

Action Taken on SAR's of Financial Year 2018-19

S. No	SAR's 2018 -19	Action Taken 2019-20
A.	Balance Sheet	
A.1	Sources of Funds Current Liabilities & Provisions (Schedule 3): Rs. 227.47 crore A.1.1: As per the approved format of accounts, the utilized portion of non-recurring grants should appear as addition to capital fund and the unutilized portion of these grants should appear under Current Liabilities. The Institute is booking the entire Non-Recurring Grants received amounting to Rs.141.99 Crore under Current Liabilities , instead of booking the unutilized portion of Non-Recurring Grant (OH-35) amounting to Rs.25.52 crore. This has resulted in overstatement of current Liabilities & Provisions and understatement of Corpus/ Capital Fund by Rs 116.47 crore	<p>In the Annual Accounts of Financial year 2019-20 an adjustment entry the utilized portion of Grant received under OH 35 amounting to Rs. 1164672069.00 has been transferred to Corpus/ Capital fund which was earlier kept in under Current liabilities in Schedule 3 of Annual accounts of 2018-19. Only unutilized portion is shown under Current Liabilities which gives the true picture of Current Liabilities and Corpus/ Capital Fund.</p>
	A.1.2: As per the approved format of accounts, the unutilized portion of Recurring grants should appear under Current Liabilities. The Institute is booking the entire Recurring Grants as Income in the Schedule 10 (Grant/ Subsidies in Contravention of the prescribed format. This has resulted in understatement of Current Liabilities & Provisions and Overstatement of Corpus/Capital Funds by Rs 14.68 crore to the extent of unutilized portion of Recurring Grants under Object head 31 and 36	<p>In view of the observation the Institute has transferred the amount of unspent recurring Grant under (OH-31 & OH 36) which was credited to Income& Expenditure Account in 2018-19 resultantly getting transferred to Corpus/Capital through Excess of Income over Expenditure to Current Liabilities under Schedule 3 amounting to Rs. 5,32,87,282.00 under OH 31 and Rs 9,34,93,872.00 under OH 36 due to which Corpus/ Capital was Overstated by an amount of Rs. 14.68 Crore.</p>
	Above included debit balances of Rs.1.33 crore in respect of research schemes, statutory liabilities, and other liabilities as per the details given in the Annexure A. Showing of debit balances under Current Liabilities has resulted in understatement of Current Liabilities & Provisions as well as Loans, Advances & Deposits by Rs.1.33 crore	<p>The debt balances of research schemes shown under Current liabilities has now correctly shown under current Assets due to which Current Liabilities & Provision as well as Loans , Advances & Deposits understated by Rs. 1.33 Crores .</p>
A.2	Applications of Funds	

A.2.1	Fixed Assets Tangible Assets: Rs. 210.33 crore As per the prescribed format, Fixed assets are to be shown at Net Block (Gross Block less Depreciation), on the 'Application of Funds' side in the Balance Sheet. However, the Institute has shown Gross Block of fixed Assets on the face of the Balance sheet and has transferred the amount of accumulated depreciation Rs.42.77 crore to provision for depreciation which is against the prescribed format. This has resulted in overstatement of Fixed Assets by Rs.42.77 crore as well as Current Liabilities & Provisions to the same amount.	In the Annual Accounts of financial year 2019-20 the Fixed Assets are shown at Net Block (Refer to Fixed Asset Schedule of F/Y 2019-20).
B	Significant Accounting Policies and Notes to the Accounts (Schedule 23)	
	As per Accounting Policy No.4 of NIT, Srinagar (J&K), assets created from those funds where the ownership is retained by the sponsors but held & used by the Institute are separately disclosed in the notes on accounts and no depreciation is charged thereon. However, the Institution has not disclosed anything about such assets in the financial assets though amounts were received (Research Schemes –Schedule 3) from sponsors and kept in bank accounts and also the same has not been depicted in financial statements in notes to account as per above mentioned accounting policy of the Institution	The Institute has disclosed all the bank accounts pertaining to Sponsored projects in the accounts of Financial year 2019-20. Accounting of all the sponsored projects shall be followed as per the Accounting Policy of the Institute and full disclosure of Assets created under sponsored projects shall be given in Notes of Accounts .
C.	General	
C1	General Financial Rule 230 (8) (GFR 2017) provides that, all interests or other earnings against Grants in aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund of India immediately after finalization of the accounts. However, the Institute neither has remitted the amount, nor it has created provisions of interest to the Consolidated Fund of India as per the General Financial Rule 230 (8).	The Institute had a maintained common bank accounts for all funds received under Grant in Aid and IRG which was a current Deposit Account and does not yield any interest on bank balances. However, Institute has earned interest on Fixed Deposits which can't be segregated. Now the Institute has opened separate Saving Bank Account for each head of GIA, therefore interest earned on GIA shall be remitted to the Consolidated Fund of India now onwards as per GFR rule 230 (8).

C2	<p>As per Formats of Accounts prescribed by MHRD, Retirement benefits i.e., pension, gratuity and leave encashment are to be provided on the basis of actuarial valuation. Further, AS-15 also states that where average number of persons employed is 50 or more, actuarially determined accrued liability is to be provided for Gratuity, Pension and other benefits to staff. However the NIT Srinagar has not provided for any long term provision for the above mentioned employees benefits.</p>	<p>In Compliance with AS 15 (Employee Benefits) issued by ICAI, a provision of Rs.39,54,89,800.00 against (Gratuity Rs. 22,85,63,482.00 & Leave Encashment Rs. 16,69,26,318.00) on the basis of Actuarial Valuation of future liabilities has been made for the first time , which has resulted in huge increase in Expenditure on account of Establishment Expenditure .(refer to Income & Expenditure statement of F/Y 2019-20)</p>
C3	<p>As per the Accounting Policy given at Sr. No. 4 of the prescribed format of accounts of MHRD in respect of freehold land and leasehold land, to be shown distinctly. Further, (page 72) where freehold immovable properties are purchased/acquired by paying a composite cost (e.g. Land and Buildings) a reasonable/reliable estimate should be made of the land cost and shown separately.</p> <p>The Institute neither, has disclosed the fact that it posses' freehold land measuring 555K and 17 Marlas through the Notes to Accounts, nor it has worked out the estimated value to be shown under Fixed Assets in regard to such land as per the above requirements of prescribed format.</p>	<p>The disclosure of Land (Freehold) given in the Notes to Accounts 2019-20</p>
C4	<p>As per prescribed format (page 83), Loans and Advances as are considered good & recoverable, should be disclosed. Doubtful amounts, if any, should be stated under each sub-head, and provision, if made, should be shown as a reduction there from.</p> <p>An amount of Rs.3.74 crore has been shown as advances to employees, which is recoverable under Loans, Advances & Deposits (Schedule 8). However, age wise and name wise details for the above advances are not available with Institute. It was also informed by the Institute that the reconciliation is under process and the same will be furnished. In the absence of such information these advances could not be verified.</p>	<p>The detail of Loans/ Advance & Deposits made in favour of employee's & Others is available with the Institute and shall be shown to Audit visiting next.</p>

C5	<p>As per the prescribed format (page 7), Schedule 3 (a), 3 (b) and Schedule 3 (c) in respect of “Sponsored Projects” , “Sponsored Fellowships and Scholarships” and “Unutilized Grants” should be prepared showing details of opening balances, funds received during the year, expenditure during the year and closing balances at the end of year. However, the Institute has not prepared these Schedules. These Schedules needed to be prepared in manner laid down in the prescribed format.</p> <p>Further, The Institute has not prepared Schedule 1 – Corpus/Capital Fund, Schedule 4 Fixed Assets and Schedule 10 – Grants/subsidies (Irrecoverable Grants received) in accordance with the prescribed format. Similar comment was issued in the previous year’s SAR but despite assurance, the requisite compliance has not been made.</p>	<p>For regulating the ‘Sponsored Projects’ and ‘Sponsored Fellowships & Scholarships’ in future Institute shall prepare Schedules in manner laid down in the prescribed format ..</p>
C6	<p>As per the Balance Sheet, NIT Srinagar is having 14 bank accounts and the closing balance of all those banks as per ledger is amounting Rs.29.77 crore. However, Bank Reconciliation Statements (BRC) as on 31/3/2019 of all the banks has not been prepared and submitted for verification so that bank balances appearing in the financial statements can be ascertained.</p>	<p>Bank Reconciliation Statements of each Bank Account is under process and be shown to the audit party visiting next.</p>
C7	<p>As per the Current Assets shown under Balance Sheet , there are seven accounts in J&K bank amounting to Rs. 28.79: whereas , as per statement furnished by J&K bank it has twenty bank accounts amounting to Rs. 48.21 Crore. Thus all the Bank accounts have not been disclosed in the Financial Statement..</p>	<p>In the Annual Account of Financial Year 2019-20 all the bank accounts in the name of NIT Srinagar in all the banks has been reflected under current assets in the Balance sheet. (refer to Schedule-7 Current Assets of Annual accounts 2019-20)</p>

Para wise reply for the year 2003-04 to 2018-19 in annotated form

Period of Report	Para No	Audit Comments	Reply
AIR 2003-04	1	Over payment of Rs.37418/- (entry tax Rs. 35887, toll tax Rs. 1531)	The Institute has informed Audit party that during the devastating flood of Sept 2014, the entire record of accounts section got damaged. Even the institute is not having the description of para pertaining to the financial years from 2003 to 2015. In view of that we have requested audit party that we may be advised how to proceed for settlement of standing Paras in absence of relevant record. Copy preliminary report of flood affected NIT Srinagar which has been submitted to Ministry is enclosed for reference as “Annexure A”
	2	Irregular purchase of computers- Rs.2.81 lakh.	
	3	Non-deduction of Service tax from Contractor Bills- Rs.7.37 lakh.	
	4	Outstanding rent of shops of Rs.0.46 lakh	
	5	Backing out of Supplier-Extra cost of Rs. 0.31 lakh	
	6	Non-utilization of funds on various works Rs.827.26 lakh	
	7	Miscellaneous observations	
AIR 2006-07	2	Payment of LTC Recoverable amount of Rs. 0.74 lakh.	
	4	Un-authorised appointment of Sh. Msoor Hussain as Deputy Director	
	7	Students Welfare Funds- Rs. 4.16 lakh	
	8	Test check of vouchers.	
AIR 2007-08 to 2009-10	4	Water treatment plant –Blockade of Rs.14.45 lakh and idle investment of Rs. 5.55 lakh.	
	6	I. Non/under- utilization of funds amounting to Rs.144.11 lakh	
		II. Under utilization of Funds amounting to Rs. 78.00 lakh	
	8	Retention of Service tax amounting to Rs 2.12 lakh	

	10	Risk assessment, identification, evaluation and development of responses.	
	11(A)	Irregular payment of pay and allowances to Sh. Parvaz Ahmad Bhat, Junior Engineer amounting of Rs. 9.73 lakh	
	12(A)	Irregular adjustment of temporary imprest advances. Mohd Sidiq Instructor Cv.No 72,73,754. Collection of LP Buses from Jmmmu.- Rs.12730/-	
	12(B)	Cv.No. 295 of 11/09 amounting to Rs.14683/- for Purchase of Exide 12 volt 25 plate Battery and Cv. No 267 of 3/2010 for Rs. 34400/- on account of Purchase of Exide 12 volt 25 plate Battery.	
	13(A)	Test check of service books.	
AIR 2010-12	1	Avoidable payment of electricity duty	
	2	Establishment of Water Resource Chair titled as "Sheikhul Alam Sheikh Nuruddin."	
	5	Expenditure on renovation and general maintenance without renovation programme sanctioned by the competent authority.	
	6	Non-utilization of grants on research schemes	
	9	Non-deduction of labour cess-Rs.1.00 lakh	
	11	Advances	
		b)TA advance	
	12	Miscellaneous	
		a) Non-deduction of HRA	
AIR 2012-13	2(B)	Recurring loss of Govt. Revenue worth Rs. 1.38 lakh monthly-on account of rent of shops/cafeteria.	
	3	Diversion of funds Rs. 73.01 lakh	
	7	Blockade of Govt. money worth Rs. 24.50 Lakh with DGS & D, New Delhi for supply of desk top computers for up Gradation of computer science	

		Laboratory.	
	9	Irregular Payment of "Air Fare" worth Rs. 91354/ to participants who Travelled by Private Air-Lines. Under Programme "Inspire" Regularization thereof.	
	10	Test check of vouchers	
	13	Misc Observations.	
		a) Adverse balance of Rs. (-) 2,86,350.5 ending 3/2013 under House building advance.	
		c) Test check of service books regarding pay fixation etc of officers / officials.	
		d) Test check of cash book.	
AIR 2013-14	2(A)	Review of constructional Activities executed by P & D wing the year 2013-14 excess expenditure of Rs. 1.94 lakh over estimated cost.	
	2(B)	Non- utilization of X-ray Machine for the last 4 years due to death of X-ray Technician-Idle investment of Rs. 7.00 lakh.	
	2(C)	Theft of ECG Machine	
	3	Blockade of funds worth Rs. 46.23 crore.	
	4	Non utilisation of funds under Designated/earmarked funds accumulation of liability to tune of Rs 91.62 crore thereof	
	6	Irregularities in sanctioning/recoveries of advance	
	7	Non-inclusion of income on account of Children Education Allowance inIncome Tax return resulted in non-deduction of income tax to the extent of Rs 6.10 lakh for the financial year and 2013-14.	
	8(B)	Loss of Rs. 1.29 lakh due to set of cement	
	9	Non- following of procedure prescribed by CVC regarding tendering process- negotiations with L-1.	
	13(A)	Non deduction of Service Tax.	

	13(B)	Test Check of Service Books	
	13(C)	Illegal Occupation of Building by J&k Bank without execution of any Rent deed-Loss of Revenue to the Govt-regarding.	
	14	Test check of Scooter Advance Register / Records.	
	15	Test Check of LTC Records/Vrs-Excess payment of Rs. 0.15 lakh thereof	
AIR 2014-15	1	Delay in completion of works	
	3	Review of works and irregularities thereof.	
		(A) Providing and fixing of ceiling fans & exhaust fans in L-type, P- Type quarters	
		(B) Repairs of Shed for Mess Employees 'C' block and Chenab Mess at NIT	
	4	Non Execution of work by CPWD	
	6	Non-adjustment of TA Advance Rs 3.15 lakh	
	7	Non-adjustment of LTC Advance Rs 4.51 lakh	
	8	Advance payment amounting to Rs 4.59 lakh awaited adjustment	
	9	Test check of Pay Bill Register-Inadmissible drawl of HRA to the tune of Rs. 49648/	
	10	Non return of CDRs worth Rs. 386720/	
	11	Test check of Scholarship record-Non disbursement of Rs 2.04 lakh thereof	
	12	Inadmissible drawl of Children Education Allowance Rs. 2036/	
	13	Shortage of Manpower	
	14	Encroachment/ illegal occupation of 196 kanals and 01 marla of Institutional Land with Market Value of Rs.7800.00 lakhs Retrieval/vacation thereof.	

2015-17	01	Short deduction of Income tax to the tune of Rs. 2.20 Lakh	Facts are being ascertained and necessary recoveries shall be made.
	02	Piece meal purchases amounting to Rs. 2,28,250/	The procurement has been made as per the requirement .
	03	Review of academic statistics of NIT Srinagar during period from 2015-16 to 2016-17	Academic statistics updated as per the instructions of Audit in view of that para may be drooped
	04	Non deposit of lapsed Deposit	The valuation of lapsed deposits has been initiated and action will be taken accordingly.
	05	Payment of supplies to the tune of Rs.5300962/ without obtaining VAT Clearance certificate.	VAT regime does not exist now hence no action can be taken . In view of this you are requested to advice how to settle the issue.
	06	Non reconciliation of Cashbook with Bank Passbook	The Institute has prepared reconciliation of all the bank accounts including of GIA accounts which has been shown to the Audit party on spot. There is now only one unreconciled account CD-106, the reconciliation is in process and shall be shown to the Audit visiting next.
	08	Underutilisation of funds led to accumulation of funds to the tune of Rs. 2.51 Crore.	The UC has been submitted to the ministry the unutilised fund has been carried forward to next financial year. Para may be dropped.
		Installation of BSNL Tower-Non Receipt of rent amounting to Rs 11.12 lakh	Facts are being ascertained and necessary recoveries shall be made.
	10	Excess Expenditure of Rs. 4.13 lakh over estimated cost of constructional activities executed by P&D wing during 2016-17	Estimates are subject to change. The change within 10% over budgeted

			estimates is admissible.
	11a	Improper maintenance of Service Books	Services books updated as per the instructions of audit.
	11b	Irregular payment on a/c of Leave Encashment.	Facts are being ascertained necessary recoveries shall be made.
	12a	Non preparation of contingent bill register	Noted for compliance and relevant record shall be shown to audit party visiting next.
	12b	Non action of condemned vehicles amounting to Rs. 9,17,909/	The Institute had 5 obsolete vehicles , out of which auction of three vehicles has been done at the value of Rs. 2.31 lakhs. It is pertinent to mention the no bid was received for 2 vehicle. The auction report is enclosed as "Annexure B"
2017-18	02	Less deduction of Income Tax- Recovery to the tune of Rs 2.21 Lakh	Facts are being ascertained and necessary recoveries shall be made.
	05	Review of Service Books	Updated Service Books shown to Audit Party.
2018-19	01	<p>Non-deposition sales tax and GST of Rs.33.46 lakh</p> <p>Sales Tax was replaced by the Goods and Services Tax (GST) starting 1st July 2017. Goods and Service Tax tax regime was applicable from 1st of July 2017 and number of indirect taxes subsumed into it. The government has revealed that due dates for the payment of GST for general taxpayers is 20th of next month while the GST payment due date for composition scheme dealers is 18th of next quarter. Further, according to the GST Penalty regulations, an interest will be charged at the rate of 18 percent per annum from the taxpayers who fail to pay their taxes on time. The</p>	<p>The GST amounting to Rs. 2.20 lakhs kept under liability of F.Y 2018-19 has been remitted to Commercial taxes department. The relevant record has been shown to audit party arrived on 28.12.20. However w.r.t sales tax matter will be taken up with Commercial Taxes department for settlement in absence of the Sales Tax regime. In view</p>

		<p>interest will be levied for the days after the due date.</p> <p>During the course of audit of NIT, Srinagar, it has been observed that the Institute has collected sales tax amounting Rs.31.44 lakh and GST of Rs.2.02 lakh during 2018-19 and in earlier years but the same has not been deposited to the tax departments. Failing to deposit statutory dues for such a long time not only attracts penalty but also shows weak internal control by the higher authorities. Reasons for the non- compliance of the timeline in deposition of tax may be furnished along with details of penalty, if any imposed by the department.</p> <p>Facts and figures may please be confirmed and comments if any may please be offered along with the details of other similar cases.</p> <p>On being pointed out in audit, it was stated by the management, NIT, Srinagar that the detailed reply will be submitted after checking all the records and the same will be remitted to the concerned department.</p>	<p>of above the audit para may be dropped.</p>
	02	<p>Loss of interest due to non- availing auto sweep facility in saving bank accounts</p> <p>A government Institutions/company which functions under administrative control of Ministry or Department of Government should manage its surplus funds in a prudent and gainful manner so as to optimum return. Accordingly, it should evaluate all extant notifications and circulars issued by regulatory bodies /banks regarding the investment of funds prevailing from time to time before investing its surplus funds.</p> <p>Audit noticed that banks had introduced Auto Sweep Facility (Scheme) for saving as well as current accounts. Under the Scheme, the customer has to maintain a minimum balance depending on the bank scheme and the amount exceeding the minimum balance would be automatically converted into fixed</p>	<p>The Institute was maintaining only single current account for GIA & IRG till Jan 2020. On the recommendations of Audit Institute has now opened separate saving Bank Accounts for each head of GIA & IRG. The detail of each account has been shown to Audit Party. In view of this para may be dropped.</p>

		<p>deposits (FDs) on periodic basis (daily or weekly basis depending on the bank scheme) for the period till the fund is utilized by the customer. At the requirement of the customer, if there are insufficient funds in the saving/current accounts, the FDs would be automatically closed (depending on the withdrawal amount) on Last in First Out (LIFO) basis and interest would be calculated for the period during which the fund was under the Scheme.</p> <p>During scrutiny, we observed that NIT, Srinagar (J&K) has not availed auto sweep facility and retained huge balances in the saving accounts at lower rate of interest. The Institute could have earned additional interest (over and above the interest due in saving accounts) on Rs.2977.76 lakh kept under saving bank accounts during April 2018 to March 2019. In saving accounts during the year, Institute has earned only Rs.16.05 lakh interest. Further, the Institution has not drafted any policy for investment of surplus funds. Thus, NIT Srinagar has suffered a loss of interest during 2018-19 due to non- converting idle balance into FDs.</p> <p>Facts and figures may please be confirmed and comments, if any, may please be offered along with the reasons for not availing the auto sweep facility.</p> <p>On being pointed out in audit, the management of NIT, Srinagar noted the audit observation for compliance.</p>	
	03	<p>Non- recovery of long pending advances of Rs. 374.44 lakh</p> <p>Advances granted for purchases or providing services are to be monitored strictly by an organization and necessary adjustment is to be carried out in time. Test check of records showed that an amount of Rs. 374.44 lakh was outstanding against various Govt. Department/employees since very long time as age wise details are not available with the institution about these</p>	<p>Adjustment / recovery of advance made in favour of employees has been initialled, the updated list of Advance has been shown to Audit Party. However, the major portion of advances made to Govt. Departments include advance to DG S& D which needs to be settled in view of non- existence of the</p>

		<p>advances. The amount of advance to the above mentioned parties is ranging between Rs.17 to Rs.183.41 lakh and remained un-adjusted since very long period. Failure to adjust the outstanding advances indicated poor monitoring and avoidable retention of funds of the Institution. This has resulted in blockade of funds of the Institution of Rs 374.44 lakh and needs necessary steps to be taken to recover/ adjust these outstanding advances. Further, it has been stated by the management that some of the parties are not traceable. Due to non- recovery of the advances since long, chances of recovery seem to be very bleak.</p> <p>On being pointed out in audit, it was stated by the management of NIT, Srinagar that the recovery will be made after checking all the concerned records and the same will be intimated to audit.</p>	<p>organisation. The issued has been taken up with audit for its redressal. In view of this audit para may be dropped.</p>
	04	<p>Non-remittance of cess of Rs.18.05 lakh</p> <p>As per the Building and other Construction workers Welfare Cess Act 1996, cess is payable by the employer which includes owner of an establishment, specified authority of any department of the government carrying on construction work or head of the department at the rate not exceeding two percent but not less than one percent of the cost of construction incurred by the employer. The cess collected is to be paid by the employer to the Cess Collector appointed by the State Government within 30 days of completion of construction or within 30 days of the date on which assessment of cess payable is finalized whichever is earlier. However, where duration of the construction work exceeds one year, cess is to paid within 30 days on completion of one year from the date of commencement of work and thereafter every year till the completion of the construction work. The employer may also</p>	<p>The amount of cess outstanding is being ascertained and shall be recovered from concerned party at an earliest along with interest.</p>

		<p>pay in advance cess calculated on the basis of estimated cost of construction and if the duration of the project is likely to exceed one year the amount of cess payable may be an estimated cost of construction to be incurred during that one year. Besides, if an employer failed to pay cess within the specified period, the Assessing Officer may impose a penalty not exceeding the amount of such cess and also charge interest of two percent for every month of delay or part thereof.</p> <p>Audit scrutiny of records showed that the Institution has not deposited cess of Rs.18.05 lakh since 2017-18.</p> <p>Reasons for the non-compliance of the timeline of cess act may be furnished along with details of penalty, if any imposed by the department.</p> <p>On being pointed out in audit, it was stated by the management of NIT, Srinagar that detailed reply will be submitted after consulting the records.</p>	
	05	<p>Non-recovery of excess payment of CP fund and LIC premium of Rs.8.02 lakhs</p> <p>During the course of audit of NIT, Srinagar, it has been observed that the Institute has made excess payment towards CPF fund amounting Rs.35000/- and LIC premium amounting Rs.7.67 lakh during 2018-19 and in earlier years which should have been adjusted or recovered from the parties. However, no record of parties is available with the Institute so that it could be ascertained to whom the recovery would be made. As the NIT, Srinagar has suffered a loss due to excess payment, action for the recovery should have be initiated.</p>	<p>The relevant records shall be ascertained and shown to the Audit party.</p>

		<p>Facts and figures may please be confirmed and comments if any, may please be offered along with the details of other similar cases.</p> <p>On being pointed out in audit, it was stated by the management, NIT, Srinagar that the detailed reply will be submitted after consulting the records.</p>	
	06	<p>Allotment of tender to ineligible contractor</p> <p>As per Rule 132 of GFR, the broad procedure to be followed by a Ministry or Department for execution of works under its own arrangements, open tenders will be called for works costing Rupees five lakhs to Rupees ten lakhs and limited tenders will be called for works costing less than Rupees five lakhs.</p> <p>Further, As per Rule 181 (b) of GFR, estimated value of the work or service above Rupees ten lakhs, the Ministry or Department should issue advertised tender enquiry asking for the offers by a specified date and time etc. in at least one popular largely circulated national newspaper and web site of the Ministry or Department.</p> <p>NIT, Srinagar invited open tenders for 13 various works during 2018-19 which were allotted to ten parties who participated in tenders for the amount ranging from Rs.6.45 lakh to Rs.22.66 lakh. During the scrutiny of the tender files on test check basis the parties to whom the tenders were allotted, it was observed by the audit that among all the terms and conditions available in tender document/NIT, one was that the contractor must have valid enlistment card for being B, C and D class contractor i.e must have valid certificate of registration issued by Govt. of J&K.</p> <p>However, it has been observed that out of ten parties to whom the works were allotted one following party was not having valid registration certification in respect of class of contractor as the certificate valid upto 2017-18 was only available in the record provided.</p>	<p>Allotment of tender has been made to eligible contractor. The Contractor reflected in Para (M/s Nisar Ahmad Wani) also possess the relevant certificate of registration issued by Govt. of J&K. However, document was not placed in concerned file at the time of audit, the same has been now been provided by Dean Planning & Development Wing copy of registration is enclosed as "Annexure C". para may be dropped.</p>

		<table><tr><th>S r. N o .</th><th>Name of Contract or</th><th>Name of work</th><th>Value of works</th><th>Registration certificate validity</th></tr><tr><td rowspan="3">5</td><td rowspan="3">M/s Nisar Ahmad wani</td><td>Renovation of central work shop</td><td>8.45 lakh</td><td>2017-18</td></tr><tr><td>Conversion of rooms of girls</td><td>12.68 lakh</td><td>2017-18</td></tr><tr><td>Renovation of cafeteria</td><td>12.06 lakh</td><td>2017-18</td></tr></table> <p>Thus, from the above table, it can be seen that Registration Certificates submitted by the party had already expired prior to 2018-19 and hence, was not technically eligible for the tendering. However, the work was awarded to them in spite of being ineligible. Copy of report of technical sanction was also not found on record.</p> <p>On being pointed out in audit, it was stated by the management, NIT, Srinagar that the detailed reply will be submitted after consulting the records</p>	S r. N o .	Name of Contract or	Name of work	Value of works	Registration certificate validity	5	M/s Nisar Ahmad wani	Renovation of central work shop	8.45 lakh	2017-18	Conversion of rooms of girls	12.68 lakh	2017-18	Renovation of cafeteria	12.06 lakh	2017-18	
S r. N o .	Name of Contract or	Name of work	Value of works	Registration certificate validity															
5	M/s Nisar Ahmad wani	Renovation of central work shop	8.45 lakh	2017-18															
		Conversion of rooms of girls	12.68 lakh	2017-18															
		Renovation of cafeteria	12.06 lakh	2017-18															
7.	<p>Non-conducting of Internal Audit and physical verification of fixed assets/consumable stores/cash & Library Books for the year 2018-19</p> <p>In an organization, the role of internal audit is to</p>	<p>As on date, the Institute does not have a separate Internal Audit Wing. In order to strengthen the Internal Audit System in the</p>																	

		<p>provide independent assurance that an organization's/department's risk management, governance and internal control processes are operating effectively. Internal audit is conducted objectively and designed to improve and mature an organization's/department's business practices. During the course of audit for the year 2018-19, it has been observed that the internal audit and physical verification of fixed assets/consumables stores, library books & cash of the Institution for the year 2018-19 has not been conducted. In the absence of the internal audit and physical verification of the fixed assets/ consumables, cash & library Books , it is evident that the management has no internal control on the working of the Institution and the authenticity of the presence of the assets, balance of books and cash cannot be ascertained.</p> <p>Reasons for non-conducting of internal audit and physical verification of fixed assets/consumables/cash & library books of the Institution for the year 2018-19 as required under Rule 213 to 215 of GFR 2017 may be justified to audit.</p> <p>On being pointed out in audit, it was stated by the management of NIT, Srinagar that all the records/ bills are pre-audited by the Internal Audit Officers and physical verification of fixed assets was under process for the current year..</p>	<p>Institute, a proposal has already been submitted for approvals to the Finance Committee/BoG for establishment of an Internal Audit Wing along-with the hiring of expert Consultants from the field. Once, the proposal is approved by the FC/BoG, a full-fledged Internal Audit Wing shall be established in the Institute.</p>
	08	<p>Para 8: Review of Service Books</p> <p>Service Book is a basic record of all the events in the official life of a government employee. Provisions have been made under Rule SR 197 to 205 of FR & SR Rules Vol.I and instructions have been issued by Govt. of India from time to time. Some service books were test checked and following deficiencies were noticed :-</p> <ol style="list-style-type: none"> 1. According to DOPT O.M.No.2-20025/9/2014/Estt.(AL) dated 03.11.2014, copy of Adhar Card should be pasted in the 	<p>As per the observation of audit the service books of employees have been updated and shown to Audit Party. In view of this para may be dropped.</p>

		<p>Service Book of each government employee but this was not done in any service Book test checked.</p> <p>2. As per provisions for maintenance of service books, recent passport size photograph duly attested by the competent authority should be pasted on the front page of the service book. After every ten years, recent photo duly attested should be pasted. But this was not done in any service book.</p> <p>3. Recent detail of family members should be pasted in the service book. This was also not done in any service book.</p> <p>4. Nomination forms for GPF/Insurance scheme/Pension/Gratuity etc. should be obtained from the government servant after marriage and pasted in his/her service book. This was not done in any service book.</p> <p>5. Service Book of each government servant should be got seen by the concerned officer/ official once in a year and obtain his/her initials on account of having seen the service book. But this was not done in any case.</p> <p>6. Rule 32 of the CCS (Pension) Rules provides for issue of a certificate in form 24 by the Head of Office in consultation with the Accounts Officer regarding completion of 25 years of service/05 years before the date of retirement of an employee. Copy of the certificate should be pasted in the service book of the concerned government servant. But during scrutiny of service books, this was not done in any case.</p> <p>7. In many case, even annual verification of service was not made/recorded in the service Books.</p> <p>8. Each & every entry made in the service books must be attested by the competent authority. But this was not done in most of the service books.</p> <p>On being pointed out in audit, it was stated by the management of NIT, Srinagar that detailed reply will be submitted after consulting the records.</p>	
--	--	---	--

	09	<p>Regarding non-return of Library Book</p> <p>Library Books are a source of great help to the students as well as the faculty. These books must be issued and returned to the borrowers as per time frame fixed by the Institute Management so that the needy faculty/student can avail the benefit of the books and nobody is deprived of the required facility.</p> <p>Scrutiny of the Stock Registers/Registered maintained for the purpose for the year 2018-19, revealed that faculty members have not returned the books taken from the Library even after a lapse of period of 1 year to 10 years. Library and Information Resources Centre, NIT, Srinagar in its meeting held on 20.3.2019 has fixed period for retaining books by the faculty/ students. But, still some faculty members have not returned the Library Books.</p>	<p>Books retained by some faculty members have been now returned. The updated list shown to Audit party. Therefore para may be dropped.</p>
	10	<p>Non-disposal of obsolete/unserviceable items</p> <p>Rule 217 to 222 of the General Financial Rules 2017 provides that all the stores/stock procured by the competent authority should be physically verified by deputing a responsible</p>	<p>The Auction of Obsolete/ Unserviceable has been done the details of Auction is enclosed as “Annexure D”. Para may be dropped.</p>

		officer and obsolete/ unserviceable items declared, should be disposed off through auction to avoid the further deterioration of the unserviceable items and revenue earned should be deposited into Government account.	
--	--	--	--