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No.KVS/Audit Circular/ No.1/(JC-Fin.)

26.09.2013

The Dy. Commissioner,
Kendriya Vidyalaya Sangathan,
All Regional Offices/All ZIETs.

Sub: Internal Audit of Vidyalayas.

Sir,

The following instructions may be followed while deputing the Audit team to the Kendriya Vidyalayas for the Internal Audit of the KVs and for forwarding the Internal Audit report to the Vidyalayas. The Audit team may also be instructed to adhere to the instructions:-

- (1) **The Internal Audit tentative Audit programme should be communicated in April for the concerned Financial year to all the Vidyalayas.**
- (2) **Internal Audit of all the Vidyalayas should be completed before 31st March of the concerned Financial year.**
- (3) **After completion of the Internal Audit, the Report should be vetted by the Finance Officer. After vetting the report with the approval of the Deputy Commissioner of the Region the report should be forwarded to the Vidyalaya for its compliance.**
- (4) **If Finance Officer is not available in the region, the Dy. Commissioners of the Region should ensure the correctness of the Report before forwarding to the Vidyalayas.**
- (5) **The Audit team should verify all the fees collections are correctly accounted for along with the concerned Register.**
- (6) **The team should verify the 20% remittance of VVN to Hqrs and 10% remittance of VVN to the Regional Office account on quarterly basis.**
- (7) **The team should also verify the remittances from VVN account to the National Sports Control Board, Regional Sport Control Board and Bharat Scouts Accounts.**

- (8) If remittances are not made the team should ensure the remittance before the completion of the Audit.**
- (9) The purpose of conducting the Internal Audit is to ensure the compliance of the financial and administrative procedures. Hence the audit party should assist the Principal in complying the procedures during the course of the audit.**
- (10) In case of discrepancies in the maintenance of the service Book, the same should be sorted out during the course of the audit instead of raising the para in the Audit Report.**
- (11) Major lapses should be brought in the Audit report.**
- (12) The outstanding paras of major lapses should be shown in Part A of the Audit Report.**
- (13) The other outstanding paras can be closed and can be shown as a fresh para in the current Audit Report along with the similar observations.**
- (14) As the salary of all the employees are disbursed through the UBI web portal, the Audit team should ensure the maintenance of the pay Bill Register in the Vidyalayas. The team should also ensure all the columns in web portal are filled in.**
- (15) The team also should ensure that the following aspects in respect of TDS.**
 - (a) The TDS should be remitted through online.**
 - (b) Issue of Form No.16 to all the employees from whom TDS has been recovered.**
 - (c) Submission of Income Tax returns to the Tax deptt. before the due date.**
 - (d) Each Vidyalaya should have separate PAN, TAN, and Service Tax Registration Number.**
- (16) The team also should ensure the following aspects in respect of NPS.**
 - (a) The submission of monthly NPS details of all employees to the Regional Office.**
 - (b) Ensure the correctness of the 10% of the employee contribution along with the matching contribution.**

(c) Ensure all the employees who have joined after 1/01/2004 are issued PRAN.

(17) The team should also guide the Vidyalaya in maintaining the Trial Balance and the ledger accounts. Trial Balance will have two columns viz Debit and Credit. After closing the ledger accounts, the debits balances of the ledger accounts should be entered in the Debit column of the Trial balance. The credit balances should be entered in the credit column of the Trial Balance. The totals of Debit and Credit column should tally in the Trial Balance in order to ensure the arithmetical accuracy of the accounts.

(18) In order to have follow-up in the Regional Office, the Regional Office should maintain a separate Register (Internal Audit Monitoring Register).

(a) A separate folio should be maintained for each Vidyalaya.

(b) Each folio will have the following columns:

Sl. No	Details of the Team Members	Period of Audit	Date of Audit	Details of Major Paras	Details of other paras	Date of compliance
1	2	3	4	5	6	7

(c) Audit monitoring Register should be submitted to the Audit Party during the Audit of Regional Office by the KVS (HQ) Audit Team.

(20) The Internal Audit team while auditing the Vidyalayas should assist the Principal of the Vidyalayas to comply the A.G. Audit Report.

Kindly acknowledge the receipt of this circular.

Yours faithfully,

(M Arumugam)
Jt. Commissioner(Fin.)

Copy to:

- 1) The Finance Officer, KVS, Regional Office, Jaipur, Ernakulam, Varanasi, Delhi, Lucknow, Mumbai, Sirsa, Dehradun & Agra.
- 2) The Finance Officer (G)/ Finance Officer (S), KVS (HQ) - for compliance in KVS(HQ).
- 3) The Asstt. Commissioner(Fin.) (M)/ Asstt. Commissioner (Fin.) (K) - for necessary action.

Jt. Commissioner(Fin.)