is included in the Gross amount of the bill, principal amount can be calculated as per the following formula:-

GST Amount = Original Cost – [Original Cost x {100 ÷ (100+GST%)}]
Net Price (Principal Amount) = Original Cost – GST Amount.

The department has not deducted the required taxes from the bills of Agencies/suppliers, which is a financial irregularity. The department should ensure the TDS as per above rates and remit the same to the Balance Sheet / Tax Section by or before 5th of every month positively in the shape of a cheque favouring Registrar with the following details for onward transmission to the concerned quarters:

Name of the Supplier/ Contractor / Agency/ Professional/ Service Provider	GST NO	PAN No	Bill No	Principal Amount	CGST Amount @ 1%	UTGST Amount @ 1%	IGST Amount @ 2%	Income Tax @ 2%	Labour Cess @ 1%	Remarks

9. Non-Affixation of Revenue Stamps on Vouchers

As per rules, revenue stamps worth Rs 2/- are to be affixed on all vouchers exceeding Rs 20/-. The Department has not followed the rule in letter and spirit while incurring expenditure out of the local funds, which temporarily amounts to embezzlement of

money. This irregular practice needs to be stopped and revenue stamps of proper value affixed on all such vouchers or to deposit the amount so arrived in the concerned Government Account under an intimation to the Audit Section.

10. Non-assessment of purchases

As per rules the Department is required to make proper assessment about the requirement of the articles/ items before affecting the purchase. But what has been observed from the records is that the department has not assessed annual requirement properly. Excess quantity has been purchased in respect of various items as detailed below:

S.No	Particulars	Bill No & Date	Amount	Quantity	Balance in hand	Remarks
1	Paper	640 12.12.20	19250	100		
2		641 12.12.20	9625	50		
3		1249 28.12.20	6930	36		
4		1388 13.01.21	12512	65		
5		1389 13.01.21	12512	65		
6	Add : Opening balance of paper as on 01.04.20			50		
	Total			366		
	Less : Consumption during the year			186		
	Balance paper available as on 31.03.21				180	
7	Pen drive 16 GB	379 10.12.19	5520	12 Nos	7 Nos	5 issued only
8	Calculator	1388 13.01.21	5880	12 Nos	8 Nos	4 issued only

Such serious lapses are required to be avoided and the purchases made as per requirement.

11. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted by May, 31st every year. The Department did not conduct the activity so far despite earlier instructions. The activity needs to be

conducted immediately and report submitted to the concerned quarters at the earliest under an intimation to the Internal Audit Unit.

For the convenience of the department, the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks
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The General principles relating to the activity are recorded below:-

- Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- Shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

DISCREPANCIES FOUND ON VERIFICATION OF STORES

A deficiency detected during a verification of stores may be due to:



- 1) Incorrect or careless accounting,
- 2) Loss arising from fraud, theft or negligence, or
- 3) An unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.

The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

The above observations need to be addressed on priority and Action Taken Report submitted to the Internal Audit Unit within 15 days.

Yours sincerely,


**Assistant Registrar
(Audit)** 

Copy to :

- 01. P.A to Registrar for kind information of the Registrar;
- 02. File.



UNIVERSITY OF KASHMIR

INTERNAL AUDIT UNIT

No: F (Audit-MAK.Hostel)KU22-AUD-611
Dated: 9.12.2022

The Warden,
M.A.K Boys Hostel,
University of Kashmir,
Srinagar.

**Subject: Internal Audit on the Local Funds of the Hostel for the period
April, 2021 to March, 2022.** ✓

Sir,

While examining the information furnished by the hostel about the local funds and other allied records it was observed as under:-

01. Mess Fund Account

As per rule a boarder is required to deposit the mess fee in advance and clear the deficit, if any, latest by the fifth of every month. In case, he fails to pay the deficit within the stipulated date, his ^{boarding} admission is to be cancelled. Moreover, before leaving the hostel the boarder is required to pay all his dues and get clearance certificate from the Warden and handover the charge of the room and other articles to the Warden or Office Assistant before his departure. The hostel has ignored this rule and has not collected the deficit / outstanding from the boarders on time. A good number of students had left the hostel during the period 2010-2019 without clearing the outstandings as revealed by the records furnished by the hostel. A huge balance is outstanding against the students on a/c of mess charges. The issue was highlighted in the previous Audit Report as well but no concrete steps have been taken to collect the outstanding balances. Had the hostel followed the rules, the situation would have not emerged. The situation is very alarming and grave. The reasons for not realizing the dues from the boarders in accordance with the rules

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need to be communicated. Meanwhile rules need to be followed in letter and spirit and all possible measures need to be initiated to recover the outstanding dues.

02. Transferable fee

As per order No. KU/Budget/10 of 2016 dated 03.03.2016 issued by the Joint Registrar, Budget & Creation, the hostel was/is required to transfer the rent amount & Hostel Infrastructure Maintenance Fund to University Chest. The hostel did not remit any amount so far. Reasons for non-remittance of the amount need to be intimated and in the meantime amount transferred to the University Chest, under an intimation to the Audit Unit.

03. Non-maintenance of prescribed stock registers

The University had prescribed new stock registers for all kinds of stocks including assets viz. equipments, computers, furnishing & furniture etc from 2008. The hostel has not maintained the Stock Registers properly despite earlier instructions. The asset items have been entered into consumable stock register and thereby defeating the purpose of separate stock register for assets. There is total mess and mismatch between the stock registers and the fixed asset statement prepared by the hostel and most of the entries recorded in various stock registers have not been authenticated by the warden. The registers did not depict the actual position of the assets. This unhealthy practice needs to be stopped forthwith and asset stock registers need to be updated by incorporating the previous balances in respect of each & every item so that the position of assets is ascertained at any point of time without any difficulty.

04. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted latest by May, 31st every year. The Hostel did not conduct the activity so far despite earlier instructions. The activity needs to be conducted immediately and report be submitted to the concerned quarters at the earliest under an intimation to the Internal Audit Unit.

For the convenience of the hostel, the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks
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The relevant rules relating to the activity as contained in the Financial Code Volume-I are also reproduced below:

"8-29. In making a physical verification, the following instructions must be invariably observed:-

- Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- Shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

DISCREPANCIES FOUND ON VERIFICATION OF STORES

8-30. A deficiency detected during a verification of stores may be due to:

1. Incorrect or careless accounting,
2. Loss arising from fraud, theft or negligence, or
3. An unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.

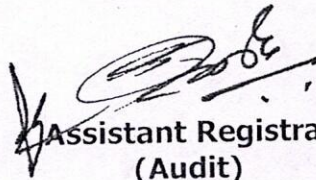
The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the

deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

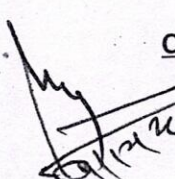
Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

The above observations need to be addressed on priority and Action Taken Report submit to the Internal Audit Unit within 15 days.

Yours faithfully,


Assistant Registrar
(Audit)

Copy to:

- 
- 01. Spl. Secretary to V.C for kind information of the Vice-Chancellor;
 - 02. P.A to Registrar for information of kind information of the Registrar;
 - 03. File.



UNIVERSITY OF KASHMIR

INTERNAL AUDIT UNIT

No: F (Audit-B.A Hostel) AUD-KU-22/604
Dated: 11.11.2022

The Warden,
Bibi Aamina Girls Hostel,
University of Kashmir,
Srinagar.

Subject: Internal Audit Report on the Local Funds of the Hostel for the period April, 2020 to March, 2022.

Madam,

While examining the information furnished by the hostel about the local funds and other allied records it was observed as under:-

01. Mess fund A/C

As per rules a boarder is required to deposit the mess fee in advance and clear the deficit, if any, latest by the fifth of every month. Ironically the hostel staff has not worked out the balances on monthly basis. With the result a huge amount is outstanding against the boarders. This is a sheer violation of rules and needs to be justified and in the meantime outstanding balances need to be recovered from the concerned boarder forthwith, under an intimation to the Internal Audit Unit.

02. Non- Maintenance of Prescribed Stock Registers

The University had prescribed new Stock Registers for all kinds of stocks including assets **viz. equipments, computers, furnishing & furniture etc** from 2008. The Hostel has not maintained the records of stocks/stores in prescribed Stock Registers. As a result, Audit Party could not ascertain the actual position of stocks/stores. This is a grave negligence and needs full justification.

The Hostel should maintain prescribed Stock Registers by incorporating previous balances of each item/s from old Stock Registers from the current financial year.

03. Annual Physical Verification of Stores/Stocks

As per rules, physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted latest by May, 31 every year. The Hostel did not conduct the activity so far despite earlier instructions. The activity needs to be conducted immediately and the report prepared thereof submitted to the concerned section, under an intimation to the Internal Audit Unit. For the convenience of the Hostel, the proforma prescribed by the University for the purpose is given below.

S.No.	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks
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The relevant rules relating to the activity as contained in the Financial Code Volume-I are also reproduced below:

"8-29. In making a physical verification, the following instructions must be invariably observed:-

- Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- Shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

DISCREPANCIES FOUND ON VERIFICATION OF STORES

8-30. A deficiency detected during a verification of stores may be due to:

- (1) Incorrect or careless accounting,
- (2) Loss arising from fraud, theft or negligence, or
- (3) An unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.


The head of the office or hostel concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such

examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification"..No special orders are necessary for this."

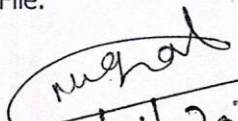
The above observations need to be addressed on priority and Action Taken Report submitted to the Internal Audit Unit within 15 days.

Yours faithfully,


Assistant Registrar
(Audit)

Copy to :

01. S.S to Vice-Chancellor for kind information of the Hon'ble Vice-Chancellor;
02. P.A to Registrar for kind information of the Registrar;
03. File.


11/11/2022



UNIVERSITY OF KASHMIR

INTERNAL AUDIT UNIT

No: F (Audit-GK.Hostel)KU23-AUD-615
Dated: 02.01.2023

The Warden,
G.K.R.S Hostel,
University of Kashmir,
Srinagar.

Subject: Internal Audit on the Local Funds of the Hostel for the period April, 2021 to March, 2022.

Sir/Madam,

While examining the information furnished by the hostel about the local funds and other allied records it was observed as under:-

01. Realization of Rent & Welfare Fee / Fund

As per rules a boarder is required to deposit Rent & Welfare in advance. Ironically the rule has not been followed in letter & spirit. A good number of boarders have/ had deposited the fee in piece meals. With the result a huge amount is outstanding against the boarders. This is a sheer violation of rules and needs to be justified and in the meantime outstanding balances need to be recovered from the concerned boarders forthwith, under an intimation to the Internal Audit Unit.

02. Transferable fee

As per order No. KU/Budget/10 of 2016 dated 03.03.2016 issued by the Joint Registrar, Budget & Creation, the hostel was/is required to transfer the rent amount & Hostel Infrastructure Maintenance Fund to University

Chest. The hostel did not remit any amount so far. Reasons for non-remittance of the amount need to be intimated and in the meantime amount transferred to the University Chest, under an intimation to the Audit Unit.

03. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submit latest by May, 31st every year. The Hostel did not conduct the activity so far despite earlier instructions. The activity needs to be conducted immediately and report be submitted to the concerned quarters at the earliest under an intimation to the Internal Audit Unit.

For the convenience of the hostel, the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks
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The relevant rules relating to the activity as contained in the Financial Code Volume-I are also reproduced below:

"8-29. In making a physical verification, the following instructions must be invariably observed:-

- Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- Shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

DISCREPANCIES FOUND ON VERIFICATION OF STORES

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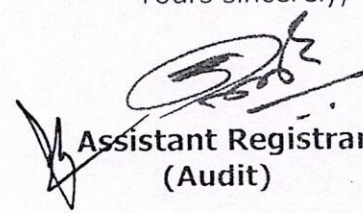
1. Incorrect or careless accounting,
2. Loss arising from fraud, theft or negligence, or
3. An unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.


The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

The above observations need to be addressed on priority and Action Taken Report submit to the Internal Audit Unit within 15 days.

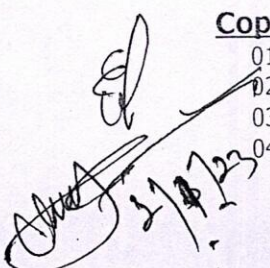
Yours sincerely,


Assistant Registrar
(Audit)



Copy to :

01. Provost, Boys for information;
02. S.S to Vice-Chancellor for kind information of the Hon'ble Vice-Chancellor;
03. P.A to Registrar for kind information of the Registrar;
04. File.


21/8/23



UNIVERSITY OF KASHMIR

INTERNAL AUDIT UNIT

No: F (Audit-L Funds) Distance/ KU/22 /AUD-602
Dated: 3/-10-2022

The Director,
Directorate of Distance Education,
University of Kashmir,
Srinagar.

Subject: Internal Audit Report on the Local Funds of the Directorate for the period April, 2020- March, 2022 (2 years)

Sir,

While examining the information furnished by the Directorate about the local funds and other allied records it was observed as under:-

01. Improper monitoring of fee

The Directorate had opened a dummy account in the JK Bank for fee receipts just to ease the reconciliation of fee of all programmes/ courses regularly. All kinds of fee are initially credited to the said a/c and later-on transferred to the Main A/c of the Directorate. The purpose for which this Dummy A/c was opened has not been achieved fully as the fee for the last two-three years has not been reconciled properly. In the absence of proper reconciliation of fee the accuracy of the receipts could not be authenticated/ verified. This is a serious issue and needs to be justified and in the mean time reconciliation of fee on regular basis be ensured as elucidated to the concerned staff on the spot.

02. Improper maintenance of Stock Registers

The Directorate has not maintained the stock registers properly. The previous balances have not been incorporated in the Registers. There is total mismatch between the Stock Registers and the Fixed Asset Statements prepared annually by the Directorate. Normally the Stock Registers should reveal the same quantity of the items / articles as has been reflected in the Fixed Asset Statement. This fact was brought to the notice of the Directorate earlier as well, but no substantial progress / development has been made in this behalf. This is a serious lapse and needs full

justification and in the meantime Stock Registers need to be updated and maintained properly so that actual position of the assets is ascertained without any difficulty.

03. Non-deduction of taxes

As per rules, the Directorate while making the payments to the Guest Faculty out of the local funds is required to deduct Income tax (TDS) from the bills of the concerned as per the rates indicated in the circular issued by the Balance Sheet Section vide No. BS-TDS/Accts/KU/2022 Dated 30.06.2022 (copy enclosed).

Contrary to above, the Directorate has not deducted the required Income tax from the bills of Guest Faculty, which is a financial irregularity. The Directorate should ensure the TDS as per the rates notified and remit the same to the Balance Sheet / Tax Section immediately.

04. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted latest by May, 31st every year. The Directorate did not conduct the activity so far. The activity needs to be conducted immediately and the report submitted to the concerned quarters, under an intimation to the Internal Audit Unit.

For the convenience of the Directorate, the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks
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The relevant rules relating to the activity as contained in the Financial Code Volume-I are also reproduced below:

"8-29. In making a physical verification, the following instructions must be invariably observed:-

- (d) Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- (e) All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- (f) Shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

DISCREPANCIES FOUND ON VERIFICATION OF STORES

8-30. A deficiency detected during a verification of stores may be due to:

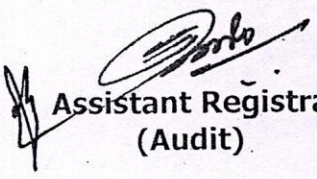
- (4) Incorrect or careless accounting,
- (5) Loss arising from fraud, theft or negligence, or

The head of the office or Directorate concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

The above observations need to be addressed on priority and Action Taken Report submitted to the Internal Audit Unit within 15 days.

Yours sincerely,


Assistant Registrar
(Audit)

Copy to the:-

01. S.S to Vice-Chancellor for kind information of Vice- Chancellor;
02. P.A to Registrar for kind information of the Registrar;
03. File.



UNIVERSITY OF KASHMIR

INTERNAL AUDIT UNIT

No: F (Audit-L Funds)G.House/ KU/22

Dated : 27-09-2022

The Officer Incharge,
Guest Houses
University of Kashmir,
Srinagar.

Sub: Internal Audit Report on the Local Funds of the Sheikh Hamza^(R.A) Guest House for the period April, 2021- March, 2022

Sir,

While going through the cash books and allied records maintained by the Guest House, no major observation was noticed. The cash books were properly reconciled with the bank as on 31.03.2022. However, following discrepancies were noticed:-

1. Non-Maintenance of daily consumption register in respect of food items

The food items purchased by the Store Keeper are issued to the cook on regular basis. However, the consumption of these items is not monitored properly. Normally, the store keeper should not issue fresh stocks to the cook/ kitchen staff unless consumption of previously issued items is checked. The kitchen staff/ cook whom food items are issued on regular basis needs to maintain proper consumption details about each and every item so that chances of loss to the University are avoided. The concerned staff may maintain the consumption details of these items as per the following format:-

Name of the item : _____

Date	Opening Stock	Quantity procured		Total Qty available	Consumption details				Stock in hand	Attestation of the Manager	Remarks
		Received from Store keeper	Purchased directly		Occasion	Quantity used/ utilized	Wastage, if any	Total qty consumed			
1	2	3	4	(3+4 =5)	6	7	8	(7+8 =9)	(5-9= 10)	11	12

2. Improper monitoring of credit sales (Outstanding)

It is a practice in the Guest House to provide accommodation and serve food items to the guests of various departments on credit basis. Though the Guest house has maintained the details about these credit sales but not monitored properly. The Guest House should have maintained these details in the ledger on regular basis so that proper reconciliation would have been ensured. A huge amount is outstanding against various departments on account of accommodation/ food charges. The Guest House should take all necessary measures to collect the outstanding amount from the concerned departments and should also ensure proper reconciliation of these balances.

3. Improper maintenance of Stock Registers

As per rules, stores of consumable and non-consumable nature are to be entered in separate registers duly classified by the University. The Guest House has ignored this principle and has mingled the items. They have not maintained the stock registers properly especially upto 2019. From 2019 onwards the guest house has maintained the stock registers but the previous balances have not been incorporated in these registers. With the result, annual asset statement furnished to the Accounts Compilation Section has not been compiled correctly. There are various shortcomings. Normally the Stock Registers should reveal the same quantity of the items / articles as has been reflected in the Fixed Asset Statement. There is total mismatch between the Stock Registers and the Fixed Asset Statements prepared annually by the guest house. This unhealthy

balances in respect of each and every item so that actual position of the assets is ascertained easily at any point of time.

04. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted by May, 31st every year. The Guest House has not conducted this activity so far. The activity needs to be conducted immediately and report submitted to the concerned quarters at the earliest, under an intimation to the Internal Audit Unit.

For the convenience of the Guest House the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks

The General principles relating to the activity are recorded below:-

- Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- Shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

DISCREPANCIES FOUND ON VERIFICATION OF STORES

A deficiency detected during a verification of stores may be due to:

- 1) Incorrect or careless accounting,
- 2) Loss arising from fraud, theft or negligence, or
- 3) An unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.

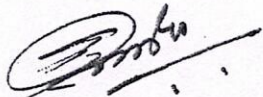
The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the

verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

The Guest House should act accordingly so that proper maintenance of all kinds of records is ensured from the very beginning.

Yours sincerely,


Assistant Registrar
(Audit)

Copy to:

01. Special Secretary to V.C for kind information of the Hon'ble Vice-Chancellor:
02. P.A to Registrar for kind information of the Registrar:
03. File.



UNIVERSITY OF KASHMIR

INTERNAL AUDIT UNIT

No: F (I. A-LF) KU2022-AUD-606
Dated: 24 - 11-2022

The Head,
Department of Bio-Technology,
University of Kashmir,
Srinagar.

Subject: Internal Audit Report on the Local Funds of the Department for the period April, 2020- March, 2022 (2 years)

Sir,

While examining the information furnished by your department about the local funds and other allied records it was observed as under:-

01. Non-adherence of regulations governing Local Funds

As per the regulations governing the local funds, the department was/ is required to maintain a separate account in respect of each local fund including the consolidated local fund in the ledger. The department has completely ignored the regulations and has not maintained the component-wise details about the local funds. This is a serious issue and needs to be justified.

02. Fee realization

The records of the Department revealed that students of 3rd semester students, batch-2019 had not deposited balance 50% admission fee till date. This is a grave negligence. The reasons for not having realised remaining admission fee from above students may be justified. Meanwhile above fee be recovered at the earliest under intimation to the Internal Audit Unit.

03. Improper maintenance of Stock Register

The Department has maintained the prescribed Stock Register (Assets) but during test check of register it was found that the opening balance/s has/have not been incorporated in the Fixed Asset Register. Hence the Register did not depict actual position of the assets. The Register needs to be updated so that actual position about assets of the department is ascertained easily at any point of time

04. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted by May, 31st every year. The Department did not conduct the activity so far despite earlier instructions. The activity needs to be conducted immediately and report submitted to the concerned quarters at the earliest under an intimation to the Internal Audit Unit.

For the convenience of the department, the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks

The General principles relating to the activity are recorded below:-

- a. Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- b. All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- c. Shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

DISCREPANCIES FOUND ON VERIFICATION OF STORES

A deficiency detected during a verification of stores may be due to:


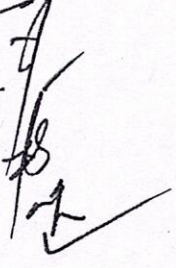
- 1) Incorrect or careless accounting,
- 2) Loss arising from fraud, theft or negligence, or
- 3) An unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.

The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

The above observations need to be addressed on priority and Action Taken Report submitted to the Internal Audit Unit within 15 days.

Yours sincerely,


**Assistant Registrar
(Audit)**


Copy to :

01. P.A to Registrar for kind information of the Registrar;
02. File.



UNIVERSITY OF KASHMIR

INTERNAL AUDIT UNIT

No.F (audit-L-funds)KU/23

Dated: 03/04/2023

✓ The Head,
Department of Hindi,
University of Kashmir,
Srinagar.

Subject: Internal Audit on the Local Funds of the Department for the period April, 2020- March, 2022

Madam,

While examining the records/ details provided by the department relating to the above cited subject following observations were noticed:-

1. Non-adherence of regulations governing Local Funds

As per the regulations governing the local funds, the department was/ is required to maintain a separate account in respect of each local fund including the consolidated local fund in the ledger. The department has completely ignored the regulations and has not maintained the component-wise details about the local funds despite earlier instructions. This unhealthy practice needs to be stopped forthwith and accounts maintained strictly in accordance with the regulations.

2. Non-Maintenance of prescribed Stock Registers (Fixed Assets)

The University prescribed new stock Registers for assets from 2008 so as to ascertain the actual position of the stocks easily. The department has not maintained these Stock Registers and hence the position projected/shown in the annual fixed assets statement could not be tallied with the Stock Registers. The department should ensure the proper maintenance of stocks on the prescribed stock Registers positively from the current financial year (01-04-2023) carrying forward the balance from the previous Registers so that stocks/accounts are maintained properly and also true and correct position of assets is ascertained at any point of time.

3. Improper monitoring of re-imburseable payments

It has been practice in the department to pay TA/DA to external experts out of the departmental funds and then forward the claims/s to the Accounts Branch for reimbursement. Though the department is monitoring these re-imbursements but not in a proper way. The department should ensure proper maintenance of these payments.

4. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted by May, 31st every year. The Department did not conduct the activity so far despite earlier instructions. The activity needs to be conducted immediately and report submitted to the concerned quarters at the earliest under intimation to the Internal Audit Unit.

For the convenience of the department, the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks

The General principles relating to the activity are recorded below:-

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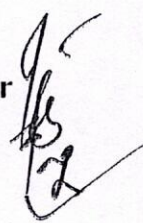
3) unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.

The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

The above observations need to be addressed, on priority and Action Taken Report submitted to the Internal Audit Unit within 15 days.

Yours Sincerely,


Assistant Registrar
Audit 

Copy to the:-

- ✓ 1. Spl. Secretary to Vice-Chancellor for kind information of Vice- Chancellor;
- ✓ 2. P.A to Registrar for kind information of the Registrar;
- ✓ 3. File.

KU2022 - AUD - 584



UNIVERSITY OF KASHMIR
INTERNAL AUDIT UNIT

Hazratbal, Srinagar-190006

No: F(Audit-LF-Geog)KU/22
Dated: 04.07.2022

The Head,
Department of Geography,
University of Kashmir,
Srinagar.

Subject: Internal Audit on the Local Funds of the Department for the period April, 2020- March, 2022

Sir,

While examining the records/ details furnished by the department relating to the above cited subject, no major observations except the following were noticed:-

1. Non-adherence of regulations governing Local Funds

As per the regulations governing the local funds, the department was/ is required to maintain a separate account in respect of each local fund including the consolidated local fund in the ledger. The department has completely ignored the regulations and has not maintained the component-wise details about the local funds despite earlier instructions. This is a serious issue and needs to be justified.

2. Non-Remittance of prescribed share of revenue/closing balance to the University Chest

As per the recommendations of the Financial Reforms Committee, notified vide order No. F(Financial Reforms)Bgt/KU/16 dated 05-03-2016, issued by the Joint Registrar, Budget and Creation each department was/is required to transfer the following amount annually to the University Chest for the purpose indicated against each:-

1. Each Department /Centre shall transfer 10% of the revenues generated annually to University Chest as 'User Charges' towards Electric Tariff.
2. At the end of Financial Year, the departments shall transfer 10% of the closing balance to the "University's Consolidated Fund

Account" and additional 5% to "**Other Department Development Fund**" which shall be utilized towards infrastructure development of such teaching departments which do not generate sufficient funds internally.

Contrary to above, the Department has not remitted the required amount to the University Chest (Format-D) despite clear-cut instructions communicated through circular dated 11-05-2019 issued by the Registrar. The issue has also been highlighted by the External Audit Party. The amount needs to be remitted to the concerned quarter (Balance Sheet Section) in the shape of cheque favouring to the Registrar, UOK forthwith, under an intimation to the Internal Audit Unit.

3. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted by May, 31st every year. The Department did not conduct the activity so far despite earlier instructions. The activity needs to be conducted immediately and report submitted to the concerned quarters at the earliest under an intimation to the Internal Audit Unit.

For the convenience of the department, the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks
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The General principles relating to the activity are recorded below:-

- Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
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- 2) Loss arising from fraud, theft or negligence, or

- 3) An unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.


The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

In addition to above, it was noticed that the department has not addressed the issue of maintenance of Stock Registers despite earlier instructions. The problem still exists. The Stock Register prescribed for fixed assets has not been maintained properly. Previous balances have not been incorporated. The Stock Registers do not reveal the true and correct position of the assets. The issue is very grave and needs to be justified.

The above observations need to be addressed on priority and Action Taken Report submitted to the Internal Audit Unit within 15 days.

Yours sincerely,


Assistant Registrar
Audit

Copy to the:-

1. Spl. Secretary to Vice-Chancellor for kind information of Vice- Chancellor;
2. P.A to Registrar for kind information of the Registrar;
3. File.



22/2/2022

UNIVERSITY OF KASHMIR

INTERNAL AUDIT UNIT

No: F (I. A-LF)ECO/KU/22
Dated: 22-02-2022

The Head,
Department of Economics,
University of Kashmir,
Srinagar.

Subject: Internal Audit on the Local Funds of the Department for the period April, 2020- March, 2021

Sir,

While examining the information furnished by your department about the local funds and other allied records it was observed as under:-

1. Non-adherence of regulations governing Local Funds

As per the regulations governing the local funds, the department was/ is required to maintain a separate account in respect of each local fund including the consolidated local fund in the ledger. The department has completely ignored the regulations and has not maintained the component-wise details about the local funds despite earlier instructions. This is a serious issue and needs to be justified.

2. Non-deduction of taxes

As per the standing instructions, the departments while making the payments to the suppliers/contractors/ service providers out of the local funds are required to deduct following taxes (TDS) from the bills of the concerned agencies as per the rates indicated against each:

Agency (Nature of payment)	Taxes to be deducted	Remarks
Suppliers (Supply bills)	a) Intra-State supply	

3. Self Finance Payment Fee realization

The records of the Department revealed that Self Finance Payment fee of Rs 12500/- from Mr. Zaffar Hussain Lone of 3rd semester, batch-2019 has not been realised till date.

The reasons for not having realised remaining Self Finance Fee of the above student may be justified. Meanwhile above fee be recovered at the earliest under an intimation to the Internal Audit Unit.

4. Imprest Money

As per rules all payments exceeding Rs 25/- are to be made through cheques. Cash payments are not advisable at all.

Contrary to above, the department has made payments to various agencies in cash out of Imprest money as detailed below:-

Bill No & Date	Details of Expenditure	Supplier/Agency	Amount
7245 26.09.2020	Refreshment	University Cafteria	2980
95 17.11.2020	Refreshment	Dar Tea Bar	400
064 31.1.2020	News papers	Sameer News Agency	305
901220	Refreshment	Dar Tea Bar	165

This is a financial irregularity and needs to be justified.

5. Annual Physical Verification of Stores/Stocks

As per rules physical verification of all kinds of stocks/stores is to be conducted annually and the report thereof submitted by May, 31st every year. The Department did not conduct the activity so far despite earlier instructions. The activity needs to be conducted immediately and report submitted to the concerned quarters at the earliest under an intimation to the Internal Audit Unit.

For the convenience of the department, the proforma prescribed by the University for the purpose is given below:

S.No	Name of the Item	Ground Balance	Book Balance	Excess	Shortage	Remarks
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The General principles relating to the activity are recorded below:-

- a. Verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him;
- b. All discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- c. Shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

DISCREPANCIES FOUND ON VERIFICATION OF STORES

A deficiency detected during a verification of stores may be due to:

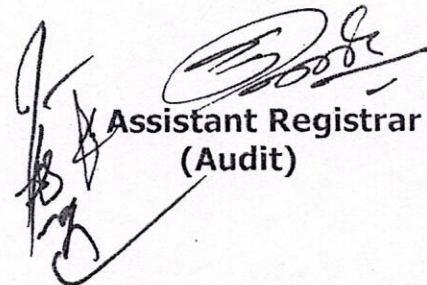
- 1) Incorrect or careless accounting,
- 2) Loss arising from fraud, theft or negligence, or
- 3) An unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.

The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the Controlling Authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The Controlling Authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the Competent Authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this."

The above observations need to be addressed on priority and Action Taken Report submitted to the Internal Audit Unit within 15 days.

Yours sincerely,



**Assistant Registrar
(Audit)**

Copy to :

01. P.A to Registrar for kind information of the Registrar;
02. File.