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**OFFICE OF THE ACCOUNTANT GENERAL(A&E),
RAJASTHAN, JAIPUR-302005**



MANUAL OF I.TA. SECTION

INDIAN AUDIT AND ACCOUNTS DEPARTMENT

PREFACE TO THE SECOND EDITION

This is the second edition of Manual of Internal Test Audit Section. The first edition of the Manual was issued in September 1990.

In perspective plan 2003-08 discussed in the XXIInd Conference of Accountants General, held in July 2003 and approved by the CAG, it was opined that our codes and manuals, fell short of being best practice indicators because of advancing changes in the governance system. These must now be re-written or recalibrated to incorporate these changes without disturbing the layers of existing code-based and manual-driven knowledge base of our staff. This necessitated the updation of first edition, which ultimately came out in the shape of second edition. In updation, the existing Chapter-III-Review of P.F. Accounts has been deleted and three new Chapters on (i) Internal Audit of Pay & Accounts Office (ii) Voucher Level Computerization and (iii) Relationship between Internal Audit and Directorate of Inspection have been added to this new edition of the Manual. The orders/ circulars issued by the Headquarters office, in this regard, from time to time have also been kept in view in giving final shape to this edition.

The Internal Test Audit Section will be responsible for keeping this Manual up-to-date and will ensure that all orders requiring incorporation in the Manual are included therein with care and promptitude.

Accountant General (A&E)

Jaipur
Dated: 19-9-2006.

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CHAPTER-I

Constitution, Control and Distribution of Work

1.1. General

It was decided in the conference of the Accountants General in 1955 that separate Internal Test Audit Sections should be formed in all the Civil Audit & Accounts Offices at the discretion of the Accountant General. In pursuance of the aforesaid decision, the scope and duties of the Internal Test Audit Section were defined and incorporated in paras 18.2 to 18.5 of C.A.G's Manual of Standing Orders (A&E) Vol .I.

1.2. Constitution

1.2.1 The Internal Test Audit Section being an important instrument of control in the hands of the Accountant General to know the working of various sections in the office, is in the direct charge of Accountant General. It is manned by the Internal Audit Officer who holds immediate charge of the office.

Present sanctioned strength of the section is as under: -

- i) AAOs/Section Officer - Three
- ii) Accountants - Two
- iii) Sectional Clerks/Typist - One

1.2.2 One of the most important prerequisite of good quality and it is the competence of internal audit personnel The Internal Test Audit Section should, therefore, consist of picked staff with sufficient experience in different branches who, by their knowledge and experience, are competent to scrutinise intelligently thoroughly and confidently the

work done in the various sections, of the office and who can, not only detect defects and irregularities but also suggest improvement in procedure (Para 18.4 of MSO (A&E) Vol.I).

1.2.3 The responsibilities of the Section Officers in I.T.A.S. and of the Internal Audit Officer should be divided in such a manner that each of them may share the original work instead of the internal Audit Officer acting only as Supervisory Officer over the AAO's/SO. The more important items of work may be taken direct by the Internal Audit officer from the AAO's/SO's while the routine and less important work may be taken by the AAO's/SO's from the accountants. The distribution of some of the items has been given in Appendix 'A'.

1.2.4 Internal Test Audit Section will have parties each manned by Two Section Officers and one Senior Accountant.

1.3 Functions and Duties of Internal Test Audit Section

1.3.1 (a) The main function of the Internal Test Audit Section is to see that how far the Sections are following the procedural rules and regulations, maintaining the various registers that have been prescribed, submitting the returns on the due dates and generally functioning as efficient units of the office.

(b) The Internal Audit should check the quality of accounting work and comment specifically on this aspect in its reports so that suitable measures may be initiated to improve the quality of work, where necessary.

(c) In view of the new grading/ranking systems introduced for measuring the performance of individual AG(A&E) office, it is the responsibility of Internal Audit to help the A.G. in ensuring that points given to the office for various functions are reviewed and remedial actions taken for improvement.

It is also necessary that the Internal Test Audit Wing not only brings out omissions, defects etc., in the course of Test Audit but also brings out specifically the failures on the part of Section Officers and Branch Officers.

1.3.2 The scope and duties of the Internal Test Audit Section have been laid down in para 18.2 to 18.5 of the CAG's Manual of Standing Orders(A&E) Vol.I.

However, Internal Test Audit Section is not required to function as substitute to the Branch Officer and Group Officer through whom Accountant General normally exercises control over his office. The attitude of the Internal Test Audit Section however, is to rectify the deficiencies on the spot by providing suitable guidance to the staff and keeping down the size of the inspection reports issued for subsequent action.

1.3.3 The Internal Test Audit Section may be utilised with advantage by the Accountant General to keep himself informed of the deficiencies in regard to house-keeping functions such as receipt, despatch and distribution of letters, upkeep of old records, indenting for supply of the

custody of stationery and forms, maintenance of Cash Books and the delays in the entitlement aspect of the staff of his office such as bills, increments and advances so that corrective measures may be taken wherever necessary.

1.3.4 The Internal Test Audit Section is not intended to do original work and should not be saddled with such functions. Special items of work may be referred by the Accountant General to this section for advice . In such cases, the Internal Audit Section will work as consultant and no audit related conclusions can be drawn. References to Internal Audit Section for advice should be made only with the approval of Accountant General. It can usefully supplement the work of Director of Inspection and also serve as a liaison between him and the Accountant General's office. (Para 18.3 of MSO (A&E) Vol.I).

1.3.5 The Functions of the Internal Test Audit Section can be grouped into the following categories :-

- 1) Test Audit of Sections including surprise check of sections.
- 2) Miscellaneous and General Reviews.
- 3) Pursuance/Monitoring of outstanding ITA report and submission of returns /appraisal reports etc. to the A.G./ Headquarters Office.

1.3.6 With a view to rationalise the working of Internal Test Audit Section, the periodicity of the various items of work had been prescribed by the Headquarter's office in Annexure-I to office order No. 456- O&M/19-87 dated 30.4.1987, embodied in Appendix 'B' to this Manual and which

took effect from 1st April 1987 in supersession of all the previous orders issued by the CAG on the subject.

Sl.No.	Description of Item of work	Periodicity
I.	Test Check of Sections	
	i) P.A.O.	Annual
	ii) Loans, Deposits, WM & TM	Once in 2 years
	iii) Administration	Once in a year
	iv) Sections not mentioned above	Once in 4 years
	v) Surprise check of 4 GE, Loan and Administration sections (to be selected by A.G. at his discretion)	Annual
	N.B. Test Check of sections under direct charge of A.G. may be dispensed with.	
II.	Other items of work	
	1. Accounts	
	Check of draft Finance and Appropriation accounts.	Annual
	2. Administration	
	Check of statistics in support of the staff proposals.	Annual
	3. Complaints	
	i) Cent percent review of all complaint cases which were not settled for 6 months from the date from which the complaint was first lodged	Monthly
	ii) Test check of 5% to 10% complaint cases received in the office addressed by name, to the A.G./Group Officer and those received directly by sections through ordinary dak.	Monthly
	4. Provident Fund	
	i) Triennial review of PF A/cs	Triennial
	ii) Review of outstanding balances under G.P.F. Suspense	Half Yearly
	iii) Surprise check of debit vouchers by G.P.F.	Monthly
	iv) Quarterly review of residual payment cases outstanding over 6 months.	Quarterly
	v) Check of unposted items	Monthly
	5. Pension	
	Review of outstanding pension cases	Quarterly
	6. Gazetted Entitlement	
	Check of service cards of Gazetted Officers	Quarterly (to be decided by A.G.)

7. All Entitlements

Surprise check of entitlement work

Quarterly
(to be decided
by A.G.)

III. Items not specified

1.3.7 Certain items of work which were previously included in Annexure to para 18.5 of M.S.O.(A&E) Vol.I have not been included in headquarters office letter No. 456-O&M/19-87 dated 30th April 1987 Appendix-`A' and some other items which were being carried out by ITAS under specified orders of headquarters office or under the orders of Accountant General have now been placed under the discretionary powers of A.G. The A.G. in his orders dated 15th Oct. 1987 has observed as under :-

"Based on circumstances and need prevailing at the relevant time, items earlier required to be done by the I.T.A.Section and now proposed to be discontinued could always be entrusted, if considered necessary, to the section under the discretionary powers vested in the Accountant General."The section may, therefore, obtain specific orders of the Accountant General with regard to the items discontinued and covered under the orders of the Accountant General 15th Oct., 1987.

(Authority - Para 22/N in file No. ITAS/K-1977/87-88)

1.4 Norms for calculation of staff in ITAS

Norms for calculation of staff for I.T.A. Section have been fixed by headquarters office which have been detailed in Annexure II, referred to in Appendix 'B'. Norms contemplate that staff to the extent of 25% will be provided in addition to the staff calculated and justified as per norms,

for deployment in critical areas at the discretion of the Accountant General. Headquarters office has further clarified vide letter No. 626-O&M/1987 dated 16.7.87 that items of work which were previously included in Annexure to para 18.5 of MSO (A&E) Vol.I, but have now not been included in their orders dated 30.4.87 (Appendix `B') have been left at the discretion of the Accountant General and are covered under the provision of 25% of the staff as `reserve'. These items of work will be taken up by ITA section as per orders of the Accountant General.

CHAPTER-II

Internal Test Audit Section

- 2.1 Test check of functioning of various sections of the office is one of the most important functions of I.T.A.S. It is in the nature of efficiency audit and is done to ensure that there is no skipping over the accounting work and that the several registers and other records prescribed by relevant codes and office orders are all maintained properly. The work does not consist in finding out defects and omissions only, but also consist of suggesting ways and means for general improvement of the work of section as a whole. Efforts are, therefore, required to be made during the course of I.T.A. that the defects are rectified and omissions supplied on the spot where-ever possible. Guidance should be imparted to the sectional staff wherever possible for improving the state of affairs.
- 2.2 Before starting the I.T.A., I.T.A. unit should go through the relevant codes, sectional manuals guard files of important circulars/orders etc. and prepare a check list to serve as a guide for the test check. It will also help in ensuring that the section being test checked, is following the rules and procedures properly and is not resorting to short-cuts or neglecting them. Illustrative checks to be exercised and points to be seen during internal audit of various items of record in different sections of 'Administration' and 'Accounts' groups have been embodied in Appendices 'C' and 'D' respectively of this Manual. These checks etc are in accordance with the Best Practice Guidelines issued by the CAG

in September 2003 and those contained in Model Internal audit Manual received from the Headquarters office in April 2006.

2.3 The periodicity of various Sections for Internal Test Audit has been fixed vide Headquarters office order No. 456-O&M/19-87 dated 30.4.87. The periodicity-wise details of these sections stand embodied in Appendix 'E'.

2.4 Programme of Test Audit

2.4.1 The programme of work of Internal Test Audit Section for each month should be got approved from the A.G. on 1st of the month preceding the month to which the programme relates. The Sections to be taken up for test audit inward and outward accounts (which are to be checked), items for horizontal check and month of account for detailed scrutiny should be got selected by the A.G.

2.4.2 After selection of sections, an advance intimation should be sent to the sections concerned for keeping the records ready.

2.4.3 A register of selection of sections for test audit showing the position of the number of sections in each function group should be maintained in the following proforma.

CONTROL REGISTER OF TEST AUDIT OF SECTIONS

<i>Sections</i>	<i>Details of the work done</i>	<i>Date of last Inspection of the unit</i>	<i>Date of commencement Inspection.</i>	<i>Date of completion of Inspection</i>	<i>Test Audit unit</i>
1.	2.	3.	4.	5.	6.

2.4.4 As far as possible, Internal Test Audit of Sections in a functional group should be arranged in one spell. This would facilitate spot-lighting the common weakness and deficiencies in the working of sections in the functional group and concentrated action to remedy the deficiencies. In case of large functional group (e.g. compilation sections) I.T.A. can be arranged in 50% of the Sections in one spell and of the remaining 50% of the sections in other spell. In case of small functional groups such as Account Current Sections, Central Treasury Sections etc. I.T.A. can be arranged in one spell.

2.5 Process of Test Audit and preparation of Report

2.5.1 Records required by the Internal Test Audit Section should be made available by the Sections within two days. The sections should ensure timely submission of records in a complete manner once the Test Audit is taken up. In its turn, Internal Audit Section should ensure that the records brought from the sections are returned promptly.

2.5.2 It is not practicable to prescribe the exact details of check to be exercised during Test Audit of each section for various functional groups as the work in each group varies considerably. However, in order that important areas in branch, group or sections are not left uncovered or omitted a check list, listing important points to be seen during test check, should be prepared as prescribed in Para 2.2 above. The test audit of sections should bring out omissions, defects, deficiencies,

irregularities, areas of weakness, hidden arrears together with suggestion for improvement in procedure and rectification of mistakes.

2.5.3 The Internal Test Audit Section should prepare notes in duplicate as and when the test audit of the section progresses and issue the Test Audit Memos (Preliminary observations) numbered serially on completion of particular item of work or on completion of day's work. The original sheets should be handed over to the Section through the Branch Officer and acknowledgment should be taken on the duplicate copy.

2.5.4 The Test Audit Memos should be issued in batches during the course of Test Audit. I.T.A. should be deemed to have been completed after 3rd day of the issue of last inspection memo.

2.5.5 The sections should attend to the remarks of ITA with utmost expedition. All cases of minor acts of omissions should be rectified by the sections and verified by the Internal Test Audit Section on the spot and action initiated in respect of points which cannot be settled at the Test Audit stage itself. With a view to settling as many objections as possible before the preparation of the final report, the Branch Officer of the section test audited should if possible discuss the points raised by the Internal Audit Officer.

2.5.6 The replies to Test Audit memos after verification of facts and rectification of mistakes should be furnished by the sections concerned

within five days of the receipts of the Test Audit Memos in the section. Time to be allowed for the last inspection memo is only three days. If replies are not received from the section within this prescribed period the matter should be reported to the Group Officer/Accountant General.

2.5.7 The period of five days or three day as the case may be for furnishing replies to Test Audit memos is only to give the section test-audited, an opportunity to verify the facts. If however, the replies to Test Audit Memos are not received within the prescribed period, the Test Audit Report should be finalised and issued without waiting for the replies to Test Audit Memos. The position as such should be suitably explained in the notes to be submitted to the Accountant General for approval of the Test Audit Report.

2.5.8 Within 3 to 5 days of receipt of last batch of replies to the Test Audit Memos from the Sections, a Test Audit Report, which should be a synopsis of the Test Audit of the working of the section is to be prepared and submitted to the Accountant General. The test audit report should be prepared in two parts Part `A' would contain more important and serious defects and irregularities while Part `B' would contain minor and less important defects and irregularities. Two Registers one for watching the progress of test audit called `Watch Register' and another to watch the progress of clearance of paras by issuing reminders/rejoinders etc. called

'Progress Registers' should be maintained in ITAS. The forms in which these registers are to be maintained are given below: -

WATCH REGISTER

<i>S.No.</i>	<i>Month</i>	<i>Section /completion of I.T.A.</i>	<i>Date of commencement</i>		<i>Date of receipt of last batch of I.T.A. notes reply from section</i>	<i>Date of receipt of last batch or</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>From</i>	<i>To</i>	<i>(6)</i>	<i>(7)</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>

<i>Date of final - isation of TAR</i>	<i>Date of Submission to A.G.</i>	<i>Date of approval by A.G.</i>	<i>Date of communication or remarks closing of TAR</i>	<i>Date of remarks</i>	<i>of final</i>
<i>(8)</i>	<i>(9)</i>	<i>(10)</i>	<i>(11)</i>	<i>(12)</i>	<i>(12)</i>
<i>(8)</i>	<i>(9)</i>	<i>(10)</i>	<i>(11)</i>	<i>(12)</i>	<i>(12)</i>

PROGRESS REGISTER

<i>S.No.</i>	<i>Name of section</i>	<i>No. of paras</i>		<i>Due date for receipt of reply</i>	<i>No. & date of of remainder</i>
<i>(1)</i>	<i>(2)</i>	<i>Part 'A'</i>	<i>Part 'B'</i>	<i>(5)</i>	<i>(6)</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>

<i>Date of Ist reply</i>	<i>Date of issue of further reminder/rejoinder</i>	<i>Date of further reply</i>
<i>(7)</i>	<i>(8)</i>	<i>(9)</i>
<i>(7)</i>	<i>(8)</i>	<i>(9)</i>

2.5.9 (a) The I.A.O. will have discretion to include various paras in Part 'A' of the Test Audit Report keeping in view the importance and seriousness of the defects/omissions. While the minor lapses, defects, etc. need not be mentioned in the Part 'A' of the Test Audit Report. A general or large scale failure to apply even a prescribed routine check may need inclusion in Part 'A' report. The I.A.O. will discuss the results of Test Audit with the Branch Officer and then with the Group Officer before submission of the report to the Accountant General. Compliance to Part 'A' of the I.T.A. report should be received from the section concerned within one month of the receipt of the report duly approved by the Group Officer.

(b) I.T.A. will examine the compliance to the test audit report and submit it to Accountant General alongwith its observations within 7 days of receipt of the compliance :

Notes: Instead of submitting every compliance report to A.G., only first compliance report and then final reply (on the basis of which report is proposed to be closed) need be submitted to A.G. Cases where there is difference of opinion among Group Officer and I.A.O. and cases presenting Any special feature shall also continue to be submitted to A.G.

(Authority - A.G's orders dated 3.12.1974 in file No. ITAS/F.17/K-818/Vol. III)

(c) In case of delays, the position of outstanding reports should be brought to the notice of the Accountant General regularly every month. The report should indicate the names of the sections which have not furnished replies and the period from which the reports are outstanding.

2.5.10 I.A.O. will also send a similar report to the concerned Group Officer by 5th of each month. Using this report the group officer will furnish to the A.G. with an appraisal report on or before 15th of the month indicating interalia the action taken for settlement of the outstanding paras and the difficulties if any, encountered in expeditious settlement of the paras.

2.5.11 In order to ensure that the A.G. is duly informed about inordinate delay, replies to I.T.A reports that are delayed beyond 3 months should

be routed through the Accountant General and names of B.Os/S.Os who were responsible for the delay should be brought to Accountant General's notice specifically. This should also be mentioned in the Monthly Appraisal report of the B.Os and his Handing over note prepared at the time of transfer/leave.

(Authority : TM/84-C/21 dated 26.9.84)

2.5.12 Compliance in respect of minor irregularities reported in part 'B' of the report is left to the section concerned. The section is required to get the paras settled after reporting compliance to the Group Officer.

2.5.13 The position of outstanding items in the previous Test Audit Report should be verified at the time of subsequent Test Audit of the section. Such of the outstanding items which cannot be settled should be incorporated in the latest report and the old Test Audit Report treated as settled. Simultaneously the ITAS should also verify the position in the regard to part 'B' of the ITA report and action taken by the section in pursuance of para 2.5.12.

2.5.14 Within two days of the receipt of the A.G's approval on the Test Audit Report, the Report should be issued to the section concerned.

2.5.15 (a) With a view to avoid time-lag in completion of the test check, finalisation and issue of test audit reports, it has been ordered that the ITAS should finalise and issue the I.T.A. reports within 15 days of the completion, of test check, delays in adhering the schedule should be

explained in the notes to be submitted to the A.G. for approval of the I.T.A. report.

(b) The progress of completion of I.T.A. within the period provided should be closely monitored personally by the IAO and appropriate corrective steps taken for completion of the work as programmed.

(Authority:A.G's orders at para 55/N read with Sectional orders No.ITAS/K-2016/253-55 dated 5.1.1989).

2.5.16 The Internal Test Audit section, should after verification of the final reply of the section to each para, submit them to the A.G. The final settlement of each para should only be under the orders of the A.G.

2.5.17 The test audit report should be finally closed under the orders of the A.G. after physical test check of the compliance reported by the sections.

2.6 Miscellaneous

2.6.1 A half yearly appraisal Report should be sent to the Comptroller and Auditor General detailing the principal defects noticed during the Test Audit and action taken thereon. An appraisal as to whether procedures and systems prescribed have been followed and if not what corrective action has been taken, so that such failures do not occur in future, is also sent to the C.A.G. of India.

2.6.2 The Appraisal Report should also be accompanied by a statement showing the number of sections to be test audited in the particular functional groups, details of sections actually test audited during the half

year in question, the number of sections for which Test Audit Report had not been issued within the time schedule and those for which reports had not been issued at all till the end of the half year. Proforma in which the information is to be compiled and furnished to the headquarters office is appended as Appendix 'F' to this manual.

(Authority No. : 76-Insp.25-80 Insp/19-84 dt.16.2.84 read with No. 63/Insp./11-84 dt. 31.1.90)

The half yearly Appraisal Report is required to be sent to head quarter after the period covered by the yearly Appraisal Report.

(CAG's letter No. 174-Insp/41-76 dt.20.9.76)

CHAPTER–III

Internal Audit of Pay and Accounts Office

3.1 This Chapter deals with the checks to be exercised in the case of Pay and Accounts Office (PAO).

Pension

The following are the illustrative checks for Pension work in PAO.

Sl. No.	Illustrative Procedure
1.	Ascertain the total number of pensioners, number of cases (original and revised pension cases) handled in previous year.
2.	Ascertain the position of outstanding pension cases (with age wise analysis) pending to be finalized in the office as on the beginning of month of internal audit in respect of the following categories:- Pension Cases- Retirement Cases Death Cases Commutation Cases Revision Cases
3.	Examine the system and internal controls for maintaining record of receipt and despatch of pension cases, calling for wanting documents, final reporting and authorization of pension/gratuity/commutation payment orders, recording in the relevant Registers (like PPO Registers, etc.), actual despatch of authority from despatch section, ascertain any defects in the system and ascertain the reasons for delays (if any) at various stages and remedial action taken.
4.	Check whether Government instructions to ensure timely processing and finalisation of pension cases as specified in Chapter VIII of CCS (Pension Rules)

Sl. No.	Illustrative Procedure
	are scrupulously observed both by PAO and the PPOs are issued in advance of the date of retirement.
5.	Ascertain the list of Broadsheets maintained and the position of arrears (if any) as on the beginning of month of internal audit with the details of differences between Ledger figures and Broadsheet figures.
6.	Review the effectiveness of arrangements for audit of pension vouchers received after payment.
7.	Review of security measures for safe custody of PPO/GPO forms.
8.	Ascertain the details of Part Payment cases pending in the office and reasons for pendency. Section-wise details as on the beginning of the month of internal audit may be obtained.
9.	Ascertain how many complaint cases were received during the last 3 years:- (i) Complaints to CAG (ii) Complaints to AG/Group Officer (iii) Others
10.	Ascertain the position of pending complaint cases as on the beginning of the month of internal audit.
11.	Ascertain the number of cases outstanding year-wise and number of complaint cases received from Headquarters office, time taken for clearance, complaint cases pending and reasons for pendency.
12.	Review the effectiveness of monitoring at supervisory level.
13.	Check how timely submission of pension applications is ensured; ascertain the

Sl. No.	Illustrative Procedure
	percentage of pension cases received on time and what action taken to over come the problem.
14.	Ascertain how many overpayments/fraudulent pension payments have been identified and action taken thereof in last 3 years.
15.	Ascertain in how many cases, excess authorization of pension/gratuity by PAO has been detected/reported and the current status thereof.
16.	Review the effectiveness of the Internal Controls relating to Pension in PAO.
17.	Check whether provisional pension/gratuity are settled within the prescribed limit. If not, what action is taken.
18.	Check whether there are cases of delayed payment of gratuity/pension and payment of interest on such delayed payments? Whether responsibility is fixed for delay in finalisation of the cases for which interest on gratuity had to be paid?
19.	Ascertain the number of cases pending for want of No Dues Certificate/Last Pay Certificate and the action taken in this regard.
20.	Check whether special seal authorities are issued expeditiously and in accordance with the prescribed procedure.
21.	Ascertain the details of Anticipatory Pension cases.
22.	Check whether the Anticipatory Pension cases are properly recorded in a separate register and the amount paid has been shown adjusted while issuing pension payment order.
23.	Ascertain the details of Court cases, if any, relating to Pensions.

Sl. No.	Illustrative Procedure
24.	Ascertain the details of honorarium paid for the clearance of Pension cases since last internal audit.
25.	Conduct a detailed check of at least 2% of cases of finalisation of pension, gratuity and commutation of pension authorised by each Pension Section selected at random with regard to admissibility, correctness, compliance with Rules and Instructions, etc.
26.	Check whether a list of persons who are due to retire within a prescribed forthcoming period (like the next 24-30 months or such other period) is being received in PAO. Also check what action is taken in case of non-receipt of such list.
27.	Check whether there is any system to periodically compile the various Government orders and instructions/ clarifications regarding Pension and circulate the same to the Officials dealing with Pension cases.
28.	Check the adherence to the provisions of Civil Accounts Manual, CCS (Pension) Rules, and other relevant provisions of MSO (A&E) Vol. I and other applicable codes, manuals, rules, regulations and instructions of Headquarters, local field office and Government regarding work relating to Pensions in PAO.

Settlement of inter-governmental/ inter-departmental transactions

3.2 Under the prescribed procedure, transactions arising in the accounts of Pay and Accounts Officer which are adjustable by the Accounts Officer of another department are initially booked under the Head “8658-

Suspense Accounts-PAO Suspense – Items adjustable by PAO/AG/Railway/Defence/P&T Accounts Offices”. These are required to be settled in cash with the concerned office. In this regard, it should be ensured that a proper system exists in Pay and Accounts Offices for the settlement of these transactions. Normally, no balance should remain unsettled for a long period. The outstanding balances under these heads should be reviewed with a view to settle these transactions immediately.

The following are the illustrative checks to be exercised in this regard.

Sl. No.	Illustrative Procedure
1.	Check whether registers for the settlement of inward and outward accounts are maintained in the prescribed form and all the columns are completely filled in.
2.	Check whether the acknowledgements of cheques /demand drafts issued in settlement of the accounts have been received and noted in the relevant columns.
3.	Whether the claims outstanding are not very old; where some recovery from the other party is due, the claim has been prepared correctly and immediately.
4.	Check whether the broadsheet in respect of PAO-Suspense is maintained properly. While reviewing the broadsheet, it should be seen whether all transactions recorded in the subsidiary registers are brought out in the broadsheets, the difference between the Accounts and Broadsheet figures are found analysed and action taken to clear the differences. The outward claim and inward claim registers are to be closed every month and while so closing, the details of outstanding items should be indicated. It should be seen whether the

Sl. No.	Illustrative Procedure
	total amount of outstanding claims so shown agrees with what is outstanding as per the accounts. The broadsheet should be closed with full analysis by the prescribed date. It should be seen whether this procedure is followed.

Payments Scrolls-PAO Cheque Register

Sl. No.	Illustrative Procedure
1.	Check whether the payment scrolls alongwith the paid cheques are received from the bank daily//weekly by the Pay and Accounts Officer and the serial number of each entry in the scroll is recorded on the corresponding paid cheques accompanying the scroll. There should be running serial numbers of the payment scrolls for the year.
2.	Check whether the daily payment scrolls are checked in the PAO as required by Civil Accounts Manual (CAM). One copy of scroll should be returned to the concerned bank after recording certificate of correctness. If any discrepancy is found, the same has to be got corrected from the concerned bank.
3.	It is to be seen that on the basis of payment scrolls and paid cheques the entries in the register of daily memo of cheques delivered has been ticked off, the date of encashment has been noted against relevant entries and a list of outstanding cheques has been prepared.
4.	Check whether the total amount of outstanding cheques at the end of each month has been reconciled with the balance outstanding under 8670 –Cheques and Bills.

Sl. No.	Illustrative Procedure
5.	<p>The PAO is required to maintain personally a Register known as Accounts Officer's Check register in the prescribed form. This register should be maintained by him separately for cheques drawn and creditable to Minor Heads 'PAO Cheques' and 'Departmental cheques'. In this register, the total daily issues and encashment of cheques and the balance of unpaid cheques at the end of each month is drawn out and the balance so arrived at should be compared with the total of the cheques outstanding as per list of outstanding cheques. Compliance with these provisions should be checked. It should also be checked whether the PAO has independently tallied the balance so arrived in his books with the amount shown as outstanding, under the Suspense Head 'PAO Cheques'/Departmental cheques' exhibited in the accounts. If any difference is reflected, whether any action has been taken to analyse the same.</p>
6.	<p>Check whether the broadsheet of PAO-Cheques is maintained properly and in the prescribed form and difference, if any, has been explained in full.</p>
7.	<p>Check whether the bank scrolls of receipts and disbursements are posted in the Register of Reserve Bank Deposits/Public Sector Bank Suspense daily/ weekly.</p>
8.	<p>Check whether the PAO is following the procedure of reconciliation of Bank scrolls as laid down under para 2.1 to 2.9 of Chapter 2 of Manual of Bank Reconciliation.</p>
9.	<p>It should also be seen that a list of time barred cheques is prepared every month. Where any payment has been obtained against a time barred cheque under any</p>

Sl. No.	Illustrative Procedure
	<p>circumstances, the matter should be investigated to ensure that no double payment has been authorized by getting a fresh cheque.</p>
10.	<p>The PAOs are supposed to exercise the following checks in regard to payment scrolls / monthly branch bank statements: -</p> <ul style="list-style-type: none"> (a) The paid cheques received in support of Bank scroll are linked with the entries in form PAO 21. (b) The paid cheques with Bank scroll are genuine ones issued by PAO and are not time barred. (c) The amount of paid cheques tallies with the amount shown in the Bank scroll. (d) As for receipts, the amount of scroll correctly relates to PAO. (e) The amount of challan correctly relates to PAO. (f) Correctness of total of payment/receipts in the scrolls is to be checked. (g) Each and every discrepant item is noted in the register in form PAO(RBD) I, and bank is addressed for rectifying the discrepancy. If the amended scroll is not received within a month, matter may be taken up at a Branch Manager's level and at higher level if it is not settled within three months. (h) On receipt of the monthly branch bank statements PAO , the daily totals are checked with reference to daily scrolls and entries in register in PAO (RBD) I. If the amounts in monthly statements differ from amount of the scroll, or for any day scroll has not been received, or item of daily scrolls

Sl. No.	Illustrative Procedure
	<p>has not been included in monthly statement or totals have been incorrectly struck, suitable action has been taken by PAO for rectification/ settlement of the discrepancy in terms of instructions of the Manual of Bank Reconciliation.</p> <p>(i) For discrepancies noticed in monthly branch bank statement, a register in form PAO (RBD) 2 is to be maintained by the PAO.</p> <p>(j) It should be ensured that the amount credited/debited to the Head 8658-PSB suspense agrees with the amounts of payments or receipts as shown in monthly branch bank statements after taking into account the discrepant amounts shown in the registers PAO (RBD) 1 and PAO (RBD) 2.</p> <p>(k) It should be ensured that PAO is receiving the monthly branch bank statements from the Public Sector Bank by the end of first week of the following months. The PAO should complete the verification of the monthly bank statements and get the discrepancies settled within 15 days of receipt of the branch bank statements.</p> <p>(l) In case the missing scrolls are received within a month, it should be verified with reference to monthly branch bank statement. Otherwise the item in monthly Bank statement should be circled with the remarks “rejected as scroll was not received in spite of reminders”. Against the verified items, PAO would indicate the month of adjustment in account. Thereafter PAO will strike a total of the items for the accepted amounts</p>

Sl. No.	Illustrative Procedure
	<p>and record it on all the 4 copies of the monthly branch bank statement.</p> <p>Two copies of monthly branch bank statements are sent to the Principal Accounts Office and two copies to the branch bank.</p> <p>(m)Chart showing the various steps through which the statement for month is processed and time schedule thereto is annexed to Manual of Bank Reconciliation and should be followed by the PAO.</p> <p>It may be verified in Internal Audit, whether the PAO is exercising the prescribed checks as illustrated above.</p>

8670- Cheques and Bills

3.3 Total amount of cheques issued by the PAO in a month is booked in the accounts under the head “8670- Cheques and Bills” and this head is reduced to the extent of the amount of paid cheques as per bank scrolls. The outstanding amount under this head normally represents the amount of uncashed cheques only and should agree with the amount of uncashed cheques as per “Register of Cheques Delivered/ Register of outstanding Cheques.”

Sl. No.	Illustrative Procedure
1.	Check whether the balance shown under “8670-Cheques and Bills” agrees with the list of outstanding cheques.
2.	Check whether action to cancel the time barred cheques is being taken by the Pay and Accounts Officer as per prescribed procedure.

Sl. No.	Illustrative Procedure
3.	<p>Check whether a broadsheet for 'Cheques and Bills' is maintained by the PAO.</p> <p>This broadsheet would indicate the differences between the accounts figures and the register of outstanding cheques. While scrutinizing the broadsheet, it should be seen whether the differences between broadsheet and accounts figures have been analysed and effective action has been taken for their clearance.</p>

8672-Permanent Cash Imprest

Sl. No.	Illustrative Procedure
1.	Check whether the register of Permanent Advance (From CAM 61) for the permanent advances sanctioned to the DDOs is maintained by the PAO.
2.	Check whether in addition to the register in form CAM 61, broadsheet is also maintained.
3.	Check whether acknowledgement of the balance as on 31 st March of the previous year in the month of April has been obtained and aggregate of outstanding balances so worked out from the register of permanent advances are tallied with the figures shown in Accounts (Ledger).

General

3.4 The internal audit party should exercise the following checks while conducting inspection of the PAOs.

Sl. No.	Illustrative Procedure
1.	Check whether the correctness of classification of posting of items over the

Sl. No.	Illustrative Procedure
	prescribed limits have been checked and attested by AAO and PAO respectively.
2.	Check whether a certificate of reconciliation of departmental figures with that of PAO's figures has been furnished by the DDO to the concerned Pay and Accounts Office every month.
3.	Check whether the PAO has reconciled the monthly payments/receipts worked out in the register of Public Sector Banks with the net amount derived from the monthly statement of disbursements and receipts and a certificate in this regard has been recorded in the register; thereafter, payments/receipts for each month have been posted under 8658-Suspense Account-Public Sector Banks Suspense in the appropriate side in the classified abstracts.
4.	Check whether the vouchers have been compiled on the day they are received from cheque section.
5.	Check whether the monthly accounts have been submitted to the Principal Accounts Office on due date.
6.	Check whether instances of delay in submission of monthly accounts are appended to the report of each PAO.
7.	Check whether the procedure prescribed for accountal and reconciliation of receipts with department figures is being allowed. In particular, it must be checked whether the DDOs are furnishing weekly statement of receipts to the concerned PAO, reconciliation of these statements with the statements for receipts furnished by the bank is attended to and discrepancies, if any, are settled.

Sl. No.	Illustrative Procedure
8.	<p>(a) It should also be checked whether a ledger in Form CAM 40 is prepared upto Sub/Detailed Heads as may be necessary based on the progressive figures booked in March (Supplementary) Accounts for each year after taking into account the effect of journal entry if any, introduced. As per para 5.13.1 of CAM, the PAO should submit to the Principal Accounts Office, a copy of the ledger with only Minor head-wise figures. It should be seen whether such return has been sent to the Principal Accounts Office and, as a result, whether action has been taken by PAO on any communication from the Principal Accounts Office in this regard.</p> <p>(b) Review of balances:</p> <p>As per para 13.13.1 of CAM, at the close of financial year, the PAO should verify the balances under the various heads viz. Debt, Deposit & Remittance and ascertain, wherever necessary, whether the person or persons by whom the balance is owned or to whom it is due, admit its correctness and in cases of balances due to Government how far they are really recoverable. Further as per para 13.13.2 <i>ibid</i>, he should also furnish annually a detailed statement indicating against various Heads, the amount of unreconciled differences between broadsheet and ledger and number of cases where acceptance of balances are awaited from the persons concerned to the Principal Accounts Office for the period ending 31st March of the preceding year. It should be seen whether such a statement has been</p>

Sl. No.	Illustrative Procedure
	forwarded by the PAO to the Principal Accounts Office.
9.	Check whether the list of payments are being received alongwith paid vouchers from the cheque drawing DDOs and agreed with the list received from the Bank and the balance of unpaid cheques worked out as in the case of cheques issued by the PAO.
10.	Check whether the compilation sheet, classified abstract, consolidated abstract have been maintained properly. Vouchers selected for detailed audit should be traced in the compilation sheet, classified abstract and detailed checking of monthly accounts should also be conducted.
11.	Check whether the grand total of amount of cheques delivered during the month has been posted under “8670 Cheques and Bills” and agreed with the total of monthly figures worked out as per cheques delivered statements.
12.	Check whether the payments by bank drafts of outstation bills of Pay and Allowances are being booked under PAO- Suspense-PBO (Pay Bill Outstation) in March and are adjusted to final head in the next month by minus debit to PAO- Suspense-PBO.

Issuance of Tokens

Sl. No.	Illustrative Procedure
1.	Check whether a brass token is issued in lieu of a bill received at the counter of the Pay and Accounts Office and Token Number is indicated on the bill.
2.	Check whether the bill received at the counter has been handed over to the

Sl. No.	Illustrative Procedure
	concerned section immediately so as to enable the concerned section to enter the bill in the diary on the same day.
3.	Check whether the token register is being maintained in the prescribed form. Issue and receipt entries have been duly made and attested by the Pay and Accounts Officer.
4.	Check whether a detailed census of tokens has been conducted on 20 th of each month after having enquired from each section regarding the outstanding bills on the date.

Register of Valuables

The following are the illustrative checks regarding scrutinizing the register of valuables: -

Sl. No.	Illustrative Procedure
1.	Check whether the register is being maintained in the prescribed form.
2.	Check whether the Cheques/Demand Drafts received from other offices have been entered in the register on the same day of their receipt in the office.
3.	Check whether the Cheques/Demand Drafts have been sent to bank immediately for credit to Government Account.
4.	Check whether the register is closed fortnightly.
5.	Check whether the credit of valuables has been traced in the banks scrolls and particulars thereof noted in column 9 of the register.

Cheque Section

In regard to cheques, it should be ensured in general that the procedure prescribed for regulation of cheque books and signing of cheques and their payment by the bank as per Civil Accounts Manual is followed. The following are some of the illustrative checks/ points to be seen, while conducting internal audit.

Sl. No.	Illustrative Procedure
1.	Check whether the cheque books are obtained from India Security Press, Nasik and distributed to Pay and Accounts office as per procedure prescribed by Ministry of Finance (Deptt. of Expenditure) O.M. No. 2(27)/76-Spl. Cell dated 14.5.1976, as amended from time to time or whether any other prescribed procedure was complied with in this regard.
2.	Receipt and issue entries in the stock accounts of cheque books may be verified respectively with requisite invoices and cheque books actually consumed.
3.	Check whether physical verification of cheque books is conducted at requisite intervals.
4.	Check whether the correct forms of cheques have been used for all payments in respect of payments selected for detailed audit.
5	Check whether daily account of cheques used is prepared by cheque section and the same also incorporates the cheques cancelled or destroyed.
6	Check whether the number of cheques issued tallies with the position shown in the register of daily payments.

Sl. No.	Illustrative Procedure
7	Check whether necessary intimation to the paying branch of the bank regarding number of cheque books and the number of cheque forms used had been sent before a new cheques book is brought into use.
8	Check whether physical verification of cheque books in the custody of Pay and Accounts Officer has been conducted by an independent officer twice a year i.e., in April and October.
9	Check whether the register of cheques drawn is being maintained properly and in the prescribed form.
10	Check whether a register of cheques delivered is being maintained properly and daily memorandum of payments made during the day is being prepared regularly and passed on to the compilation section on the next day.
11	Check whether the number of cheques issued is noted on the bill and the bill is stamped “cheque drawn’, and that the pay order has been cancelled by the Pay and Accounts Officer.
12	Check whether the paid cheques and vouchers are being recorded systematically, the paid cheques have been arranged in order of bank scrolls and are being kept by PAO in his safe custody.
13	Check whether the code number of bank is specifically superimposed on each leaf of the cheque book brought to use by the PAO. This should be superimposed on each leaf of cheque book immediately on its being brought to use.

Compilation and Submission of Accounts

It should be checked whether the accounts are compiled regularly and sent to the Principal PAO in the Office of the DACR, New Delhi for preparation of accounts for the Department.

Check of General Provident Fund (GPF) Accounts

- (i) Check whether:
 - (a) Account number has been allotted and noted prominently in the PBR and a reference to old GPF Account number is also given.
 - (b) The Receipt of nomination has been noted in PBR.
 - (c) The monthly reconciliation sheet prescribed is prepared every month and the discrepancies, if any, settled in the following month at the latest.
 - (d) In the case of closure of accounts, either due to retirement/transfer etc. the words ‘Accounts closed in.....’ along with reason for closing has been written prominently in red ink over the initials of the PAO and the amount paid posted in the withdrawal column of abstract. In this connection, Correction Slip 85 to para 6.8.1 of Civil Accounts Manual may be referred to.
 - (e) The ‘missing’ credits/debits intimated by the PAO are separately noted and the matter pursued with the PAO regularly and such of the missing credits transferred subsequently by the PAO are posted correctly in PBR with suitable remarks.

- (f) The recoveries/withdrawals for the year are totalled up and posted in the abstract portion of GPF at the close of the year.
- (g) The interest has been credited to the subscriber's account during the year and the total figures thereof intimated to the PAO for carrying out the account adjustment.
- (h) The interest calculation sheets are available and initialed by the person who calculated and by the person who checked them.
- (i) The closing balances have been worked out correctly and carried forward for the next year and the opening entries attested by the PAO.
- (j) Annual reconciliation of balances has been prepared and entries therein are posted correctly from the entries in the PBR, totals under different columns are worked out correctly and agreement of balances effected as per the instructions given therein.
- (k) The annual accounts statements to the subscribers are issued by 15th May or such other due date, as may be prescribed.
- (l) Acknowledgements of subscribers towards final payment of GPF are being watched by the DDO. This is necessary as the register of final payment cases (CAM-51) has been dispensed with.
- (m) An annual review of Provident Fund Accounts should also be conducted after the despatch of annual accounts mainly to see that there are no cases of omission to open ledger accounts or maintenance of duplicate accounts for the same subscriber to

examine generally that credits appear in all the months and reason for non-recovery or irregular recovery of advance and subscriptions are properly recorded in the ledger folio and that the balances are correctly carried forward from year to year. A detailed re-check of the postings, specially the debits should also be conducted in such a way that at least one month's credit postings and all the twelve (12) months debits postings are checked fully. This review should be got done by staff independent of maintenance of broadsheets and may be entrusted to Internal Audit Wing.

- (n) The review remarks on the check of the Provident Fund Accounts should be prepared in duplicate. One copy of the memo should be given to the section for compliance/rectification of the observations. At the end of the review, a consolidated report containing observations of the I.T.A. which are not compiled with by the section on the spot, should be issued. The report should be issued to the PAO after approval by the A.G. and pursued as prescribed for the other ITA reports.
- (o) Ledger cards of the staff of the Audit Office (Check should be complete by Sept. each year. To detect any incorrect carrying over the provident fund balances to the new Volume of the provident fund ledger and to guard against any resultant

overdrawls of fund balances, it has been decided by the Comptroller & Auditor General that opening balances in General Provident Fund account of the employees of the Accountant General's own office should be got checked by Internal Audit Section once a year on a date to be fixed by the Accountant General after the closing balances in the accounts for the previous year have been brought forward and attested/checked in the Provident Fund Section.

(Auth.: CAG No. 1875-Tech. Admn. II/383-67 dated 13.8.68)

- (p) The instructions in paragraph 12.32 MSO (A&E) Vol. I are observed:
- (i) The accounts of subscribers who have ceased to be in service have been promptly closed and refunds authorized:
 - (ii) There has been no omission to issue supplementary refund orders in cases where credits have been undisbursed:
 - (iii) There has been no omission to transfer the balance of the subscribers who have quitted service to "Unclaimed Deposits" in March Final accounts under the rules of the Fund.
 - (iv) The subscriptions are within maximum and minimum limits; and

- (q) All final payments in excess of Rs. 25000/-have been correctly made.
- (i) The Review of Provident Fund Accounts should be entrusted as far as possible to Sr. Acctts/Selection grade Accountants only;
 - (ii) The review work should be closely supervised by the Internal Audit Officer.
 - (iii) The deficiencies/omissions in proper maintenance of P.F. Accounts should be brought to the notice of the A.G. for proper pursuance and rectification of the defects.

Checks relating to long term advances

The checks listed at Sl.No.(c), (e), (f), (g), (h) and (j) of (i) above relating to GPF accounts may be applied mutatis mutandis.

In addition, the following checks should be applied, viz., whether: -

- a) The balances outstanding at the close of the year have been intimated to the loanees and their acknowledgements received and noted and action, if necessary, taken to get the discrepancies reconciled.
- b) The insurance of vehicle/house has been done and/or renewed periodically and necessary note kept in the register.
- c) The mortgage deed has been received and kept in the custody of the Head of Department.

- d) The interest calculated on completion of repaying of principal, is correct with reference to the detailed working sheets.
- e) Action has been initiated for reconciliation of differences between the balances noted in the PBR (based on the figures shown in the Last Pay Certificate) and the amount actually intimated by the PAO in the case of persons coming from other DDO/Department.

Checks relating to recovery of foreign service (FS) contributions

Check whether: -

- (a) The essential particulars for calculation and recovery of leave salary/pension contributions (e.g. date of commencement of FS/Period of FS, Leave availed during foreign service/ Joining time are available with the PAO.
- (b) The contributions determined are correctly based on the data available with the PAO.
- (c) Recoveries relating to pension and leave salary contribution and payment of leave salary, if any, are posted in the PBR based on the intimation received from PAO and the outstanding recovery worked out at the close of each year.
- (d) The Penal interest has been levied in case of non-recovery/ belated receipt of contributions from the foreign employer/individual.
- (e) On completion of foreign service, the service book is sent to the PAO for making entries relating to receipt of contribution.

Checks relating to contingent expenditure

The following are the illustrative checks to be exercised during internal audit:-

Sl. No.	Illustrative Procedure
(a)	Check the system in vogue for safeguarding that payments against sanction of special charges are not in excess of the amount sanctioned and that the same sanction is not acted upon twice over.
(b)	Check that payments of rent, telephone and other periodical charges are posted in the relevant register and safeguards against the payments (for a particular period) being made twice over, exist.
(c)	In respect of vouchers for selected month, check up the payments completely with reference to the original sanctions and registers.
(d)	Check whether the DDO has submitted the detailed contingent bills in respect of all the amounts drawn on abstract bills. Cases of non-submission should be specifically commented in the report.

Register of cheques delivered

Sl. No.	Illustrative Procedure
1	Check whether the account of cheque forms (CAM-2) has been maintained and periodically submitted to the PAO.
2	Check whether the DDO's acknowledgement has been obtained in all cases and the cheques have been delivered on the same day.
3	Trace the cheque number, date and amount given in the selected months vouchers with the entries in the Register of Cheques delivered.

CHAPTER - IV

Internal Audit of VLC and Computerization

- 4.1 There are significant advances in the field of Information Technology in this department and Offices of the Accountants General are increasingly dependent on computerized Information system to conduct their operations and to process, maintain, and report essential information. This has brought radically different methods of processing, recording and controlling information and has resulted in many previously separated functions being combined. It is therefore essential to ensure effectiveness and efficiency of the operation, reliability of reporting and compliance with the rules and instructions.
- 4.2 Controls are very important in a computerized setup and the objectives of controls do not change with the introduction of computers. Instead, it is the control techniques that change with introduction of computerised systems in place of manual systems.
- 4.3 The information systems in the office of the AG (A&E) can be divided into two parts.
1. Voucher Level Computerization (VLC) system
 2. Systems, other than VLC

Voucher Level Computerisation (VLC)

- 4.4 Most of the accounting functions in the Offices of the Accountant General (A&E) has been computerized under Voucher level Computerization (VLC). Sailer features of VLC are as under: -
1. VLC Application has been developed in Oracle with forms and reports in Developer 2000.

2. VLC application has been developed by outside vendors (software companies).

3. VLC application has number of modules like Security Module, Master Module, Treasury Module, Forest Module, PW Module, AC Module, Book Module, Loan Module, Deposit Module, Budget Module, Finance Account Module, MIS Module, Audit Module, History and trend analysis Module, Enumeration Module, etc.

4.5 A broad work flow showing flow of important activities in VLC set up during every month is shown below.

(1) Data capture/ reconciliation
(2) Authorization
(3) Posting
(4) Updation/generation of Monthly accounts
(5) Generation of various reports like classified Abstract, Consolidated Abstract, Compilation report, DAA Broadsheet, OB Suspense Broadsheet, Report on Expenditure (Monthly Appropriation Accounts)

4.6 Data capture- Data capture can be divided into two parts, viz., (1) data which forms part of the monthly accounts and (2) Other data.

(1) Data which forms part of the monthly accounts

(a) Voucher packet/bundle details (I LIST)
(b) Voucher (I LIST)
(C) List of payment (I LIST)
(d) Vouchers (II LIST)
(e) Challans/Receipts Schedules as the case may be.
(f) List of payment and Cash Accounts for the month.
(g) Transfer Entries
(h) Forest Accounts, Public Works Accounts or any other compiled Accounts (like PAOs)

(2) Other data

(a) DC bills received from DDOs (Captured after scrutiny as per para 5.26.2 of MSO (A&E) Vol. I.
(b) Details of Contingency fund transactions
(c) Details of Loan transactions
(d) Details of various schedules (Remittances, deposit, advance) from PW and Forest Accounts for Broadsheet purpose
(e) Various Schedule in deposit section for Broadsheet purpose.
(f) Sanction Orders for sanction of Grants in aid.
(g) Sanction Orders for withdrawal from contingency Fund
(h) Utilization Certificates received from Sanctioning Authority / State Government against Grants in aid Vouchers (Para 16.9 & 16.10 of MSO (A&E-1 st edition) Vol. I.
(i) Details of Deposit and withdrawal (treasury cash chest) received from Treasury as well as from RBI.

Data which forms part of the master data is either captured annually or at any time when master is required to be updated.

- 4.7 **Authorization-** Authorization is a process allowed by the supervisory staff. No changes can be made in the data once it is authorized Supervisor can, however, allow any changes, if necessary.
- 4.8 **Posting-** Posting is a very important process in generation of Accounts. No changes can be made by any body after posting is done. Posting gives accounting impact to the data captured from various sources/documents. Any misclassification found after posting is done can be rectified only by a transfer entry.
- 4.9 **Updation and generation of Monthly Civil Accounts-** As soon as posting of all the data is completed, Monthly Civil Accounts are generated.

- 4.10 **Reports_** As soon as Monthly Civil Accounts are generated, almost all the reports like classified Abstract Consolidated Abstract. Compilation report, DAA Broadsheet, OB Suspense Broadsheet, Report on Expenditure (Monthly Appropriation Accounts) can be printed.
- 4.11 The illustrative checks to be exercised and points to be seen during internal audit of VLC and other Computerized Setup are indicated in the Appendix.

CHAPTER - V

5. MISCELLANEOUS AND GENERAL REVIEWS

5.1 The I.T.A.S has been entrusted with certain important general and miscellaneous reviews to ensure that: -

- (i) (a) any special or important item of work carried out by a Branch or Section conforms to the rules and procedures laid down and;
- (b) the facts and figures furnished to Headquarters office are correct and they reflect the true position.
- (ii) The nomenclature of these items of such review together with the periodicity, due date, authority for check and special points if any, to be seen are indicated below:-

ANNUAL

5.2 Report on the maintenance of rosters for scheduled castes and scheduled tribes.

- i) The Cabinet Secretariat (Department of personnel), Government of India have decided that the rosters maintained for giving effect to the reservations provided for Scheduled Castes and Scheduled Tribes in service should be subject to annual inspection by Liaison Officer appointed in the Ministries and Departments for compliance with the orders of reservation. In order to implement this decision in our Department it has been decided by the Comptroller and Auditor General

that the annual inspection should be conducted by the Internal Test Audit Wing. Immediately after the roster for recruitment/promotions in Group 'C' and Group 'D' are closed after 31st December, the Internal Test Audit Wing should undertake its inspection. The Inspection Report detailing all the defects omissions etc. in the maintenance of the rosters should be sent to the Comptroller & Auditor General by the 15th April each year. If no defects are noticed a 'Nil' report should be sent.

(CAG's Letter No.2164/NGE-II/58-70/I dated 17.12.70 & S.No. 2497-N-III/24-82/III dated 1.10.83 issued vide circular No. NGE/Group Circular /N/60/1983)

(ii) The points to be seen by the Internal Test Audit Section are detailed in Para 3 of Comptroller & Auditor General's letter No.2164-NGE UI/58-70/I dated 17.12.70 (extracts given below): -

"Immediately after the roster for recruitment/promotions in Class III and IV cadre are closed after the 31st December, the Internal Test Audit Wing should undertake its inspection. It should be seen, inter alia, that the point at which recruitments/promotions have been started during the year are correct with reference to the points at which they ended during the previous year; that the orders regarding reservation of points in the Model rosters, and preparation of panels of Scheduled Castes/Scheduled Tribes by judging them with relaxed standards are followed, that the instructions in the brochure regarding efforts to be made to attract Scheduled Caste/Scheduled Tribes candidates are complied with, etc. It

should be specially seen that orders of dereservation have been obtained from the Cabinet Secretariat (Department of Personnel) before treating reserved vacancies as dereserved and filling them by general candidates. The inspection Report detailing all the defects, omissions, etc. in the maintenance of the rosters should be sent to the Asstt. Comptroller and Auditor General (N) who is the liaison Officer for the I.A.&A.D., through the heads of the Audit offices concerned, latest by the middle of March each year. If no defects are noticed a 'Nil' report should be sent.

Note: Inspection with regard to maintenance of rosters, proforma of the register in which to be maintained, proforma for inspection of rosters etc. as prescribed at paras 4.3 to 4.5 of the brochure on Reservations for Scheduled Castes and Scheduled Tribes in service have been annexed as Appendix "H" to this manual .For detailed instructions on the Subject, the Brochure mentioned above should be referred.

The Internal Test Audit Wing will adopt the proforma prescribed by the Comptroller and Auditor General in his letter No. 1102/NGE/58-70/II dated 14.5.71 for conducting the inspection.

5.3 Independent recheck of the details in support of the staff proposal (item 12 of Annexure to Para 18.5 of CAG's M.S.O(A&E) vol.I.

The check should be completed by 31st August each year.

- (a) The 'Register of Statistics' is the basic record for the preparation of the staff proposals. Proper and accurate maintenance thereof is very essential. To ensure that the Register of Statistics has been

properly maintained by various sections of the office it has been decided by the Comptroller & Auditor General that the Internal Test Audit Section should check the proper and accurate maintenance of registers during the Test Check of the work of various sections. The correctness of the statistical data records in the register of Statistics should also be checked by the Internal Test Audit Section in respect of Atleast 10% of the sections in each group like Departmental Compilation, Account Current, Admn. Branch etc. While conducting the independent recheck of the details in support of the staff proposals for inclusion in the budget.

(CAG's letter No. 1198-BRS/176-68 dated 2.5.70)

- (b) The selection of sections in each group should be got approved by the A.G. Check on the report of outstanding balances under Suspense and Remittance heads and differences between Ledger and Broadsheet figures in respect of Debt Deposit and Remittance heads to be completed in November each year.
- (i) While submitting to the Comptroller & Auditor General of India, the Report on the outstanding balances under Suspense and Remittance Heads and differences between Ledger and Broadsheet figures in respect of Debt, Deposit and Remittance heads, a test-check of the report should be conducted by the Internal Test Audit Section to satisfy on the (i) completeness of

the reporting of outstanding balances and differences (to see that there is no omission of and head of account under which there is a balance) & (ii) reconciliability of the outstanding so reported with the net accounts figures (to ensure that the total outstanding amounts tally with the net account figures). On the basis of this test-check certificate to the effect that the return is complete and that it is a full report of outstanding balance and difference between Broadsheet and Ledger and that the balances, are reported in detail and in gross terms and these tally with the net figures in the finance Accounts, should be furnished with the first report. If for any reason it is not feasible to do so in the first report, the certificate must be furnished in the first follow-up report.

- (ii) To enable the Internal Test Audit Section to test-check the report, Book Section should send the material (including the ledgers and reviews furnished by the sections) to the Internal Test Audit Section a fortnight in advance i.e. by 1st October. In case of delay in finalising the Finance Accounts, the record should be sent immediately after the despatch of the First Report so that the test-check should be completed before finalising the first follow-up report.

(CAG's letter No. 532-/Comp. 38-72 dt. 18.5.72 and 674 - Comp./179-71 dated 11.7.72).

- (iii) The certificate to be recorded by the Internal Test Audit Section should be supported by details in the proforma prescribed by the Comptroller and Auditor General in January, 1977 (CAG's letter No. 1910-Comp/226-75, dt.11.1.77 and in accordance with further instructions issued in the matter vide No. 450-Insp/52-80 dt. 29.11.80.)

5.4 Peer Review

Peer Review means conduct of re-examination or retrospective evaluation of work done by a person of similar standing. The idea of Peer Review is to ensure that we maintain our creditability by adhering strictly to professional accounting standards and best practices so far as AG (A&E) offices are concerned. According to the general guidelines for Peer Reviewers, the Peer Review seeks to review the following aspects in Accounts Offices: -

- (1) Performance measures, Effectiveness, General Quality Control and General Management Practices
- (2) Accounts, GPF and Pension Wings where the same are in existence.
- (3) Application VLC system in accounting services.

The provisions for the check of all the above aspects by the ITAS already stand embodied in Appendices 'C' & 'D' and chapters III & IV of this manual. The Peer Review is thus indicative of the fact that the ITA Section needs to be more responsible and effective in the discharge

of its function. The Director General (Inspection) will inform the office selected for Peer Review as well as the Team Leader of Peer Review group about the selection. The work of the Peer Review will be overseen by the Peer Review Board approved by the CAG.

One Assistant Accounts Officer of I.T.A.Section has also to be associated with Peer Review team when office of A.G. (A&E) Rajasthan is selected for the said Review.

[CAG Letter No.05/Peer Review/2006-07/415 dated 01.06.2006 File No. ITAS/A&E/K-2811/Peer Review (Raj.)]

5.5 Half Yearly Review of cash book (Review to be completed during February and August each year)

Half Yearly review of cash book of the office should be conducted by the I.T.A.S. to ensure that:-

- i) There is adequate control over the section which handles cash.
- ii) The records maintained in the Cash Section are as per rules and regulations laid down in the General Financial Rules and the Establishment Manual, and
- iii) There is effective system of supervision in the matter of drawl, custody, disbursement and accounting of cash.

***Note:-**This item was previously included in Annexure to Para 18.5 of C.A.G's M.S.O. (A&E) Vol.I. This has now been left at the discretion of the A.G. as per headquarters letter No. 456-*

O&M/19-87 dated 30.4.87 (Annexure A) read with letter No. 626-O&M /19-87 dated 26.7.87. The section may, therefore, obtain specific orders of the A.G. for carrying out half yearly review of cash book".

5.6. Review of Disposal of complaints

- (i) With a view to ensuring that prompt and adequate action is taken in case of complaints received by Accountants General (including those received in Comptroller and Auditor General's office and referred to the Accountant General), it has been decided that the Internal Test Audit Section should undertake every month a test check (say 5 to 10%) of the complaints received in this office including those addressed by name to the Accountant General/ Sr. Deputy Accountant General/ Deputy Accountant General and those received direct by sections. While the manner of selection is left to the discretion of the Accountant General, the Internal Test Audit Wing should review all cases which have not been settled for six months from the date from which the complaint was first lodged and a report of the cases should be submitted to the Accountant General each month.

(CAG's letter No. 687-Insp/1-DI/KW dt. 26.11.71)

- (ii) The selection of sections for review of disposal of complaints should be got marked by the Accountant General once a quarter. The review report, on the disposal of complaints for each month

indicating the selection, purport number, date, from whom received, list of the complaint, action taken by the section and remarks of Internal Test Audit Section should be submitted to the Accountant General every month in respect of the complaints received (in the section marked for Review) during the second preceeding month of review e.g. the review report for April should relate to the disposal of complaints received in the section during February).

5.7 Continuous Review

Test Check of Service Books of Staff of the office

- (i) As per Annexure to Para 18.5 of the Comptroller & Auditor General of India's Manual of Standing Orders (A&E) Vol.I, the Internal Test Audit Section is required to test-check the service books of the office staff so that all the service books are subjected to check within a cycle of four years. The check of service books of office staff (including those likely to retire within the next 5 years) should include the check of the related leave account also.
- (ii) A register containing the names of several categories of staff viz. Asstt. Accounts Officers, Section Officers, Sr. Accountants, Clerks, Group `D' officials whose service books have to be checked should be maintained. This register is to be written up at the beginning of the four year cycle based on men in position with reference to Pay Bill Registers maintained in the Bills sections.

- (iii) Based on the number of men in position as arrived at in sub-para (i) above, the number of service books to be checked in each category for a month in a cycle of four years is determined and this required number of service books to be checked in each category should be called for from the Establishment Section over the signature of the Section Officer/Internal Test Audit Section and reviewed.
- (iv) A note of the check by the Internal Test Audit Section is to be recorded in the service books indicating the month upto which the check has been completed so as to ensure that same service book is not selected for check twice within the four year cycle. The register should also be reviewed at the beginning of every year to update it with reference to additions or reductions of staff as per new pay bill registers opened by the Establishment Section.
- (v) The check of service books should be conducted with reference to the personal files in respect of each official maintained in the Establishment Section. The check of service books should include the check of leave accounts therein.
- (vi) The service books of the officials deputed to the offices of the Directors of Audit and Accounts, Indian Accounts in United Kingdom and United States of America should be checked by the Internal Test Audit Section before the service books are sent

abroad so that the next review will not become due before the term of deputation of the officials expires.

- (vii) The remarks raised as a result of the check should be communicated to the Establishment section in convenient batches and replies and rectification of defects watched through the concerned files. The replies to review remarks are to be settled over the signature of the Internal Audit Officer.
- (viii) A report on the results of review/Test check of service books, indicating the number of service books due for check during the year, number of service books actually checked and any important defects noticed and the delay, if any, in settling the test-audit objections should be brought to the notice of the A.G. in the last quarter of each year.

(CAG's letter No. 928-Admn.II/349-61 dated 26.6.62, CAG's letter No. 2468-Admn.I/558-62 dated 17.9.62 & CAG's letter No. 2056 Tech.Admn.II/349 - 61 dated 7.10.65 and CAG's letter No. 1743-TAI/256-70 dated 24.9.70).

Note:-*This item was previously included in annexure to para 18.5 of CAG's MSO(A&E) Vol.I. This has now been left at the discretion of the A.G. as per Headquarters letter No. 456-O&M/19-87 dated 30.4.87 (Annexure-A) read with letter No. 626-O&M/19-87 dated 16th July, 1987. The section, may, therefore, obtain specific orders of the A.G. for carrying out this review.*

5.8 Examination of items of write-off of balances under Debts and Deposits head to "Government A/cs"

In case of proposals for write-off Internal Audit Section should satisfy itself that a dead end has been reached and write-off proposals are supported by full details of correspondence and other action initiated.

5.9 Checking of draft Finance Accounts by ITA, Wing

I.T.A. Wing is required to conduct a check of draft Finance Accounts prepared by Book Section/A.A.D. Section in terms of Headquarters office letter No. 391-Inspection-52/80-317 Report(s)/79 dated 26th September 1980. The guidelines for checking the draft finance accounts before transmission to headquarters office, have been given in Appendix-'I' to the Manual. The check are not exhaustive and can be supplemented keeping in view the actual omission and mistakes in the draft finance account. The ITA while examining the draft Finance Account should also keep in view of procedure prescribed in M.S.O.(A&E) Vol.II.

Horizontal Check

5.10 Horizontal Check is the check of certain processes done in various sections of a branch. While the test audit is in respect of a section selected, (and therefore it covers all the items of work done in that section), horizontal check is carried out in respect of an item common to many sections of a branch, or branches. Horizontal Check of an item in

respect of group of sections of a branch gives a comparative picture of each section in respect of that item. Horizontal Check is useful and supplementary to test audit of section. It is left to the discretion of the Accountant General/Principal Director to arrange for the horizontal check whenever he considers it to be useful and necessary.

5.11 The following records of one branch at least should be taken up each quarter for Horizontal Check: -

- a) Calendar of Returns
- b) DAA Suspense Broadsheet
- c) Register of Statistics
- d) Objection Book Suspense Broadsheets

5.12 The horizontal check is not restricted to the items referred to in the above para. Selection of other items of work for horizontal check depends upon the circumstances and the need for such check. A list of such items is given below. If considered necessary, one or more items from this list may be selected for horizontal check. This list is not exhaustive, items may be added from time to time.

- i) Register of Statistics
- ii) Slip Register
- iii) Maintenance of other Registers and Objection Book
- iv) Permanent Advance Broadsheet
- v) Subsidiary Registers for Noting AC Bills
- vi) Register of Errors/Transfer Entry Book
- vii) Appropriation Audit Register
- viii) Register of Periodical Adjustments
- ix) Register of Missing Debits
- x) Insurance Advance Register and Objection Book
- xi) Register for watching Receipts of Government Orders
- xii) Register of recovery at the instance of Audit
- xiii) Unposted items of one month's test check and the action taken for clearance.

5.13 The results of check should be communicated to the sections concerned and compliance watched.

CHAPTER - VI

Relationship between Internal Audit and Directorate of Inspection

- 6.1 The IA Wings can usefully supplement the work of the DG(Inspection) and also serve as liaison between him and the field office in pursuing the objections raised by him till their final settlement and issuing instructions to ensure that the irregularities pointed out by him do not recur.
- 6.2 The DG (Inspection) at Headquarters Office will be the nodal section for over-seeing the work of IAD. When an Inspection Party goes for field inspection, it reviews the functioning of the IA Wing. The IA Wings can investigate the procedural omissions, irregularities and audit lapses brought to notice by the DG (Inspection) and submit appraisal reports of the work done by the IA Section to the DG (Inspection)
- 6.3 While IA is an instrument of control available to the Heads of field offices DG (Inspection) can be helpful to CAG in formulating general policies in rectification of persistent defects in particular areas.
- 6.4 While it is necessary to bring important lapses in the management of field offices to the notice of CAG by the DG (Inspection), routine and procedural lapses can be left to be dealt finally by the heads of the field offices through their IA Wings.
- 6.5 For the guidance of IA Wings in field offices, in October, 2003, DG (Inspection) has issued a Best Practice Guide which was also placed on

CAG intranet. The guidelines in the Best Practice Guide are not to be taken as exhaustive but to be referred as ready reckoner to activate various groups and controlling sections concerned through their IA Wings.

- 6.6 The IA Wing will be responsible for generating monthly report covering at least these guidelines indicating clearly areas of concern to Headquarters and submission to DG (Inspection) by 10th of the following month, or such other date as may be prescribed from time to time, in the prescribed format indicated in Annexure-A.
- 6.7 The IA Wing will co-ordinate the field inspection by the parties of the DG (Inspection). It can also be entrusted with the work of co-ordinating the peer review work in the office.
- 6.8 The replies to the reports of the DG (Inspection) should be vetted by the IA Wing and submitted to DG (Inspection).

CHAPTER - VII

7. MISCELLANEOUS

7.1 General

The Instructions contained in the Manual of General Procedure and the relevant portions in Establishment Section Manual regarding maintenance, closing and submission of all common registers like Attendance Register, Casual Leave Account, Duty Register, Register of cases, Receipt Register, Despatch Register, Calendar of Returns, Report on handing over of charge, requisition from/handing over to old records and Register of events etc. are applicable to the Internal Test Audit Section.

7.2 CALENDAR OF RETURNS

The I.T.A.S. is required to maintain proper Calendar of Returns to ensure that all the returns due to or due from other authorities to the section are despatched/received in time. The form of Calendar of Returns is annexed at appendix 'J' of this Manual, the section has to ensure that all the returns prescribed there in are submitted to the authorities on due dates. In addition to the above the section has also to ensure that specific reports prescribed/deleted from time to time are mentioned in the Calendar of Returns to keep it up-to-date. The Calendar of Returns should be put up to the Branch Officer on every Tuesday of the week, and to the Group Officer on every third week of

the month. The responsibility for proper maintenance of Calendar of Returns rests with the Section Officer.

7.3 MONTHLY ARREAR REPORT: -

The I.T.A.S should prepare a monthly report on the state of work in that sections like other sections in the office. The proforma in which monthly arrear report is to be prepared is annexed at Appendix 'K'. The arrears in conducting the I.T.A. section should be exhibited alongwith other arrears in accordance with the norms prescribed for different items of work. The Monthly Arrear Report should be submitted to the Branch officer by the fifth of each month. The report should be carefully prepared and it should reflect state of work in the section as it stood on the last day of the month.

While approving the arrear report, the Branch Officer should verify the actual position of arrears in the section and exercise proper check over the correctness of the arrears depicted in the Report.

Arrears in the Internal Test Audit Wing are to be computed at the rate of 30 mandays per section.

7.4 QUARTERLY ARREAR REPORT

The I.T.A.S is also required to prepare quarterly arrear report as is being done in other sections of the office. However, arrears on account of incomplete internal test audit need not be shown in quarterly arrear report.

(CAG's letter No. 22-1/Inspn./11-78 dated 01.9.79)

7.5. PRESERVATION OF OLD RECORDS

The I.T.A.S. is required to transfer all the records of its section to the record room when these records are no more required for reference in the section. Detailed procedure for consignment of the records has been prescribed in the Manual of General Procedure which is required to be followed rigidly.

The procedure is, however, outlined in brief for guidance of the section:-

- (a) All the items of records (i.e. registers, guard files, ITA report files, etc.) to be consigned to the record branch should be properly bound or otherwise secured;
- (b) Date of destruction of the records should be recorded on each volume under dated initials of the section officer. Period of preservation of the records has been prescribed in Annexure to para 12.2 (Chapter XII) of the MSO (Admn.) Vol. I The same should be consulted before final consignment of records to the record room.

The period of preservation of the following items of records of the Internal Test Audit Section has been prescribed by the Comptroller and Auditor General as under: -

- | | |
|--|---|
| (i) Internal Test Audit Reports | 2 year after the closure of the report or register and settlement of all paras. |
| (ii) Watch Register and Progress Register. | |

(iii) Director of Inspection Report and Correspondence 1 year after the closure of the report or until the next Inspection on whichever is later.

(CAG's letter No. 1069/TA.II/170-70 dated 27.6.1973)

(iv) Complaints: -

(a) Review Report 1 year provided the paras are settled.

- (c) List of record should be prepared in form No.SY-307 in duplicate and location of the record noted in the sectional copy from the original copy in the custody of the record keeper.
- (d) The serial number of the records handed over should be in one series and not accountant wise or headwise. The lists should be prepared in legible hand writing systematically and yearwise.
- (e) The main principal which should guide the destruction of record should be that so long as an objection is outstanding till then the voucher/file alongwith the supporting documents should not be destroyed even though the period of preservation might have expired.
- (f) For detailed procedure with regard to maintenance, weeding, permanent preservation etc. of the items of record, Manual of General Procedure, Manual of standing Orders and important orders received from the Headquarters office from time to time should be referred to.

7.6 PROPER MAINTENANCE OF FILES

The Internal Test Audit Section is required to maintain correspondence files properly as per provisions of Para 3.03 to 3.06 of the Manual of General Procedure. These points are reproduced below for observance by the section. These should also be kept in view while submitting files to the higher authorities: -

- (i) All files should be noted in the key register and bear its serial number;
- (ii) The name of the section and year of opening should be indicated on all files. Brief subject of file should be noted in the space provided for it. Reference of previous file should also be noted in the file.
- (iii) The Index of the file should contain :
 - (a) Name of the Section;
 - (b) Abbreviated letters indicative of the subject or separate identity which would facilitate its location;
 - (c) Year of opening; and
 - (d) Key Register Number.
- (iv) The index should not be constituted of many words to indicate the subject;
- (v) The note portion of the file should be page numbered and so as its paragraph be numbered, serially

- (vi) All previous references should bear despatch numbers and dates. In case, any previous proposed draft has not been approved/issued, an indication to that effect should be given therein. The draft submitted should also indicate the file number etc.

7.7 Material for Quarterly Demi-Official to the Comptroller and Auditor General

The Internal Test Audit Section should furnish to the Secretary to the Accountant General on the 10th February, May, August and November each year material to be included in the Comptroller and Auditor General appraisal report for the quarters ending 31 st December, March, 30th June and September. It should contain: -

- (i) An appreciation in regard to use of Internal Test Audit as an effective tool of management;
- (ii) The quality of Internal Test Audit work done;
- (iii) Major deficiencies noticed during Internal Test Audit and measures taken for remedy of them; and
- (iv) Action taken on the short - comings pointed out in the report of Director of Inspection.

Note: For “International Standards on Internal Audit” appendix and annexe of page 183 to 198 of Model Internal Audit Manual may be referred to.

APPENDIX – ‘A’

(Referred to in Para 1.2.3)

Items of work to be seen by

A- Internal Audit Officer

- a) Scrutiny of one month's review conducted by the AAO/SO (Departmental Compilation, Gazetted Entitlements and Pension Sections).
- b) Review Register.
- c)
 - i) Outstanding Provident Fund final refund and residual balance cases.
 - ii) Class IV G.P.F. Broadsheets and correspondence regarding reconciliation (II Stage) of difference.
 - iii) Review of outstanding amounts under Provident Fund Suspense.
- d) Examination of items of write-off of balances under Debt, Deposit and Remittance heads.
- e) Half yearly review of cash book
- f) Disposal of telegrams, cent percent check of telegrams
- g) Check of fortnightly reports of outstanding letters

B) AAOs/SOs

Departmental Compilation Sections:

- 1. Calendar of Returns.
- 2. Broadsheet of Departmental adjustment Account (DAA) Suspense (including correspondence regarding difference).
- 3. Correspondence regarding outstanding Annual Adjustments.
- 4. Special items peculiar to individual section.
- 5. Register of Reconciliation

Account Current Sections:

- 1. Calendar of Returns.
- 2. Delay in adjustment of objections raised on outward accounts.

Common to all Sections:

1. Investigation of important arrears
2. Review of correctness to ledger balances
3. Review of annual adjustments
4. Consolidation of monthly arrears reports, if entrusted with this work by the Head of Department (formats given at the end of this Chapter)

The IA Wing should specifically include review of procedures to eliminate scope of possible corruption in the entitlement offices. Strict following of queuing in disposal of cases, discouraging discretion in deciding the priority of disposals and out of turn disposal of entitlement cases and speedy attention to complaints are some of the possible safeguards against internal corruption.

APPENDIX - `B'

(Referred to in para 1.3.6 & 1.4)

Copy of letter No.456-O&M/19-87 dated 30.4.1987, from the Comptroller & Auditor General of India, addressed to All Accountants General (A&E), Senior Deputy Accountant General (A&E), H.P., J&K, Sikkim, Tripura, Deputy Accountant General (A&E), Nagaland, Manipur.

Sub : Effective and Rational functioning of Internal Test Audit Section-Norms for calculation of staff.

I am to state that the existing standards for calculating staff for ITA section have been reviewed with the objective of rationalising the work and specifying staff norms for each identified activity.

2. As a result the list of items of work assigned to ITA and standards for assessing staff requirement are shown in enclosed Annexure.
3. It is stressed that ITA should not function as a substitute to the B.Os and Group Officers, through whom Accountant General normally exercises control over his office. Besides, the attitude of ITA should be to rectify the deficiencies on the spot, by providing suitable guidance to staff and keep down the size of ITA Inspection Reports, issued for subsequent action.
4. To enable the Accountant General to use the ITA as an effective instrument of control, an addition has been provided to the extent of 25 % as a reserve over and above the staff requirements justified as per the norms, for deployment at the discretion of the A.G. in critical areas.

5. ITA will comprise of parties, each manned by 2 SOs and one Sr. Accountant. The section will have one A.O. and one clerk/typist.
6. A computation of the staff required on the proposed norms has been attempted in said Annexure for guidance.
7. This issues in supersession of all previous orders on the subject and will be effective from 1.4.87.
8. The Directorate of Inspection at Headquarters will be the nodal for overseeing the work of ITA Sections. Any proposal to entrust additional work to ITA would be examined by it and referred to O&M Division for fixation of corresponding staff norms.

ANNEXURE

List of items of work to be done by I.T.A. Section and norms for calculating Staff thereof

Sl.No.	Description of item of work	Periodicity	Norms for Calculation of Staff	Remarks
I.	TEST CHECK OF SECTIONS			
i)	P.A.O.	Annual	240 man hours	
ii)	Loans, Deposit, WM & FM	Once in 2 years	144 man hours per section	
iii)	Administration	Once in a year	240 man hours per section	
iv)	Sections not mentioned above	Once in 4 years	144 man hours per section	
v)	Surprise check of 4 GE, Loan and Admn. Sections (To be selected by A.G. at his discretion N.B. : Test check of sections under direct charge of A.G. may be dispensed with	Annual	144 man hours for 4 Sections in a year	
II.	OTHER ITEMS OF WORK			
1.	Accounts			
a)	Check of draft Finance and Appropriation Accounts	Annual	180 man hours	
b)	*Check of review of balance report	Annual		
2.	Administration			
	Check of statistics in support of the staff proposals	Annual	72 man hours	
3.	Complaints			
i)	Cent percent review of all complaint cases which were not settled for six months from the date from which the complaint was first lodged.	Monthly	10 cases per 8 man hours per person	
ii)	Test check of 5% to 10% of complaint cases received in the office addressed by name to the A.G./Group Officers and those	Monthly	20 cases per 8 man hours per person	

Sl.No.	Description of item of work	Periodicity	Norms for Calculation of Staff	Remarks
	received direct by sections through ordinary dak.			
4.	Provident Fund			
i)	Triennial Review of Provident Fund Accounts.	Triennial	80 Accounts per 8 man hours per person	
ii)	**Review of outstanding balances under G.P.F. Suspense.	Half yearly	72 man hours	
iii)	**Surprise check of debit vouchers of G.P.F.	Monthly	24 man hours	
iv)	Quarterly review of residual payment cases outstanding over six months.	Quarterly	48 man hours	
v)	Check of unposted items	Monthly	24 man hours	ITA should verify at random whether the unposted items were not capable of being posted and if so whether adequate action is taken to obtain particulars.
5.	Pension			
	Review of outstanding pension cases	Quarterly	72 man hours	
6.	Gazetted Entitlement			
	Check of service cards of Gazetted officers	To be decided by the A.G.	72 man hours	
7.	All Entitlement			
	Surprise check of entitlement work	To be decided by	48 man hours	Since this item is mostly

Sl.No.	Description of item of work	Periodicity	Norms for Calculation of Staff	Remarks
		the A.G.		covered by the preceding items (GE is covered in Sl.No.1(v) of annexure) an adhoc norm of 48 hours is provided.
III.	ITEMS NOT SPECIFIED	To be decided by the A.G.	A reserved of 25% of the total man hours calculated for Sl.Nos.1 to 7 is placed at the disposal of A.G.	

(* Modified vide H.Q. Office letter No.1105-O&M/19-87 dated 9.4.1991 and dated 1.5.91 – Page 80 File K-1977)

(**Deleted vide CAG's letter No.570-AC-I/21-90 dated 10.8.90 (File K-2139))

Model Internal Audit Manual

Appendix 'C' (Referred to in para 2.2)

Illustrative checks to be exercised and points to be seen during internal audit of Administration Group

Staffing

i)	The number of sanctioned posts for the office in each cadre, viz. Sr.AO/AO, AAO/SO, Sr. Accountants/Accountants, Clerks, miscellaneous posts and Group 'D' staff, the number of persons actually in position and reasons for any variations may be obtained.
ii)	Number of temporary posts, if any, specially sanctioned for clearance of arrears/special items of work indicating the period of sanctions and other details may be obtained.
iii)	Number of sanctioned posts in training reserve and number of untrained officials and reasons therefore may be obtained.
iv)	How many ad-hoc/casual/temporary posts (Group-wise) were sanctioned during the last three years and for what purpose? How many posts were filled in? What are the periods for which those were filled in?
v)	How many members of employees upto and including the grade of Sr.AOs/AOs have been working for more than 5 years in the same group and for more than 3 years in the same sections on date? Whether the cases for their retention are being reviewed from time to time and orders of A.G. obtained in compliance of Headquarters office instructions/instructions contained in C&AG's MSO(Admn.), Vol.I?
vi)	Whether confirmation of any person in initial cadre is held up; if so, ascertain the reasons cadre-wise and individual-wise.
vii)	How many persons were sent on training within 3 months, within 6 months and within one year of recruitment from the period of last test audit to date? How many persons could not be sent on training after recruitment during the period from last inspection to date and for what reasons?
viii)	Whether there has been any case in which candidates otherwise not eligible/educationally qualified as per extant orders/rules was allowed to appear in the departmental examinations? Whether approval of competent authority was obtained?
ix)	How many persons who have passed the qualifying examination are awaiting for promotion? What are the reasons for not making promotion of such persons?
x)	Whether entitlements of Government servants extended with the benefit of Assured Career Progression Scheme have been checked in the light of orders/clarifications issued by Government of India/Office of CAG from time to time.

xi)	How many persons were employed as casual labourers on daily wages as of 1 st of the month of test audit? Find out the date from which employed.
xii)	Whether the engagement of casual labourers was justified with reference to norms.
xiii)	Whether any casual labourer is engaged continuously for more than 206 days in a year.
xiv)	a) Whether Headquarters instructions regarding engagement of casual labourers etc. are being strictly adhered to? If not, the reasons thereof. b) Whether Government of India/Headquarters instructions issued from time to time regarding grant of temporary status to casual labourers are being scrupulously adhered to? If there had been any deviation, the details thereof with justification may be obtained.
xv)	Whether attendance registers are checked by Branch Officers/Group Officers periodically and whether actions are taken on crosses for late coming, absence, etc.
xvi)	Whether Headquarters instructions regarding discontinuance of the practice of operating leave chain are being followed scrupulously? If not, the reasons thereof may be examined.
xvii)	What is the number of Supervisors in position vis-à-vis post sanctioned by Hqrs? It should be seen that the Supervisors temporarily promoted as Section Officers are reverted as and when qualified SOGE passed candidates are available for promotion.
xviii)	What is the number of SOGE passed candidates not promoted as on 1 st January each year? Why they could not be promoted?
xix)	Whether Government of India/Headquarters instructions issued from time to time on compassionate appointments regarding verification of applications, adherence of prescribed quota, time limit for making compassionate appointment, financial condition of the applicant/family, etc. are being strictly followed.
xx)	Whether prior approval of Dy. CAG or such other competent authority was obtained before making compassionate appointments in the cases where it was required under extant scheme of compassionate appointments.
xxi)	Whether Government's instructions issued from time to time on post-based reservations are being followed scrupulously in the maintenance of cadre-wise/methods of appointment-wise reservations rosters? Current status of cadre-wise backlog of SC/ST/OBCs and efforts made to clear the same may be examined.
xxii)	Check the material provided to the Departmental Promotion Committee (DPC) relating to preparation of promotion panels in respect of all cadres.
xxiii)	Whether Headquarter's instruction issued from time to time regarding avoidance of delay in promotions are being strictly followed? If there has been any case(s) of delay during the current/previous panel year, the details may be examined.

xxiv)	In the revised instructions relating to post based recruitment, the number of persons-in-position in a particular quota (Seniority/ Departmental Examination/Direct Recruitment) of a cadre is not to exceed the number of posts prescribed as per given percentages in the relevant recruitment rules. Whether there has been any case of deviation from these instructions? If so, the reasons thereof may be examined.
xxv)	Whether there has been any case of termination from service/delay in confirmation of candidates directly recruited through SSC due to delay in timely imparting of training in regional language as per Headquarters instructions.
xxvi)	Whether training was given to staff in problem areas? <i>Inter alia see: -</i> How Many training programmes have been conducted during the year previous financial year? What are the topics covered therein and also state the level of participants in the training programme?
xxvii)	Cases of sexual harassment of working women at work place: a) How many cases of sexual harassment are pending b) Present position of each case c) Whether committee prescribed for the purpose has been formed; if so, collect details d) Reason for not finalizing the cases so far
xxviii)	Whether complaint register to monitor the grievances of SC/ST employees is maintained as per the instructions of Headquarters and reviewed by the Group Officer monthly.
xxix)	Check the material relating to preparation of gradation list.

Administration Setup and other matters

i)	What is the number of sections in the Administration Group? Ascertain the distribution of work amongst them.
ii)	Whether Calendar of Returns is maintained in the prescribed form and submitted regularly to the concerned Group Officers and A.G. (Wherever required)
iii)	Whether any control register is maintained in the Secretariat of A.G. or any other co-ordinating section to watch the timely submission of those returns to the Head of Department.
iv)	What are the names of the officials with their designation against whom the disciplinary proceedings are pending? Also supply the following information for each case: - a) Date of incidence b) Date on which disciplinary proceedings initiated c) Nature and present position of the case

	d) Since when pending e) Reasons for not finalizing the case so far f) any other remarks to be offered by Administration in regard to delay in finalisation of disciplinary cases.																								
v)	Check the records relating to grant of cash awards with reference to the eligibility, and relevant rules.																								
vi)	Check the material relating to preparation of Activity Report and Administrative Report.																								
vii)	<p><u>Court cases/Tribunal cases</u> Information in the following proforma may be collected and examined.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Nature of case in brief</th> <th>Date of filing</th> <th>Date of disposal</th> <th>Whether disposed in favour of Government or Government Servant or any other party</th> <th>Expenditure incurred</th> <th>If not dispose, stage at which pending</th> <th>Reasons for delay, if any</th> </tr> <tr> <th>(1)</th> <th>(2)</th> <th>(3)</th> <th>(4)</th> <th>(5)</th> <th>(6)</th> <th>(7)</th> <th>(8)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Year	Nature of case in brief	Date of filing	Date of disposal	Whether disposed in favour of Government or Government Servant or any other party	Expenditure incurred	If not dispose, stage at which pending	Reasons for delay, if any	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)								
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ix)	Whether any confirmation, promotion etc. could not taken place in time due to delay in receipt of Confidential Reports.																								
x)	<p><u>Complaint Cases</u> Total numbers of complaint cases received, disposed and balance pending for the period from last inspection to date may be ascertained. Also ascertain what control mechanism exists for redressal of complaints/grievances of staff.</p>																								

Service Books

Points to be noted	
1)	Internal Audit Section is required to test check the service books of the office staff. For this purpose, IA Section should maintain a register of service books in alphabetical order. In the first quarter of each year, this register should be updated by taking note of service books for check every quarter.
2)	The selection will be done in such a manner that all the service books are subjected to check within a cycle of four years. The check of service books should be conducted with reference to the personal files in respect of each official maintained in the Administration Section. A suitable note of having done the check should be recorded in the service books checked, indicating the cycle for which the check is done and attested.
3)	The service books of the staff of LA. section should be got test checked by any other section.
4)	The service books of the officials deputed to the offices of the Principal Directors of Audit Indian Accounts in UK and USA should be checked by IA wing before the service books are sent abroad so that the next review will not become due before the term of deputation of the official expires.

5)	The remarks raised as a result of the check shall be communicated to Administration Section in the form of a report as it is done in the case of Test Audit Reports. The report should be sent not later than 15 th of the month following the quarter for which the selection is done. Compliance of the report should be watched as in the case of Test Audit Report and after all the points are settled, it should be closed under the orders of the Internal Audit Officer.
6)	A report on the scrutiny of service books should be submitted to the Accountant General on completion of the checking of service books in the last quarter of the year.

Illustrative Checks:	
The test check should be conducted on the following lines: -	
i)	Check Whether entries are attested (including reattestation after every five years).
ii)	Check Whether the record with reference to which the date of birth has been verified is noted against the entry in the service book.
iii)	Check Whether the entries regarding physical fitness, verification of antecedents etc. have been taken in the service book.
iv)	Check Whether any erasures overwriting or unattested/unauthorized entries in the service book.
v)	Check Whether particulars regarding the appointment, promotion, punishment, etc. have been correctly recorded with reference to the orders.
vi)	Check Whether signature of government servant is taken every year in token of having verified.
vii)	Check Whether service has been verified with reference to pay bills/acquittance rolls.
viii)	Check Whether the date of increment has been worked out correctly with reference to the dates recorded in the service book.
ix)	Check Whether service books of all the employees are maintained properly along with their leave account? Check whether all entries in the service book including entries for leave are made based on office order issued by the office.
x)	Check Whether the leave account has been correctly maintained and the entries of leave taken, balance at credit, etc. are correct with reference to the leave record in the personal file and whether leaves availed are reconciled with attendance record.
xi)	Check Whether particulars of foreign service and the note regarding the recovery of leave salary and pension contribution is taken in respect of officials who were on foreign service.
xii)	Check Whether the options exercised by the Government servant regarding revision of pay/pension have been pasted in the service book.
xiii)	Check Whether the note regarding the receipt of nomination for DCRG is taken in the service book.
xiv)	Check Whether the record of LTC availed of/hometown declared is correctly recorded.

xv)	Check Whether details of family members are kept pasted in the service book.
xvi)	Check Whether certificate relating to taking of oath of allegiance/affirmation to the Constitution of India is available.
xvii)	Check Whether affixing of photograph of Government Servant and its renewal after every 10 years.
xviii)	Whether periodical verification of the service books is conducted?
xix)	Whether registers for nomination in respect of DCRG/Group insurance scheme, family pension, GPF are maintained upto date and periodically physically verified?

Cash

i)	How many persons were working as Cashier and Assistant Cashier in Cash Branch? Ascertain their names and date of appointment as Cashier and Asstt. Cashier, as the case may be.
ii)	What is the currency of Fidelity Bond/Insurance policy in respect of each officials and due dates of their renewal? The records through which the renewal of Fidelity Bond/Insurance, etc., is watched may also be examined.
iii)	What is the maximum amount of cash handled by each Cashier and Asstt. Cashier at any time during the last one year? What was the actual cash balance at the close of each day during the month of inspection? Are there huge cash balances?
iv)	Ascertain the names of Drawing Disbursing Officers for the period from last inspection (to date)
v)	Whether there had been any case of defalcation/losses/embezzlement of cash in the office since last inspection? if so, a brief history of the case indicating the action taken may be obtained and kept in inspection file.
vi)	What was the amount of imprest sanctioned by the Headquarters office? Whether detailed account is being maintained? Whether certificate of balance was being sent to Headquarters.
vii)	In case imprest is insufficient, whether Headquarters Office was approached for raising the amount of imprest?
viii)	Whether AC bills are being drawn? If so, details of AC bills drawn since last three years and their clearance may be obtained. Reasons for delays in clearance, if any, may be examined.
ix)	Whether the amount from undisbursed pay and allowance are being utilized to meet emergent office expenses? If so, details for the last 3 years may be ascertained and examined.
x)	Year-wise total amount of honorarium paid to the employees and whether approval of Headquarters office was obtained for payment made beyond prescribed ceilings.
xi)	Whether there is any discrepancy in report sent to Hqrs. (BRS) on staff strength as on previous 1 st March as compared to pay bills drawn [number of persons on duty, leave and deputations (group-wise)].

xii)	Whether cash book and other documents are being maintained as per procedure laid down in Receipts and Payments Rules.
xiii)	Whether periodical surprise check of cash is carried out by personnel other than from Administration Wing.
xiv)	Whether the cash book is maintained in the prescribed form (presently GAR 3).
xv)	Whether the pages of cash book are machine numbered and a certificate of count of pages has been recorded on the first page before a cash book is brought into use.
xvi)	Whether all monetary transactions have been entered in the cash book as soon as they have occurred and attested by the DDO.
xvii)	Whether the cash book is closed regularly and properly checked and at the end of each month, the DDO has personally verified the cash balance and has recorded a signed and dated certificate to that effect.
xviii)	Whether the totals have been checked by a person other than the writer of the Cash Book.
xix)	Whether surprise physical verification of cash has been conducted at periodical intervals by the DDO.
xx)	Whether there is a voucher for every entry setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in accounts.
xxi)	Whether the amounts received have been paid in full into the bank without undue delay, for credit to Government Account under proper head. Note; - The verification of credits of the selected month's receipts should be made with reference to the bank reconciliation statements of receipts prepared by the DDO.
xxii)	Whether a receipt in the prescribed form (presently GAR 6) has been issued to the payer when money is received. This receipt is to be signed by the DDO who should satisfy himself at the time of signing the receipt that the amount has been entered in the cash book.
xxiii)	Whether there are erasures or overwriting in the cash book. Erasure or overwriting of an entry once made in the Cash Book is prohibited. If a mistake is discovered, it should be corrected by drawing a line through the incorrect entry and recording the correct entry in red ink.
xxiv)	Whether adequate security as envisaged in the General Financial Rules in respect of Cashier has been obtained, accepted by the competent authority and relevant documents kept in the safe custody of the Head of Office.
xxv)	Whether Government money has been kept in strong cash box secured by double lock.
xxvi)	The officers in charge of Internal Audit parties may get the cash balance verified by the officers of the cash branch in their presence and have a certificate of verification recorded in the Cash Book.
xxvii)	Whether the account payee cheques issued by the PAO/Cheque drawing DDO in favour of Government servants and third parties are being entered in the

	cash book. Such cheques, being payable only to the parties, should not be entered in the cash book. The delivery and acknowledgements of such cheques should, however, be watched through a separate register. This aspect should be checked.
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Register of Valuables

<i>S.No.</i>	<i>Illustrative Checks/Points to be seen</i>
i)	Whether the register is being maintained in the prescribed form.
ii)	Whether the cheques/demand drafts received have been entered in the register on the day of their actual receipt.
iii)	Whether full particulars of the valuables are recorded in the register.
iv)	Whether the valuables (cheques/demand drafts, etc.) have been sent to the bank soon after their receipt for credit to Government Account.
v)	Whether the register is being closed every fortnight or at such other intervals as may be prescribed.
vi)	Whether the credit of valuables has been traced in the bank scroll and particulars thereof recorded in the register.

Register of Bank Drafts

<i>S.No.</i>	<i>Illustrative Checks/Points to be seen</i>
i)	Whether the register of bank drafts is being maintained in the proper form.
ii)	Whether full particulars i.e. Bill No. and date have been indicated before cheque is sent to Bank for preparation of the bank drafts.
iii)	Whether the bank drafts have been sent to the party (intended recipient) without delay.
iv)	Whether the date of acknowledgement has been indicated in the columns prescribed for this purpose.

Contingent Bills

<i>S.No.</i>	<i>Illustrative Checks/Points to be seen</i>
i)	Whether the rules regarding preparation of contingent bills are being observed by the Drawing Officer and proper bill forms are used for withdrawal of funds.
ii)	Whether expenditure has been incurred within the provisions of budget grant for that particular head of account.
iii)	Whether, in case of contract contingencies, the proposed expenditure has not exceeded the contract/grant.
iv)	Whether each voucher bears a pay order signed by the DDO specifying the amount both in words and figures.
v)	Whether all the paid vouchers which are not required to be sent to the PAO have been stamped "paid and cancelled" by the DDO so that these may not be misused.

<i>S.No.</i>	<i>Illustrative Checks/Points to be seen</i>
vi)	The contingent bills for wages of Mazdoors engaged in manual work and paid at daily or monthly rate, rent, electricity and other charges incurred on the hire of private buildings, expenditure on light refreshment, etc. are in accordance with the rules and the Government orders issued from time to time.
vii)	Whether the flow of expenditure during March in any financial year is not on high side with a view to exhausting the budget allotment.
viii)	Whether expenditure has been sanctioned by the competent authority and sanction to the expenditure has been attached with the bill.
ix)	Whether a register of contingent charges, to watch the expenditure under each sub-head is maintained in the prescribed form (presently GAR 27), budget provisions against each sub-head have been noted on the top of the columns provided and that every entry has been attested by the DDO before any payment is made.
x)	Whether progressive totals of expenditure under various sub –heads are being struck so that expenditure does not exceed the budgetary allotment.
xi)	Whether the vouchers bear dated acknowledgement of the payment received together with a stamped receipt in case of payments above the prescribed monetary value.
xii)	Whether all the vouchers for purchase of stores bear a certificate by the competent officer regarding entry of stores in the stock register, indicating the page number of the stock register; and a certificate by the competent authority that the quantities of stores received were in order and that the stores were according to the approved specification.
xiii)	Whether a detailed contingent bill is sent to the Pay & Accounts Officer in respect of amounts withdrawn on abstract contingent bill soon after the money has been utilized and that the unutilized amount has been refunded to the Government account.

Advances

i)	Ascertain separately the number and amount of TA advances and LTC advances outstanding as on the starting date of the month of commencement of inspection? Also ascertain the year-wise position.
ii)	Why the advances pending for more than prescribed period could not be recovered from the salary of the concerned officials?
iii)	How many TA claims/LTC claims submitted by employees are pending with the office for more than one month as on the starting date of the month of commencement of inspection?
iv)	Whether control registers for all interest bearing and non-interest bearing advances are maintained in order to keep watch on their timely recovery. In this connection, check whether the House Building/Motor Cycle advances are being maintained in the proforma as prescribed by Headquarters office and regularly submitted to the Branch Officer/Group Officer watched through

	Calendar of Returns. Also look into the aspects of obtaining requisite documents and charging of penal interest at the prescribed rates in case of defaulters.
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Leave Travel Concession

The following are the illustrative checks to be exercised/points to be seen during internal audit of payments of Leave Travel Concession.

<i>S.No.</i>	<i>Illustrative Procedure</i>
1	Check whether declaration of home town has been received from each officials and recorded in the Service Book in accordance with the applicable instructions.
2	Check whether the declaration of home town once made has been allowed to be changed more than once during the service.
3	Check whether the concession is allowed to any Government Servant or his family members where the official has not completed one year's regular service as on the date of journey performed by him or by his family, as the case may be.
4	Check whether the concession to home town is allowed not more than once in a block of two calendar years commencing from 1.1.1956 i.e. 1956-57, 1958-59 & 1960-61 and so on.
5	Check whether any official undertakes the journey in a chartered bus, van or other vehicles, which are owned by private operators.
6	Check whether any official undertakes the journey in private cars (the cost of propulsion being borne by Govt. Servant himself).
7	Check whether the advance granted to the officials, if any, has been adjusted in full.
8	Check whether any civilian official avails himself of Leave Travel Concession for journey to any place in India for more than once in block year of 4 calendar years commencing from 1974-77, 1978-81 and so on.
9	Check to see that there is no bar for the Govt. Servants and his family members to visit the same place or different places of their choice (anywhere in India).
10	Check to see that the leave travel concession for journey to any place in India is allowed only in lieu of and in adjustment against the leave travel concession to the home town including concession, if any, carried forward to which an official may be entitled at the time of journey to any place in India is undertaken.
11	Check whether the officials are submitting adjustment bills within the prescribed period after completion of the journey.

Purchase of Stationery

i)	Whether the head of office has incurred expenditure on purchase of stationery in excess of the powers delegated to him.
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i)	In case the head of office has incurred expenditure in excess of powers delegated to him, whether the same is regularized by obtaining sanction of the competent authority.
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Central Government Employees Group Insurance Scheme

The following points should be seen by the internal inspection parties.

i)	Whether the Head of the office is maintaining a Register of members in the prescribed form.
ii)	Whether nominations have been obtained by the Head of office from each member, that they have been pasted in the Service Books of the officials and that entries regarding the receipt of nominations have been made in the Service Books.
iii)	Whether the subscription is being recovered from the salaries of the members through regular pay bills at the prescribed rates.
iv)	That in case of death of a member, the insurance money has been paid correctly to the nominee at the prescribed rates (In addition, the member would be allowed the amount from the Saving fund at the prescribed rates).
v)	That the amount of subscription under the old scheme has been credited to employees' provident fund accounts as per orders on this subject.

Staff Cars (Government Vehicles)

In respect of offices maintaining staff cars/vehicles, the internal inspection party should see that following records are maintained.

i)	Log Book for each staff car in form SY 263.
ii)	A register of repairs and replacements indicating the cost and dates.
iii)	A register showing the cost of petrol, Mobil Oil etc. consumed and all incidental expenditure.
iv)	An inventory of equipment.

Log Books

While scrutinizing the log books and other records, the following points should be borne in mind: -

i)	It is maintained in prescribed form.
ii)	The entries made in the log book are in ink.
iii)	The entries of mileage at the beginning of the journey and also at the completion of the journey are noted by the officers using the staff cars themselves except in the case of officers of the rank of Joint Secretary and above where these entries may be made by their Private Secretaries/Personal Assistants.
iv)	That log books are scrutinized by the Head of Office (or senior officer of the rank of Joint Secretary in Secretariat offices) to ensure that there is no misuse.

v)	That the log books are closed at the end of each month, and summary showing details of duty and non-duty journey performed during the month is prepared in the prescribed proforma.
vi)	That the staff cars are used for bonafide official duties at headquarters.
vii)	That the staff cars have not been taken outside headquarters without the approval of the competent authority.
viii)	That staff cars are not used for non-duty purposes to the places of entertainment, public amusement, play-grounds, pleasure trips etc. and by officers on leave.
ix)	That the concurrence of the Ministry of Finance has been obtained for all cases of replacement of staff cars.
x)	That the average monthly consumption of petrol/diesel per kilometer is calculated at the end of each month and that this average is not on the high side.
xi)	The cost of repairs and replacement is not on the high side.
xii)	That the replacement of the same parts are not frequent.
xiii)	The reasons for frequent repairs/breakdown of the vehicles are not such as to indicate any negligence on the part of the drivers.
xiv)	All the bills paid towards the cost of petrol are entered in the P.O.L. Register as well as in the log book and that the entries agree.
xv)	It should also be seen that DDO has recorded the following certificates on the contingent bills relating to payment of petrol: - a) Certified that the quantity of petrol purchased has been entered in the log book of the respective vehicle. b) Certified that the necessary recoveries have been made/are being made from the parties concerned who have used the staff car for non-duty journeys.
xvi)	That all non-duty journeys are charged at the rates specified in Rule 21 and 22 of the staff car rules and the charges at these rates are recovered promptly and for the distance covered by the staff car from the time it leaves office/garage till returns to office/garage.
xvii)	That the controlling officer has personally checked the inventory of equipment every month and any loss arising out of negligence is made good through appropriate recovery.
xviii)	That no cleaner has been appointed for cleaning of the staff car.
xix)	That no extra allowances is paid to staff car drivers for cleaning and washing of the cars as this forms a part of their duty.
xx)	That the staff cars are not parked at the residences of the drivers or of the officials.

Grants-in-Aid

The audit of grants-in-aid consist of: -

i)	Scrutiny of the method by which the sanctioning authority satisfy itself of the
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	fulfillment by the grantee of the conditions precedent to the issue of sanction.
ii)	Test check of the accounts or the returns submitted by the grantee to see that the conditions were actually fulfilled.

The test check referred to above is conducted normally in the office of the sanctioning authority. It should be seen that before sanctioning grants-in-aid, the sanctioning authority has satisfied itself that proper arrangements exist for the scrutiny of the accounts of the grantees and that rules have been framed to ensure that grants are utilized by the grantees for the purpose for which they are intended and that unspent balances are refunded to govt. after the close of the financial year.

The following points should received special attention of Inspection parties:-

i)	The grant-in-aid was properly spent on the specified objects within the time allowed in the sanctioning order or within a reasonable time, if no limit has been fixed.
ii)	Money has not been unnecessarily drawn in advance of the requirements to avoid lapse of funds.
iii)	The conditions attached to the grants-in-aid are fulfilled.
iv)	Any portion of the amount of grant-in-aid which is not ultimately required for expenditure upon the specified object is promptly refunded to Government and that no unspent balance of the previous grant-in-aid, if any, is lying with the grantee.
v)	That the register of grants-in-aid is maintained by the sanctioning authority in a proper form and all columns provided therein are complete and correctly filled in.

Pensionary Benefits

i)	How many service books of officials who have completed 25 years of service or left with 5 years service for retirement are to be verified as envisaged in CCS (Pension) Rules as on date?																																								
ii)	Whether there are any cases of persons who have already retired from the office but whose pension cases/final payments of PF have not been finalized? If so, the details of each case and reasons for the delay may be obtained in finalisation in the following profoma: -																																								
	<table border="1"> <thead> <tr> <th>Sl.No.</th> <th>Name of the official</th> <th>Designation</th> <th>Date of retirement</th> <th>Date of PPO</th> <th>Date of GPO</th> <th>Date of payment of leave encashment</th> <th>Date of payment of PF dues</th> <th>Reasons for delay</th> <th>Remarks</th> </tr> <tr> <th>(1)</th> <th>(2)</th> <th>(3)</th> <th>(4)</th> <th>(5)</th> <th>(6)</th> <th>(7)</th> <th>(8)</th> <th>(9)</th> <th>(10)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Sl.No.	Name of the official	Designation	Date of retirement	Date of PPO	Date of GPO	Date of payment of leave encashment	Date of payment of PF dues	Reasons for delay	Remarks	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)																				
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iii)	How many nominations for Central Government Employees Insurance Scheme in respect of the employees of the office have been received, accepted and kept in Vol.-II of the Service Books and how many nominations have been received? What action has been taken to obtain the wanting nominations? Whether the register for the purpose is being submitted to the BO/GO periodically with an analysis of wanting nominations?
iv)	Whether periodical physical verification of nominations for family pension and Death-Cum-Retirement Gratuity was being carried out? If so, the results of physical verification may be seen.
v)	Whether the Register of Service Books is maintained and half yearly physical verification of service books was being done by an independent officer other than Branch Officer/Administration.
vi)	Whether there are court/CAT cases regarding pensionary benefits? If yes, obtain full details (Information available in legal cell to be obtained).

Stock Registers

A. Accession Register of Library Books	
i)	Whether Accession Register as prescribed in GFR is maintained for Codes and Manual, Secret Memorandum of Instructions and other books and physical verifications as contemplated in MSO (Admn.) Vol.I is being carried out annually? When was the last physical verification of books in the library conducted and what were the result of verification? What action was taken to set right the discrepancies?
ii)	What are the names of local manual maintained in the office (Group-wise)? Which is their year of print (1 st edition)? Which is year of latest publication?
iii)	Whether uptodate correction slips have been issued and pasted in the respective manuals?
iv)	Whether any of the manuals were revised/updated in accordance with Headquarters office instructions?
v)	Whether any manuals are lying with Government/other printing presses for printing? If yes, since when and what efforts have been made by the office to get the manuals printed early?
vi)	Whether proper record of books issued to various functional groups/sections and field parties have been maintained and availability of books reported by them annually, before the date of annual physical verification of books.
vii)	Ascertain the value of books purchased during last three years indicating the value of Hindi and English books purchased.
viii)	Ascertain the details of review of old books/codes and manuals conducted during last 3 years to weed out the books no more required.
ix)	Similar information may be obtained in respect of sale of waste paper scrap, etc.

B. Computers, Typewriters, etc.	
i)	Whether proper records are maintained regarding all machines and equipments and whether any typewriters, accounting machines, duplicators, computers, printers or other machines are lying out of orders? If so, details thereof may be obtained along with the dates from which they are lying out of order and action taken to get them repaired? In case any of them are unserviceable, the action taken to dispose them off may be verified.
ii)	Whether annual physical verification was conducted? If so, when such last verification was done with what results?
C. Dead Stock Register	
i)	When was the last stock verification of dead stock articles carried out? Whether the verification disclosed any surplus/shortages? If so, whether the shortages have been got regularized and surplus taken in stock?
ii)	Whether a separate register of repairable/unserviceable furniture maintained to account for the repairable and unserviceable items.
iii)	Whether furniture articles are lying in unserviceable condition? If so, what steps have been taken to get them repaired or to dispose them off?
iv)	Expenditure (year-wise) incurred on repair of furniture during last three years may be collected and reviewed.
v)	Whether the reconciliation of dead stock articles between Audit and A&E offices has been made in accordance with Headquarters instructions in this regard? If not, reasons for delay may be stated. Action taken in accordance with Headquarters instructions regarding formation of joint committee may be ascertained.
vi)	Whether all the consumable and non-consumable items are entered in the registers?
vii)	Whether proper record is maintained in respect of furniture and other items supplied to officers at residence for official use vis-à-vis scale of furniture admissible.
viii)	Whether proper records are maintained relating to procurement of forms and stationary including indents for them, their distribution and stock in hand.
ix)	Whether Inventory Registers and History Sheets of machines purchased including typewriters, computers, ACs, coolers, vehicles, cycles, photocopies, vacuum machines, shredders, printers, servers, Fax machines, UPS, EPBX system etc. are maintained properly.
x)	Whether a stock register of computer hardware and software maintained to record all purchases made enter indicating their machine nos./configuration details
xi)	Ascertain the total number of fire extinguishers in the office and their location.
xii)	Ascertain whether all the fire extinguishers are in working condition? What is the date of expiry of their refill? Is periodical mock fire fighting exercise is done?
xiii)	How many persons have been given training in fire fighting?

xiv)	Whether all stock items having identification letters/numbers marked/painted on them in accordance with Headquarters instructions?
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E. Asset Register

Check the maintenance of Asset Register of physical assets and furnishing of returns to Headquarters, in accordance with Headquarters instructions.

Old Record Management

i)	Whether registers of files are maintained year-wise by each section.
ii)	Whether files for more than two years are reviewed annually by each section to weed out/transfer the files to old record section.
iii)	Whether any regular review was being done regarding files and records and weeding them as and when necessary? If so, period up to which records destroyed/weeded out may be obtained/checked.
iv)	Whether Old Records Register was being maintained? The records for the third preceding year are required to be sent by various sections. Verify the position of receipt of records in the Old Records Section.
v)	Whether physical verification was being done continuously in a phased manner, i.e., section-wise in such a way that all sections are covered in a spell of 2 years?
vi)	Whether orders from Group Officer for weeding out/destruction were obtained and whether the register was submitted to the Group Officer after doing needful?

System of Receipt and Issue of letters

i)	Whether periodical verification by the Branch Officers are being made in accordance with Office Procedure Manual with all connected records to see that all letters received are diarized, action taken and all letters received for issue were despatched in time?
ii)	whether returns regarding use of E-mail are sent to Hqrs. fortnightly as required?
iii)	Whether the letters required to sent by E-mails are sent by E-mail? If not, reasons for the same may be examined (Annexure-B may be referred to in this regard).
iv)	Whether the Dak monitoring system has been computerized as instructed by Hqrs. office?
v)	Whether there is any delay in distributing the letters among concerned sections/wings?
vi)	Whether the letters are diarized in each of the sections and letters are delivered to concerned officials and acknowledgement obtained and also disposal indicated properly by recording relevant file number in which the letter was dealt with.
vii)	Whether weekly/fortnightly report of outstanding letters is being prepared and submitted regularly and submission watched through Calendar of Returns.

viii)	Whether all the letters to be issued are issued immediately.?
ix)	Whether there is a system to update the addresses of the different offices from time to time to avoid transit loss etc?
x)	Whether the service stamp account is maintained properly and periodically verified by an independent officer/official?
xi)	Whether despatch register is reviewed every month and, in respect of cases requiring reminder, timely reminders are issued?

General Maintenance

Check whether the Record (or General) Section is making satisfactory efforts for the maintenance of the following (Give remarks as satisfactory/unsatisfactory).

	Item	Remarks
i)	State of tables, chair and side shelves in sections	
ii)	State of recreation and open play grounds	
iii)	Fire fighting equipment	
iv)	Cleanness of canteen and hygiene in kitchen and canteen	
v)	State of water coolers, air-conditioners, Water filters and desert coolers	
vi)	Clean look of curtains, walls, floors, windows, doors, fans and lights in sections	
vii)	Wearing of uniforms, shoes and caps by staff to whom liveries are supplied	
viii)	Condition of staff cars and other vehicles	
ix)	Upkeep of records	
x)	Maintenance of old record section/room	
xi)	Display of office circulars in notice board and their periodic removal	

Statement of GPF Advances

Under Para 4 of GOI, M/o Finance OM No.F.2 (27)/76- (Spl. Cells) dated 23.09.76, cheque-drawing DDOs are required to send a monthly statement of GPF advances paid to Group 'A', 'B', 'C' employees to Pay & Accounts Office to enable that office to ensure the posting of debit in the GPF accounts of the subscribers. The internal audit party should ensure that the statement of GPF Advances is sent by the cheque-drawing DDOs to the Pay & Accounts Office concerned regularly.

Expenditure

The essential points to be seen in the internal audit of expenditure are as follows: -

i)	That payments made by the cheque drawing DDOs are in accordance with the rules and orders governing them, their arithmetical calculations are correct and
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	the recoveries/deductions made from bills are in order; and that the list of payments accompanied by paid vouchers are sent every week by them as per instructions to the concerned PAO by the prescribed dates.
ii)	For expenditure beyond the powers of Head of Office, there exists a sanction, either specific or general, accorded by the competent authority.
iii)	For every payment made, there is a voucher complete in all respects or a certificate of payment where it is not possible to support a payment by a voucher.
iv)	There is a provision of funds sanctioned by the competent authority.
v)	The expenditure has not been incurred solely to prevent lapse of budget allotment.
vi)	In case of work done or purchases made, the accepted tender along with the rejected tenders, comparative statements and notices of tender are available in the office of the accepting authority along with the reasons for non-acceptance of lowest tender.
vii)	The payment has been made to the proper person and it has been so acknowledged and recorded so that a second payment on that account is not possible.
viii)	The charges do not exceed the rates or scale fixed under rules or orders issued by the competent authority.
ix)	The payments have been correctly accounted for in the initial accounting records.
x)	Sub-vouchers and acquittances for amounts up to Rs.100/- and retained by the DDO are marked cancelled, after their entry in the contingent charges register, so as to prevent misuse of the vouchers.
xi)	Sub-vouchers for amounts in excess of Rs.100/- have been sent to the Pay & Accounts Office concerned along with the bill.

Telephone & trunk call charges register

The following point should be borne in mind while conducting the audit of Telephones Bills/Register of Telephones and Trunk Calls charges and the other connected records: -

i)	That telephone with STD facility has been provided to the officers entitled to the facility.
ii)	That the telephone register for bi-monthly rent and call charges is being maintained to prevent double payment of the same bill.
iii)	The officers entitled to STD facility on their residential telephones, may be asked to certify whether the call in excess of the prescribed ceiling, if any, are on account of STD calls and, if so, whether these STD calls are on official account or otherwise. This certificate would need to be countersigned by the controlling officers. It will be open to the controlling officers to look into the cases where, in their opinion, the number of excess calls are too high.

i)	That a register showing trunk calls made for official and private purposes are maintained by the officers both for office and residential telephones in the prescribed form, and in case of private calls necessary recoveries are effected from the official concerned.
v)	That residential telephones are generally provided to officers of the rank of Deputy Secretary and above and in case of officers below the rank of Deputy Secretary, not more than 25% of the Class-I officers are provided with a residential telephone.

Liveries Account

While conducting internal audit of the liveries account, it should be seen that the provisions contained in the Hand Book of Uniforms have been observed by the DDO. In particular it should be seen: -

i)	That the Register of Liveries is maintained by Head of office in the prescribed form and entries in regard to receipts as well as issue of Liveries to Group 'C' and Group 'D' officials are made in the register under proper attestation.
ii)	That issue of liveries for Group 'C' and Group 'D' officials have been made according to the prescribed scale.
iii)	That washing allowance is paid to Group 'C' & Group 'D' officials in accordance with the rules and orders issued by the Govt. of India from time to time and in case of officials proceeding on leave for more than 15 days in a calendar year, necessary recoveries on account of washing allowance have been effected from their salary bill for the month of January each year.
iv)	That the uniform have been issued only to those employees who are eligible.
v)	Measurement card for each employee is maintained in the prescribed form.
vi)	Where the local purchase of articles of uniforms beyond the normal limits laid down by D.G.S. & D. becomes necessary for some administrative reasons or delay by D.G.S. & D. etc. specific permission for the same is obtained from D.G.S. & D. or M/o Home Affairs.
vii)	That the uniforms have been withdrawn from employees who have either resigned or have been discharged or promoted to the post where such uniforms would not be used.

Service Postage Stamps Account

Stock account of service postage stamps should be scrutinized to see: -

i)	That daily account of service postage stamps is being maintained properly and in the prescribed form and is attested daily by the person in-charge of the section.
ii)	Stock of closing balance has been correctly carried over to next month and the same has been attested.
iii)	That all particulars of stamps have been entered in the register under proper attestation.

iv)	That the physical verification of stamps has been conducted at the end of each month and a certificate to this effect has been recorded in the register.
v)	That all issue of stamps relating to registered letters are supported by postal receipts.
vi)	Denomination-wise closing balances has been indicated at the end of each month.

Consumption of Electricity

It should be seen that economy instructions issued by the Govt. of India in connection with the consumption of electricity in Govt. offices etc. are duly observed. In the case of Central Govt. Installations/Workshops etc. where the consumption of electricity is very high and where high voltage transformers have been installed for the bulk supply of electricity, it should be seen that average actual consumption of electricity is not less than minimum limit for which the charges are levied by the Electricity Board. If the actual consumption of electricity is much less than the sanctioned load, the departmental officers may be advised to consider the possibility of a reduction of the sanction load so as to save expenditure on electricity due to excess billing.

Electricity used in Government Offices are exempt from levy of electricity duty. It should be seen that such duty has not been paid and wherever paid it should be pointed out for recovery.

EDP Wing

i)	What is the total number of PCs/Servers/Printers etc. in the office?
ii)	What is the number of total employees trained in computer (Cadre-wise/Package-wise, including persons trained on their own outside office, persons who gained working knowledge by actual practice and self study even though they might not have attended formal departmental training programmes.
iii)	How many of the computer trained persons are working on computers.
iv)	Whether returns required to be sent by E-mail are sent to Headquarters by E-mail.
v)	Whether computer training programmes are arranged through RTIs and In-house trainings, as per instruction of Headquarters?
vi)	Whether Computers, UPS, LCD etc. were purchased during last four years? Entire details of the same may be obtained.
vii)	Whether the computers were purchased from the vendors empanelled by Headquarters Office at the rates fixed by Headquarters? Whether all the works relating to Administrative Reports, Activity Reports, important returns to Hqrs., Gradation list of employees etc. are done through computers.

viii)	Who are the annual maintenance contractors for computers etc.? What is the basis of selection of the contractors? Whether the annual maintenance rate exceeds 6% of the cost of the items? Whether AMC is given with prior approval of Hqrs./Competent Authority?			
ix)	How is the performance of AMC contractor? In case of any dispute please give the details.			
x)	Has the office made appropriate arrangements for loading Akshar or similar package in computers used for communication in Hindi? Is there facility/compatibility of necessary fonts software in the computers used for receiving/sending emails in Hindi? Please furnish information in the following proforma. Is it ensured that there is no pirated software in use?			
	Name of Software	Number of Licenses	Total Number of machines on which installed	Number of each machine on which installed along with location/room Number whose the machine is placed
xi)	Whether arrangements have been made for uninterrupted power supply to all computer machines. In this connection please furnish information in the following proforma: -			
	(i) UPS(Size inKVA)	Numbers		Total KVA
	(ii) Machines	Nos. covered under UPS		Nos. not covered under UPS
	Servers			
	PCs			
	Printers			
xii)	What is status of IT Audit in the office? Whether all the units required to be audited (Treasuries/Auditee Units) have been audited as per time schedule?			
xiii)	The implementation of information security would be reviewed by ITA, as directed vide Item 14 of Para 1.2 of Chapter-1 – Organizational Security of “Information System Security Hand Book”, published by the CAG in December 2003 and report forwarded to the Information Security Officer after discussing it with the Head of Office.			

Note: - The guidelines mentioned above are not exhaustive and provisions laid down in relevant Codes, Manuals, Rules, and Regulations as prescribed by the Government and Instructions issued from time to time by the Headquarters office as applicable shall also be applied.

Appendix 'D'

(Referred to in para 2.2)

Illustrative checks to be exercised and points to be seen during internal audit of Accounts Group

1. Treasury Accounts

IA section should apply checks on the following lines -

(a) Receipt of Accounts from Treasury

1	Check whether Accounts are received from treasuries on or before the due date.
2	Ask for a statement showing treasury, due date, month and date of receipt to find out the cases of habitual late senders.
3	<p>Check whether matter has taken up with the Director of Accounts and Treasuries/State Government for timely submission of complete and accurate accounts by the accounts rendering units (including formation of Apex Level Accounting Committees, holding of periodical meetings with Finance Secretary, Administrative Secretary and Chief Secretary for expediting the submission of initial accounts)?</p> <p>Inter alia see: -</p> <ul style="list-style-type: none">• How many accounts rendering units are there in the State• How many accounts rendering units have defaulted in furnishing the monthly compiled accounts during the previous years with the details of delay in days/months• How many accounts along with the amounts involved have been excluded during the previous year due to non-receipt of the accounts before closure of the accounts for the year• Whether any apex level accounting committee has been formed, if yes, how many meetings were conducted? When? The minutes of the meeting may be seen.
4	Check the control mechanism available in the section for ensuring that accounts are received in a complete state.
5	Check whether missing documents are called for at once and accounts are examined as required by para 5.4 of MSO (A&E – 1 st edition) Vol.I.
6	Check whether agreement is done properly (either in VLC or manually)
7	Check whether certificate of agreement as required in para 5.4 of MSO (A&E – 1 st edition) Vol.I is recorded on list of payment and cash account.
8	<p>Check whether arrangement for distribution of vouchers/schedules/ List of Payments/Cash Account to the sections concerned for data capture in VLC is such that: -</p> <p>i) It takes minimum possible time.</p> <p>ii) Documents are not missed in transit.</p>

(b) Compilation of Accounts

1	Check whether Vouchers are scrutinized as per the instructions contained in para 5.10 of MSO (A&E – 1 st edition) Vol.I.
2	Check whether action is taken as per para 5.11 of MSO (A&E – 1 st edition) Vol.I. in respect of certificate of payments received from treasuries in lieu of lost vouchers.
3	Check whether Vouchers not received from the treasuries up to the completion of data entry (any suitable date) are kept under OB Suspense and matter is taken up with the treasury and intimated to Director of Treasuries and Accounts.
4	Check whether there is arrangement to ensure that: - i) All AC Bills (Abstract Contingent Bills) are entered in the VLC system as AC Bills (para 5.26) ii) The AC bills drawn by the Officers not authorized to draw money on AC bills are flagged with some error code iii) All Vouchers paid out of 8000-Contingency Fund are Classified under 8000.
5	Check the correctness of data entry by checking samples of data.
6	Check whether classification check by supervisory staff as required under para 5.18.2 of MSO (A&E – 1 st edition) Vol.I. is done effectively.
7	Check whether all the details of vouchers required to be captured in VLC are actually captured.
8	Check whether objections like incorrect DDO code, incorrect classification, absence of passing order, absence of Treasury Officer's signature, etc. are captured in the VLC System.
9	Check whether Monthly Accounts are generated in time and submitted to the Government on due date.
10	Check whether AG's Order has been obtained in each case of excluded monthly accounts and no account has been excluded from the annual accounts.
11	Check whether Classified Abstract and Consolidated Abstract are generated through VLC system.
12	Check whether DAA Broad sheets are generated through VLC.
13	Check whether Classified abstract are put up to AAO/SO for examination in accordance with para 5.19 of MSO (A&E – 1 st edition) Vol.I.

(c) AC DC Bills

1	Check whether DC bills received from DDOs are properly indexed.
2	Check whether DC bills are scrutinized as per the following guidelines before capturing it in VLC System for adjustment of AC bills under objection. a) The bill is in proper form and the classification is correctly recorded thereon. b) Certificates, if any, required under the financial rules of the State Government concerned have been provided/recorded. c) The bill is duly countersigned by the appropriate authority as required under the relevant rules of the State Government.

	<p>d) The charges included in the DC bills cover the amounts drawn on AC bills and are classified accordingly,</p> <p>e) Difference or disallowance is noted for recovery and watched through objection books and adjustments on account of misclassification are made if necessary.</p>
3	Check whether reports showing all the AC bills and outstanding AC bills are available from the VLC system (A test check should be conducted to ensure that reports are correct).

(d) DAA Suspense, OB Suspense and other Suspense balances

1	Check whether Broad sheets for DAA Suspense and OB Suspense generated through VLC system are presented regularly to the branch officer/group officer.
2	<p>Whether huge amounts were lying in DAA Suspense?</p> <p><i>Inter alia see: -</i></p> <ul style="list-style-type: none"> • Age-wise analysis of outstanding DAA suspense as on date along with number of items and amount • the last date of review of DAA suspense and conducted by whom
3	<p>Whether AG has taken steps to obtain wanting vouchers from treasuries for clearing of OB Suspense?</p> <p><i>Inter alia see: -</i></p> <ul style="list-style-type: none"> • Age-wise and head-wise analysis of outstanding OB Suspense as on date along with number of items and amount. • Last date of review of OB Suspense and who has conducted the review. • Whether the Compilation Sections maintain individual Broadsheet for each and every Major Head. • Whether the name of the DDO and Treasury are entered in this Broadsheet.
4	Check whether special efforts have been made to clear the outstanding under suspense head.
5	Check whether amount outstanding under the suspense head even after the closing of Annual Accounts were due to reasons beyond control.
6	<p>Whether any high level co-ordination committee was set up with representatives of RBI, etc. for tackling large amounts under Reserve Bank Suspense – how meetings take place – whether follow up action is taken?</p> <p><i>Inter alia see: -</i></p> <ul style="list-style-type: none"> • Quarterly outstanding Debit/Credit no. of items along with the amounts involved for the period for the last one year • Minutes of the meetings held during the previous financial year
7	<p>Whether AG has taken steps to reduce suspense balances in other heads?</p> <p><i>Inter alia see: -</i></p> <ul style="list-style-type: none"> • When review of suspense balances was carried out?

	<ul style="list-style-type: none"> • Furnish quarterly balances under suspense/remittances heads, no. of items Debit and Credit along with the amounts involved from the previous financial year till current date in the proforma Appendix-C. • Whether any write off proposal of the balances which reached its dead end is pending
8	Check what action has been taken to clear the outstanding suspense balances.

(e) Grants-in-Aid (GIA)

1	Check whether all the sanctions to a grant are captured in the VLC system immediately after receipt.
2	Check whether these entries are checked by a supervisory staff and proof of check is available in the system.
3	Check whether all GIA Vouchers are captured in the VLC system as GIA Vouchers/Classified under the head GIA (any level below sub-head depending upon the budget pattern of the State concerned).
4	Check whether all the relevant details like Sanctioned order No., Name of Institution, Department, DDO, Conditional/Unconditional, etc. are captured in the VLC system at the time of data entry of voucher for compilation purpose.
5	Check whether Utilization certificate are received for conditional grants from the Sanctioning authority/State Government, as the case may be, in accordance with para 16.9 & 16.10 of MSO (A&E – 1 st edition) Vol.I.
6	Check whether utilization certificates are captured in VLC system.
7	Check whether Grants in Aid Register (as per Form 89 of MSO (A&E – 1 st edition) Vol.I is generated through VLC system and submitted to the Branch Officer once in every quarters.
8	Check whether matter is taken up with the sanctioning authority or inspection officers in respect of delay in submission of utilization certificate.
9	Check whether annual report on pending utilization certificate is sent to the Finance Department under intimation to the sanctioning authority.

(f) Reconciliation

1	Check whether reconciliation of payments and receipts is carried out by the Controlling Officers of the State Government as per the Manual instructions.
2	Check whether all the Reconciliation Memos received from the Controlling Officers have been adjusted promptly.
3	Check whether the Accounts Group has pursued with the State Government for monthly reconciliation of accounts by the State departmental authorities with AG (A&E)?
	<p>Inter alia see the following information: -</p> <ul style="list-style-type: none"> • Position in respect of departmental reconciliation in the proforma mentioned in Table A.

- Month-wise and dept-wise break up of No. of letters issued to the administrative department for reconciliation of accounts for the previous 2 years.

Table A

Month	No. of reconciliation Memos received during	No. of Transfer Entries given on account of reconciliation memo received during	Out of column No.3, Transfer Entries given due to	
			Mistakes on the part of Department	Mistakes on the part of AG
1	2	3	4	5

(g) Miscellaneous

- 1 Whether Quarterly Review of 'Debt, Deposit, Remittance Heads'- Suspense Broadsheets is done as per Headquarters instructions.
- 2 Whether the necessity to present the annual accounts received from the AG before the Legislature in the next session was brought to the notice of State Government.

Table B

Time Schedule for finalisation of Accounts for -----

Sl.No.	ITEM	APPROPRIATION ACCOUNTS		FINANCE ACCOUNTS	
		HQ's OFFICE target date	A.G.(A&E) Achievement date	HQ's OFFICE target date	A.G.(A&E) Achievement date
1	Closing of March (P) -----				
2	Closing of March (S) -----				
3	Submission of Statements to Audit office				
4	Return by Audit office				
5	Finalisation by A.G.(A&E)				
6	Certification by Audit office				
7	submission of Accounts to the Headquarters office				

- 3 Whether any exercise was undertaken with the State Government for establishing a Plan-Budget-Accounts link?
- 4 Whether huge differences exist in Reserve Bank Deposits (RBD) figures and whether AG has taken up with State Government/RBI for proposing settlement of discrepant items?
- 5 Whether the discrepancies pertaining to pre-decentralization period (before October, 1987) were frozen?

2. Forest Accounts

- 1 Check whether the Divisional Forest Officers (DFOs) submit Accounts of receipt and disbursement on due dates and cases of habitual late sender are taken up with the Government.

2	Check whether Accounts are scrutinized as per the instructions contained in Chapter-9 of MSO (A&E – 1 st edition) Vol.I
3	Check whether Accounts are captured in VLC system with care. Accuracy of data entry should be checked by examining samples of data.
4	Check whether details of cheques and remittances as required under para 9.3 and para 9.4 of MSO (A&E – 1 st edition) Vol.I are sent regularly by DFOs.
5	Check whether all the Broadsheets related to forest accounts (cheques, remittances, deposit, advances, items adjustable by Forest Officer) are maintained properly, closed regularly and submitted to the Branch Officers.
6	Check whether special efforts are made to settle the outstanding cases older than 3 months.
7	Check whether prompt steps are taken to clear differences between Broadsheet figure and ledger figure.

3. Public Works (PW) Accounts

1	Check whether Monthly Accounts received from the PW Divisions are checked as per the instructions contained in para 8.18 of MSO (A&E – 1 st edition) Vol.I.
2	Check whether accounts are received in time and the matter regarding habitual late senders are taken up with the Government.
3	Check whether Accounts are captured in VLC system with care. Accuracy of data entry should be checked by adopting sampling method.
4	Check whether CPWA Form 51 (Schedule of settlement with treasuries) are submitted regularly by all the divisions.
5	Check whether the cases of late submission or not submission are taken up with the Director of Accounts and Treasuries/State Government.
6	Check whether Works Register as mentioned in para 8.22 & para 8.23 of MSO (A&E – 1 st edition) Vol.I are maintained in VLC system.
7	Check whether Broadsheet for “Deposit” is maintained in VLC as per the instructions contained in para 8.30 of MSO (A&E – 1 st edition) Vol.I.
8	Check whether Broadsheets for remittances head are maintained in VLC as per para 8.36 of MSO (A&E – 1 st edition) Vol.I.
9	Check whether outstanding balances under II-Cheques at the close of the year represent merely the cheque drawn up to 31 st March remaining unencashed by that date.
10	Check whether differences under II-Cheques other than mentioned in para 9 above are investigated and adjusted before the close of the financial year.
11	Check whether outstanding balances under I-Remittances at the close of the year represent merely the cash remittances in transit on that date.
12	Check whether differences under I-Remittances other than mentioned in para 11 above are investigated and adjusted before the close of the financial year.
13	Check whether difference between Broadsheet figure and ledger figure are cleared at the earliest possible (This is to ensure accuracy of monthly transaction) and there is no difference between broadsheet figure and ledger figure at the close of financial year.

14	Check whether objection book as mentioned in para 8.47 of MSO (A&E) Vol.I is maintained for non-receipt of vouchers and stamped Receipt.
15	Check whether monthly closing as well as annual closing of Objection Book is done in accordance with para 8.52 and para 8.53 of MSO (A&E) Vol.I

4. Loans and Advances

1	Whether subsidiary Loan Registers in respect of open market loans raised by State Government as well as other loans and advances granted by State Government to local bodies, authorities, etc., are maintained indicating denomination scheme-wise details in Forms A, B prescribed in para 6.4 of C&AG's MSO (A&E – 1 st edition) Vol.I. What are the checks/controls exercised by the Branch Officer in the maintenance of these registers and avoiding the accumulation of arrears?
2	Whether Broadsheet in Form 86 in respect of interest bearing advances to Government servants, viz. House Building and Motor Car is being maintained? Whether the payments and recoveries shown in the Broadsheets are being reconciled monthly with the figures shown in Detail Book in terms of Para 6.16 of C&AG's MSO (A&E – 1 st edition) Vol.I? What are the checks/controls exercised by the Branch Officer in the maintenance of these Broadsheets and avoiding arrears to be accumulated?
3	Examine the effectiveness of broadsheets for reconciliation of book section balances with totals of subsidiary accounts and action taken to complete incomplete subsidiary accounts (e.g. GPF, Group D, GPF in Departments)
4	In Loan Accounts, the maintenance of which is the responsibility of AG, examine the adjustment of misclassifications and adverse balances.
5	Whether broadsheets for long term advances are maintained upto date and as per instructions?
6	How many departments have confirmed the balances of long term advances communicated by the office?
7	Whether detailed Accounts in respect of Loan to individual Govt. servant – HBA, MCA are maintained; if yes, whether confirmation of balances are obtained from Loanees.
8	Whether there is a mechanism to ensure that prompt report of any delay/default in payment of principal/interest is sent to Government?
9	Whether any adverse balances were noticed in loan accounts and how they were dealt with? <i>Inter alia see: -</i> a) What are the Major heads where adverse balances appears b) Whether any review of adverse balances as required under provision of MSO (A&E) Note below para 11.2 was carried out c) What action was taken to liquidate such balances d) What corrective actions/steps taken to arrest the adverse balances

5. Deposit Sections

i)	What is the mechanism prescribed to enable the Branch Officer to ensure that all the plus/minus memos required to be received with treasury accounts are received and actually transmitted to the Deposit Section for maintaining/posting the subsidiary Registers/Broadsheets?
ii)	What are the checks exercised at the level of the Branch Officer to ensure that cases of adverse balances are promptly taken up with Treasury Officers and the Administrators of Deposits for settlement?

6. Account Current Sections

a) Inward Settlement Account	
i)	What system is prescribed to ensure that all the Inward Settlement Accounts required to be received in Account Current Sections are received every month and adjusted through appropriate adjustment registers (both those from AG and the several PAOs)? What control mechanism is exercised over this item of work at the level of the Branch Officer/Group Officer in charge of AC Sections?
ii)	What mechanism is prescribed to ensure that Inward Settlement Accounts received in respect of a month are adjusted in the month of account on hand without holding them over for being adjusted in the next or subsequent months? How does the Branch Officer/Group Officer exercise control in this regard?
iii)	What control mechanism is followed to ensure that suspense slips in support of adjustments made in several Adjustment Registers with supporting vouchers, etc., are actually sent to concerned Accounting Sections and got acknowledged by them promptly? In cases where Branch Officers/No.II offices are responsible for issue of suspense slips to the Main Office/II Office or vice-versa (due to functional distribution of accounting work), how is this check exercised at the level of Branch Officer/Group Officer in charge of AC Section?
iv)	Whether there are any delays in transmission of suspense slips?
v)	Whether any cell was constituted for clearance of suspense slips and how was it functioning?
b) Outward Settlement Account	
What mechanism is followed to ensure that all Outward Settlement Account (including 'NIL' accounts) required to be sent to several AGs and PAOs are promptly sent every month on due dates, their acknowledgements obtained? what are the checks exercised at the level of Branch Officer in this regard? Whether receipt of wanting documents/vouchers relating to these accounts from Treasuries/other accounting sections is promptly pursued? What are the checks exercised at the level of Branch Officer/Group Officer in this regard?	
c) Register of Inter-Government Adjustments	
i)	Is a separate Broadsheet in respect of CAO "RB Suspense" maintained for analyzing and liquidating the outstanding thereunder? What are the checks exercised at the level of Branch Officer and Group Officer in this regard?

ii)	Are there any non-banking Treasuries/sub-Treasuries in the State? If so, are the receipts and payments occurring in them on behalf of Central Government (and adjustable in the Central Section of AG's Books) intimated by the Treasury Officer at weekly intervals and are they entered in Part-I of the Register (Form AC-3) as prescribed in Article 5.3 of Account Code for AG for advice to Central Account Section of Reserve Bank of India?
iii)	Are there any specific problems relating to adoption of correct codal procedure in this regard, requiring examination by Headquarters?
d) Adjustments of items under 'PAO Suspense' and RB Suspense (HQ)	
i)	Are the Register of Inward and Outward claims maintained in the proper form AC-20 and AC-16 respectively with all the columns duly filled in, in respect of each PAO with whom transactions take place? What is the mechanism by which the Branch Officer in charge keeps a proper control over this item of work, as well as for the accounts of the drafts purchased/drafts remitted to bank, under the correct head of account (PAO Suspense and RB Suspense (HQ) as the case may be)?
ii)	Are entries made in the Register of Valuables maintained in the prescribed form SY-249 whenever Demand Drafts are received for being credited to Government Account? What checks are exercised at the level of the Branch Officer while scrutinizing the disposal of entries in this register?
iii)	Are the correct forms for requisition of demand drafts/credit slips for drafts remitted to Bank, viz, AC-17/AC-19 used in all cases, with appropriate classification filled in to avoid misclassification at the stage of incorporation by the Bank/Treasury Officer in the scrolls? What is the mechanism prescribed at the level of Branch Officer in charge to ensure this aspect?
iv)	Was there progress in following up old items under Reserve Bank Suspense? What is the effectiveness of functioning of high level coordination committee with representatives of Reserve Bank, State Bank and nationalized banks, State Government and the AG's office?
v)	Examine the status of outstanding under various suspense heads and progress in following up old items under other suspense heads like PAO Suspense etc. and effectiveness of steps taken to adjust items during last 4 years.

7. Appropriation Accounts

1	Check whether there is a fool proof arrangement to ensure that Budget Provisions captured in VLC system are exactly as contained in Actual Budget Publication and Appropriation Act.
2	Check whether there is an arrangement to ensure that Nomenclature of the sub-head shown in Monthly Appropriation Account (Report on Expenditure) generated through VLC is exactly same as contained in the Actual Budget Publication.
3	Check whether Grant number and nomenclature were captured correctly in the VLC System.

4	Check whether PAC Norms for comments have been captured correctly in the VLC system. If this facility is not available in the VLC System, check whether comments are made as per PAC norms.
5	Check whether advance actions are taken by the sections concerned to arrest the factors responsible for inaccuracy and delay in preparation/submission of Appropriation Accounts.
6	Check whether report on expenditure generated through VLC system are sent to the departments of the Government within seven days of the finalization of Monthly Accounts.
7	Check whether format of the report on expenditure is as decided by the Headquarters.
8	Check whether there is an arrangement for checking of re-appropriation orders as per para 3.13 of MSO(A&E-1 st edition) Vol.I.
9	Check whether there are arrangements to ensure 100-% accuracy in capturing Re-appropriation/Surrender orders in VLC System.
10	Check whether there is an arrangement to watch the cases where amounts have not been transferred from Contingency fund to Consolidated fund even after issue of recoupment order by the Finance Department.

8. Finance Accounts

1	Check whether heads of accounts shown in the accounts are authorized ones and the nomenclature thereof conforms to the classification contained in the list of Major and minor head of accounts.
2	Check whether the opening balances agree with the closing balances.
3	Check whether adverse balances have been adequately explained and action taken for liquidating these is sufficient.
4	Check whether balance under “Deposit with Reserve Bank” agrees with the balance communicated by the bank and, if not, the difference has been properly explained.
5	Check whether codal provisions governing the transfer of the entire balance “Cash Remittances between treasuries and currency chest” under the major head 8782 ‘Remittances in transit’ and that under “8675 Reserve Bank Deposit” to “8999- Cash Balance – Deposit with Reserve Bank” have been observed leaving no balance under the former head.
6	Check whether figures tally with those of contained in the Appropriation Accounts.
7	Check whether figures exhibited in the summarized statement agree with those in the detailed statement.
8	Whether there are delays in carrying out correction to Finance and Appropriation Accounts and delays in complying with audit requirement?
9	Whether the Statements in Finance Accounts are updated?
10	Whether the Statements on Loans and Guarantees correlate to the provisions in the respective Fiscal Responsibility Acts passed by Legislatures placing a cap on guarantees and borrowings?

11	Whether the Finance Accounts contain adequate disclosures relating to off-budget borrowings, loans to PSUs, local bodies, co-operatives, etc. (including names, terms of loan, amount outstanding, repayment, etc.)?
<p>Note : - The importance of quality of the accounts hardly needs to be emphasized. The Appropriation and Finance Accounts should therefore be thoroughly checked by the AAO/SO and AO/Sr.AO incharge of the Compilation of annual accounts and further by ITAS to weed out any errors. The Group Officer should monitor the process closely under Accountant General guidance.</p> <p>The ITAS and Book-I Section will furnish a Consolidated report that the heads of Accounts are duly checked to Report (AAD) Section.</p> <p>(CAG DO letter No.12-AC-Misc./212/2005 dated 19.1.2006)</p>	
Others	
12	Vet the Accounts At a Glance for every year, before printing.
13	Whether the time schedule for monthly civil accounts is followed?
14	Whether Report on Expenditure is sent to State Government. <i>Inter alia see: -</i> a) What is the due date of sending the Report on Expenditure? b) Furnish the date on which the Report on expenditure is sent to State Govt. from previous financial year till date.
15	Whether Warning slips are sent to the Administrative departments of the State Government indicating the details of the scheme in which the expenditure is more than the budget provision or in the cases of expenditure incurred without the budget provision.
16	Whether Appropriation Audit Check Register is maintained and submitted to Audit. <i>Inter alia see: -</i> What is the due date and actual dates of submission to Audit.
17	Allocation of balances between successor states in case of re-organisation. <i>Inter alia see: -</i> Action taken on allocation of balances between the States involved along with the present status of the allocation.

9. Treasury Inspection

1	Whether the Group Officer has supervised at least one treasury inspection in each quarter? <i>Inter alia see: -</i> a) How many Treasuries and Sub-Treasuries are situated in the state? b) Quarter-wise last 3 years inspection of Treasuries conducted by the office.
2	Whether treasuries have been computerized?
3	Whether IT Audit has been conducted in treasuries?

4	Whether annual review on working of treasuries has been completed (up to what year)? <i>Inter alia see: -</i> Copies of report on annual review on working of treasuries for the last 2 financial years.
5	Whether the Treasury Inspection Parties have, inter alia, (i) collected information through the questionnaire embodied in Annexure-I and analyzed it and (ii) filled in the Title Sheet properly, given in Annexure-II of the Manual of Treasury Inspection.

Special checks to be exercised during test check of the sections by the internal audit section

10. Departmental Compilation (DC) Sections

1	Complete accounting of receipts schedules of one or two Treasuries.
2	Check of classification of vouchers above Rs.10,000/- and the vouchers debitible "Contingency Fund" of one or two Treasuries.
3	Totalling of one or two sub-heads of account, of a month, of one or two Treasuries the correctness of the accounts.
4	Verifying some items outstanding under the objection book for more than 6 months to see whether they could have been cleared.
5	Verifying whether some items of differences between Broadsheet and Ledger can be cleared.

11. Gazetted Entitlement (GE) Section

1	Whether the Registers for Gazetted Entitlement work are maintained as prescribed?
2	Whether there are any complaints in respect of Gazetted Entitlement work and whether they are promptly attended to?

12. Pension Authorisation Section

Check whether Special Seal Authorities are issued expeditiously and in accordance with the prescribed procedure.

Note: - The guidelines mentioned above are not exhaustive and provisions laid down in relevant Codes, Manuals, Rules and Regulations as prescribed by the Government and Instructions issued from time to time by the headquarters office as applicable shall also be applied.

APPENDIX-‘E’

(Referred to in para 2.3)

List of Section with periodicity of their Internal Test Check

SECTIONS TO BE TEST CHECKED ANNUALLY

<u>S.No.</u>	<u>Name of the Sections</u>
1.	P&AO
2.	Administration-I
3.	Administration-II
4.	O.E.
5.	Cash Branch
6.	Legal Cell
7.	G.D.
8.	G.D.(Store)
9.	G.D. (Receipt & Despatch)
10.	G.D. Record
11.	Welfare Cell
12.	Library
13.	Training
14.	VLC (Voucher Level Computerisation)/SSG
15.	Information System Wing
16.	Type Pool
17.	T.I. Cell
18.	Rajbhasha Cell

SECTION TO BE TEST CHECKED ANNUALLY (SURPRISE CHECK)

(Only four sections out of GE, Loan, Admn. Groups to be selected annually)

<u>S.No.</u>	<u>Name of the Sections</u>
1)	Administration-I
2)	Administration-II
3)	G.D.
4)	G.D. (Store)
5)	G.D. (Receipt & Despatch)
6)	G.D. (Record)
7)	O.E.
8)	Cash Branch
9)	Legal Cell
10)	Welfare Cell
11)	Library
12)	Training
13)	Type Pool
14)	Information System Wing
15)	VLC (Voucher Level Computerisation)/SSG
16)	Rajbhasha Cell
17)	T.I. Cell
18)	D.D.

SECTION TO BE TEST CHECKED ONCE IN TWO YEARS

(Loan, Deposit, WM & FM)

<u>S.No.</u>	<u>Name of the Sections</u>
1.	D.D.
2.	W.M.

SECTION TO BE TEST CHECKED ONCE IN FOUR YEARS

<u>S.No.</u>	<u>Name of the Sections</u>
1.	A.C.
2.	CA-I
3.	CA-II
4.	CA-III
5.	CA-IV
6.	CA-V
7.	CA-VI
8.	C.T.S.
9.	Pension Authorisation
10.	Entitlement (R)
11.	P.F.(R)
12.	T.M.
13.	W.A.C.
14.	Forest Accounts

APPENDIX-F'

(See para 2.6.2)

PROFORMA - `A'

Name of the office _____

Statement showing the progress of test check of sections by Internal Audit Wing.

Period of Cycle _____

Period of report - Half year ending _____

		Annual			Once in 2 years				Once in 4 year				
		PAO	Admn.	Surprise check of four sections (GE, Loan, Admn.)	Loan	Dep.	WM	FM	PF	DC	Pension	GAD	WC
1	Total No. of sections (Group-wise in the office)												
2	No. of sections (Group-wise test-checked during this cycle till the end of previous half-yearly report												
3	No. of sections (Group-wise) selected for test-check during the current half year.												
4	No. of sections (Group-wise) actually test-checked.												
5	No. of sections for which test audit reports have not been issued within stipulated period (with reasons for delay)												

APPENDIX-‘F’

(See para 2.6.2)

PROFORMA –‘B’

Half Yearly Appraisal Report of the Test Check of the Sections for the period from to

<i>Principal defects noticed during Internal Audit</i>	<i>Action taken to set right the defects</i>	<i>Appraisal by Head of the office as to whether or not procedures and systems prescribed have been followed.</i>	<i>Corrective measures/action taken to avoid recurrence of such defects.</i>

Appendix-‘G’

(Referred to in Para 4.11)

Illustrative checks to be exercised and points to be seen during internal audit of VLC and Computrisation

(a) VLC

1.	Check whether Sections has been reorganized after implementation of VLC
2.	Check whether VLC training has been provided to all the staff and Officers in the VLC and Account group.
3.	Check whether a group of officials with sufficient training and practical experience in oracle and DEVELOPER 2000 are in place to ensure smooth running of all the forms and reports.
4.	Check whether there is an arrangement to ensure quality control of data captured.
5.	Check whether there is an arrangement to ensure that all reports and forms available for work are the latest one (version control has been maintained).
6.	Check whether there is an arrangement for recording the application related problems faced by data entry officials/supervisor.
7.	Check whether Application related problems are solved at the earliest possible.
8.	Check whether back up of all Forms and reports (executables as well as document) are available on different media (i.e. CD, DAT Tape).
9.	Check whether user manual provided by VLC Application vendor is available in soft copies as well as in hard copy.
10.	Check whether work manual (operating instruction in VLC) has been prepared for working in VLC application package and its soft copies relevant portions are available on each desk tops.
11.	Check whether common and frequent mistakes/errors committed by the staff are recorded and discussed with them for future improvement.
12.	Check whether regular refresher courses are conducted or all the officials working on VLC application package.
13.	Check whether there are well defined duties and automatic distribution of work in case of absence of a person.
14.	Check whether there is an arrangement to monitor the work and to ensure that none of the data entry required for preparation of Monthly Civil accounts remains unattended.
15.	Check whether all the officials working on VLC application have been provided PASSWORD according to their ROLE and they are changing their passwords regularly.

16.	Check whether there is an arrangement to restrict the entry of Unauthorized persons in the VLC hall.
17.	Check whether there are sufficient escape doors for official to move out in case of emergencies like fire/earthquake etc.
18.	Check whether there is proper fire fighting arrangement.
19.	Check whether all the Hardware has been numbered and all details are available in a data base format.
20.	Check whether information is recorded in database format regarding details of problems in the hardware (including UPS), its intimation to the vendor, date and time of attending the problem and date and time of getting the solution.
21.	Check whether hardware complaints are attended immediately by the vendor.
22.	Check whether desktops used by data entry officials have any of the Oracle Developer utility (e.g. Query builder, SQL Plus, Tode, Gold, etc.). This utility may be misused for manipulating data.
23.	Check whether Server Room is accessible to the authorized officials only.
24.	Check whether Server is logged in by the DBA or any such authorized official.
25.	Check whether Cold back up is taken daily on more than on media (stand by server, DLT Tape, CD/DAT Tape) and a log book is maintained.
26.	Check whether logical backup is taken at least once a week.
27.	Check whether one set of back up media is kept away from the site (Office Building).
28.	Check whether one set of back media (VLC Server, forms and reports any other backup like GPF) are kept in a fire proof cabinets.
29.	Check whether there is an arrangement to prepare master data with “zero” error. It is most important because all outputs are based on master.
30.	Check whether norms have been fixed for Computer utilization per shift per operator, Quantity of work done (e.g. No. of Vouchers, no. of other entries etc.) per shift/per day.
31.	Check whether backups are restored regularly in the standby by server as a mock drill for any real database crash.
32.	Check whether there is proper protection of all the hardware from dust, heat, fire, theft and any other calamity.
33.	Check whether there is an arrangement to ensure that: - a) data entry is done on the basis of proper document. b) no document is captured more than once.
34.	Check whether there is any risk of data loss, data corruption or any unauthorized addition of data in case data are transmitted to another location for final consolidation.
35.	Check whether there is an arrangement to ensure that Monthly account is generated only after ALL the data for the month is posted.

36.	Check whether there is an arrangement to ensure that processing results are correct.
37.	Check whether reports are made available to the users (e.g. reconciliation parties) at the earliest possible.
38.	Check whether there is an arrangement to ensure that reports are generated by officials authorized for it.
39.	Check whether there is an arrangement to investigate and rectify any error found in any report/processing result.
40.	Check whether there a proper business continuity plan is in place. There should be adequate plan and arrangement to resume the function in case of break down VLC being a mission critical system, a high degree of continuity planning is required.
41.	Check whether Business continuity plan is fully documented, periodically tested and updated as necessary.
42.	Check whether one Business continuity plan documents (disaster recovery plan document) is kept away from the site and in a fire proof cabinet along with backup media.
43.	Check the implementation of the Recommendation of Smt. A.L. Ganapathi Committee Report in respect of use of VLC database in audit.
44.	Make a test check of correctness of data entry in VLC and accessibility to audit for scrutiny.
45.	Quarterly Data related to Salaries and Wages on Revenue and Capital Expenditure is to be checked and certified by IA wing before the same is sent to Ministry of Statistics and Programme Implementation, New Delhi in accordance with Headquarters instructions.
46.	Hosting of key indicators emanating from the Monthly Civil Accounts is to be checked and certified by IA in accordance with Headquarters instructions.

(b) Other than VLC

1.	Check whether all the In-house functions has been computerized and they are in operation as per the HQ instructions.
2.	Check whether output is accurate especially Pay roll (A calculation on calculator by taking sample input data already processed by be compared)
3.	Check whether productivity, quality has increased due to computerization.
4.	Check whether Backups are taken regularly and kept at safe place.
5.	Check whether Pay roll application is operated by authorized persons only.
6.	Check whether Changes if any can be made in the pay roll application only by the authorized persons.
7.	Checks to apply in GPF (oracle) or in GPF (FoxPro) should also be on the lines of VLC.

8.	In the offices where websites are hosted, the Internal Audit shall verify whether the information placed on the web-site is current and accurate. Internal Audit shall also verify wherever applicable whether the quality of services provided by Interactive Voice Response Systems (IVRS) is satisfactory.
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Note : - The guidelines mentioned above are not exhaustive and provisions laid down in relevant Codes, Manuals, Rules and Regulations as prescribed by the Government and Instructions issued from time to time by the Headquarters office as applicable shall also be applied.

APPENDIX-'H'

(See para 5.2.ii)

Extracts of para 4.3 to 4.5 from the brochure on reservation for schedule castes and schedule tribes.

The rosters for posts filled by direct recruitment will be maintained as follow:-

- (i) A common roster should be maintained for permanent appointments and temporary appointments likely to become permanent or to continue indefinitely MHA OM. - No.31/10/63SCT (1) dated 27.3.63 & 02.5.63
- (ii) A separate roster should be maintained for purely temporary appointments of 45 days or more but which have no chance whatever or becoming permanent or continuing indefinitely. DP & AR OM. No. 36011/46/81Estt. (SCT) dated 04.2.82
- (iii) The distinction between physical vacancy and the vacancy caused due to conversion of temporary post into permanent has been dispensed with. Now, all permanent vacancies for confirmation occurring either due to death, retirement, resignation or for any for any other reasons or due to conversion of temporary post into permanent should be reflected in a separate temporary DP & AR OM. No.36011/12/81 (SCT)2 dated 25.6.82.

post converted into permanent and should be reflected in a separate roster.

The roster will be maintained in a register in the form given in Appendix 4. Detailed instructions for maintaining of roster are given in Appendix 5. A hypothetical illustration of a roster is given in Appendix 6.

DP & AR OM
No.36011/28/83 Estt. T)
(SCT) dated 12.3.84

The Liaison officers nominated in the Ministries/Department and in offices under the Heads of Departments will conduct annual inspection of rosters in the respective offices under the charge. The proforma for inspection of rosters is given in Appendix 7. (The duties of Liaison offices are given in detail in Chapter 15).

DP & AR OM.
No. 8.8.71 Estt. (SCT)
dt. 22.4.71

APPENDIX-H'

(See para 5.2.ii)

Detailed instructions for the maintenance of rosters

1. A separate roster should be maintained in the form given in Appendix 4 for each type of recruitment and within it for each grade or service or a group of posts formed for the purpose of these orders.
2. Within each category of posts a separate roster may be maintained for (i) permanent appointments and temporary appointments likely to become permanent or continue indefinitely and (ii) purely temporary appointments.
3. Immediately after an appointment has been made the particulars of the persons appointment will be entered in the register in the appropriate cols. and the entry signed by the appointing authority or by the officer authorised to do so.
4. No gap should be left in completing the roster. For example, if a reserved vacancy at, say point 25 has to be treated for want of a suitable scheduled caste/schedule tribe candidate, as unreserved, the candidate actually appointed will be shown against that point itself. Scheduled Caste/Schedule Tribe candidate recruited later in the year against an unreserved point will be shown against such point.
5. The roster will be maintained in the form of a running account year by year. For example, if recruitment in a year stops at point 6 of a cycle, recruitment in the following year will begin at point 7.

Note : *With reference to instructions No. 3 and 4 above on the point whether the entries in the roster should be made strictly according to the dates of joining of merit etc. of the candidates even if this resulted in the names of scheduled Castes/Tribes candidate(s) selected against reserved vacancies being show against unreserved points in the rosters, it is clarified that it should be ensured that the names of the Scheduled Castes and Scheduled Tribes who have been selected against the reserved vacancies are shown against the respective reserved points in the roster as and when they join. In cases where a point in the roster is earmarked for recruitments of Scheduled Castes/Scheduled Tribes and necessary action to fill that vacancy by a candidate of the reserved community has already been initiated and is in progress, there would be no objection to keeping that reserved point temporarily unfilled till the reserved community candidate, joins or till the reserved vacancy dereserved. This need not be treated as leaving a gap in the roster. Instruction No.4 referred to above according to which no gap should be left in the roster would require that while notifying vacancies, only the consecutive points in the roster should be taken into account without leaving any gap. Fresh recruitment should start from the point next to the point at which the previous recruitment actually made.*

APPENDIX – ‘H’

(See para 5.2.ii)

**GRADE OF GROUP OF POSTS TECHNICAL ASSISTANT – PERMANENT
AND TEMPORARY LIKELY TO BECOME PERMANENT**

<i>Reservation brought forward from previous years</i>				<i>Particulars of recruitment made</i>		<i>Reservation carried forward</i>	<i>Signature of appointing or other authorized officer</i>		<i>Remarks</i>
<i>Scheduled Caste</i>	<i>Scheduled Tribe</i>	<i>Recruitment Year</i>	<i>Cycle No. & Point No.</i>	<i>Unreserved or reserved for SCs/STs according to the roster applicable</i>	<i>Name of the Person appointed & date of appointment</i>		<i>SC</i>	<i>ST</i>	
1	2	3	4	5	6	7	8	9	10
		1956	1	Sch. Castes	A	Neither			
			2	Unreserved	B	-do-			
			3	-do-	C	-do-			
			4	Sch. Tribes	D	Sch. Tribes			
			5	Unreserved	E	-do-			
			6	-do-	F	-do-			
			7	-do-	G	-do-			
			8	-do-	H	-do-			
			9	Sch. Castes	I	-do-			
			10	Unreserved	J	-do-			

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APPENDIX-'H'

(See para 5.2.ii)

Proforma for conducting Inspection of Rosters maintained for providing reservation for scheduled caste and scheduled tribes in service

Name of office _____

Date of Inspection _____

Name of post/group of posts _____

Date of current Inspection _____

1. Whether separate rosters are being maintained for each grade or group of Posts and within such grade/group, separately for (i) direct recruitment and (ii) for posts filled by promotions (where reservation is applicable in such posts by promotion) and whether all the appointments made during the period covered by the inspection are shown in the roster;
2. Whether the appropriate model roster viz. the one prescribed for (1) direct recruitment on an all India basis by open competition (2) direct recruitment on all India basis otherwise than by open competition (3) direct recruitment on a local or regional basis or (4) promotion as the case may be is being followed;
3. Whether rosters are being maintained separately for (i) permanent appointment and temporary appointments likely to become permanent or to continue indefinitely and (2) purely temporary appointments of 45 days or more duration;
4. Whether the rosters are being maintained in the form prescribed viz. appendix E to the Brochure.

5. Whether the points have been earmarked in the roster for Scheduled Castes and Scheduled Tribes correctly according to the prescribed model rosters for the particular type of recruitment.
6. Whether immediately after an appointment has been made the particulars of the person appointed are entered in the register in appropriate cols. and the entry signed by the appointing authority or by the officer authorised to do so.
7. Whether any gap is left in the roster.
8. Whether the roster is being maintained in the form of a running account from year to year.
9. Whether before appointing a general candidate against reserved vacancy (i) prior approval of the Department of Personnel for dereservation was obtained in the case of vacancies included in the rosters for permanent appointments and temporary appointment likely to become permanent or to continue indefinitely, and (ii) whether the steps prescribed in para 26 of the Brochure to secure scheduled castes/tribes candidates were taken in the case of vacancies included in the roster for purely temporary appointments;
10. Whether an abstract in confirmation in posts, filled by direct recruitment has been correctly determined in accordance with the orders in M.H.A. O.M. No. 31/10/63 SCT (1) dated 27.3.1963 and 2.5.1963.
11. Whether an abstract is given after the last entry in a recruitment year, showing the number of reservations carried forward to the following year separately for Scheduled Castes and Scheduled Tribes. Whether these

reservations have been shown as brought forward at the beginning of the roster for the following year.

12. Whether reservations have been carried forward to three subsequent recruitment years and exchange of reservations made between Scheduled Castes and Scheduled Tribes as provided in MHA O.M.No. 27/25/68 Estt.(SCT) dated 25th March 1970 before treating them lapsed.
13. Any other remarks.

SUMMING UP

14. Brief recapitulation of defects and shortcomings noticed in the maintenance of the rosters and any other suggestions which the Inspecting Officer has to make with particular reference to the remarks given during the last inspection.

Signature of the Inspecting Officer

Designation

Dated

Remarks of the Head of Department

APPENDIX-'I'

(Referred to in para 5.9)

Details of check, that may be undertaken by I.T.A. during local scrutiny of the draft Finance Accounts at the stage when they are prepared by Book/Finance Accountants/Report Section, before rendition to the headquarters office

- (i) The working sheets received from several sections for preparation of draft Finance/Accounts in Book/Finance Accounts/Report Section and Journal entries etc., as well as ledger in Book section from which the bulk of the statement for Finance Accounts are compiled should be checked to inter alia ensure that: -
 - (a) no unauthorised accounts have been opened;
 - (b) there are no anomalies and obvious mistakes of classification do not exist;
 - (c) wide variation between Revised Estimates and actuals have been properly examined to ensure that no serious misclassifications have occurred;
 - (d) per contra adjustment on account of transactions affecting different Accounts Officers or appearing in the books of two different branches or sections of one and the same Accountant General have been correctly carried out in the books of both the branches/section;
 - (e) there are no abnormal transactions of receipts disbursements requiring investigation, rectification or insertion of suitable footnotes.

- (ii) Reconciliation of figures between the draft Finance Accounts and the draft Appropriation Accounts should be effected completely for all the heads of accounts.
- (iii) Broad checks over 'adverse' balances under several Debt/Deposit/Remittance heads should be carried out with a view to ensure that a true and correct explanation is given for the existence of the adverse balances, wherever it is not possible to rectify such balances at the stage of finalising the draft Finance Accounts of a particular year.
- (iv) It should be seen that the codal provisions in Account Code Vol.IV (Article 53) about transfer of entire balance under "882(*). Cash Remittance etc. Cash Remittance between treasuries and Currency chests" to 899(**) Cash Balance Remittances in Transit", have been observed leaving no balance under the former Head. If balances are shown under both these heads in Statement No. 16, investigation should be made to ensure necessary corrections and observance of prescribed procedure.
- (v) Similarly, no balance should appear in Statement No. 16 against the head "875(***) - Reserve Bank Deposits", the entire account balance being shown against "899-Cash Balance - Deposits with Reserve Bank".
- (vi) In respect of the major "880(*) - Miscellaneous Government Account", there is a minor head "Written-off from heads of account closing to balance". The figures appearing against this head in Statement 16 (current debits/credits), should be verified with reference to the

sanctions issued (by CAG or by the Accountant General in certain cases).

Following head of Accounts have been revised with effect from 1.4.1987.

8782 - Cash Remittance and adjustments between offices rendering accounts to the same Accounts Officer.

8999 - Cash Balance

8675 - Deposits with Reserve Bank.

APPENDIX – ‘J’

(Referred to in para 7.2)

Calender of Returns for Internal Test Audit Section

Section-I

**Returns of Permanent or Recurring nature due to
authorities outside this office**

Sl. No.	Name of Return	To whom due	When due	Authority
ANNUAL				
1)	Inspection report relating to the defects/omission etc. in the maintenance of Reservation Rosters for giving effect to the reservations for SC/ST in services - Direct Recruitment for	CAG of India	15 th April	CAG letter No.2497 III dt.1.3.83 file K-992 page 396
2)	Inspection report relating to the defects/omissions in the maintenance of Reservation Rosters for giving effect to the reservation of SC/ST in services - Promotion	-do-	31 st March	-do-
HALF-YEARLY				
1)	Half yearly Appraisal report 10/2005 to 3/2006 4/2006 to 9/2006	CAG of India	1 st July 1 st Jan.	CAG's letter No.196 Insp./41-76 dt.28.10.96
QUARTERLY				
1)	Progress report regarding compliance of Director of Inspection's report conducted during 6.2.2006 to 24.2.2006.	CAG of India	Ist week of August November February May	CAG's letter No.368- Insp./320-06 dt.12.5.06 (in file K-2810)
MONTHLY				
1)	Monthly report of ITA (Reporting the important points/irregularities noticed during ITA of Sections)	DG (Insp.) CAG of India	10 th of each month	CAG's letter No.241/Insp/338-2003 dt.26.9.03 AG's order Para 5/N File K-2677 ITA Guidelines

APPENDIX – ‘J’

(Referred to in para 7.2)

Calender of Returns for Internal Test Audit Section

Section-II

Returns of Permanent or Recurring nature due for submission to higher authorities or other sections within this office

Sl. No.	Name of Return	To whom due	When due	Authority
ANNUAL				
1)	Annual report of Good and Bad work	Sr.DAG(A)	31 st March	Conf.Cell D.O. F/160/AO/OE/78/1444 dt.31.12.70
2)	Collection of statistics to serve as a fair index of volume of work done in office.	TM	20 th August	O.O. No.TM/69-c/97 DT.27.9.70 (k-740)
3)	Annual indent of form for the year	GD (Store)	10 th March	GD-II/F.1/Forms
4)	Verification of Register of Books	GD (Library)	15 th January	O.O. No.TM/63-c/217 dt.19.11.63
5)	Annual indent of forms Register	GD (Store)	10 th March	O.O. No.GD-IV/Sta-Form/81-82/C/1 dt.8.12.81
6)	Checking of complaint received against DA's/DAOs/ Sr.DAO in WM Section	AG	Once in a year	TM/97-C/3 dt.27.2.97, O.O. No.38 TM/98-C/9 dt.22.9.98
7)	Review of Key Register as a special check	AG	Once in a year	TM/97-C/3 dt.27.2.97, O.O. No.3 & TM/98-C/9 dt.22.9.98
HALF YEARLY				
1	Maintenance of record of good and bad work. (Issue of merit certificate in recognition of o/s work done by staff. (Nil report need not be submitted to AG.)	<u>AG</u> DAG	10 th April & October	F.166/AO/Admn./Conf./78-79/308 dt.23.1.77

Sl. No.	Name of Return	To whom due	When due	Authority
2	Report regarding clerical staff working on the same seat for more than 3 continuous years without the approval of G.O. and in the same section for more than 5 continuous year without the specific approval of the head of the office.	DAG(Admn.)	15 th July & January	OO No.Admn.II/BO dt.26.5.81 (File K-1709/82-83)
3	Half yearly report on Achievement of Targets.	TM	3 rd April & October	TM/IX/Targets/K-168/98-99/Sp.TR-I/384 dt.6.10.98
QUARTERLY				
1	Quarterly Arrear Report-Hindi (K-619, 2014)	Hindi Cell	5 th April, July, October & January	OO No.OE-II N.G./82/62-65/Vol.III/323 dt.12.6.69 Hindi K-619/OE.II/65-69/ Vol.II/140 dt.13.8.73
2	Q.A.R.	TM	5 th April, July, October & January	Para 6.06 of GD Manual
3	Review of Guard File	IAO	10 th April, July, October & January	TM/71-C/122 dt.30.12.71
4	Submission of quarterly personal & Conf. DO letters	Secy. to AG	8 th April, July, October & January	CAG's Conf. DO dt.28.12.70
5	Disciplinary cases initiated against the employees in this section.	TM	2 nd April, July, October & January	TM/VIII/disc./87-63/176 dt.27.7.82 K-1713

6	Key Register on each seat	IAO	15/4 15/7 15/10 15/01 each year	OO TM/97-C/ dt.27.7.97 corrigendum TM/VII/Key Reg./196-97/K- 99/11 dt.24.6.97 corrigendum TM/VII/Key. Reg./96-97/K- 99/129 dt.9.7.97
7	Quarterly Review of outstanding balances under suspense & Remittance head by ITAS.	Book-II	15/5 15/8 15/11 15/2 each year	DO No.60/AC- III/CFR/R013/ 460/97(KW) dt.15.2.99
8	Quarterly Review to the effect that Key Registers are maintained properly by each official.	TM	1/04 1/07 1/10 1/01 each year	As item No.6 above.
MONTHLY				
1	Closing of Attendance Register	IAO	5 th	TM/F-17/58-C/50 dt.7.9.58
2	Statement showing the men-in-position on leave for more than 31 days or more as on 1 st of each month	Admn.I	5 th	Admn.I/Staff Position/75-76 dt.21.10.76
3	Register of Good and bad work done by the staff.	IAO	5 th	E-166/AO/Conf./ 74 dt.17.11.75
4	Monthly Arrear Report	AG	5 th	CAG's No.40
5	Register of Books	IAO	10 th	OO No.TM/63- C/217 dt.19.11.63
6	Register for watching settlement of o/s paras of Test audit report.	IAO	20 th	AS/200/ITAS Manual Para 26 Chapter 3 of Tamil Nadu.
7	Report regarding compliance of ITA report	G.O.(AG)	20 th	DI Note 5.7.73
8	Calendar of Returns	A.G.(G.O.)	3 rd Tuesday	TM/74-C/94 dt.11.11.74
9	Despatch Register	IAO	26 th	Para 3.26 GD Manual

10	Register of Regular Leave	IAO	last working day	Admn.I/76-77/415 dt.24.7.76
11	Monthly indent of stationery & forms (now bi-monthly)	GD(Store)	5th	OO GD.II/Sta.form/81-82/C/1 dt.8.12.81
12	Hindi Monthly Report	Hindi Cell	5 th	Hindi Cell/78-83/7 dt.17.2.83 K-1817
13	Monthly report of employees remaining on unauthorized absence.	Admn.II OE	One day before the last working day of the month	Admn.I/Misc./Circular-2/2003 dt.17.11.05
WEEKLY				
1	Calendar of Returns	IAO	Every Tuesday	TM/63/C-60 dt.18.4.83 TM/86-C
2	Receipt Diaries	IAO		
	a) Internal Diary		8 th , 15 th 23 rd and last working day of month	TM/86-C/11 dt.18.7.86
	b) Hindi Diary		-do-	-do-
	c) Urgent Diary		Wednesday Friday	Para 6 of GD Manual

APPENDIX – ‘J’

(Referred to in para 7.2)

Calender of Returns for Internal Test Audit Section

Section-III

Returns, Accounts, Register etc. of Permanent or Recurring nature due either from outside authorities or from other sections in this office

Sl. No.	Name of Return	To whom due	When due	Authority
Annual				
1	Information regarding submission of the certificate of Annual Verification of service of employees.	Admn.I Admn.II GD-I	31 st July	Circular No.INGE/103 (1982) Letter No.287-3 NF 6.8.81 of 20.9.92 & Admn.III 3-13-1029 An.ver. TR-169 dt.18.10.62 (K-1773) 82/83
2	Information regarding submission of the certificate of attestation by Govt. servant in their Service Books	Admn.I Admn.II GD.I	30 th Sept.	-do-
MONTHLY				
1	Report on the review of complaints of delay in the settlement of personal claims	Due from controlling section DA(G)R Pen. Comp. Pension- Contri. TM	5 th of each month	

APPENDIX – ‘J’

(Referred to in para 7.2)

Calender of Returns for Internal Test Audit Section

Section-IV

**Unforeseen or Occasional Returns either due to be submitted by
the section or due to be received in this section**

Sl.No.	Name of Return	To whom due	When due	Authority
OCCASIONAL				
1	Points for Discussions with the Director of Inspection. (Nil report need not to be sent to ITAS)	AO	At the time of visit of Director of Inspection Party	OO No.ITAS dt.28.5.88 vide AG's order dt.17.5.93 (K-228)
2	Fixation of responsibility for missing vouchers OB Suspense by AO/CTS-I on staff	ITA	Time not specified	AG's order dt.20.12.81 conveyed by Book-II Suspense Cell 83-84 TR/76 dated 29.12.89

APPENDIX-K'

(Referred to in Para 7.3)

**OFFICE OF THE ACCOUNTANT GENERAL (A&E)
RAJASTHAN, JAIPUR**

**Monthly report on the state of work of Internal Test Audit Wing
for the month of _____ 200.**

Part – I

A. Arrear on account of I.T.A.

<i>Name of section</i>	<i>Month in which Test Audit was due to be conducted</i>	<i>Remarks</i>
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B - Test Audit Report Not issued.

<i>Name of section</i>	<i>Date of completion of Test Audit</i>	<i>Remarks</i>
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C - Horizontal Review allotted but not done

<i>Item</i>	<i>Due date of completion</i>	<i>Actual date of Report</i>	<i>Date of issue of Report</i>	<i>Remarks</i>
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Part - II

Arrear on account of Post Review.

<i>Name of the item</i>	<i>Month in which post review to be conducted</i>	<i>Remarks</i>
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Part - III

Other item of work in Arrear

<i>Name of the item</i>	<i>Month in which work was to be done</i>	<i>Remarks</i>
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Part - IV Outstanding Returns and Letters outstanding: -

(a) Returns due to be sent/submitted but not sent/submitted

<i>Name of Return</i>	<i>C.O.R. item</i>	<i>Page</i>	<i>To whom due</i>	<i>Due date</i>	<i>Remarks</i>
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(b) Returns due to be received but not received

<i>Name of the Returns</i>	<i>C.O.R. item</i>	<i>page</i>	<i>from whom due</i>	<i>due date</i>	<i>Remarks</i>
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Letters outstanding

<i>Name of the Diary</i>	<i>No. of letters O/S as per last report</i>	<i>No. of letters received upto 15th of last</i>	<i>Total</i>	<i>No. of letters disposed off</i>	<i>No. of letters O/S for more than one month</i>	<i>No. of letters O/S for more than two months</i>	<i>No. of letters O/S for more than three months</i>
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Abstract of Arrear in Mandays

Internal Mandays

Part-I Test Audit not conducted
Test Audit report not issued

Part-II Post Review _____

Part-III Other items _____

Part-IV Returns ()
Letters ()
D.I. paras ()

Total : _____

CERTIFICATE

1. Certified that the tables of the assistances were over handed and the state & arrangement of records in the section was found satisfactory.
2. Certified that the state of work as shown in this report as prepared from the record maintained in the section and otherwise, is to the best of my knowledge and belief, is correct.
3. Certified that with the exception of the arrear detailed in the report the work of the section is up-to-date.
4. Certified that all other items required to be done by the section during the month but have not been shown in this report were completed on due date and

the facts were recorded in such case in the calendar of returns and other prescribed register.

5. Except that records which are constantly required for reference etc. all other records have been consigned to Record Room.
6. Monthly verification (including locks and Keys) of furniture has been made found to be in order.

DATE :

A.A.O./ITAS

I certify to the best of my knowledge and belief that with the exception of arrears detailed and explained in the report, the work of the section is up-to-date vide Note 2 below para2 of C.A.G's M.S.O. and satisfied about the adequacy of the section already taken for the speedy clearance of internal/external arrears.

DATE :

INTERNAL AUDIT OFFICER
ACCOUNTANT GENERAL (A&E)