



महालेखाकार (लेखापरीक्षा)-II, महाराष्ट्र, नागपूर
ACCOUNTANT GENERAL (AUDIT)-II, MAHARASHTRA, NAGPUR



सं.जी. & एस. एस. (मु.)-II/नि.प्र 58(88)/2019-20/ 28।

दिनांक : 9/10/2019

प्रति,
 प्रेसिडेंट,
 आदर्श एडुकेशन सोसाइटी,
 हिंगोली

विषय : 01.04.2008 से 31.03.2019 तक के लेखाओं पर निरीक्षण प्रतिवेदन।

महोदय / महोदया,

1. आप के कार्यालय के लेखाओं का निरीक्षण प्रतिवेदन से एक माह के अंदर अनुपालन करने के लिए प्रेषित की जाती है।
2. यह निरीक्षण प्रतिवेदन लेखापरीक्षित कार्यालय / विभाग / संस्था द्वारा उपलब्ध कराई गयी जानकारी के आधार पर तैयार किया गया है। कार्यालय महालेखाकार (लेखापरीक्षा) -II, महाराष्ट्र नागपुर लेखापरीक्षित कार्यालय/विभाग/ संस्था द्वारा किसी भी असूचित या / और गलत जानकारी की ज़िम्मेदारी को अस्वीकार करता है।
3. यह पत्र उप महालेखाकार (सामान्य व सामाजिक क्षेत्र) द्वारा अनुमोदित है।

भवदीय

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वरिष्ठ लेखापरीक्षा अधिकारी/ जी. & एस. एस. (मु.)-II

दिनांक : 1/10/2019

सं.जी. & एस. एस. (मु.)-II/नि.प्र 58(88)/2019-20/

निरीक्षण प्रतिवेदन / अनुपूरक लेखा टिप्पणी निम्नलिखित को भी सूचना व आवश्यक कार्यवाही हेतु भेजे जा रहे हैं।

1. सहायक धर्मादय आयुक्त, हिंगोली
2. सह संचालक, उच्च शिक्षण, औरंगाबाद
3. सह संचालक, व्यवसायिक शिक्षण व प्रशिक्षण, औरंगाबाद
4. शिक्षण अधिकारी (हाइयर सेकंडरी), ज़िला परिषद, हिंगोली
5. प्राचार्य, आदर्श आर्ट्स, कॉमर्स और साइन्स सीनियर कॉलेज, हिंगोली
6. प्राचार्य, आदर्श आर्ट्स, कॉमर्स और साइन्स जूनियर कॉलेज, हिंगोली
7. हेडमास्टर, माध्यमिक विद्यालय, हिंगोली
8. प्राचार्य, आदर्श आर्ट्स, कॉमर्स और साइन्स (MCVC) कॉलेज, हिंगोली

(Handwritten Signature)

वरिष्ठ लेखापरीक्षा अधिकारी/ जी. & एस. एस. (मु.)-II



INSPECTION REPORT ON ACCOUNT OF OFFICE OF PRESIDENT, ADARSH EDUCATION SOCIETY, HINGOLI FOR THE PERIOD FROM 01/04/2008 TO 31/03/2019 UNDER SECTION 14 (1) OF THE COMPTROLLER AND AUDITOR GENERAL'S (DUTIES, POWERS AND CONDITIONS OF SERVICE) ACT, 1971. THE INSPECTION REPORT ALSO CONTAINS THE PARAS FROM THE INSTITUTIONS UNDER SANSTHA viz SENIOR COLLEGE, JUNIOR COLLEGE, MCVC COLLEGE AND MADHYAMIK VIDYALAYA.

PART-I-INTRODUCTION

(1). Overview of the Unit

The President, Shri Kamalkishor Motilaljee Kabra of Adarsh Education Society, Hingoli, is guardian and guiding force of the Education Society running 04 Grant in Aid Institutions. At Jr. College/Sr. College/MCVC level, the Principal is head of the institution and at Madhyamik Vidyalaya level the Headmaster is the head of the institution who is assisted by the teaching and non-teaching staff. The Principal/Headmaster is overall authority to carry out various activities (including financial activities) of the college. The details of institutions four Grant in Aid institutions are as under:

Name of Institutions	No of Teaching/ Non teaching staffs	No of Students during 2018-19
Principal Adarsh Arts, Commerce and Science Sr. College, Hingoli	33 / 48 = 81	934
Principal Adarsh Arts, Commerce and Science Jr. College, Hingoli	28 / 0 = 28	1536
Principal Adarsh Arts, Commerce and Science MCVC College, Hingoli	0 / 10 = 10	250
Headmaster, Madhyamik Vidyalaya, Hingoli	09 / 03 = 12	630

The grants received and expenditure incurred in respect of these three institutions has been mentioned in the respective inspection reports.

(2). Grant and Expenditure - for last 5 years

(a) O/s the Principal, Adarsha Arts, Commerce and Science Senior College,

Hingoli

Salary and non-salary grant received and expenditure incurred-

(Amount in Lakh)

Year	Salary Grant Received	Non-salary Grant Received	Total Grant Received	Total Expenditure
2014-15	532.41	0	532.41	532.41
2015-16	595.84	0	595.84	595.84
2016-17	613.71	0	613.71	613.71
2017-18	612.43	0	612.43	612.43
2018-19	663.04	0	663.04	663.04

Grants Received and Expenditure incurred on Pay and Allowance, TA and Contingencies.

(Rs. in Lakh)

Year	Pay & Allowances		TA		Contingencies	
	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure
2014-15	532.41	532.41	0	0	0	0
2015-16	595.84	595.84	0	0	0	0
2016-17	613.71	613.71	0	0	0	0
2017-18	612.43	612.43	0	0	0	0
2018-19	663.04	663.04	0	0	0	0

(b) O/o the Principal, Adarsha Arts, Commerce and Science Junior College,

Hingoli

Salary and non-salary grant received and expenditure incurred-

(Amount in Lakh)

Year	Salary Grant Received	Non-salary Grant Received	Total Grant Received	Total Expenditure
2014-15	185.75	0	185.75	185.75
2015-16	221.67	0	221.67	221.67
2016-17	194.03	0	194.03	194.03
2017-18	240.84	0	240.84	240.84
2018-19	229.39	0	229.39	229.39

Grants Received and Expenditure incurred on Pay and Allowance, TA and Contingencies.

(Rs. in Lakh)

Year	Pay & Allowances		TA		Contingencies	
	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure
2014-	185.75	185.75	0	0	0	0

15						
2015-16	221.67	221.67	0	0	0	0
2016-17	194.03	194.03	0	0	0	0
2017-18	240.84	240.84	0	0	0	0
2018-19	229.39	229.39	0	0	0	0

(c) O/o the Principal, Adarsha Arts, Commerce and Science MCVC College,

Hingoli

Salary and non-salary grant received and expenditure incurred-

(Amount in Lakh)

Year	Salary Grant Received	Non-salary Grant Received	Total Grant Received	Total Expenditure
2014-15	67.83	67.83	0	0
2015-16	79.52	79.52	0.30	0.30
2016-17	82.76	82.76	0.36	0.36
2017-18	84.04	84.04	0.52	0.52
2018-19	82.01	82.01	0.48	0.48

Grants Received and Expenditure incurred on Pay and Allowance, TA and Contingencies.

(Rs. in Lakh)

Year	Pay & Allowances		TA		Contingencies	
	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure
2014-15	67.83	67.83	0	0	0	0
2015-16	79.52	79.52	0	0	0	0
2016-17	82.76	82.76	0	0	0	0
2017-18	84.04	84.04	0	0	0	0
2018-19	82.01	82.01	0	0	0	0

(d) O/o the Head Master, Adarsh Madhyamik Vidyalaya Hingoli

Salary and non-salary grant received and expenditure incurred-

(Amount in Lakh)

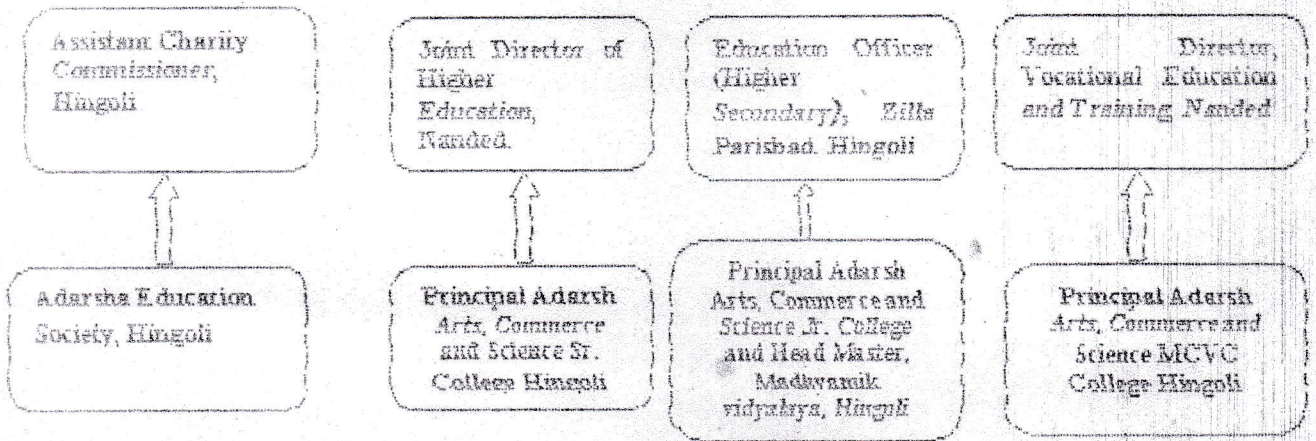
Year	Salary Grant Received	Non-salary Grant Received	Total Grant Received	Total Expenditure
Only 20 % grant sanctioned with effect from September 2016 vide Education department (sec) Hingoli order dated 07/03/2017				
2016-17	05.06	0	05.06	05.06
2017-18	09.94	0	09.94	09.94
2018-19	11.01	0	11.01	11.01

Grants Received and Expenditure incurred on Pay and Allowance, TA and Contingencies.

(Rs. in Lakh)

Year	Pay & Allowances		TA		Contingencies	
	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure
Only 20 % grant sanctioned with effect from September 2016 vide Education department (sec) Hingoli order dated 07/03/2017.						
2016-17	05.06	05.06	0	0	0	0
2017-18	09.94	09.94	0	0	0	0
2018-19	11.01	11.01	0	0	0	0

(3). Reporting Structure of Adarsha Education Society, Hingoli was as under



(4). Advance intimation to the Head of the Department (HOD)

An advance intimation (including initial records/information to be kept ready at the time of arrival of the audit team) letter regarding audit of the Adarsh Education Society, Hingoli & its GIA institutions for the period from 01/04/2008 to 31/03/2019 was sent by the office of the Accountant General (Audit) II, Maharashtra Nagpur.

(5). Scope of Audit

The audit coverage includes scrutiny of records of the office of the Principal, Adarsh Arts, Commerce and Science Sr. College, Hingoli, Principal, Adarsh Arts, Commerce and Science Jr. College, Hingoli & Principal, Adarsh Arts, Commerce and Science MCVC College, Hingoli, Headmaster, Adarsh Madhyamik Vidyalaya, Hingoli for the period from 01/04/2008 to 31/03/2019. The audit had been conducted in accordance with the applicable Auditing Standards of the Comptroller and Auditor-General of India. The objections raised during the audit of office of the Principal, Adarsh Arts, Commerce and Science Sr. College, Hingoli, Principal, Adarsh Arts, Commerce and Science Jr. College, Hingoli, Principal, Adarsh Arts, Commerce and Science MCVC College, Hingoli and Headmaster, Adarsh Madhyamik Vidyalaya, Hingoli are incorporated in the Inspection Report of the Sanstha.

(6). Audit Objectives

To verify compliance with applicable laws, rules and regulations mentioned in Secondary School Code and Service Regulations of the GIA School Staffs, 1981.

(7). Audit criteria

Audit criteria include Government Resolutions, Circulars and Orders issued by government of Maharashtra from time to time. It also includes Circular and Orders issued by Director of Education, Pune and Joint Director of Higher Education, Nanded.

(8). Sampling - Random Sampling followed for scrutiny of vouchers.

(9). Entry and Exit Meeting with the HOD

As per the Auditing Standards of CAG, the Audit Officer along with audit team is to meet the Head of Department (HOD) in the beginning and at the end of the Audit.

The entry meeting (26-05-2019) and exit meeting (09-09-2019) was held with the respective Principals of the colleges under Adarsh Education Society, Hingoli the Inspection Reports were discussed with the respective Principals/Headmaster. The signed code of ethics (in respect of Sr. Audit Officer, Assistant Audit Officers, Supervisor, Senior Auditor and Auditor) was given to the HOD on 26-05-2019.

(10). Replies to the Audit Memos by the HOD

As per the Auditing Standards of CAG the Head of the Department shall ensure that to-the-point replies are rendered to the audit observations communicated through the audit memos. All such replies were signed by the Principal of the respective Colleges.

(11). Previous Audit

The last audit for the period from 2008-2009 to 2010-2011 was conducted during 15.01.2015 to 21.01.2015 by the office of the Accountant General (Audit) II, Maharashtra Nagpur.

(12). Current Audit Team

Test audit of the accounts of Colleges run by Adarsh Education Society, Hingoli was conducted from 26-08-2019 to 09-09-2019 for the period of 01/04/2008 to 31/03/2019 by Shri A.S.Modak-Assistant Audit Officer (from 03/09/2019 to 09/09/2019), Shri A.R.Kamble -Supervisor, Shri K.V.Patankar, Sr. Auditor and Shri V. S. Shetde - Auditor under the supervision of Shri S.B.Kulkarni-Senior Audit Officer.

(13). Disclaimer Statement

The Inspection Report has been prepared based on the information furnished and records made available by the Adarsh Education Society, Hingoli, Principal, Adarsh Arts, Commerce and Science Sr. College, Hingoli, Principal, Adarsh Arts, Commerce and Science Jr. College, Hingoli, Principal, Adarsh Arts, Commerce and Science MCVC College, Hingoli and Headmaster, Madhyamik Vidhyalaya, Hingoli. The Office of the Accountant General (Audit) II, Maharashtra-Nagpur disclaims any responsibility for any mis-information and/ or non-information on the part of audited entity.

(14). Current Audit Findings

PART-II Audit findings

The number of Audit findings included in the current Inspection Report (IR) of the Sanstha (in respect of Adarsh Education Society, Hingoli & its three GIA institutions) is given below:

Name of College	Audit Period		Under Section (U/S)	PART		Total Findings	
	From	To		IIA	IIB	IIA (+)	IIB
Secretary, Adarsh Education Society, Hingoli	01/04/2008	31/03/2019	14	Nil	2	2	
Principal, Adarsh Arts, Commerce and Science Senior	01/04/2008	31/03/2019	14	Nil	10	10	

College, Hingoli						
Principal, Adarsh Arts, Commerce and Science Junior College, Hingoli.	01/04/2008	31/03/2019	14	Nil	2	2
Principal, Adarsh Arts, Commerce and Science MCVC College, Hingoli.	01/04/2008	31/03/2019	14	Nil	1	1
Headmaster, Madhyamik Vidhyalaya, Hingoli	01/04/2008	31/03/2019	14	Nil	1	1

The audit findings are discussed below:

Section-A: (Part-II A)

Adarsh Education Society, Hingoli

---Nil---

Principal, Adarsh Sr. College, Hingoli

---Nil---

Principal, Adarsh Jr. College, Hingoli

---Nil---

Principal, Adarsh MCVC College, Hingoli

---Nil---

Head Master, Adarsh Madhyamik vidyalaya, Hingoli

---Nil---

Section-B: (Part-II B)

Adarsh Education Society, Hingoli

Para.1: Income and Expenditure Account and Balance Sheet-incorrect depiction of receipts

(A) Scrutiny of the Income and Expenditure Statement prepared by the Chartered Accountant for Adarsh Education Society for the year 2015-16 to 2017-18 revealed that under the head 'income from other sources', the CA had added the income of different colleges received from college fees, computer fees, misc receipts, tuition fees, admission fees, vocational course computer fees, extracurricular fees, etc.

Scrutiny of the details of income from other sources it was seen that while adding income of Adarsh Junior College, the fees of vocational computer course was shown exorbitantly as detailed below-

Particular	Year	Amount shown	Actual amount	difference
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		in income and exptd statement of society	collected as seen from receipt and payment statement of Junior College	
vocational	2015-16	1,68,860	1,92,460	-3600
computer	2016-17	22,69,762	1,55,600	21,14,162
course fee	2017-18	25,90,944	1,75,430	24,15,514

Interestingly it is seen that in the Receipt and Payment statement of Junior College, under 'Vocational course salary grant' (i.e grant received from government) receipt of Rs 19.52 lakh during 2015-16; Rs 21.14 lakh during 2016-17 and Rs 24.15 lakh during 2017-18 is shown.

Audit enquired whether a receipt under vocational computer course is "grant" (received from government) or whether it is collected from students as "fees".

In reply it was stated that Junior College receives grant for two heads- one regular salary and other salary for vocational course, but added that necessary correction in audit report would be made.

(B) In the Balance Sheet under the Assets side, the Chartered Accountant had shown the depreciated value of immovable and moveable properties. In the immovable property, the depreciation charged on Sports Infrastructure Facility constructed through UGC funds is shown.

However, while calculating the Assets under the immovable property, cost of Sports Infrastructure Facility constructed through UGC funds is not included. Thus the assets under immovable property is under-stated.

Audit enquired as to when depreciation is charged on sports infrastructure why cost of this is not included in immovable property.

The President while accepting the incorrect depiction stated that necessary corrections would be got done from the Chartered Accountant and report thereof will be submitted.

Further progress in the matter may be intimated to audit.

Para.2: Non maintenance of register for moveable and immovable properties by the Adarsha Education Society, Hingoli.

As per Rule 18 (5)(iii) of the Bombay Public Trust Act 1950 register for movable and immovable properties (Assets) is to be maintained by the Registered Shikshan Sanstha under this Act.

Audit observed the following:

However, scrutiny of records in respect of immovable properties of Shikshan Sanstha revealed that Secretary, Adarsha Education Society, Hingoli is having immovable properties i.e. school building, Library building, Hostel etc. However, no such register indicating the details of the properties and its present cost have been maintained by the Adarsha Education Society, Hingoli as required under the rules. Non observance of the codal provision is in contravention of the Act.

On this being pointed out in audit, the President stated (09/2019) that immovable properties register would be maintained.

Further progress in the matter may be intimated to audit.

Principal, Adarsh Arts, Commerce and Science Sr. College, Hingoli

Para.3: Receipt and Payment Account - GOI Scholarship disbursement

Audit of Adarsha Education Society's Sr College for the period from 2008 to March 2019 is being conducted.

Scrutiny of the Receipt and Payment statement prepared by the Chartered Accountant revealed that the GOI Scholarship amount received by the Sr College is not being disbursed fully in that particular year. The details of receipt of GOI scholarship and its payment is as below-

(in lakh)

Year	GOI scholarship received by college	GOI scholarship disbursed by college	difference
2013-14	37.49	37.20	0.29
2014-15	33.64	33.24	0.40
2015-16	43.23	42.23	1.00
2016-17	37.12	0.18	36.90
2017-18	16.50	0.11	16.39
2018-19	31.62	nil	31.62

From the above table it can be seen that between 2013-14 & 2015-16, the GOI scholarship receipt and its disbursement was almost same, however, thereafter from 2016-17 to 2018-19, very little or nil GOI scholarship payment could be made to students by the Sr. College. Due to this, a liability of Rs 92.27 lakh is shown in Balance Sheet.

On this being pointed out in audit Principal replied (09/2019) that during admission of backward class student only Rs.40/- is charged. From 2016-17 to 2018-19, the liability of Rs.92.27 lakh shown in Balance Sheet was received from the Government towards College fee, however, due to non availability of student's number and category in the orders of Social Welfare department, said amount could not be classified to the respective head of accounts.

Further progress in the matter may be intimated to audit.

Para 4: Balance Sheets - UGC grants

The Chartered Accountant of Adarsha Education Society's Sr College had prepared Income and Expenditure Statements; Receipt and Payment statements and Balance Sheets for respective years.

(A) Scrutiny of the Balance Sheets revealed that grants received under UGC or Planning Commission are shown as it is year to year. Also the assets created by use of these grants are not depreciated and the face value of expenditure in a particular year is depicted as if in the next financial years. For example the Liability side of Balance Sheet shows the amount of grant for - Xth Plan Development grant (Rs 5.20 lakh), UGC Carrier organization grant (Rs 7 lakh), UGC Xth Plan Women hostel grant (Rs 70 lakh), etc is shown as it is in year 2014-15 and same in year 2018-19. This was highlighted by the Chartered Accountant in his yearly Audit Reports that "depreciation is not provided but are disclosed at historical cost/value".

However, few grants/funds were shown with decreased amount by passing of year. The details are as below-

Grant	Amount shown in 2014-15	Amount shown in 2018-19	difference
UGC XII plan IQAC	3.00 lakh	1.42 lakh	1.58 lakh
UGC XII Plan Development grant	5.90 lakh	4.22 lakh	1.68 lakh
Total			3.26 lakh

Thus the grants/funds received in above heads of UGC were shown less by Rs 3.26 lakh.

(B) Construction of Indoor Sports Training Facility -

The UGC, Pune had approved a proposal for construction of Indoor Sports Training Facility for a cost of Rs 84.83 lakh. UGC was to share Rs 70 lakh of the expenditure

and remaining Rs 14 lakh was to be borne by Sr College. UGC released Rs 35 lakh (50%) on 25 September 2011.

The further release of grant depend on receipt of audited utilization certificate, statement of expenditure, progress report and physical verification by UGC team.

Scrutiny of the Balance Sheet revealed upto March 2018 an expenditure of Rs 43.23 lakh was booked on construction. Due to delay in construction, UGC did not send the remaining grant of Rs 35 lakh.

However as per Balance Sheet of 2018-19, up to date expenditure of Rs 133.55 lakh was shown as incurred on construction of Indoor Sports Training Facility i.e. in the year 2018-19 alone an expenditure of Rs 90.60 lakh was expended.

Since funds were not available, contractors payment of Rs 57.04 lakh; Architect payment Rs 2.47 lakh; Electrical work Rs 0.37 lakh were shown as 'Liability'.

It was also seen that though UGC second instalment of Rs 35 lakh was not received, but the Sr College while submitting the 'Utilisation Certificate' had shown that it had received Rs 70 lakh from UGC.

(C) During 2017-18, in Income and Expenditure Statement, the College has shown Rs 20,00,430 as 'Miscellaneous Receipts' under the Head Misc Receipts. This amount of Rs 20 lakh is of cancelled cheques account.

Audit asked to furnish the details of cancelled cheques amounting to Rs 20 lakh.

In reply Principal replied (09/2019) that -

(A) the matter would be taken up with the Chartered Accountant.

(B) For construction of indoor stadium UGC had sanctioned 70 lakh. However, only 35 lakh was received from UGC. To obtain remaining share, proposal was sent to the UGC.

(C) Details of cancelled cheque for Rs.20.00 lakh would be verified and would be intimated to audit.

Further progress in the matter may be intimated to audit.

Para. 5: Non settlement of Liabilities for years by Senior College, Hingoli

Scrutiny of the Balance Sheets of Degree College, Hingoli for the years from 2014-15 to 2018-19 as prepared by the Chartered Accountant revealed that Liabilities of staff and others have not been settled/adjusted or recovered for the last 5 years. The

details are as below-

(in Rs)

Particular	Amount as per Balance sheet 2014-15	Amount as per Balance sheet 2018-19
University Exam Centre A/c	404642	599040
B.Ed Exam Centre	25535	25535
UPSC Exam Centre	8982	8982
Distance Exam Centre	226100	265500
Ph.D Research Centre	18000	28000
MS-CIT Exam Centre	8929	8929
Mucta Subscription	4930	4930
Maha Industrial Development Mandal	2000	2000
Consumer store A/c	3630	3630
Total	702748	946546

The Chartered Accountant had categorically pointed out in his Audit Report that all the long standing liabilities should be settled. But from the above table it can be seen that the liabilities are persistent or increasing and not settled.

On this being pointed out in audit, Principal stated (09/2019) that the amount of honorarium and misc. expenditure was paid to the respective official. However, the matter would be checked with CA and corrections would be carried out in next audit report (2019-20).

Further progress in the matter may be intimated to audit.

Para.6: Balance sheet 2017-18 and 2018-19 - incomplete depiction of figures

Scrutiny of the Balance sheet for the year 2018-19 of Sr College, Hingoli revealed that-

1) Under Receipt and Payment statement (2018-19), receipt of Rs 96,65,035 was shown as 'anamat' i.e deposit against which payment of Rs 12,71,650 was shown as expenditure. However, in the Balance Sheet in 'other liabilities of staff and others', a liability of Rs 57, 04,507 only was shown. Thus there was difference of Rs 39,60,528. It is interesting to note that only one big work of construction of sports infrastructure under UGC was completed for which payment was still to be made.

2) Under Asset side (2018-19), under the head 'recovery on account of --' a) university exam paper collection centre - Rs 16,182; b) Flag Day fund- Rs 40,821 and other minor recoveries are shown as asset for the period 2014-15 to 2018-19. This means these amounts are still to be recovered. Also from the year 2017-18 to 2018-19, recovery of salary (V.P.M) of Rs 67,326 is shown.

3) In 2017-18, in Receipt and Payment statement, Imprest A/c (arnaf) received is shown as Rs 10,87,427 while payment is shown as Rs 36,66,164.

However, in Balance sheet under Asset side - Loans and Advances, imprest account is shown as Rs 28,46,973. Audit enquired about difference of about Rs 8 lakh.

In reply the Principal stated (9/2019) that all the three points will be checked with CA and necessary corrections if any would be carried out.

Para.7: Time barred cheques of year 2016-17 in financial statement

Scrutiny of the financial statements for the year 2016-17 under the Bank Reconciliation revealed that there were 30 cheques which were issued but not presented in the bank. These cheques were issued between March 2011 & September 2016. The total of these 30 cheques was Rs 7,54,755.

It was seen that most of these cheques were related to payment of scholarship to students.

The Chartered Accountant in his 'Notes to Auditor's Report' had specifically mentioned that these cheques should be cancelled and the expenditure to be reversed to the respective heads. However, no action was seen to be taken by the college.

In reply the Principal stated (9/2019) that necessary correction would be made in next audit report.

Para.8: Non crediting of lapsed deposit into Government account (Sr/Jr/MCVC Colleges).

As per Rule 506 of Maharashtra Treasury Rule, 1968 any amount lying unclaimed for more than three financial years it should be treated as lapse deposit and credited into Government account.

On scrutiny of Balance Sheet and Receipt & Payment Account for the year 2018-19 of the Sr/Jr/MCVC Colleges respectively run by Adarsh Education Society's Arts, Commerce and Science College, Hingoli revealed that undisbursed deposit of Rs. 4617121/- was shown under the head of 'liability of Deposit from Students' as details given below.

Head of Account	Sr College (Amount in Rs)	Junior College (Amount in Rs)	MCVC (Amount in Rs)
Computer Application Course fees deposit	2,29,950	0	0
Library Deposit	5,10,377	354463	50720
Laboratory Deposit	1,21,561	237206	60092
Book Bank Deposit	26,813	2066	0

S.A.F. Book Deposit	218	0	0
Fees Deposit	15,271	1495	0
Deposit Against Non Salary grant	3,62,606	641580	77615
Fees A/c (CMS)	18,98,555	0	0
PST Feeship	0	8903	0
National Flag Fund	0	0	11780
Gow Raksha Fund	0	0	3850
Total	31,67,351	1245713	204057

This amount is being accumulated since long which requires to be refunded to the student after completion of study. As per above provision if not claimed, it should be treated as lapse deposit and credited into Govt. account. But the same is not done by the Sr/Jr/MCVC Colleges respectively resulting irregular retention of undisbursed 'Deposit from Students' of Rs. 46,17,121/- (upto March 2019) and lying idle in the account of the Sr/Jr/MCVC Colleges respectively.

On this being pointed out in audit Principal stated (09/2019) that Library, Laboratory and other deposits were collected from the students and thereafter refunded as per their demand.

The reply is not acceptable as per Rule 506 of Maharashtra Treasury Rule, 1968 any amount lying unclaimed for more than three financial years it should be treated as lapse deposit and credited into Government account accordingly it required to be credited to Government account.

Para.9: Inadmissible expenditure of Rs. 21,771/- towards Audit fee.

As per Schedule A list of admissible expenditure rule 89.1(2) 7, Misc. 14 of Secondary School Code if the admitted expenditure of the school exceeds Rs. 300000, Audit fee of Rs. 1000/- is admissible for the expenditure incurred by the school on audit of accounts by registered accountant.

Scrutiny of Receipt & Payment Account of Sr College run by Adarsh Education Society's Arts, Commerce and Science College, District Hingoli revealed that the College has paid audit fees in excess of the prescribed rate of Rs. 1000 during the period 2015-16 to 2018-19 amounting to Rs.1,29,940/-. The details are as under:

Year	Type of account	Audit fees admissible	Audit fees paid	Excess
2015-16	Receipt & payment	1000	24000	23000
2016-17	Receipt & payment	1000	27600	26600

2017-18	Receipt & payment	1000	46030	45030
2018-19	Receipt & payment	1000	30320	29320
Total				123940

On this being pointed out in audit Principal stated (09/2019) that the audit fees was paid to the Chartered Accountant as per the rates finalized by the Chartered Accountant's (CA) Association.

The reply is not acceptable as the rates finalized by the CA Association is not approved by the Government of Maharashtra hence it is not acceptable.

Para.10: Non remittance of TDS Rs. 8461/- in to Government account.

As per Rule 194 of Income Tax Act, Tax Deducted at Source should be credited in Government account by the Deductor on or before the 7th day of the month next to the month in which tax was actually deducted.

Scrutiny of Balance Sheets, of the Adarsh Education Society's Arts, Commerce and Science Sr. College, Hingoli for the years from 2018-19 revealed that an amount of Rs.8461/- towards TDS was shown as outstanding and payable to Income Tax Department in the account for the year 1995-96. The same was not credited in to Government account till the year 2015-19. Thus, there was a delay of 23 years in remittance of TDS into Government account. This amount of TDS payable was shown as Asset in the balance sheet for the year 2015-19, which is incorrect.

On this being asked the reason for non remittance/delay in remittance of TDS, the Principal replied (09/2019) that Rs.8461/- was already remitted to Government account and accordingly necessary corrections would be made in the next audit report.

The reply is not acceptable as no documentary evidence was shown to audit to confirm the facts.

Further progress in the matter may be intimated to audit.

Para.11: Non Assessment of Grants of Sr. College.

As per rule 94.4 of Secondary School Code, assessment of every college should be carried out by Education Department so that admissible and inadmissible items can be segregated and memos of inadmissible expenditure shall be supplied to managements of schools within a fortnight after inspection and their representation.

if any, will be taken into account by the appropriate authority before fixing their admissible expenditure and assessing grants thereon.

Audit observed the following:

Scrutiny of assessment records of Principal, Adarsh Arts, Commerce & Science Senior/Junior/MCVC Colleges Hingoli respectively, it is observed that assessment of grants given to college for the period from 2016-17 onwards were not done by the respective competent authorities as details given below:

Name of the Institution/College	Assessment done by the competent authority/Education Department upto years	Assessment not done by the competent authority/Education Department from years	Salary Grant received upto the month/year
Principal Adarsh Arts, Commerce and Science Sr. College, Hingoli.	2015-16	2016-17	July 2019
Principal Adarsh Arts, Commerce and Science Jr. College, Hingoli	2017-18	2018-19	July 2019
Principal Adarsh Arts, Commerce and Science MCVC College, Hingoli.	2012-13	2013-14 to 2018-19	July 2019
Headmaster Adarsh Madhnik Vidyalaya, Hingoli.	2016-17	2017-18 and 2018-19	July 2019

Due to non assessment of grants audit could not ascertain the correctness of final grant released by the authority.

On being asked to intimate the efforts taken by the Principal to get assessment done from the competent authorities, Principal stated (09/2019) that reference would be made to the respective Education Offices.

Further progress in the matter may be intimated to audit.

Para.12: (A) Payment of electricity duty to MSEDCL Rs. 0.46 lakh and Payment of Rs. 1.38 lakh towards interest/arrears on delayed payment of MSEB bills.

As per clause 3 sub-clause 2 (a) Bombay Act No. XL Of 1958, THE MAHARASHTRA ELECTRICITY DUTY ACT, (As modified upto the 23rd November 2012) the electricity duty shall not be levied on the units of energy consumed by a school or college

imparting education or training in academic or technical subjects such school or college is exempted from payment of electricity duty.

Audit observed the following

Scrutiny of record revealed that while making payment of electricity bill to the MSEDCL Hingoli the electricity duty of Rs. 40,555/- was paid to the company during the period 2017-18 to 2018-19. Thus making payment of electricity duty to the MSEDCL Hingoli Dist. Hingoli is irregular and violation of instructions is as detailed below:

Sr.No	Consumer No.	Voucher No. and Date	Bill Amount	Electricity duty paid
1	537510167205	512/11.10.17	6740	569
2	537510306663	---do---	9560	126
3	537510167205	377/22.08.17	6220	847
4	537510353360	---do---	4570	622
5	537510167183	---do---	8530	655
6	537510167191	---do---	20300	1358
7	537510167191	641/13.12.17	39140	1681
8	537510167183	---do---	26320	1072
9	537510167205	643/08.12.17	14130	1949
10	537510353360	---do---	32570	4493
11	537510167205	44/28.04.17	6150	559
12	537510167183	---do---	10800	1832
13	537510167191	---do---	6930	1045
14	537510353360	---do---	4050	956
15	537510167205	735/17.01.18	3310	456
16	537510353360	---do---	10250	1507
17	537510353360	555/21.02.18	14350	1960
18	537510167205	---do---	4120	523
19	537510353360	923/15.03.18	11500	1543
20	537510167205	---do---	17700	2404
21	537510167183	---do---	20530	1973
22	537510167191	---do---	24670	1908
23	537510167205	24/20.04.18	15460	1648
24	537510353360	---do---	11730	1676
25	537510167205	492/11.06.18	3830	655
26	537510353360	---do---	28600	1990
27	537510167205	294/16.08.18	1400	191
28	537510167205	408/21.09.18	2800	191
29	537510167191	---do---	52090	3035
30	537510167183	---do---	8910	728
Total				40555

In this connection pl state the circumstances under which payment of electricity duty paid to the MSEDCCL Hingoli. The reasons for not observing the rule may please be stated to audit. Please confirm, verify and offer comments on the above observations.

(B): Avoidable payment of Rs.138615/- towards interest/arrears on delayed payment of MSEB bills.

Test check of vouchers revealed that Principal, Adarsh Education Society Senior College, Hingoli had not paid the Electric bill monthly on regular basis. The said bills were accumulated and paid altogether resulting avoidable payment of Rs. 1,38,615/- towards interest on delayed payment of Electric bill during the period 2017-18 to 2018-19, as details given below:

Consumer No	Amount of bill paid	Interest/ arrears towards delay payment paid	Vr. No and date of bill
537510167205	6740	2615	512/11.10.17
537510306663	9560	8508	---do---
537510167183	8530	4682	377/22.08.17
537510167191	20300	12322	---do---
537510167191	39140	28037	641/13.12.17
537510167183	26320	19974	---do---
537510353360	14350	136	855/21.02.18
537510167183	20520	8839	923/15.03.18
537510167191	24670	13268	---do---
537510167205	3830	1403	492/11.08.18
537510167191	52090	34170	408/21.09.18
537510167183	8910	4553	---do---
Total		138615	

On this being pointed out in audit the Principal replied (09/2019) that (A) correspondence would be made with MSEB and (B) due to other college expenses, there was delay in deposit of electric bill payment.

Further progress in the matter may be intimated to audit.

Principal, Adarsh Arts, Commerce and Science Jr. College, Hingoli

Para.13: Difference of Rs.114000/- appeared in the expenditure shown in cash book and in receipt and payment account on payment side.

During scrutiny of Receipt and Payment account in respect of Jr. college for the year 2015-16 it is noticed that Rs.1695180/- was paid to Sr. college. However scrutiny of cash book in respect of Jr. College revealed that amount of Rs.1581180/- was paid to Sr. college as details given below:

Sr. No.	Date	Amount paid to Sr. college (as per cash book)
1	15/04/2015	8000
2	29/05/2015	1400
3	20/06/2015	75000
4	22/06/2015	75000
5	23/06/2015	170000
6	26/06/2015	65000
7	30/06/2015	30000
8	02/07/2015	55000
9	21/07/2015	25000
10	27/07/2015	1000
11	06/08/2015	10000
12	24/08/2015	80000
13	27/08/2015	130000
14	28/08/2015	30000
15	31/08/2015	30000
16	18/09/2015	5000
17	31/10/2015	117325
18	10/12/2015	10000
19	28/12/2015	7000
20	28/01/2016	50000
21	29/01/2016	20000
22	30/01/2016	22700
23	08/02/2016	8000
24	05/03/2016	10000
25	09/03/2016	35000
26	31/03/2016	510755
Total		1581180

In view of above department may clarify the reasons of difference of Rs.114000/- appeared in the expenditure shown in cash book and in receipt and payment account on payment side. Also confirm the dates mentioned in the table above.

On this being pointed out in audit Principal stated (09/2019) that the cash book and transaction would be verified and thereafter compliance would be submitted to audit.

Further compliance may be submitted to audit.

Para. 14: Non preparation of Receipt and Payment Account Balance sheet and Income & Expenditure account for 2018-19.

As per Appendix 22, Para 3(1) Bombay Financial Rules, before a grant is paid to any public body or institution, the sanctioning authority shall insist on obtaining on audited statement of accounts of the body or institution containing (i) the receipt and payment of accounts of the institution as a whole for the financial year. (ii) the income and expenditure accounts of the institution as a whole for the financial year

(iii) the balance sheet as at the end of the financial year of the institution as a whole in order to see that the grant-in-aid is justified by the financial position of the institution and to ensure that the previous grant, if any, was spent for the purpose for which it was intended.

During the scrutiny of audited statement on accounts of Principal, Adarsh Education Society (Jr. College), Hingoli for the period from 2008-09 to 2018-19, it was observed that institution had not prepared the receipt and payment account Balance sheet and Income and expenditure account for the period 2018-19.

Name of the Institution/ College	Annual audited statement prepared upto the year	Annual audited statement not prepared since	Remarks
Principal, Adarsh Arts, Commerce and Science Jr. College, Hingoli	2017-18	2018-19	Receipt & Payment, Income & Expenditure and Balance sheet not prepared
Principal, Adarsh Arts, Commerce and Science MCVC College, Hingoli	2017-18	2018-19	Receipt & Payment, Income & Expenditure and Balance sheet not prepared
Headmaster, Adarsh Madhyamik Vidhyalaya, Hingoli	2016-17	2017-18 to 2018-19	Only Receipt and Payment account prepared.

On this being pointed out in audit Principal/Headmaster replied that account would be got completed from the Chartered Accountant.

Further progress in the matter may be intimated to audit.

(A) The Chartered Accountant is required to prepare Receipt and Payment statement; Income and Expenditure Statement and Balance Sheet by end of month of July for the financial year ended last.

However, the Chartered Accountant of the Institute had not prepared the financial statements for the year 2018-19 which should have been ready by 31 July 2019.

In reply, it was replied that the same will be get done from CA.

Matter is brought to the notice of EO, Higher Education grants, Aurangabad for comments.

Principal, Adarsh Arts, Commerce and Science MCVC College, Hingoli

Para.15: Balance Sheet of MCVC

(A) Scrutiny of the Balance Sheets for the year from 2014-15 to 2017-18 revealed that some of the liabilities have not been settled, these include Imprest A/c - Rs 60,382; PDCC Bank saving A/c no 230 - Rs 26,413.

(B) As could be seen from Income and Expenditure statements, the MCVC receives non-salary grant from which raw material for conduction of MCVC courses like office management, auditing and accounting, electronic technology, MREDA and MLT are purchased.

During 2017-18, though non-salary grant of Rs 52,000 was received by the institute, no raw material was purchased as could be seen from income and expenditure statement.

It was also seen that in 2017-18, computer course fees of Rs 39,000 was collected by institute while computer course salary of Rs 88,091 was paid i.e more by 49,091. In other years the computer course fees collected was more or equal to computer course salary paid.

(C) From the Income and expenditure statement it was seen that every year amount for 'student insurance' is collected and shown under fees receipt.

On this being pointed out in audit Principal replied that (A) Due care would be taken by Chartered Accountant in future audit reports. (B) The raw material purchased during 2016-17 was utilized during 2017-18. (C) Insurance of students was obtained.

Headmaster, Adarsh Marhiyamik Vidyalaya, Hingoli

Para.16: Non crediting of Rs.15300 towards Pro. Tax /- to Govt. account.

Further scrutiny of Receipt and Payment Account for 2016-17 and 2017-18 revealed that though the Professional Tax is recovered from the employee of the school it is partially credited to Government account as detailed given below:

Year	Amount recovered from the employees towards Professional Tax (as per Receipt & Payment Account)	Amount credited to Government account (as per Receipt & Payment Account)	Difference (in Rs)
2016-17	21300	15600	5700
2017-18	33050	23450	9600
Total			15300

On this being pointed out in audit the Headmaster replied (09/2019) that after verification of facts in respect of Pro. Tax documents compliance would be submitted to audit.

Further compliance in the matter may be furnished to audit.

PART-III Follow up on findings outstanding from previous periods:

The following Inspection Reports (IRs) are pending due to non submission of convincing reply:

Sr. No	Name of College/Institution	Period of IR		Under Section (U/S)	Pending para Number(s)	Total
		From	To			
1	President, Adarsh Education Society, Hingoli	01/04/2005	31/03/2008	14	0	0
2	Principal, Adarsh Arts, Commerce & Science Senior College, Hingoli	01/04/2005	31/03/2008	14	02	02
3	Principal, Adarsh Arts, Commerce & Science Junior College, Hingoli.	01/04/2005	31/03/2008	14	0	0
4	Principal, Adarsh Arts, Commerce & Science MCVC College, Hingoli.	01/04/2005	31/03/2008	14	0	0
5	Headmaster, Adarsh Madhyamik Vidyalaya, Hingoli	01/04/2005	31/03/2008	14	0	0
Total					02	02

The pending Paras are detailed below:

(a) Paras outstanding from previous reports of Office of the President, Adarsh Education Society, Hingoli.

--Nil--

(b) Paras outstanding from previous reports of Office of the Principal, Adarsh Arts, Commerce and Science Senior College, Hingoli.

Inspection Report for the Period 1992-93 to 1997-98

Para. 1: Excess assessment of salary grants to the extent of Rs. 93,800/- by the Admn Office of the Joint Director of higher Education, Nanded region for the year 1994-95 and 1995-96.

On scrutiny of assessment of assessment statement for salary grants for the year 1994-95 assessed by the Administrative Officer, Office of the Joint Director of Higher Education Nanded Region, Nanded. It was observed that the administrative office had wrongly assessed salary grants in excess Rs. 93,800/- as under.

01. The salary grants due to college for the years 1994-95 2,80,003/-

02. Salary grants already paid during 1994-95	(-) 62,28,800/-
03. Final grants to be paid	51,203/-
04. Less/excess grants to be recovered of the previous year 1993-94	(-) 1,03,513/-
05. Net grants remains to be recovered from next assessment year i.e 1995-96	(-) 52,310/-

Instead of showing recoverable grants of Rs.52,310/- the Admn. Officer has assessed Rs.41,490/- to be paid to the college as under.

01. Salary grants due to college during 1994-95	62,50,003/-
02. Salary grants paid to college 1994-95	62,28,800/-
03. Excess grants to be recovered of the previous year 1993-94	(-) 1,03,513/-
04. Net grants to be paid in the year 1994-95 instead of recovery of	(+) 41,490/-
	Rs. 52,310/-

Thus wrong assessment done by the Admn. Officer resulted in excess payment of salary grants to the extent of Rs. 93,800/- (Rs. 52,310+41,490).

On scrutiny of assessment statement of salary grants for the year 1995-96 it was observed that instead of deducting Rs.(-) 52,310/- from the salary Rs. 41,490/- had been added in salary grants as under.

01. Salary grants due to the college for the Year-1995-96	74,23,352/-
02. Salary grant paid during the year to the college Instalment wise	73,80,352/-
03. Salary grants to be paid now	Rs. 43,000/-
04. Excess grants to be recovered paid of the previous year	Rs.(+) 41,490/-
05. Net grant to be paid in 1995-96	Rs. 490/-

Thus from above it is clear that the senior college was in receipt of excess salary grants of Rs. 93,800/- in the year 1994-95.

During previous audit the Principal replied that salary grants in respect of physics and Electronic Teacher was deducted in 1992-93 and 1993-94 amounting to Rs. 98,000/- and subsequently adjusted by the Administration Officer. Hence there is a difference, however the matter was brought to notice of the Joint Director of Higher Education grant Nanded Region. Nanded by the institute and compliance form Joint Director, was asked for.

During current audit (09/2019) Principal stated that while assessing the grant for next year, the Joint Director checks for less/excess release of salary for yester year and carry out the assessment accordingly.

The comments of Jt. Director, Higher Education, Grants, Nanded may be obtained for excess salary grant to Physics and Electronic teacher.

Inspection Report for the Period 2005-06 to 2007-08.

Para. 1: Incorrect carry forward of amount recoverable after final assessment for the year 2005-06 to 2007-08.

The Joint Director of Higher Education Nanded vide his letter No.2253-54 dt.28-4-2008 forwarded final assessment statements for the year 2005-06 to the college. It was seen from salary Grant assessment statement that salary grant payable during 2005-06 was worked out at Rs. 1,38,25,995 and after deduction of adhoc salary grant paid for 2005-06 amounting Rs.1,41,91,000/- amount recoverable was worked out at Rs. 3,65,005/- (144191000-13825995).
in the final assessment statement of salary grants for the year 2004-025 Ra. 5,63,223=00 was shown as recovery therefore total recovery works out to Rs. 9,26,228=00, however Joint Director has shown recovery at Rs. 1,98,218=00 This has resulted in Incorrect carryforward of amount recoverable after final assessment for the Year 2005-06 to 2007-08 under-

(Amount in Rs)

Year	Actual Working			Working made by Jt. Director		
	Grant Assessed	Adhoc Grant paid	+/-	Grant Assessed	Adhoc Grant paid	+/-
	{Previous year recovery}		-563223	{Previous year recovery}		-563223
05-	13825995	14191000	-365005	13825995	14191000	+365005
06	Total		-928228	Total		-198216
06-	15213609	15568000	-354191	15213609	15568000	+354191
07	Total		-1262419	Total		-155973
07-	16068339	16280000	-216661	16068339	16280000	-216661
08	Total		-1499080	Total		-60688

As such the total recoverable amount works out to Rs. 1499080/- at the end of the assessment of the salary for the year 07-08. But Jt Director of Higher Education, Nanded had shown it as Rs. 60688/- resulting in excess payment of Rs. 1438392/- (Rs 1499380 - 60688) to the Society due to incorrect assessment by the grant assessing authority.

During previous audit the Principal in reply, stated that the matter will be confirmed from the Jt. Director, HE, Nanded. as the assessment is made by him, and intimated to audit.

Further progress in the matter may be reported.

During current audit (09/2019) Principal stated that while assessing the grant for next year, the Joint Director checks for less/excess release of salary for yester year and carry out the assessment accordingly. Hence there is no excess payment of salary.

However, fact remained that necessary documents in support of audit point were not submitted.

The comments of Jt. Director, Higher Education, Grants, Nanded may be furnished to Audit.

(c) Paras outstanding from previous reports of Office of the Principal, Adarsh Arts, Commerce and Science, Junior College, Hingoli

---Nil---

(d) Paras outstanding from previous reports of Office of the Principal, Adarsh Arts, Commerce and Science MCVC, College, Hingoli

---Nil---

(e) Paras outstanding from previous reports of Office of the Headmaster, Adarsh Mahayamik Vidyalaya, Hingoli

---Nil---

PART-IV :- BEST PRACTICES

The Adarsh Education Society and staff members working in the institutions under the society take care of about 30 to 35 poor students by providing them hostel facility, meals, clothing, etc free of cost.

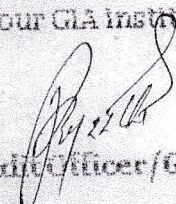
PART-V :- ACKNOWLEDGEMENT

(A) Details of Persons holding the leadership positions:

The following official held the charged of the post of the President, Adarsh Education Society, Hingoli the period covered by audit.

Sr. No.	Name of the President	Period covered
1	Shri. K.K.Dubey	01/04/2008 to 31/08/2008
2	Shri. E.G.Nilawar (Incharge)	01/09/2008 to 16/03/2015
3	Shri. Kamalkishor Motilali Kabra.	19/03/2015 to till date

(B) All requisite information and records called for by audit were produced (except as mentioned in the inspection Report) by the concerned staff members of the Office of the President, Adarsh Education Society, Hingoli and its four CIA institutions.


Sr. Audit Officer/G & SS(HQ)-II