

केवल भारतीय लेखा एवं लेखापरीक्षा विभाग के प्रयोग के लिये

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लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

कार्यालय महालेखाकार (लेखापरीक्षा- I) राजस्थान, जयपुर

OFFICE OF THE ACCOUNTANT GENERAL

(AUDIT-I)

RAJASTHAN, JAIPUR.

स्थानीय लेखापरीक्षा

की नियम पुस्तक

(जून – 2021)

MANUAL

OF

LOCAL AUDIT

(June - 2021)

महालेखाकार (लेखापरीक्षा- I) राजस्थान, जयपुर द्वारा जारी की गई

Issued by

THE ACCOUNTANT GENERAL (AUDIT-I) RAJASTHAN,

JAIPUR

Preface

From 15th May 2020, the office of the Principal Accountant General (General & Social Sector Audit) Rajasthan was designated as Principal Accountant General, Audit-I and now called as the office of the Accountant General, Audit-I, Rajasthan, Jaipur.

This office conducts compliance, financial attest audit and performance audit of 67 Departments of the State Government and Government Companies, Corporations, Public Sector Undertakings under administrative control of these departments etc. and is responsible for the preparation of Audit Reports.

The major role of this office is inspection and local audit of accounts of the offices and Institutions of Government of Rajasthan within its jurisdiction for the audit of which the Comptroller and Auditor General of India is statutorily responsible under Section 13, 14, 15, 16 and 17 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971. The headquarter staff in general and Inspection staff in particular is expected to ensure that the procedures laid down in this Manual are scrupulously observed. This Manual is to be treated as a guide for the staff of the Accountant General (Audit-I), Rajasthan and not as an exhaustive treatise.

Any errors or omissions noticed in the Manual should be intimated to Co-ordination Section of AMG I, who will be responsible for keeping it upto date.

This manual provides guidance regarding compliance audit of certain major departments like Medical, Education, Disaster Management Relief & Civil Defence, Police, Pension, Jails etc.

**Jaipur
Dated**

**(Anadi Misra)
Accountant General (Audit-I),
Rajasthan, Jaipur**

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SECTION - I
CHAPTER - I
GENERAL

1.01 (A) Bifurcation of offices and allocation of functional groups.

Prior to 01.03.1984, the Accountants General offices in the States were dealing with audit, accounting and entitlement functions. As a consequence of restructuring of cadres in IAAD, the office of the Accountant General, Rajasthan, Jaipur was bifurcated into two offices namely, Accountant General (Audit) Rajasthan, Jaipur and Accountant General (Accounts & Entitlement) Rajasthan, Jaipur.

The office of the Accountant General (Audit) was further bifurcated into two offices namely, Accountant General (Audit)-I and Accountant General (Audit)-II in 1989. The Office of the Accountant General (Audit)-I was upgraded as Office of the Principal Accountant General (Audit)-I on 20th September 2002. Both the above audit offices were renamed as Accountant General (Civil Audit) and Accountant General (Commercial & Receipt Audit) or in short (C&RA) w.e.f. 30th September 2004.

From 2nd April 2012 the office of the Principal Accountant General (Civil Audit) Rajasthan was designated as Principal Accountant General, General and Social Services Departments and called as the Office of the Principal Accountant General (General and Social Sector Audit) Rajasthan. All the technical guidance, support functions and duties relating to Audit and Accounts of Local Bodies are discharged by this office.

The office of the Accountant General (Commercial & Receipt Audit) Rajasthan was designated as Office of the Accountant General (Economic & Revenue Sector Audit) (E&RSA) Rajasthan.

The Audit of expenditure and receipt of all Central Government units located in Rajasthan including Autonomous Bodies were transferred to the newly created office of Principal Director of Audit (Central) Ahmadabad.

From 15th May 2020 the Office of the Principal Accountant General (General & Social Sector Audit) Rajasthan was designated as Principal Accountant General (Audit-I) Rajasthan and called now as the Office of the Accountant General (Audit-I), Rajasthan, Jaipur.

The Office of the Accountant General (E&RSA) Rajasthan was designated as Accountant General (Audit-II) and called now as Office of the Accountant General (Audit-II) Rajasthan, Jaipur.

Accountant General (Audit-I) and Accountant General (Audit-II) Rajasthan and Principal Director of Audit (Central) Ahmadabad, B.O. Jaipur have exclusive audit functions.

(B) Accountant General (Audit-I) Rajasthan

(i) Restructuring of Clusters Groups

The Office of the Accountant General (Audit-I) Rajasthan was restructured as follows into clusters headed by Group officers (Sr. Deputy Accountant General/ Deputy Accountant General) Group officers charge will be called Audit management groups (AMG).

Sectoral Group	Charge
(i) Administration.	(i) Cadre control of staff in the offices of AG Audit- I, Audit-II and PDA (C) B.O. Jaipur. (ii) Estate officer (iii) General Administration of AG Audit-I (iv) Establishment of AG Audit-I (v) Central Co-ordination.
(II) AMG-I	(i) Rural Development and Panchayati Raj Institution (ii) Agriculture, Food & Allied Industries (ii) Water Resources
(III) AMG-II	(i) Health and Welfare (ii) Law and Order (iii) Culture and Tourism
(IV) AMG-III	(i) Education, Skill Development and Employment (ii) General Administration
(V) AMG-IV	(i) Finance

Authority:- Office of the Pr.A.G.(G&SSA) Raj. JPR, No. Admn.I/G&SSA/Restruct./M-14-N-13/K-171/2020-21/G.D-15-17 & 20 dated 19.5.2020

(ii) With effect from 2nd April 2012 the post of one Group Officer engaged in audit of central expenditure and receipt [DAG(C&RA)] in the existing office of the Accountant General (Commercial & Receipt Audit) Rajasthan was transferred to the Branch Office of the Principal Director of Audit (Central), Ahmadabad at Jaipur branch along with the existing Group B officers and staff engaged in the audit of the Central Government's units. The Cadre control of Group B officers and staff so transferred to the administrative and technical control of the Office of Principal Director of Audit (Central) Ahmadabad continues to remain within their existing cadre controlling authority. All the central units have been transferred to PD Audit (Central) Ahemdabad at Jaipur branch during restructuring (2nd April 2012).

(C) Audit Functions

The Accountant General (Audit-I) Rajasthan conducts compliance, financial attest and performance audit as per cluster distribution after restructuring under the following categories and is responsible for the preparation of related Audit Reports.

- (a) Inspection and local audit of accounts of the Offices and Institutions of Government of Rajasthan within the Audit jurisdiction of the Accountant General (Audit-I) Rajasthan, Jaipur for the audit of which the Comptroller and Auditor General of India is statutorily responsible under Section 13 (a) and (b) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971.
- (b) Audit of Trading Manufacturing and Profit and Loss Account and Balance Sheet and other accounts kept in Department under Section-13 (c) of the aforesaid Act.
- (c) Audit of receipts and expenditure of Bodies / Authorities substantially financed from the Consolidated Fund of India or Consolidated Fund of the State (Subject to conditions/ limitations laid down in the Act) under section 14 of the aforesaid Act, 1971.
- (d) In the case of grants or loans given to other authorities or bodies, to scrutinise the procedure by which the sanctioning authority satisfy itself as to the fulfillment of the conditions subject to which such grants/loans were given including the books of accounts of the bodies/authorities receiving the grants / loans, under section 15(1) and 15(2) of the aforesaid Act.
- (e) Audit of receipts (except those done by the Accountant General Audit-II Wing) payable into the Consolidated Fund of India/ State in respect of above Institutions/Offices under section-16 of the aforesaid Act.
- (f) Audit and inspection of the accounts of stores and stock account, kept in the above offices; Institutions of the State under Section-17 of the aforesaid Act.
- (g) Audit of accounts of the Corporations (not being companies) established by or under law made by the parliament shall be performed and exercised in accordance with the provisions of the respective legislations, under section 19(2) of the aforesaid Act.
- (h) Audit of the accounts of a Corporation established by law made by the legislature of the State and where such request has been made after

consultation with the Comptroller and Auditor General of India, under section 19(3) of the aforesaid Act.

- (i) Audit of accounts of such bodies or authorities where the audit of their accounts has not been entrusted to Comptroller and Auditor General of India by or under any law, but the President of India/Governor of the State entrusts the Audit in consultation with the Comptroller and Auditor General of India, under section 20(i) of the aforesaid Act.
- (j) Audit of accounts of anybody/ authority, the audit of which has not been entrusted to Comptroller and Auditor General of India, but in his opinion audit of accounts of such bodies/authorities is necessary because of a substantial amount has been invested in or advanced to such a body/authority at the request of Comptroller and Auditor General of India, where the Government entrusts such audits to Indian Audit and Accounts Department, under section 20(2) of the aforesaid Act.

The office is responsible for preparation of State Finance Audit Report, State Audit Report of the CAG and Separate Audit Reports (SARs) in respect of State Autonomous Bodies.

The Accountant General (Audit-I) also certifies the Finance and Appropriation Accounts of the Government of Rajasthan, accounts of the World Bank Projects, Centrally Sponsored Schemes, Central Sector Schemes and State Plan Schemes.

The Office of the Accountant General (Audit-I) assists the Public Accounts Committee of the State Legislature in examination of State Finance Reports and State Audit Reports of the Comptroller and Auditor General of India.

1.02 (i) Organizational Structure

(a) The Accountant General (Audit-I) is assisted by five Group Officers heading various groups viz. Administration, AMG-I, AMG -II, AMG-III, AMG -IV Group officers are assisted by Sr Audit Officers at Headquarters.

Accountant General Secretariat, Quality Control Cell & Report (PAC) of (Audit-I) and Internal Test Audit Party are under direct charge of the Accountant General (Audit-I). The distribution of work among these group officers as decided by the Accountant General (Audit-I) is available in **Annexure-I** of this chapter.

The subordinate staff consists of (a) Inspection parties and (b) Headquarters staff. There are special parties and ordinary parties, in the field. The Special parties consist of two Assistant Audit Officers and One Auditor/Sr. Auditor,

whereas the ordinary parties consist of One Assistant Audit Officer and two Sr. Auditors/Auditors. The special audit parties are deployed for the audit of accounts and working of important and major units e.g. Heads of Departments, Administrative Departments and other units incurring heavy expenditure on Schemes etc.

(b) In the supervision of field work, the Group Officers are assisted by Sr. Audit Officers (Inspection).

(c) The Inspection work of AG Audit-I is carried out through four groups namely AMG-I to AMG-IV. These groups are further divided into 28 Sections (AMG I-6, AMG II-5, AMG III-3 and AMG IV-14). The distribution of work among these sections is given in **Annexure-II**. Due to restructuring of offices and cluster based reports in future the already existing ECPA/DP/RSR sections will be responsible for processing and issuing of DPs, preparation and finalisation of cluster based reports, submission of Bond copies (duties in detail mentioned in Note 2 of **Annexure-I**). Coordination work related to Audit Planning for preparation of Audit Plans for the ensuing year, in January each year is entrusted to AP Cell under the charge of Group Officer Administration.

(d) The field party will forward Draft Inspection Report directly to the Sr. Audit Officer of the concerned vetting section and an intimation will be sent to the concerned AMG (C) section in the prescribed proforma. The concerned Inspection Sections will prepare a list of Draft Inspection Reports received during the month and forward to concerned AMG (C) Section on 5th of next month. On receipt of the list, AMG (C) Sections will compare it with the information received from the parties and make necessary entries in the concerned records. The Assistant Audit Officer of the concerned vetting section will be responsible for the vetting of Draft Inspection Reports. After vetting, the Draft Inspection Reports will be submitted to the concerned Branch Officer, who will approve the Draft Inspection Report for issue. But in case, the audit was supervised by Sr. Audit officer, the Draft Inspection Report will then be submitted to the Group Officer concerned for approval, before issue.

(Authority: - I.C.-I Group Order No. 433 dated 07.03.1995.)

(ii) Distribution of Auditee Departments Headed By Group Officers

1. Deputy Accountant General (Administration)/Estate officer/Central Public Information Officer (CPIO):-

Administration group consists of sections namely Administration-I and II, Office Establishment (OE)-I and II, General Department (GD)-I and II (with

Estate Management work), Central Coordination, SC/ST Cell, Confidential Cell, Library & Training, Electronic Data Processing (EDP), Data Analytic Group, Audit Planning and Research Cell, Pensioner's Grievances Redressal Cell (PGRC) and Rajbhasha Cell.

The Group Officer also deals with work of these sections relating to Right To Information (RTI) Act 2005.

2. Sr. Deputy Accountant General (AMG-I)

AMG-I group consists of sections namely AMG-I (Co-ordination), IR vetting-I, II & III, ECPA, DP Cell, Certification of Accounts Cell (CA Cell) The AMG-I group conducts the audit of State Government Departments/Government Companies and Corporations under Sections 13,14,15 and 19 of CAG's (DPC) Act, 1971. The list of Departments is as under:-

1. Agriculture
2. Agriculture Marketing
3. Horticulture
4. Animal Husbandry
5. Gopalan
6. Fisheries
7. Food, Civil Supplies and Consumers Affairs
8. Rural development
9. Panchayati Raj (PRI).
10. Water Resources Department (WRD)
11. Indira Gandhi Nahar Project (IGNP)
12. Command Area Development (CAD)
13. Ground Water Development (GWD)
14. Co-operative
15. Watershed Development & Soil Conservation

3. Deputy Accountant General (AMG-II)

AMG-II group consists of sections namely S-I to IV, and DP Cell/ECPA-II. S-I Section is the co-ordination, rest are vetting sections. The AMG-II group conducts audit of the following Departments of State Government under sections 13,14,15 & 17 of CAG's (DPC) Act, 1971 namely :-

1. Medical and Health
2. Medical Education
3. Ayurveda
4. Home
5. Archaeology and Museums
6. Art and Culture
7. Devasthan
8. Law and Legal
9. Jail
10. Tourism
11. Tribal Area Development
12. Women and Child Development

13. Social Justice and Empowerment
14. Minority Affairs
15. Sainik Kalyan

4. Deputy Accountant General (AMG-III)

AMG-III Group consists of sections namely S-1, S-2 and DP Cell/ECPA-III. S-1 Section deals with audit of units of departments mentioned at S. No 1 to 11 whereas S-2 Section deals with audit of units of departments mentioned at S. No 12 to 24.

The AMG-III group conducts audit of the following departments covered under sections 13,14,15,17 and 19 of CAGs (DPC) Act 1971 namely:-

1. Elementary Education Department
2. Secondary Education Department
3. Sanskrit Education Department
4. Higher/ College Education Department
5. Technical Education Department
6. Bhasha and Pustakalya and Literacy Department
7. Youth and Sports Affairs Department
8. Harish Chandra Mathur Rajasthan Institute of Public Administration, Jaipur
9. Rajasthan Public Service Commission, Ajmer
10. Rajasthan Staff Selection Board, Durgapura, Jaipur
11. Personnel Department
12. Skill Employment & Entrepreneurships
13. Labour
14. Election
15. Disaster Management Relief and Civil Defence
16. Land Revenue,
17. Settlement,
18. Patwari Training Centres
19. Collector (misc.)
20. General administration (GAD) including Governor, Vidhan Sabha Secretariat
21. Information & Public Relation Information Commission
22. Printing and Stationery
23. Employees State Insurance (E.S.I)
24. Rajasthan State Information Commission (RIC)

5. Deputy Accountant General (AMG-IV)

AMG-IV Group consist of sections namely F-I, II, III, FAA Cell, FASS- I, II, FAP-I, II, III, FINAT, TGS, Resident Audit Office (RAO) and ECPA-IV/DP Cell.

The AMG-IV group conducts audit of the following departments covered under sections 13,14,15,16 and 19 of the CAG's (DPC) Act, 1971 namely:-

1. State Excise
2. Stamp and Registration except Land Revenue
3. Commercial Tax (VAT/State Goods and Service Tax)
4. State Directorate of Revenue Intelligence
5. Director Treasury and Accounts
6. Pension and Pensioners Welfare
7. State Insurance and Provident Fund
8. Economics and Statistics
9. Planning
10. Local Fund Audit Department
11. Finance
12. Ways and Means
13. Director, Inspection

1.03 The Accountant General has directed that the Audit Section, as and when they come to know the opening of new offices and / or the closing of old offices, should apprise the concerned section of Headquarters of the same, so that the latter may keep its Cycle Register up-to date.

[Authority: - O.O. No. T.N. YH (A)/ADT-GI/403 dated 26.4.57.]

1.04 Special Audits

(a) The responsibility for initial investigation of losses due to fraud, negligence, financial irregularities etc. rests primarily with the departmental authorities concerned and the State Government. No requests for special audits, may therefore, be entertained until the case presents special features and requires expert scrutiny by the staff of the Indian Audit and Accounts Department. Special audit is undertaken at the request of the State Government and requires sanction of the Accountant General (Audit-I). Such an audit usually requires more time than the ordinary test audit, as a more thorough check has to be exercised in such cases.

The Comptroller and Auditor General has observed that the usual and proper course of follow for the department is to investigate the complaint or report in the first instance before the question of a special audit could be considered and such audit, should only be by way of assisting the administrative authorities in their investigation. This guiding principle should be kept in view in agreeing to undertake a special audit in future so that the Accountant General (Audit-I) may not be requested by Government to take up a large number of special audits prior to departmental investigation or before

a prima-facie case of fraud or embezzlement is made out. When, however, the normal audit of an institution has become due, there would be no objection if at the same time a request comes from the State Government for a special audit of that institution.

(C.A.G.'s No. 3629-Admn-I/462-60, dated 22.11.1960.)

(b) Special audits should be entered in the Cycle Index Register, allotting separate pages for the purpose. The full details such as (i) Name of the office, (ii) Reasons for undertaking audit, (iii) At whose instance undertaken, (iv) Period covered by Audit, (v) Date of Audit etc. should be kept in this register.

(c)(1) It has been decided to reiterate the existing instructions and also specify the procedure for approval of Special Audit as under:-

(i) Since the Regulations do not cover requests for Special Audit by Courts of Law, the field office receiving such requests should insist that these are received with the approval of the concerned Secretary of the Government. The field office should thereafter send the request, with recommendations of the concerned functional wing in HQ, who will thereafter forward the requests, alongwith their views, to PPG Wing for taking a Final decision in the matter in consultation with Legal Cell.

(ii) All other requests for Special Audit shall be examined by the field audit offices as per extant instructions and then forward, along with their views, to the concerned functional wing in HQ, who shall take a final decision under intimation to PPG.

(iii) Requests for Special Audit received in HQ directly from the concerned Government shall be forwarded to the field offices for taking necessary action in the manner as at (i) or (ii) above.

2. Requests for Special Audit of entities not within C&AG audit jurisdiction should be examined in a similar manner as the cases of entrustment of audit.

(Authority: C&AG letter no. 198/PPG/49-2012 dated 01.10.2019)

1.05 (i) Audit of accounts of offices of the State Government situated outside the State.

There are cases where certain civil departments of the State Government have their activities in other States; the audit of the accounts of such offices was, with the prior approval of the Comptroller and Auditor General of India to be entrusted to the Principal Accountant General/Accountant General/Director of Audit in whose jurisdiction the offices exists. After restructuring, the audit of accounts of such offices has now been entrusted to this office. Names of Offices of Rajasthan Government situated in other States along with names of AMG Group to which their audit has been entrusted are given in **Annexure – III** to this chapter.

1.05 (ii) Audit of departmentally managed commercial/quasi-commercial undertakings

As a result of restructuring, the audit of departmentally managed commercial/quasi-commercial undertakings, earlier being done in commercial wing, has now been entrusted to AMG Group. List of these undertakings is given in **Annexure-IV** to this chapter.

[Authority: -Comptroller and Auditor General's letter No. 2255-Admn. -II/466-60 dated 17th November, 1960 addressed to all Accountant General (O.A.D. Headquarters/Transfer of Audits / 60-61) and C.A.G.'s letter no. 1688-Tech./Admn. -I/ 39-67 dated 12.06.1967 & 1860 TA-I / 242-70 dated 30.07.1971].

1.06 Entrustment of Audit

In the case of local audit of Government Departments/Autonomous Bodies conducted by Sr. Audit Officers acting as agents on behalf of other Accountant General (Main Audit Office), the Sr. Audit Officers acting as the Agent after conducting the local audit entrusted to him, should forward the Inspection Report and Audit comment etc. to the main Sr. Audit Officer and the latter will issue the Report and pursue the same to finality. This procedure would not be applicable in cases where a different procedure has been specifically authorised.

[Comptroller and Auditor General's letter No. 1836 Admn-I/Admn-III/138/62, dated 28th July 1962 addressed to all Accountant General etc. (File No. OAD-II/ Manual/61-62-63/2.)]

1.07 Incidence of the cost of the Department

The cost of the Department is a Central Charge and is debited under head "2016-Audit".

1.08 Duties of the headquarters Staff.

The main duties of the Inspection Sections are: -

- (1) To prepare tour programmes of the Inspection Parties.
- (2) To issue intimation to the offices concerned.
- (3) The C.A.G. office has entrusted the duty of selection of month for detailed audit by the local audit party and for obtaining monthly list of payments and schedule of drawls from office of the AG (A&E) to the AMG Headquarters' Section. This work will be done by every auditor in AMG Sections in respect of the departments dealt with by him and shall be personally responsible for it.

The following procedure will be adopted by AMG Hqr. Sections for collecting list of payments and schedule of drawls from office of A.G. (A&E) and forwarding the same to inspection field party at the time of local audit.

(a) The requisition for list of payments etc. should be sent in time to departmental compilation sections of office of AG (A&E) by AMG (Headquarters)

(b) After getting the documents from departmental compilation sections of office of AG (A&E), AMG (Headquarters) will photocopy them as required and send them to the field parties in accordance to the programmes drawn by them. The original list of payments etc. should be returned to departmental compilation section thereafter.

(c) In cases where documents are still not received by inspections parties before the audit commences, they should prepare the list of drawls/ receipts from the treasury for verification of the transactions with the records of Drawing & Disbursing Officers, viz. cash book etc.

(Authority: - Headquarters circular No. 5-Audit-II/92 dated 20.05.1992.)

- (4) To edit the draft inspection reports received from the inspection parties and to check the accounts, if any, attached thereto before submission to the Branch Officer / Group Officer for approval.
- (5) To maintain a register of audits showing the commencement and the completion of audits and the date of issue of inspection reports, issue further remarks if any, with a view to watch the receipt of replies to the reports and their disposal.
- (6) To scrutinize the replies to the inspection reports, issue further remarks, if any, or take any further action on the same until all the points raised in the reports are finally settled.
- (7) To maintain in form S.Y. 286-A, a register of serious financial irregularities and prepare Draft Paragraphs for inclusion in the Audit Reports with the special procedure laid down for the purpose.
- (8) The register of common defects will be opened in all AMG sections. The entry of such common defects found at the time of vetting of Draft Inspection Reports of various offices of a particular department will be made in this register. This will facilitate in attempting a Draft Para on such common irregularities.
- (9) A register of contribution will be maintained in all AMG sections in the following Proforma and entries will be made therein on the basis of the vetting remarks in respect of good contributions made by Sr. Audit Officers/Assistant Audit Officers/ Senior Auditors/ Auditors in the Inspection Reports. These entries will be attested by concerned Branch Officers.

PROFORMA

Name Post..... Party No.

S. No .	Name of Department	Period of Inspection Report	Para No.	Brief particulars of para	Name of contributor of the Para	Signature of Sr. Audit Officer	Remarks of Sr. DAG/DAG (AMG)
1.	2.	3.	4.	5.	6.	7.	8.

- (10) To examine and submit to the Sr. DAG/DAG (AMG) the weekly diaries of the Inspection Parties and to issue reminders to them in case on non-submission.
- (11) To examine the travelling allowance bills & transportation allowance bills of the Inspection Parties with their programmes and to pass on them to Establishment Section.
- (12) To issue sectional orders, whenever necessary and to distribute office orders, circulars etc. received from other section to the Inspection Parties.
- (13) To dispose of all general questions relating to the Inspection sections.
- (14) To prepare the monthly report of arrears in the section.
- (15) To submit and issue all returns on due dates and to maintain the Calendar of Returns.
- (16) To send the records (which are no longer required) to record section with the period of preservation recorded on the front page of each file.
- (17) To circulate the digest of important and interesting cases for the guidance of the local audit parties.
- (18) To prepare quarterly statement, showing department wise the names of the offices, which have failed to clear the audit objections, the number of such objections and the period for which such objections have been outstanding with each office. This statement after having been perused by the Sr. DAG/DAG (AMG) will be passed on to the Administrative Department of the State Government with a view to enabling it to ensure that necessary action being taken by the officers under it to settle the outstanding objections expeditiously.
- (19) Furnishing of returns and statements required by Office Establishment Section regarding establishment and staff of the Inspection Sections.
- (20) To maintain the casual leave account of the field staff. The Assistant Audit Officers have been delegated powers to grant casual leave to Senior Auditors/ Auditors/ Audit Clerks/ Typists/ MTS employees working under them upto a maximum period of 3 days at a time. Beyond this limit and upto 5 days, the casual leave to the above categories of staff will be sanctioned by the Branch Officer. casual leave to the Assistant Audit Officers may be granted as and when necessary upto 3 days at a time by the Branch Officer, casual leave for more then 3 days to Assistant Audit Officers will however be

sanctioned by Senior Deputy Accountant General/ Deputy Accountant General (AMG) under whose control the Section functions, casual leave to Sr. Audit Officer will be sanctioned by the Senior Deputy Accountant General /Deputy Accountant General (AMG).

NOTE: The Assistant Audit Officers may grant permission to the staff to leave headquarters upto the period they are empowered to grant casual leave.

(Authority: - CAG's circular No. 44/NGE/2000 circulated vide No. 1046-NGE (App)/ 96-97 dated 12-10-2000.)

1.09 Audit Programme: - After restructuring, the co-ordination work of Audit Planning Cell has been entrusted to Sr.DAG/DAG (Administration). Each AMG Group shall be responsible for preparation of an Audit Plan and an Annual Audit Plan in respect of Auditee Units of that group for the ensuing year, in November each year and submit the same to Audit Planning Cell duly approved by the concerned Group Officers. This forecast is scrutinized by Audit Planning Cell under the control of Sr. DAG/DAG (Admn) and submitted to the Accountant General (Audit-I) for his approval by the 20th of December each year. The Annual programme as approved by the Accountant General (Audit-I) is later split up into quarterly programme for the various parties drawn up under the orders of the Senior Deputy Accountant General/ Deputy Accountant General (AMG). In preparing the programmes as far as possible, care should be taken to see that the inspections are not arranged for on dates where the staff of the office to be inspected will be engaged in the preparation of accounts etc. to be rendered to the audit office. The audit of offices and institutions, which too enjoys periodical vacation such as civil courts, colleges etc. should not be fixed on dates falling within such vacations. The programme of the several parties lasting for two or three months should be drawn up at least three weeks before the current programme expires. The programme should be arranged in such a manner that the expenditure on Travelling Allowance is kept down to the minimum.

The tour programme should be arranged in such a manner that journey to the same side is not undertaken more than once unless required on account of special reasons. A party visiting a particular district/ divisional headquarter should be allotted as far as possible all offices within that district, which are to be inspected during that quarter.

[C.A.G.'s letter No. 1354-Tech. Admn. -II 64-65 dated 21.08.1964.]

Note:- While preparing the annual audit plan for the upcoming year, tentative rolling plans for the subsequent two years is also prepared. The annual audit plan and rolling plan for each field audit office is prepared by the field offices in the third quarter of the previous financial year, with approval expected before the commencement of the next financial year.

1.10 Intimation of date of Audit.

Intimation letter showing the date of inspection in respect of all accounts to be audited by the inspection staff should be sent by the concerned AMG Sections

to the head of office to be inspected. The draft of the intimation letter is given in the **Annexure-V** to this chapter. The lists of record in respect of civil offices, audit under Section 13, 14, 15, 19 and 20 of Comptroller and Auditor General of India (DPC's) Act, 1971 are also given in the **Annexure-VI** to this chapter.

[Authority: No. O&M/K-13011/S-I/F-5 stand communication 84-85 TR 26 dated 31.7.1985.]

Except in regard to special audits, Audit intimation memorandum should be sent to the head of the office concerned by e-mail and letter at least ten days before the commencement of each inspection.

After the preparation of the quarterly programme, a copy of all the offices included in the quarterly programme of each department should be sent to the head of the department by e-mail and post for issuing instructions to the respective officers to collect all records and registers and keep them ready for check by the party who may be given all possible help in conducting the audit and the head of the office concerned requested to be present at least on the last few days of the inspection for discussion of the draft inspection report etc.

1.11 Period of accounts to be audited

The period of accounts to be audited by the inspection staff will generally be the period falling between the date of last inspection and the date of the present inspection.

When, however, a serious irregularity is discovered it should be traced, if necessary, in the current account right from the origin up-to-date.

NOTE: - (1) In the case of inspections, which are triennial or biennial, the audit will be conducted to the extent laid down in the Comptroller and Auditor General's Memo of instructions.

(2) Audit of the Famine accounts will be conducted upto the close of the last 'Famine year'.

(Authority: OAD. H/GD-10/69-70/11/92, dated 18.7.1969)

1.12 Time allowed for inspection

The time in terms of working party days allowed for each audit is indicated in the quarterly audit programme. This should not ordinarily be exceeded. The Inspecting Officers/ Assistant Audit Officers are therefore advised to ensure that the work is completed within the allowed days as far as possible and no extension is asked for. If however, for any genuine reasons extension becomes necessary, suitable adjustment should be made in subsequent audits by the Local Audit Party to ensure that no audit is suspended.

It is, observed that the duration of audit provided for is extended on the grounds that one day was declared as Holiday or one Auditor/ Assistant Audit Officers was on casual leave/ absent for a day or two etc., without prior approval of Group Officer. Local Audit Parties are advised strictly to adhere to the requirements and avoid any extension unless it becomes so essential.

Even in the cases when extension becomes essential, detailed note justifying the extension should be sent to Sr. DAG/DAG (AMG) by name and his approval on phone should be obtained. In no case without specific approval of Sr. DAG/DAG (AMG) the extension of audit proposed by Local Audit Parties/ Inspecting Officer should be taken granted.

[Authority: - I.C.- I Group Order No. 394 dated 16.01.1992, Group Order No. 408 dated 26.04.1993 and Group Order No. 493 dated 10.01.2000.]

1.13 In view of the fact that the local audit and inspection provide a good opportunity for audit to settle, by personal discussion with the administrative authorities concerned the outstanding objections raised in local or Financial Attest Audit which might take a long time to settle by correspondence. The Comptroller and Auditor General of India has decided that during local audit the inspecting officer should review the outstanding objections in the previous inspection or audit report as well as those raised in Financial Attest audit in consultation with the administrative authorities of the organisation under audit with a view to secure their speedy settlement.

1.14 The following procedure should be observed regarding audit objections raised in Financial Attest audit: -

- (a) Inspection programme should be intimated to all concerned audit sections well in advance.
- (b) On receipt of the Inspection Programme FAW/ Financial Attest Supporting Section (FASS) will prepare the lists of outstanding objections office wise and transit the same to the local audit parties concerned well in time. A brief indication of any points relating to each objection, that may be considered of help in discussing the objection locally should be given against each item.
- (c) Local audit parties should emphasize on the Departmental Officers, the need for prompt settlement of objections and should make all efforts during their stay in a particular office to see that the maximum number of outstanding objections are settled. In particular they should see that Detail Contingency (DC) Bills are prepared and submitted to this office wherever possible in respect of items outstanding for want of D C Bills.
- (d) The local audit parties should give a separate report regarding the efforts made in the settlement of objections and a copy thereof supplied to the FAW/FASS concerned. This report should not be included in the main Inspection Report.
- (e) Objections not settled up to the time of the subsequent inspection of the particular office, should specifically be intimated by the FAW/FASS to the local audit parties.
- (f) In the course of local audit/inspection, local audit parties should verify whether the procedures and systems prescribed for prompt settlement of audit objections are being strictly observed by the administrative authorities and specifically comment on this aspect in their inspection reports.

(Authority: Para 7.1.12(viii) of CAG's MSO (Audit)- 2nd Edition-2002)

[Authority: - Para 9.7.1 of Financial Attest Auditing Manual for Audit of State Government accounts (Central Audit), and O.O. No. 271/TM. III (A)/P&I/Obj./60-68 dated 4.1.1956.]

1.15 Calendar of Returns

The Calendar of Returns is an important instrument of control for Supervisory Officers at different levels and its proper maintenance is therefore utmost essential for conducting a prompt review of the returns to be dealt with by each section under their control.

A Calendar of Returns shall be maintained in accordance with the instructions contained in para 8.1 and 8.2 of Manual of General Procedure Part –I by the Assistant Audit Officer of the section in the form prescribed in **Appendix-I** in order to observe the due date prescribed for the various items of work. The actual date on which the work is completed should be filled in each case and the calendar, duly completed, should be submitted to the Branch Officer every Tuesday; and to the Group Officers after report due to be submitted to the Branch Officer on 3rd Tuesday of the month has been seen by him.

1.16 Responsibility for maintenance of the Inspection Manual Sr.DAG/DAG (AMG-I)

The controlling section under the charge of Sr. Deputy Accountant General/ Deputy Accountant General will be responsible for keeping this Manual up-to-date. It should propose draft corrections to the Manual as soon as its any rules or orders necessitating an amendment come to its notice. The inspection parties should also scrutinise at each inspection the relevant portions of the Manual to see whether it requires amendment in any respect and make suggestions accordingly.

[Authority: - O.A.D. II/GO/10/70-71/154 dated 16.2.1971.]

Annexure-I

(Refer to in Para No.1.02(i))

S.No.	Name of the Group	Charge
1.	Administration	Administration along with work relating to central co-ordination section, co-ordination work related to Audit Planning Cell, State Audit Advisory Board and any other work requiring coordination
2.	AMG-I (i) AMG-I- (C)	Controlling section: Preparation of audit plan and audit programmes and coordination work.
	(ii) AMG-I- C.A. Cell	Certification of External Aided Projects and reimbursement claims of Centrally Sponsored Schemes/ State Government.

	(iii) AMG-I- Vetting I	Vetting of Draft Inspection Reports and issue of factual statement related to WRD, IGNP, CAD, GWD
	(iv) AMG-I- Vetting II	Vetting of Draft Inspection Reports and issue of factual statement related to departments Agriculture, Agriculture marketing, Animal Husbandry, Co-operative, Horticulture, Food Civil Supplies & Consumer Affairs, Fisheries and Gopalan.
	(v) AMG-I- Vetting III	Vetting of draft inspection reports, and issue of factual statement issuance and pursuance of IRs related to Rural Development & Panchayat Raj. and Watershed Development & Soil Conservation. Data base of PRIs, LB Manual, work related to Technical Guidance & Supervision and social audit.
	(VI) ECPA/DP Cell-I	Already existing ECPA/DP Cell sections will be responsible to perform duties as mentioned Note 2 below of this table.
3.	(i) AMG-II-S-I	Preparation of cycle register, annual skeleton, Audit Planning, audit programmes, transfer-posting, co-ordinating functions, TA, Leave, Training, IT related & One IAAD One system related work. Regarding correspondence with audittee units for furnishing the annual accounts of autonomous bodies for seeking attraction u/s 14 for audit and maintenance of register in regard to annual accounts.
	(ii) AMG-II- S-II	Vetting of Draft Inspection Reports, Issue of IRs and Factual Statement, their pursuance with the concerned departments: Archaeology and Museum, Art and culture, Home, Jail, Law & Legal, Devasthan, Tourism. Vetting of Financial Audit under jurisdiction of AMG-II i.e. Companies and Autonomous Bodies annual financial statement.

	(iii) AMG-II- S-III	Vetting of Draft Inspection Reports, Issue of IRs and Factual Statement, their pursuance with the concerned departments: Women and Child development, Social Justice and Empowerment, Tribal Area Development, Minority Affairs and Sainik kalyan.
	(iv) AMG-II- S-IV	Vetting of Draft Inspection Reports, Issue of IRs and Factual Statement their pursuance with the concerned departments: Medical & Health and Family Welfare, Medical Education, Ayurveda.
	(vi) ECPA/DP Cell-II	Already exiting ECPA/DP Cell sections will be responsible to perform duties as mentioned Note 2 of below this table.
4.	AMG-III - S-I	Preparation of cycle register, annual skeleton, Audit Planning, audit programmes, transfer-posting, co-ordinating functions. Vetting of Draft Inspection Reports, Issue of IRs and Factual Statement, their pursuance with the concerned departments: Higher/college Education, Secondary Education, Elementary Education, Technical Education, Public Sector Undertakings (Government Companies) , Personnel, Sanskrit Education, Youth & Sports Affairs, NCC, RPSC, HCM RIPA, Rajasthan Hindi Granth academy, University, I.T.I., Rajasthan Staff Selection Board, Bhasha & Pustakalya and Literacy.
	(ii) AMG-III- S-II	Vetting of Draft Inspection Reports, Issue of IRs and Factual Statement, their pursuance with the concerned departments:- Skill Employment & Entrepreneurships, Labour, Election, Disaster Management Relief and Civil Defence, Land Revenue, Settlement, Patwari Training Centres, Collector(Misc.), General Administration (GAD), Information & Public relation, Printing, Stationery,

		Employees State Insurance (E.S.I) and Rajasthan State Information Commission (RIC)
	(iii) ECPA/DP Cell-III	Already existing ECPA/DP Cell sections will be responsible to perform duties as mentioned Note 2 of below this table.
5.	AMG-IV (i) Finance-I (Controlling)	Controlling and Coordinating work of AMG-IV, Audit planning and programming (cycle register, annual skeleton register, quarterly program etc).
	(ii) Finance -II (Vetting GST)	Vetting of Draft Inspection Reports, issuance and pursuance of IRs, Factual Statement related to Goods and Service Tax, Pension and pensioner's welfare, State Insurance and Provident Fund, Economic and Statistics and PSU.
	(iii) Finance –III	Vetting of Draft Inspection Reports, issuance & pursuance of IRs, Factual Statement related to Registration and Stamps, State Excise and two PSUs.
	(iv) FAA Cell	Certification of Financial & Appropriation Accounts, PAC of State Finance Audit Report, preparation of State Finance Audit Report.
	(v) FASS- I	Cases of theft, loss and embezzlement and controlling of FAW
	(vi) FASS-II	Deals in Objection Book items
	(vii) FAP-I, II	Audit of Vouchers
	(viii) FAP-III	Checking of Monthly Civil account, Monthly appropriation account, Nil payment Vouchers.
	(ix) FINAT	Checking of Vouchers as per FAAG Guidelines.
	(x) RAO	Audit of Sanctions and liaising with State Government
	(xi) Finance-IV (DP Cell and ECPA)	Already existing ECPA/DP Cell sections will be responsible to perform duties as mentioned Note 2 of below this table.
	(xii) DA Group	I.T. related work.
	(xiii) T.G.S.	Work related strengthen to Director Local Fund Audit through TGS.
	(xiv) Revenue Report	Preparation of Revenue Report PAC of Revenue Report (GST, Stamp & Registration & State Excise)
6	Quality Control Cell	Duties and Responsibilities mentioned in detail in Note 3 below of this table.

Notes:-

1. After restructuring, all vetting sections of all AMG Groups will follow these instructions:-
 - (i) All AMG Groups vetting sections has to be examine paras of Part- II A related to Inspection Reports of their respective vetting departments.
 - (ii) Preparation of Factual Statement of Long Draft Para and issuance there of.
 - (iii) Examination of reply received from the department with regards to Factual Statement which sent to ECPA/DP Cell for preparation of Draft Para.

(Authority:-Admn-I/Au-I/Re-Str./M-14-N-13/K-171/2020-21 dt.7.8.2020)

2. Functions of DP Cell/ECPA/RSR:-
 - (i) The already existing ECPA/DP Cell/RSR sections will be responsible for the:-
 - a. Processing and issuance of DPs of Compliance audits & Performance audits.
 - b. Preparation and finalization of their cluster reports and other mandatory reports (SFAR and Revenue Report in case of AMG-IV).
 - c. Submission of Bond copies, attending annotations/ queries from HQ office and getting approval from HQ office.
 - d. After finalization and approval by the C&AG, printing of reports and the corresponding PAC work of these reports also.
 - e. The timeliness and correctness of Audit reports and ensure 100% KD verification at their own level.
 - f. Preparation of chapter-I material for Audit Report.
 - (ii) In case of AMG-IV group, because of two mandatory reports i.e. SFAR and Revenue Report, it is proposed to retain one ECPA and one RSR sections in the AMG-IV group as in existence at present for these two separate reports because of specialized nature of reports and to ensure timeliness. The cluster reports, if any, in AMG-IV group could be dealt by either of these section as ascertained by concerned Group Officer.

3. Functions of Quality Control Cell :-

A 'Quality Control Cell' has been created to assist the audit management groups (AMGs) in maintaining the standard of the material proposed for

inclusion in the audit reports. Quality Control Cell (QCC) will focus on examining the technical issues related to audit report material and would ensure that the audits products prepared by the office achieve the standards prescribed by the Headquarters. The QCC would function under the direct supervision of the Accountant General.

The main functions of the Quality Control Cell would be as follows: -

1. The QCC will be responsible for checking of Performance Audit/ Thematic Audit/ Reviews proposed for inclusion in audit report (Combined and Stand Alone). The QCC will ensure that the draft PA/ TA/ Reviews are concise, shorn off unnecessary description and the facts are brought out with clear focus. The QCC will check the compliance of the audit material submitted with the audit objective, scope, criteria and methodology as laid down in the audit design matrix and guidelines.
2. The QCC will examine that the draft audit findings are based on undisputable evidence. This will be ensured through sample checking of Key Documents (KDs) by QCC for their correctness, relevance, sufficiency and competence. QCC will also examine whether the audit findings contain information regarding number of cases examined and the percentage of cases where irregularity was noticed, so as to conclude that the audit observations have been finalized on rational and realistic basis. The QCC will also check whether the style guide prescribed by HQ has been adhered to.
3. After scrutiny of the drafts submitted by the AMGs, the QCC will issue queries/ comments to the concerned group after obtaining due approval of the HoD. However, queries of intermediary/ clarificatory nature should be settled by the Sr.AO (QCC) in coordination with the Sr.AO ECPA of the concerned wing.

4. The QCC will be responsible for preparation and finalization of target dates for submission of the Audit Reports material after approval of HOD.
5. To avoid delay in adherence to timeline for Audit Report submission, the AMGs should send their draft material well in advance of the final date fixed for forwarding the material to HQ. The Sr.AOs ECPA of the AMGs will keep the Sr.AO (QCC) informed of the probable date of sending the draft material to him/her.
6. The QCC will also conduct a sample check of the Hindi translation of the audit report material prepared by the AMGs along with the formatting and presentation styles according to the HQ guidelines prescribed in this regard.
7. The QCC will maintain the library of Audit Reports and Accounts of the State published prior to restructuring and cluster allocation i.e. till Audit Report for the year 2018-19. The ECPA/DP/RSR sections will be responsible for maintenance of their library of Audit Reports as well as the state accounts for 2019-20 onwards.
8. The ECPA/DP/RSR sections of the AMGs will ensure that the procedures prescribed for placement of Reports in Legislature, both before and after, are followed in totality, including preparing of searchable soft copies/PDFs and mailing of Audit Reports as per mailing list prescribed.
9. The returns due/ submitted by erstwhile Report-I & Report-II to other sections in the office will continue to be sent by QCC as per existing practice and also be watched through COR.
10. An extract on the progress of audit report material in each AMG should be furnished to QCC every fortnight on 1st and 15th of each month. QCC will submit consolidated position of all reviews and paragraphs for information of HOD on 5th and 20th of every month.
11. Separate guard files and all essential standard files as mentioned in Annexure III of Report Manual should be maintained in QCC as well as in each ECPA/RSR/DP section in AMG groups and the instructions relating to various aspects of compilation, preparation and finalization of Audit Report and assistance to PAC should be properly compiled.
12. The QCC will be responsible for printing of Epitome on important audit findings of all Audit Reports published by both the audit offices in a

financial year. The ECPA sections of the AMGs will submit the material for epitome approved by the HQ to the QCC.

13. To ensure uniformity among reports for various cluster, pattern/format of report including preface, table of contents, probable chapter, appendices, glossary etc. would be prescribed by the QCC after due approval of the Accountant General.
14. Any other work assigned by the Accountant General.

(Authority:- Admn-I/Audit-I/Restructure/M-14-N-13/k-171/2020-21 Dt 17/08/2020)

Annexure-II

(A) AMG-I :- List of Auditee Departments deals in Sections of AMG-I Group

(i) Under Section 14

- Autonomous Bodies
- Rural Development and Panchayat Raj Department

(ii) Under Section 19

- Autonomous Bodies
- PSU
- Department undertaking :-

(i) Government Companies

(ii) Government Corporations

(iii) Under Section 13 and 15

1. Agriculture
2. Agriculture Marketing
3. Horticulture
4. Animal Husbandry
5. Gopalan
6. Fisheries
7. Food, Civil Supplies and Consumers Affairs
8. Co-operative
9. Water Resources Department
10. Indira Gandhi Nahar Project (IGNP)
11. Command Area Development (CAD)
12. Ground Water Development (GWD)
13. Rural Development

14. Panchayati Raj
15. Watershed Development & Soil conservation

(B) AMG-II- :-List of Auditee Departments deals in the Sections of AMG Group

(a) AMG II- S-II

- (i) Archaeology & Museums
- (ii) Art and Culture
- (iii) Devasthan
- (iv) Law and Legal
- (v) Home
- (vi) Jail
- (vii) Tourism

Vetting of Financial Audit under jurisdiction of AMG-II i.e. Companies and Autonomous annual financial statement also done by S-II.

(b) AMG II- S-III

- (viii) Minority Affairs
- (ix) Social Justice & Empowerment
- (x) Tribal Area Development
- (xi) Women & Child Development
- (xii) Sainik Kalyan

(c) AMG II- S-IV

- (xiii) Medical & Health.
- (xiv) Medical Education
- (xv) Ayurveda

(C) AMG-III :- List of Auditee Departments deals in sections of AMG III Group

1. Elementary Education Department
2. Secondary Education Department
3. Sanskrit Education Department
4. Higher/ College Education Department
5. Technical Education Department
6. Bhasha and Pustakalya and Literacy Department
7. Youth and Sports Affairs Department
8. Harish Chandra Mathur Rajasthan Institute of Public Administration, Jaipur
9. Rajasthan Public Service Commission, Ajmer
10. Rajasthan Staff Selection Board, Durgapura, Jaipur
11. Personnel Department

12. Skill Employment & Entrepreneurships
13. Labour
14. Election
15. Disaster Management Relief and Civil Defence
16. Land Revenue,
17. Settlement,
18. Patwari Training Centres
19. Collector (misc.)
20. General administration (GAD) including Governor, Vidhan Sabha Secretariat
21. Information & Public Relation Information Commission
22. Printing and Stationery
23. Employees State Insurance (E.S.I)
24. Rajasthan State Information Commission (RIC)

(D) AMG-IV : List of Auditee Departments deals in the sections of AMG IV Group

1. State Excise
2. Stamp and Registration except Land Revenue
3. Commercial Tax (VAT/State Goods and Service Tax)
4. State Directorate of Revenue Intelligence
5. Director Treasury and Accounts
6. Pension and Pensioners Welfare
7. State Insurance and Provident Fund
8. Economics and Statistics
9. Planning
10. Local Fund Audit Department
11. Finance
12. Ways and Means
13. Director, Inspection

Annexure-III
(Referred to in Para No.1.05 (i))

Name of offices Situated in other States

S.No.	Name of Office	Group to whom audit has been entrusted
1.	Joint Director, Information Center, New Delhi	AMG-III
2.	Dy. Director, Information Center, Calcutta	AMG-III
3.	Dy. Director, Raj Information Center, Mumbai	AMG-III
4.	Property Officer (Rajasthan Properties) Allahabad	AMG-III
5.	Jodhpur House, New Delhi	AMG-III
6.	Rajasthan House, New Delhi	AMG-III
7.	Resident Commissioner Bikaner House, New Delhi	AMG-III
8.	8 th , 11 th , 12 th Battalions, RAC, New Delhi	AMG-II
9.	Senior Medical officer I/C Government Dispensary, Bikaner House, New Delhi	AMG-II
10.	Assistant Commissioner, Vrindavan, U.P. Devesthan	AMG-II
11.	State Insurance and Provident Fund Bikaner House, New Delhi	AMG-IV
12.	Manager Rajasthan State Guest House New Delhi	AMG-III
13.	Bikaner House Management Committee-New Delhi	AMG-III

Annexure-IV
(Referred to in Para No.1.05 (ii))

List of departmentally managed Commercial/quasi commercial undertakings

S.No.	Name of Undertaking	Group to whom audit has been entrusted
1.	Jail Manufacture, Ajmer	AMG-II
2.	Jail Manufacture, Alwar	AMG-II
3.	Jail Manufacture, Bikaner	AMG-II
4.	Jail Manufacture, Jaipur	AMG-II
5.	Jail Manufacture, Jodhpur	AMG-II
6.	Jail Manufacture, Kota	AMG-II
7.	Jail Manufacture, Udaipur	AMG-II

Annexure-V
(Refer to para No.1.10)

कार्यालय महालेखाकार (लेखा परीक्षा-I) राजस्थान, जयपुर

क्रमांक: ए.एम.जी-I/लेखापरीक्षा/सूचना/दल सं /

दिनांक:

.....
.....
.....

महोदय,

हमारी वार्षिक लेखा परीक्षा योजना एवं त्रैमासिक लेखापरीक्षा कार्यक्रम के अंतर्गत इस कार्यालय के लेखापरीक्षा दल द्वारा(कार्यालय का नाम) के लेखों और/या संव्यवहारों की वित्तीय/अनुपालना लेखा परीक्षा (जो लागू हो) दिनांक से दिनांक तक की जायेगी । लेखापरीक्षा दल में निम्नलिखित सदस्य होंगे ।

क्रम संख्या	नाम	पद
1		
2		
3		

2. लेखापरीक्षा के व्यापक उद्देश्य निम्नानुसार हैं:-
(अनुपालना लेखापरीक्षा)

- (i) यह प्रमाणित करना कि सरकारी/सार्वजनिक क्षेत्र सत्त्व के कार्यकलाप सुसंगत कानूनों, विनियमों और प्राधिकारों, जिससे ये सत्त्व शासित होते हैं, के अनुसार है। विशेष रूप से यह जाँच करना कि ये लेखा परीक्षित सत्त्व नियमों, कानूनों और विनियमों, बजटीय प्रस्तावों, आर्थिक अनुदेशों, नीतियों, स्थापित संहिताओं या सहमति की शर्तों जैसे अनुबंध की शर्तों या निधि करार की शर्तों की पालना किस सीमा तक करते हैं।
- (ii) बजटीय अवधारणा, वित्तीय विवरणों, अनुपालना एवं वित्तीय रिपोर्टिंग के संबंध में आन्तरिक नियंत्रण व आन्तरिक लेखापरीक्षा की प्रणाली की जाँच
- (iii) अनुबंधों एवं क्रयों में पारदर्शिता और प्रतिस्पर्धात्मकता की लेखापरीक्षा करना ।
- (iv) ऐसे व्यय, जो कि संगठन/सत्त्व के संचालन/ कार्यों पर एवं बजटीय अनुदानों पर महत्वपूर्ण रूप से किये गये हैं, के औचित्य की जाँच करना एवं रिपोर्ट करना
- (v) व्यक्तिगत या सामग्री लेनदेनों से प्राप्त धन की कीमत की जाँच करना ।
- (vi) भंडार एवं स्टॉक लेखों की जाँच करना । (जहाँ लागू हो)
- (vii) बैंकिंग और नकद प्रबंधन के मामले (स्वायत्तशासी निकायों के मामले में)
- (viii) सूचना प्रौद्योगिकी उपयोग की लेखा परीक्षा इत्यादि

(वित्तीय लेखापरीक्षा)

- (क) वित्तीय विवरण मान्य लेखांकन मानकों/ नियमों के अनुसार तैयार किये जाते हैं।
- (ख) वित्तीय विवरण लेखापरीक्षित सत्त्व की परिस्थितियों को ध्यान में रखते हुए प्रस्तुत किये जाते हैं।
- (ग) वित्तीय विवरणों के विभिन्न तत्वों का पर्याप्त प्रकटीकरण प्रस्तुत किया जाता है ।
- (घ) वित्तीय विवरणों के विभिन्न तत्वों का उचित रूप से मूल्यांकन, मापन एवं प्रस्तुतिकरण किया जाता है।

(ड) आन्तरिक नियन्त्रण, जो कि परिसम्पत्तियों एवं संसाधनों की सुरक्षा करने में मदद करती है, लेखा अभिलेखों की परिशुद्धता व पूर्णता तथा वित्तीय कानूनों एवं विनियमों की अनुपालना सुनिश्चित करती है, का मूल्यांकन ।

3. लेखापरीक्षा के अन्तर्गत आवृत्त लेखा अवधि.....से..... (लेखापरीक्षा के अंतर्गत आवृत्ति लेखा अवधि भरे) होगी जिसमें पिछले वर्षों के दस्तावेजों/लेनदेनों की जाँच, लेखापरीक्षा दल द्वारा संबंधित समझे जाने पर, भी शामिल होगी ।
4. समकालीन व्यवसायिक व्यवहार और भारत के नियंत्रक महालेखापरीक्षक के लेखापरीक्षा व लेखा विनियम, 2020 (विनियम 132) से सुसंगत रहते हुए, हमारा लेखापरीक्षा दल उपयुक्त उच्च/वरिष्ठ स्तर पर, जो कि वर्तमान लेखापरीक्षा के अन्तर्गत आने वाले विषयों पर नियंत्रण रखता है एवं अधिकृत है, एक परिचायात्मक वार्ता रखेगा । परिचायात्मक वार्ता लेखापरीक्षा दल को लेखापरीक्षा उद्देश्य, मापदण्ड स्पष्ट करने तथा आन्तरिक नियंत्रण प्रणाली की जाँच का अवसर प्रदान करेगा । लेखापरीक्षा की समाप्ति पर लेखापरीक्षा दल आपसे एक समाप्ति वार्ता (विनियम 135) का अनुरोध करेगा जिसमें लेखा परीक्षित इकाई को संसूचित लेखापरीक्षा निष्कर्षों पर विचार-विमर्श होगा
5. परिचायात्मक वार्ता एवं समाप्ति वार्ता का अनुरोध औपचारिक रूप से लेखापरीक्षा दल के प्रधान द्वारा किया जावेगा। हम आपसे अनुरोध करते हैं कि इन वार्ताओं का आयोजन क्रमशः लेखा परीक्षा अवधि के प्रथम व अन्तिम दिवस को किया जावें।
6. हमारी लेखापरीक्षा भारत के नियंत्रक-महालेखापरीक्षक द्वारा जारी लेखापरीक्षा मानकों तथा लेखापरीक्षा एवं लेखा विनियम, 2020 के अन्तर्गत की जावेगी ।
7. भारत के नियंत्रक-महालेखापरीक्षक (कर्तव्य, शक्तियाँ एवं सेवा-शर्तें) अधिनियम, 1971 की धारा-18 के अन्तर्गत किसी कार्यालय या विभाग के प्रभारी व्यक्ति, जिसके लेखों का निरीक्षण एवं लेखापरीक्षा भारत के नियंत्रक-महालेखापरीक्षक द्वारा की जानी है, की जिम्मेदारी है कि वह लेखापरीक्षा दल को निरीक्षण हेतु सभी सुविधाएं प्रदान करें तथा चाहे गये प्रपत्र में सूचनाएं, जहाँ तक सम्भव हो, पूर्ण रूप से एवं युक्तियुक्त अवधि में तुरन्त उपलब्ध करावें। हमारा लेखापरीक्षा दल सूचना व दस्तावेज उपलब्ध कराने हेतु निर्धारित अवधि, जिसमें कि ये उपलब्ध करा दिये जावें, का उल्लेख करते हुए एक अनुरोध करेगा। हम उम्मीद करते हैं कि लेखा परीक्षित इकाई द्वारा रखे जाने वाले दस्तावेज उसी दिन उपलब्ध करा दिये जावेंगे तथा सूचना प्राप्ति हेतु दिये जाने वाले ज्ञापन में वर्णित अवधि में सूचनाएं उपलब्ध करा दी जावेगी।
8. विनियम 155 की और ध्यान आकर्षित किया जाता है जिसमें प्रावधान किया गया है कि नमूना लेखापरीक्षा जाँच हेतु आवश्यक डाटा का रूप, प्रकार एवं मात्रा, सूचना तथा दस्तावेजों का निर्धारण लेखापरीक्षा अधिकारी द्वारा किया जावेगा तथा इस प्रकार के डाटा, सूचना व दस्तावेजों में वो भी शामिल होंगे जोकि लेखा परीक्षित सत्व द्वारा किसी तीसरे पक्ष से प्राप्त की गई है तथा जिन पर लेखा परीक्षित इकाई द्वारा अपने कार्यकलापों के निष्पादन में भरोसा किया गया है।
9. हम विनियम 159 की और भी ध्यान आकर्षित करते हैं जो प्रावधान करते हैं कि विशेष परिस्थितियों में लेखापरीक्षा द्वारा आवश्यक समझने पर लेखापरीक्षा योग्य सत्व द्वारा व. लेखापरीक्षा अधिकारी की उपस्थिति में भंडार, स्टॉक, परिसम्पत्तियों का भौतिक सत्यापन किया जावेगा।
10. हमारा आपसे अनुरोध है कि हमारे लेखापरीक्षा दल को उचित एवं तर्कसंगत कार्यालय स्थान एवं अन्य कार्यालयीन सुविधाएं, जो कि आपके संगठन के कार्मिकों को उपलब्ध सुविधाओं के बराबर है, उपलब्ध करावें।
11. हम सुझाव देते हैं कि आप लेखापरीक्षा कार्यों में दिन प्रतिदिन समन्वय हेतु पर्याप्त रूप से उच्च स्तर का सम्पर्क अधिकारी नामित करें ।
12. हम आपकी जानकारी में लाना चाहते हैं कि सूचना एवं दस्तावेजों की आपूर्ति में तर्कहीन देरी, जिस कारण डाटा/सूचना आंशिक, चयनित या पूर्ण रूप से रोकी गई हो और जिससे कार्यक्षेत्र सीमित हो गया हो, की स्थिति में कार्यालयाध्यक्ष को लिखित में इस आशय की सूचना देने एवं मामले को उच्च प्रबंधन के ध्यान में लाने के बाद लेखापरीक्षा दल को लेखापरीक्षा स्थगित करने हेतु कहा जा सकता है।
13. चूंकि लेखापरीक्षा दल द्वारा चाही गई सूचना के संकलन में कुछ समय लगता है, लेखा परीक्षित संगठन के पास रखे गये दस्तावेज, जो कि उपलब्ध है, उसी दिन उपलब्ध करा दिये जाने चाहिये।

14. यहाँ पर उल्लेखित किया जाता है कि आवश्यक अभिलेख/ दस्तावेज प्रस्तुत ना करना या लेखापरीक्षा द्वारा चाहे गये स्पष्टीकरण का उत्तर ना देना सरकारी अधिकारी को उसके कर्तव्यों के निष्पादन से रोकने के बराबर होगा और इस प्रकार भारतीय दण्ड संहिता की धारा 175-186 के अन्तर्गत कार्यवाही को आकर्षित करेगा ।
15. हमारे लेखापरीक्षा दल को दस्तावेजों को जाँच के बाद तुरंत लौटाने के निर्देश दिये गये हैं। हम आशा करते हैं कि लेखापरीक्षा के निष्कर्षों पर आधारित निरीक्षण प्रतिवेदन लेखापरीक्षा समाप्ति के 30 दिवस के अन्दर विभाग के प्रत्युत्तर हेतु जारी कर दी जावेगी।
16. हम लेखापरीक्षा संस्थानों द्वारा लेखापरीक्षा परिणामों/निष्कर्षों की स्वीकार्यता तथा लिये गये/आश्वसित उपचारात्मक उपायों को हमारी निरीक्षण प्रतिवेदन में शामिल करते हैं यदि इन उपचारात्मक उपायों को लेखापरीक्षा के दौरान अपनाया जाता है।
17. हम आशा करते हैं कि आपका कार्यालय रोकड बही के साथ पत्रावली रजिस्टर/ दस्तावेजों का रजिस्टर संधारित करता है जो कि लेखापरीक्षा के प्रथम दिवस मांगा जावेगा। ये तथा अन्य दस्तावेज प्रश्नोत्तरी के संदर्भ में प्रस्तुत सूचना का आधार होंगे।
18. कार्य की मात्रा तथा सूचना/दस्तावेज की आपूर्ति के मद्देनजर लेखापरीक्षा अवधि को बढ़ाया जा सकता है।
19. हम आपकी जानकारी में लाना चाहते हैं कि हमारा दल अपने दैनिक कार्य करने में कार्य वातावरण संबंधी सहायता और दस्तावेज और सूचना चाहेगा और इससे ज्यादा कुछ नहीं यदि आप वरिष्ठ अधिकारियों से सम्पर्क करना आवश्यक समझते हैं तो आपका स्वागत है और आप व. उपमहालेखाकार/उपमहालेखाकार से टेलीफोन नं.0141.2385431 एक्सटेंशन क्रमांक एवं उनके ई. मेल पर तथा यदि आवश्यक समझें तो महालेखाकार (लेखापरीक्षा- I) से भी टेलीफोन नं.0141.2385398 एवं ई. मेल पर सम्पर्क कर सकते हैं ।
20. आपके कार्यालय में लेखापरीक्षा हेतु उपस्थित लेखापरीक्षा दल की यथार्थता के संबंध में संदेह होने पर आप उनसे हमारे कार्यालय द्वारा लेखापरीक्षा निरीक्षण दल को जारी वैध परिचय पत्र के संदर्भ में उनको पहचान प्रमाणित करने हेतु कह सकते हैं।

रचनात्मक संबंधों की प्रतीक्षा में ।

कृपया पावती भेजें ।

भवदीय

बरिष्ठ लेखापरीक्षा अधिकारी (ए.एम.जी)

Annexure-VI
(Refer to in Para No.1.10)

List-I

List of records to be seen in audit of Auditee Units. [Under Sections 13 of Comptroller and Auditor General of India (DPC's) Act. 1971.]

1. Cash Book.
2. Payment vouchers/Sub-vouchers/contingent vouchers and challans.
3. Receipt Books, Cheque Books, Registers of Receipt Book and Cheque Books.
4. Register of Retrenchment.
5. Bill Register.
6. Contingent Register.
7. Establishment pay Bills.
8. Acquaintance Rolls.
9. TA Bills /Medical Reimbursement Bills and Registers.
10. Service Books.
11. Leave Accounts.
12. GPF/CPF Accounts of CLASS-IV employees.
13. Register of Bank Draft/MO etc.
14. Measurement Books.
15. Muster Rolls.
16. Works Accounts.
17. Stamps Accounts.
18. Log Books / Car Diaries.
19. Stationery Register.
20. Register of Forms.
21. Increment Register.
22. Establishment Audit Register.
23. Tenders and Contracts.
24. Records of Deposits and Refunds/Lapsed Deposits.
25. Telephone/Trunk Call Register.
26. Stores and Stock Accounts (Annual Stock Returns, Write-off-files, Physical verification Reports etc., Stores Ledgers, Purchases files etc., Disposal of obsolete, surplus or unserviceable store files.)
27. Treasury/Bank Pass Books and Remittance Books.
28. Records/Register relating to loans and advances.
29. Register of Valuables.
30. Register of lands and Building and Rent Register.
31. Permanent Advance Register.

32. Railway Warrant Records.
33. Attendance Register.
34. Casual Leave/Restricted Holidays Account.
35. Register of Library Book /Stock and issues.
36. Register of Undisbursed amounts.
37. Imprest Accounts.
38. Dead Stock Register
39. Appropriation Register/Budget Estimates.
40. Register of Machines/Vehicles.
41. Petrol Register.
42. Live Stock Register and Fodder Account.
43. Internal Audit Reports.
44. Register of Periodical charges i.e. rent, rates and taxes, electricity and water charges.
45. Register of liveries.
46. Register of incumbency.
47. Register of scholarships, stipends etc.
48. Register of temporary advances.
49. Register of Honorarium.

List-II

List of records to be seen in audit of accounts of Institutions, bodies and authorities substantially financed from Union or State revenue [under sections 14 of Comptroller and Auditor General of India (DPC's) Act. 1971.]

1. Cash Book.
2. Payment Vouchers/sub-vouchers/Contingent Vouchers.
3. Register of Cheque Books and Cheques.
4. Register of Receipt Books and Receipts.
5. Bills Register.
6. Contingent Register.
7. Establishment Pay Bills and Acquaintance Rolls.
8. TA/Medical/OTA etc. Bills and Registers.
9. Service Books and Leave Accounts.
10. GPF/CPF accounts, if maintained.
11. Register of Bank Drafts, M.Os. etc.
12. Stamps Accounts.
13. Log Book of Vehicles.
14. Stationery Register.
15. Register of Forms.
16. Establishment Audit Register.

17. Increment Register.
18. Tenders and Contract.
19. Records of Deposits and Refund.
20. Telephone/Trunk Call Register.
21. Stores and Stock Register.
22. Treasury/Bank Pass Book and Remittance Books.
23. Records/Register of Loans and Advances.
24. Register of Valuables.
25. Register of Land and Building and Rent.
26. Permanent Advances Register.
27. Attendance Register, C.L. Register etc.
28. Register of Library Book.
29. Register of undisbursed amounts.
30. Imprest Accounts.
31. Dead Stock Register.
32. Budget Records.
33. Register of Machines/Vehicles.
34. Internal Audit Report.
35. Constitution of body.
36. Subsidiary books and Accounts.
37. Journal entries.
38. List of Grants/Loans received by the body and its utilisation.
39. Sundry Debtors Accounts.
40. Sundry Creditors Accounts.
41. Documents/Files relating to finalisation of Grants.
42. Bank reconciliation statement.
43. Ledgers.
44. Trial Balances.
45. Depreciation Accounts.
46. Details of utilisation certificates furnished during the period for which account is under audit.
47. Register of Assets purchased out of amount of Grant and their disposal.
48. Policy and Programme drawn up for the period under audit.
49. Progress report on the implementation of Policies and Programmes sent to Administrative departments.
50. Register of grants- in- aid.
51. Sanctions of grant-in-aid received.
52. Register of utilisation certificates.
53. Utilisation certificates issued and their cases files.
54. Cash Book, Vouchers, Receipt Books and Pertinent Records.

List- III

List of the Records to be seen in audit of Institutions received Grant-in-aid [Section 15 of CAG's (DPC's) Act, 1971.

In the Office of Administrative Officer and Head of Department.

1. Grant-in-aids/ Loan rules.
2. Sanctions for grant/loans accorded during the period under audit.
3. Register of Grant/Loans sanction and their utilisation.
4. Utilisation certificates and pertinent record.
5. Internal Audit Report.
6. Implementation reports received Grantee/Loanee.
7. Files of audited statement of accounts.
8. Files relating to inspection of grantee/loanee, institution.
9. Register of Assets created out of Government grant.

List-IV

List of Records to be checked in audit of autonomous bodies and authorities under Section 19 and 20 of CAG's (DPC's) Act, 1971.

1. Cash Book.
2. Receipts
3. Payment Vouchers.
4. Bank reconciliation.
5. Subsidiary books of accounts.
6. Journal entries.
7. Payment of staff pertinent records.
8. Expenditure on wages.
9. Office contingencies.
10. Stores and Stock Accounts.
11. Works records.
12. Advances to staff.
13. Advance to suppliers.
14. Loans raised by autonomous bodies.
15. Loans disbursed by autonomous bodies.
16. Grants received by autonomous bodies.
17. Financial assistance received/rendered by autonomous bodies.
18. Sundry Debtors accounts.
19. Sundry Creditors accounts.
20. Fund accounts and investments thereof (other than P.F. account).
21. Scholarships, stipends etc.

22. Provident Fund and other Fund accounts of employees.
23. Budget provision.
24. Check of Final accounts pertinent record.
25. Constitution of the autonomous bodies.
26. Trial Balance.
27. Ledgers.
28. Depreciation Accounts.
29. Register of Assets, purchased out of amount of grant and their disposal.
30. Policy and programme drawn up for the period under audit.
31. Progress report on the implementation of policies and programmes sent to Administrative/sanctioning department.

CHAPTER 2

GENERAL RULES AND PROCEDURE

(A) HEAD QUARTERS STAFF

2.01 General

The procedure regarding Office discipline correspondence, submission of periodical sectional reports, leave, production of official documents in a court of law etc. as contained in the Manual of General Procedure shall be followed.

2.02 Maintenance of Register

The Headquarters section maintains the register, which are shown in **Appendix-I** (Calendar of Returns). These registers should be regularly examined by the AAO and put up to the Branch Officer and the Group Officer on the dates given in the Calendar of Returns.

2.03 Register of Financial Irregularities (Draft-Paras)

A register in Form as given in **Annexure-I** to this Chapter, should be maintained to record cases of financial irregularities, which are of sufficient importance for possible mention in the Audit Report. The Section in-charge should take special interest and direct the Section to include as many important cases as possible in the register at the earliest opportunity. The several steps of progress regarding report to Government and the preparation of the preliminary and final draft paragraphs for the Audit Report should be submitted to the Branch Officer and Senior Deputy Accountant General/Deputy Accountant General (AMG), on the 1st of each month.

[O.O. No. T.M./64-C/17, dated 29.1.1964]

NOTE: The procedure detailed in the Manual of Report Section should be observed for drafting paragraphs for inclusion in the Audit Report.

2.04 Cycle Index Register

A Cycle Index Register with the following details is maintained in the concerned AMG sections:-

1. S. No.
2. Name of Department or Office.
3. Location.
4. Periodicity of Audit.
5. Party Days.
6. Date of Last Audit.
7. Remarks.

This register is submitted to the Branch Officer quarterly Viz. on 15th of January, April, July and October.

[No. 185/T.M. VIII (A) Adj. GL./Vol. 3/3912 dated 30.11.1956 & Para 51/No. of File No. OAD. II/Manual/63-65 and A.G Audit I/513 dated 14.5.01]

2.05 Co-ordination of work between concerned AMG sections and other Sections

In case of heavy expenditure or the imperfect control exercised by disbursing and controlling officer or again as a result of the general extravagance in a particular office or department, the accounts of that office should be locally examined. Cases of this type may also be reported to concerned AMG section for necessary action under orders of the Accountant General (Audit-I).

Similarly, if during local audit it is found that the audit of a particular kind of transaction requires a closer control and watch in central audit, the same should be intimated to the section concerned by the Inspection Party.

2.06 As soon as Draft Inspection Report is approved by the Senior Deputy Accountant General/Deputy Accountant General (A.M.G), the potential paragraph should be entered in the Register of Potential Draft Paragraph by the vetting sections to all AMG Groups. Further, a factual statement indicating the nature of major irregularities should be drawn up by the concern vetting section and issued to the Government with the approval of the Senior Deputy Accountant General/Deputy Accountant General (A.M.G). Thereafter, the case file should be forwarded to the ECPA/ DP Cell Section for further action securing the acceptance of the factual statement, preparation of a draft para and issuance to Government and its inclusion in the Audit Report. In this connection, see para 1, 2 and 3 below Notes under Annexure –I of Chapter 1 and para 3.06 of this manual and also relevant provisions of the Manual of the Report Section.

(Authority: Admn-I/Au-I/ Re-Str./M-14-N-13/K-171/2020-21 dt.7.8.2020)

2.07 Supply of important orders to Auditors.

The Asstt.Audit Officer will see that copies or short summaries of all important orders which have been issued by the Sr. Audit Officer or Senior Deputy Accountant General / Deputy Accountant General (A.M.G), to be noted or circulated to all Auditors/Senior Auditors and also the various correction slips or books of reference are promptly supplied to them. These important orders and circulars should be noted by the Auditors and Senior Auditors in the notebooks.

2.08 Check Register of Weekly Diaries of Local Audit Parties

This register should be maintained in form S.Y. 325 and posted from the weekly diaries of audit parties (S.Y. 324) on each Friday morning. It will be put up to the Branch Officer on that day along with the weekly diaries which will be scrutinised in the office, any abnormal feature, waste of time either in regular audit or in transit being brought to the notice of the Branch Officer. The Branch Officer will see that the details of the work done represent a full day's work. The register will be submitted monthly to the Senior Deputy Accountant General/Deputy Accountant General (AMG), on the 15th of each month for his review.

2.09 Travelling Allowance and Advance of Travelling Allowance on Tour

- (A) (i) Except in the case of grant of first T.A. advance for which specific application would be submitted by a member of the field staff, it has been ordered by Senior Deputy Accountant General (A.M.G) that a statement showing name & designation of the members of field parties for each month will be prepared and forwarded by the concerned Sr. A.O Headquarters to the Sr.A.O. /O.E.-II, by 15th of each month for sanction of T.A. advances for the next month.

(Authority; Sr. D.A.G. (A.M.G) Order dated 12.9.1968 as noted in the Calendar of Returns.)

- (ii) With the introduction of system of payments through Bank Accounts, the register of T.A. advance has been discontinued.

(B) Travelling Allowance Bills

- (i) T.A. Bills of all the party members in duplicate and complete in all respect should be dispatched in the first week of the next month to which they pertain. It should be ensured that certificates as required have been recorded and signed by all the members of the party, the T.A. Bills are verified, Hotel Bills duly paid in support of claim for higher rate of daily allowance and other requisite details, etc. are duly furnished alongwith T.A. claims. All such document will be duly signed by the concerned employee.
- (ii) As the weekly diaries form the basis of verification of T.A. claims it should be ensured that these are sent to headquarters regularly.
- (iii) The T.A. Bills after receipt in the section should be disposed-off within seven days from the date of receipt in the section. It may also be ensured by the diarist of the section that no delay occurs in handing over these bills at focal point level.
- (iv) The bills should be checked with the weekly diaries of the Audit Party members and the casual leave register.
- (v) The travelling allowance bills of Asstt. Audit Officer/ Sr. Auditors/Auditors as also the MTS employees should be drawn on the same bills.

(Authority C.S. No. 181 of the Manual of Establishment Section.)

- (vi)** Casual leave or any other leave enjoyed by the Auditors should in all cases be noted in the margin of travelling allowance bills, as auditors are solely responsible for dates and correct charges in accordance with rules. Auditors may be allowed to leave station on the holidays with the permission of the Asstt. Audit Officer and intimation being sent simultaneously to Headquarters. Daily allowance is not admissible for holidays and Sundays unless the claimants are actually and not merely constructively in camp on those days.
- (vii)** No daily allowance will be drawn during casual leave, whether an official is in camp or not.
- (viii)** In the case of candidates for Section Officers Grade Examination who have not already qualified in any branch of the Section Officer Grade Examination, the period of examination and the period spent in to and from Journey to appear in the examination will be treated as duty but in the case of those who have already qualified in another branch of the Section Officer Grade Examination, the period of examination and the period spent in to and from journey to appear in the examination will not be treated as duty. Travelling Allowance is admissible to all candidates for tours for purposes of training for qualifying themselves to appear in the examination only in respect of their first and second attempts at each part of the examination.

[C.A.G.'s letter No. 9-56-NGE-I/29-55, dated the 17th May, 1955. File O.E., Section 10(A) Vol. I.]
- (ix)** The day of arrival at the place of halt will be taken into account in the calculation of 180 days, whether the official draws a full daily allowance for that or not.

A period of leave (including Casual Leave) for which no daily allowance is admissible, availed of by a Government servant while on tour does not constitute a break in continuity of a halt for the purpose of S.R. 73, and should therefore, be included in computing the halt at any one place.

[Authority: -Audit instruction –2 below S.R. 73 and para 14, section 11 of Manual of Audit instruction (Reprint).]

- (x)** **(a)** Transit of one day will be admissible to officers/officials, who performs official journey for more than 200 K.M. Also “The party members are allowed to come to Headquarters without transit from place of duty point during weekend days (If two or more than two holidays) and during week if there are two consecutive gazetted holidays or more than two if the distance of duty point from Headquarters is 200 kms or less than 200 kms.

(Authority: - A.G Audit I/513 dated 14.5.01)

(b) In case of 3 continuous holidays. Inspection team should be kept at Headquarters. If it chooses to remain in the field, no D.A. will be paid

(c) The claims of TA & L.T.C., where advance has not been taken, should be preferred within 60 days in compliance rule 290 and 292 of GFR-2017 failing which no payment will be made. In case the Government Servant has taken the LTC advance, he should submit claim within 30 days of completion of LTC tour. Completion of tour means commencement of Journey from head quarters (Jaipur) and return to headquarters for the first time after completion of LTC tour.

(Authority: O.E. Circular no.2 dated 25.8.2017)

(xi) Where casual leave is combined with tour, with prior permission of the competent authority, either before the commencement of the tour or during the tour or on completion of the tour. While no daily allowance will be admissible for the days of casual leave, there will be no objection to the drawl, in such cases, of mileage allowance as may be admissible from the head quarter to the outstation, where official duty is performed and vice versa, as from one tour station to another tour station by the shortest route.

[Authority: - Govt. Of India Ministry of Finance (Department of Expenditure) New Delhi Office Memorandum NO F 5(22) D-IV (B)-72 dated 5.2.1973]

2.10 Disbursement of salaries to the Inspection Parties.

The field staff will ensure to send duty certificate for the full month to concerned A.M.G headquarter section in the last day of the month, and the latter section will forward the duty certificate showing the details of leave

sanctioned or not sanctioned in respect of field/ headquarter staff by the 10th of each month to O.E.-I Section. The Sr. Audit Officer who furnished their duty certificate directly, will also ensure to submit duty certificate to OE-I by 10th of each month. In case of non-receiving duty certificate on scheduled date, it would not be possible to make payment of salary on scheduled dates.

(Authority: - Office Order No. O.E.I/ G&SSA/ 2019-20 dated 24.01.2020 issued by of O.E.-I Section and Group Order No. I.C.-I / 434 dated 8.3.1995)

2.11 Transport Allowance

The transport allowance to the officers/employees is admissible and regulated in terms of provisions contained in Appendix-5 of Swamy's

Compilation of FR&SR PT-II. It is not admissible if a Government Servant is absent from Headquarters/place of posting for a full calendar month due to any of the reasons such as leave, tour, training etc. Therefore, it is the responsibility of the controlling section to send the list of the employees who remained absent from Headquarters/place of posting for a full calendar month due to any reasons to OE-I section by 10th of every month.

[Authority: Order No. O.E.-I/G&SSA/R-12013/21/2016-17/TR-I/12-15/ dated 5/4/16]

2.12 Maintenance of Objection Books in Audit Management Group

- (i) Separate objection books should be maintained in Inspection AMG Group for record of objections raised in local audit and inspections for which money value shall invariably be assigned. This objection book shall be in addition to the Register of Inspection Reports, which is maintained for a separate purpose and cannot appropriately be utilised for record of objections with their money values and their settlement from time to time.

These Objection Books should be closed on the 29th of every next month and put up to the Branch Officer. Six Monthly Objection Books should also be maintained.

- (ii) **Adjustment Register**

Adjustment Registers in Form M.S.O. (Audit) 12 should also be maintained and put up to the Branch Officer along with Objection Book on the 29th of every month. The entries in the Adjustment Register should be made as soon as the objections of money values posted in Objection Books are cleared either by way of replies received from the department or by way of personal discussion at

the spot or by review in the Headquarters. These entries should be attested by the Asstt. Audit Officer.

- (iii) **Pursuance of Objections**

While putting up Objection Books, a list of items of Objections against a particular department should also be prepared and sent to the Head of the Department for early clearance thereof. The objections should also be settled on the spot at the time of next audit in the manner the outstanding paras of the old Inspection Reports are cleared as contemplated in Para 2.41 of this manual.

- (iv) **Objections that need not be registered**

Only those objections arising out of local audit that can be quantified in terms of their money value need be registered in

the objection book. As exceptions, the following types of objections need not be registered in the Objection Book though their monetary value can be quantified.

(i) Trading and proforma losses of Government concerns/schemes as these are only proforma in nature and are only meant to appraise the departmental authorities of the manner of their functioning.

(ii) Outstanding dues to Government on account of credit sales and other outstanding dues the accounts in respect of which are kept by the department for the purpose of watching recovery.

Note : Items in respect of which recovery is delayed beyond a reasonable period (to be fixed by the Principal Accountant General) should, however, be segregated and commented upon in the inspection report for being recorded in the Objection Book maintained by the A.M.G (headquarters) section for further pursuance.

(iii) Outstanding loans and advances made by departmental agencies if these are debited to a debt, deposit or advance head of account, as their recovery is watched through other records.

(iv) Cases of differences, discrepancies, etc, in stock other than specific cases of shortages in the departmental stock balances responsibility for which has not been fixed to facilitate action for recovery.

(v) More instructions to departmental officers for future guidance need not be registered in the Objection Books maintained in the Audit Office. If the pursuance of an objection indicates the need for prescribing a new procedure for general observance, such procedure should be communicated by a general letter and not by any form or statement intended solely for the communication of objections.

Note: The instructions requiring the registration of all objections arising out of audit are subject to the qualification that objections which are trivial or have been waived by Sr. Audit Officers under any of the provisions of paragraphs 7.1.16 to 7.1.18 of MSO (Audit) should not be included in Objection Books, though a separate record of objections waived should be maintained for production at the time of inspections of the Comptroller and Auditor General. The requirement of maintenance of a separate record may, however, be

dispensed with in the case of objections waived in terms of paragraph 7.1.16 (i) of MSO (Audit).

(Authority: - Para 7.2.11 of CAG's MSO (Audit)-2nd Edition-2002).

(v) Money value of the objections should be quantified and recorded in respect of the categories enumerated below or similar objections.

- i. Non -availability of Vouchers and payee's receipts.
- ii. Absence of sanctions to advances, losses, etc.
- iii. Non-availability of sanction to special charges.
- iv. Non-availability of any other specific sanction required in terms of the relevant rule.
- v. Objections relating to over payments and short recoveries.
- vi. Instances of non-recovery, within such reasonable period as may be prescribed locally in respect of each class of debt, of sums owing to Government.
- vii. Expenditure placed under objection on grounds of financial propriety.
- viii. Non -allotment of funds and excesses over allotment.
- ix. Expenditure on Deposit Works debited to Miscellaneous Works Advances.
- x. Excesses over sanctioned limit of reserve stock in public works divisions.

(Authority: - Para 7.2.16 of CAG's MSO (Audit)- 2nd Edition-2002)

(VI) Objections of the following types need not be quantified in monetary terms in the records of objections:

- (i) An objection that is in the form of a simple direction for future guidance, or of a cause for a document, the absence of which is not likely to affect the amount admissible.
- (ii) Failure to affix revenue stamp on a voucher otherwise complete.
- (iii) Instances of delays in settlement of debts by Government.
- (iv) Persistent delays in the submission of accounts returns, vouchers etc.
- (v) Objections relating to fictitious adjustments and manipulations in accounts unless an actual loss has resulted.

- (vi) Objections pointing out deviations from rules that are indicative of disregard or negligence, but which do not represent charges incurred without proper sanction.
- (vii) Instances of excesses over allotments for public works suspense heads when an assurance is received from the competent authority that these are only temporary in nature and will not affect the net allotment for the year.

Note:-If in the absence of such an assurance, the money value of the objection have been registered, a minus entry should be made in the money column on subsequent receipt of the assurance.

- (viii) Errors in accounts, vouchers etc, which do not result in any deficit or surplus
- (ix) Instructions and other observations relating to the form of accounts.
- (x) Observations calling for information not received.
- (xi) Enquiries about and observations on doubtful points.
- (xii) Remarks drawing attention on to minor errors of procedure.

(Authority: - Para 7.2.17 of CAG's MSO (Audit)-2nd Edition-2002)

B- Local Audit Staff

Duties of Audit/Inspection staff

2.13 Preparation of detailed audit plan

The Annual Audit Plan from 2017-18 onwards is being prepared in accordance with the provisions contain in the Compliance Auditing Guidelines 2016. Para 1.2 of the guidelines provide detailed instructions on preparation of audit plan for compliance risk profiling and reporting for compliance audits. However, the detailed audit checks to be performed while conducting compliance audits prescribed in the MSO (Audit).

(Authority: DG/PPG's circular no. 378/PPG/22-2012 dated 12.04.2016)

In respect of audit of all audit units, the audit party should carry out a desk review for gaining an understanding of the entity to be audited, at Headquarters before embarking on an audit. The desk review should comprise a study of the guard file, data analysis to determine the direction/ focus of audit and to identify records/ transactions that are potentially error prone for verification in the field. Based on desk review, audit party should prepare a plan of audit procedures for the specific entity detailing the audit objectives, scope of audit, main focus areas for audit and assignment plan for the team members which should be approved by the respective Group Officers before the audit is undertaken.

For improving the quality of Inspection Reports, Compliance Auditing Guidelines 2016 should be followed.

(Guidance Note no. 226-09-PPG/2017 dated 23.08.2017 issued by office of the C&AG, Professional Practices Group- Appendix 2 of this Manual)

2.14 (i) Distribution of works on Inspection

General:- Following is a broad outline of responsibilities and duties of various categories of personnel in A.M.G Audit Offices. The Sr. Audit Officer in charge of the Inspection party is not however precluded from making certain changes, to be indicated by him in writing in the distribution suggested keeping in view the suitability of the individual official for the type of work in hand.

Duties and responsibilities assigned to Sr. Audit Officer are not only important but also sufficiently exhaustive. Review of the scheme executed in a civil Department will in fact be time consuming. Further the Inspecting Officer has to perform the coordinating functions to achieve over all efficiency in performance.

Local Audit of Auditee Offices

(A) Duties and Responsibilities of the Inspecting Officers: -

The Comptroller and Auditor General of India has emphasized the necessity of attaching much importance to local inspections which should be conducted by competent and responsible officer as the work of the Sr. Audit Officers and their organisations can be assessed from the Audit Reports, prepared by them. He has directed that the officers conducting local inspection should henceforth be responsible to see: -

- (1) that inspection conducted covers transactions upto the end of financial year.
- (2) that the local audit and inspection is complete and thorough in respect of all the transactions covered and that no cases of serious irregularities or defalcation are left undiscovered.
- (3) that all facts and explanations are collected on the spot. In case of points noticed in the course of local audit and inspection which merit mention in the Audit Reports, all relevant information and attested copies of documents likely to be useful in pursuing the matter with the higher authorities are invariably obtained.

The Officer-in-charge of inspection work must acquaint him self with the system of financing of an institution, the accounts of which he is inspecting, what makes up its receipts and how its money is expended. He must then decide roughly what system of accounts is necessary for purpose of internal check and how for the existing system conforms to this standard. This is the elementary and primary responsibility of the

Supervisory Officers, to be discharged, at whatever stage he comes in on the inspection.

[Authority: Based on C.A.G.'s Letter No. T-962-Admn/74-40 dated 23.9.40 and PAG's order dated 04.03.2004 issued by Sr. D.A.G (IC-III) vide AP Cell/A121011/Civil Audit Inspection/209 dated 5.3.2004]

The inspecting officers should be able to devote longer time on few selected audits. They should personally look into the more important items of work in each case and try to come to their own conclusions regarding the objections; they should freely make suggestions regarding the increase or decrease of time given for audit of the particular office.

Following are the more important items of work which the Inspecting Officers should themselves examine in addition to provide requisite guidance to their staff: -

- (i) Check on Cash Book (a) transactions upto one week should be checked.
- (ii) The Cash Books and vouchers since last Inspection should be generally reviewed and large unusual payments and receipts looked into. It should be seen that proper arrangements have been made for the withdrawal of funds and their safe custody.
- (iii) *Receipts* :- It should be seen that adequate regulations and procedure have been framed to secure an effective check on the assessments collection and proper accounting and that such regulations are followed. It should be seen that there is no undue delay in remittances of money into the treasury as contoured in Rules.
- (iv) *Stores* :- The system of acquisition of stores and their custody; and the system of indenting and issue of materials should be examined to secure that all rules prescribed are followed and adequate safe guards are provided against unauthorised withdrawals in respect of large purchases the quotations, tenders, purchases agreements should be examined.
- (v) Invitation of tenders and objections regarding contracts.
- (vi) Execution of contracts for supply or for work.
- (vii) Audit of unusual payments like large payments of rent, decretal charges, etc.
- (viii) Cases involving avoidable expenditure and nugatory expenditure.
- (ix) Review of the scheme being executed by the department with a view to assess generally the financial working and results of the scheme, the efficiency in execution and achievement of objectives and physical targets.

(x) Any important cases relating to the interpretation of rules or orders of Government.

(xi) All serious and important points raised by the staff with reference to the initial documents should be examined personally.

(xii) General conditions of the accounts of the office inspected.

The above list is only illustrative and is for the guidance of the inspecting officer.

[Authority: - OAD-II/11277/G.O. No. 4 dated 31.1.1968 and C.A.G.'s D.O. letter No. Nil dated 6.6.1965 & his No. 1307/Admn-I/388-55, dated 24.6.1955 kept in file No. T.M. viii (A) Effy. Audit.]

Sr.Auditor/Auditor is personally responsible for verification of list of payments and preparation of list from schedule of drawals of selected month from treasury and should be verified from cashbook.

The Sr. Audit officer will fully supervise this work and will be responsible for its successful completion.

(Authority: PAG order no. GO.Ka/Le.Pa/G-28026/190/2006 dated 10.05.2007)

The Inspecting Officer should invariably write the Inspection Report himself and discuss the audit findings and request responses at the close of audit, with the local organisational head to confirm the facts and figures included in the audit observations before leaving the station. The Inspecting Officer should also prepare a record of minutes of the exit meeting and proceedings of the meeting duly signed by both the parties shall be kept in Annexure VII included in Appendix 4 of this Manual and attach it to the Inspection Report.

(Authority : O.O. No.39 issued vide No. ITAP/V &12011/PAG/(G&SSA) 414/2018-19/ TR-I/12-16 dated 3-4-2019 and Para 5.21 of Compliance Auditing Guidelines issued by office of the C&AG, Professional Practices Group- Appendix 2 of this Manual)

NOTE: - There is no objection to their sending typed copies of the reports to headquarters for scrutiny and issue.

[Authority: - Adopted from para 22 of Manual of O.A.D. (Part-I) of A.G. Maharastra Mumbai.]

(B) Assistant Audit Officer

(i) Audit of Accounts of receipts.

(ii) Audit of Accounts of Stores.

(iii) Examination of the Cash Book.

- (iv) Examination of vouchers for the test months which were submitted to Central Audit and made available to the party by the Headquarters, with original records contract, documents etc.
- (v) Audit of all vouchers not submitted to Central Audit.
- (vi) Examination of the special points marked for special investigation by Central Audit.
- (vii) Audit of works expenditure.
- (viii) Accounts of Stores, requirements etc. received under various foreign aid programmes.
- (ix) Departmental Inspection Reports.
- (x) In case of unsupervised programme, in charge of inspection party should invariably write the Inspection Report himself and discuss the report with the local organisational head before leaving the station. The remarks of the organisational head should be available on the half margin. The inspecting officer should also prepare a record of minutes of the discussion of all the outstanding objections with the local head of the organisation and attach it to the Inspection Report.

(C) Senior of the Two Auditors.

- (i) Examination of Service Books, Service Rolls, Broad sheets and ledgers in respect of P.F. Accounts of Group 'D' staff etc.
- (ii) Obtaining files containing important rules orders issued by the Government in respect of the institution, under local audit and matters dealt with by it with a view to study them and also take notes from the Dictionary of References maintained.
- (iii) Check of disposal of previous Inspection Reports.
- (iv) Audit (Triennial) of taccavi accounts.
- (v) Audit of expenditure by State Government in connection with large gathering of political organisations.
- (vi) Establishment Pay Bills.
- (vii) Travelling Allowance Bills.
- (viii) Register of undisbursed pay and allowances.
- (ix) Register of Advances.

- (x) Property accounts i.e. immovable property accounts like land, building and other assets.
- (xi) Verification of list of payments and preparation of list from schedule of drawals of selected month from treasury.

(D) Junior of Two Auditors

- (i) Dead Stock Register.
- (ii) Register of empties.
- (iii) Stamp accounts.
- (iv) Register of Deposits.
- (v) Log Books and diaries of Government vehicle.
- (vi) Register of Stationery.
- (vii) Register of uniforms.
- (viii) Register of Books and periodicals.
- (ix) P.F. Accounts of Group 'D' employees.

The structure of the A.M.G Audit parties in certain offices is two Assistant Audit Officers and one Auditor, while the Gazetted supervision remains the same. In such cases the distribution of work could be as under: -

- (A) Sr. Audit Officer:** - Same as those in para (A) above.
- (B) Senior of the two Assistant Audit Officer:** - Item (ii), (iii), (iv), (vi) and (ix) under para (B) and items (ii), (vi), (vii) and (viii) under para (C) above.
- (C) Junior of the two Assistant Audit Officer:** - Item (i), (v), (vii), (viii) and (x) under para (B) and items (i), (iii), (iv), (v) (ix) and (x) under para (C) above.
- (D) Senior Auditor/Auditor:** - Same as those in para (D) and Item (xi) under para (C) above.

(Authority: -Annexure 2.9.1 of Manual of Instructions for Restructuring of cadres in I.A.A.D., Annexure of paragraph No. 6.1.5 of M.S.O. (Audit) and Office order No. OAD-I/G.S./Misc./K-384 dated 29.3.1984.]

2.14 (ii) Performance assessment of Sr Audit Officer/Asstt. Audit Officer

In order to enable Accountant General (Audit-I) to appraise the work done by Inspecting Officers and to know the actual State of Accounts in the various departmental offices, the AG (Audit-I) instructed in the meeting held on 30th July, 2020 to maintain contribution details (Part-II A paras) for performance assessment of each SAO/AAO which should be submitted to AG at the end of each quarter (starting 31st December 2020).

(Authority :-Minutes of meeting of Group Officers issued by the Secretary to Accountant General dated 30.07.2020)

2.14 (iii) Supervision of field parties by Group Officers

(a) Supervision of field audit parties involves assigning responsibilities, providing sufficient guidance to staff members, staying informed about the significant problems encountered reviewing the work performed, strengthening individual development and providing directions as and when required. To balance the responsibilities of duty station and field supervision, it has been decided, by the competent authority that group officers should devote a minimum of seven days in a month to supervision of field audit parties. A quarterly return indicating the time spent on supervision of field audit parties by Group Officers may be sent by Head of department to their ADAI/DAI giving appropriate explanations for significant variations if any.

(Authority : CAG circular No.01-PPG/2013 No.III/P/5-300-PPG/30-2013 dated 25.9.2013 circulated vide No.682(PPG)/30.2013 dated 25.09.2013)

(b) As a sequel a quarterly return in respect of supervision of field audit parties by the Group Officers is to be prepared by every Group Officer of AMG and sent to Central Coordination Section (Admn) for consolidation and onward transmission to Central Office starting from the quarter ending 31.12.2013 onwards.

(Authority : CCS/G&SSA/R-11011/K-18/55/2013-14 dated 15.10.2014)

2.15 Attendance

Sr.Auditors/ Auditors must attend the office, which they inspect during its regular office hours. No member of the inspecting staff whether an Assistant Audit Officer or a Sr. Auditor/ Auditor should leave his place of halt without prior permission of the Senior Deputy Accountant General/ Deputy Accountant General (AMG) except for very strong reasons. Otherwise, they will be treated as absent from duty without leave. Even when a member of the inspection staff is forced to leave his place of halt for very strong and urgent reasons he should report the fact immediately to the Senior Deputy Accountant General/Deputy Accountant General (AMG) explaining the circumstances, which required his absence from the place of his inspection or halt in anticipation of formal orders.

2.16 Application from the staff on tour for casual or regular leave requiring sanction of Senior Deputy Accountant General/ Deputy Accountant General (AMG) and other authorities in headquarters should be sent to AMG Section for necessary action. These applications should bear the recommendation of Sr. Audit Officer or the Assistant Audit Officer in charge of the party. The Assistant Audit Officer of Inspection Party and his staff will not receive daily allowance during such casual

leave and will not be granted travelling allowance for the return journey to headquarters during regular leave while on tour (A casual leave register will be maintained by the Assistant Audit Officer/Inspection Party) and before recommending the leave for sanction at the headquarters, the leave title will be indicated on the leave application. The attendance register and the casual leave register should be submitted to the Supervising Officer when the work of the party is supervised by the Sr Audit Officer/ Audit Officer.

The applications from the staff for Casual leave/ regular leave sanctioned by the Audit Officer/ Assistant Audit Officer/ in charge of the party under the powers delegated to them should also be sent to respective Section for keeping a record. The casual leave register in respect of the staff posted to civil local audit parties will be maintained by AMG Section at Headquarters.

The attendance register should be closed every month, in accordance with the provisions contained in the Manual of General Procedure and submitted to the Supervising Officer along with the office copy of the absentee statement showing party staff being on C.L./E.L. during the preceding month (to be sent to the Headquarter on 5th of each month) when the work of the party is supervised by the Audit Officer.

2.17 The allotment of time for each audit is fixed in this office in terms of one Assistant Audit Officer and two Auditors/Senior Auditors or two Assistant Audit Officer and one Senior Auditor/Auditor working together, as the case may be after due consideration of the quantum of work involved.

Request for extension in time allotment should be made with proper justification in very exceptional circumstances. In the event of Casual leave by one or two members of the party, the time lost should be made good by putting an extra effort as far as possible.

The Assistant Audit Officer of Inspection parties should assess the quantum of work in the very beginning of audit and seek immediately prior approval of the Senior Deputy Accountant General or Deputy Accountant General (AMG) to the extension of time limit, if found absolutely necessary on the basis of work load. The Assistant Audit Officer should so plan their work that an extension in time allotment applied for in respect of an office is adjusted in the subsequent programmes of other offices thereby involving minimum possible changes in the approved programme of the audit parties and Supervision Programme of the Inspecting Officers.

In case of supervised audits the Inspecting Officers should satisfy themselves about the quantum of extension applied for on the basis of

extra workload before forwarding such requests to AMG Headquarters for consideration.

[Authority: - Based on Group Order No. OAD/61 dated 13.11.1973 file No. O.A.D./P-S/73-74 and Group Order No. 77 issued in 4/74]

NOTE

1. The time allotted in tour programmes includes the time for writing of the Inspection Report but excludes time taken on journey and Sunday and holidays, on which work cannot be done. It should be understood that Auditors are liable to have their daily allowance stopped if they exceed the time allotted in the programme of work.
2. *Holidays to be observed :-* All field parties will observe the timings, days of work and holidays as is followed by the staff of the units being audited by the parties.

[Authority: - Corrigendum No. GD-I/Audit/M-13012/2/85-87 Dated 24.9.86.]

3. If any Senior Auditor/Auditor works for a part of a day on Saturday or of any other working day it should be considered as full day for the calculation of time allotment.

2.18 Departure from prescribed programme

No variation is allowed from the prescribed programme vide para No. 1.09 of this Manual without the previous permission of the Senior Deputy Accountant General / Deputy Accountant General (AMG).

NOTE - The accounts allotted to Assistant Audit Officer at the station at which he may be working should be audited by him before leaving that station. If for any reason any account cannot be audited before leaving the station, Prior orders of Senior Deputy Accountant General/Deputy Accountant General (AMG) should be obtained.

2.19 Extent of Programme of Supervision by Senior Deputy Accountant General / Deputy Accountant General (AMG).

Senior Deputy Accountant General/Deputy Accountant General (AMG), should do inspection for 7 days in a month (excluding days of transit, if any), i.e. 84 days in a year.

[Authority: - CAG's letter No. 349 Audit (Audit plg)/25-2000]

2.20 Weekly Diaries

Every Audit party will submit weekly diary in Form S.Y. 324 to Headquarters comprising the details of work done during the week. This diary will be countersigned by the Inspecting Officer. In cases where no

supervision has been provided the question of countersignature does not arise.

The weekly diary will be submitted on each Monday otherwise the deficiencies will be completed before verification of Travelling Allowance Bills. The specimen of Form SY 324 is given in **Annexure-II**.

[Authority :-OAD-I/N-21013/Group Order No. 370 dated 15.9.1989.)

2.21 Intimation to Headquarters Section.

Before the member of Inspection Party leave a station and as soon as they arrive at a new station they should send an intimation (in Form S.Y. 342-**Annexure-III**) to Inspection AMG Section of Headquarter Office. The AMG Section will submit it to the Sr. Audit Officer (AMG) before it is filed.

[Authority: - Group Order No. OAD/Headquarters/221 dated 9.10.1980.]

2.22 Papers to be taken for audit.

The inspecting staff may take with them such of the office records as may be required by them in the course of the inspection. The Assistant Audit Officer concerned should be supplied the following documents.

- (1) The previous outstanding Inspection Reports
- (2) The statement of points for local investigation furnished by the audit section concerned (vide para 2.06) and
- (3) The list of payments and schedule of drawls for the selected month/months for Test Audit.

NOTE:-In case, intimation of selected month/ list of payments and schedule of drawls are not received by the Inspecting party the Inspecting Officer/Assistant Audit Officer may select the month/months for detailed audit, according to the instructions contained in the secret memorandum of Instructions.

2.23 The list of payments and schedule of drawls relating to the office concerned for the month/months selected for local audit should be sent to Inspection Parties by concerned section.

2.24 Inspection parties should, keep a register to watch the receipt and return of the records from and to other sections. This register should record the date of dispatch and return of the records to and from audit parties.

The section concerned should arrange to send these vouchers to the audit parties by Registered post.

2.25 These documents should be utilised as follows.

- (1) Any point in the previous Inspection report which has been marked for the next audit should be investigated. If the point has been settled since the last inspection this should be recorded by the Assistant Audit Officer on the previous Inspection Report over his initials. Otherwise it should be included in the new Inspection Report and a certificate should also be recorded in the previous report that all outstanding paras therein have been included in the draft Inspection Report.
- (2) The Assistant Audit Officer will investigate each point in the memoranda supplied by the audit section concerned and submit his notes thereon directly to the Branch Officer of the Section concerned with a copy to the Sr. Audit Officer/Audit Officer (Headquarters).
- (3) A detailed check of the establishment vouchers should be conducted with the initial accounts (pay bills, acquittance rolls, etc.) in the local office (See paras 4.14 and 4.15).
- (4) The Inspecting Officer will conduct audit of schemes and should try to give maximum contribution in this regard.

(Authority:- OAD-I/N-21013/2507/86-87/Group Order No. 359 dated 23.7.1987.)

2.26 All Inspection Reports and other papers taken in connection with the inspection should be returned to the section concerned immediately after the completion of the inspection. The Inspecting Officer and his assistants should always set their dated initials on all vouchers, accounts and documents examined in the course of their inspection.

2.27 Meeting with the Head of the Office Inspected.

The Inspecting Officer/Assistant Audit Officer should hold entry meeting(s) with the heads of audit units before the commencement of audit. During these meetings, the audit team should explain the purpose, objectives of audit, timelines and cooperation expected from the head of the audit unit. The Inspecting Officer should also prepare an Entry conference minutes in Annexure I included in Appendix 4 of this Manual and attach it to the Inspection Report.

(Para 5.21 of Compliance Auditing Guidelines issued by office of the C&AG, Professional Practices Group- Appendix 2 of this Manual)

NOTE -The Auditors/Senior Auditors in the course of their audits should not express independent opinion connected with the interpretation of the various Acts and Rules nor give ruling of doubtful points of procedure etc.

2.28 Behaviour of Local Audit Officials

The inspecting staff should be careful to see that no grounds are afforded for complaint from local authorities against the manner in which inspection and audits are conducted or in regard to the tone or the substance of their Inspection Reports.

If the work of inspection or audit is to be of any value it should be conducted with tact and discretion and in a manner to avoid as far as possible all irritation to the local officers, particular attention should be paid to the wording of the audit objection. The language used should invariably be polite and inoffensive.

Auditors/ Senior Auditors/ Assistant Supervisors while yielding noting in what they consider to be part of their official duty should be careful to avoid friction with any of the officials with whom they come in contact. If they convince the officers by the manner in which they go about their work that they are there not to complicate procedure but to simplify it, not merely to criticise but to assist, they will meet with little difficulty in this direction. They should assist the local authorities with advice and may show by means of practical examples, if necessary how account registers should be posted, and how a proper check is exercised in order that there may be no possibility of mistake or omission due to ignorance on the part of the local officials. It is much better to prevent mistakes in procedure than to discover such mistakes after they have been committed.

2.29 Report on Theft, Embezzlements and Frauds

When a theft, embezzlement or fraud is detected, or inferred from any suspicious circumstances, and its extent is of sufficient importance or its nature is of grave importance the Assistant Audit Officer should immediately report the case to the Headquarters Section giving full details of all the relevant information. If further evidence is yet to be collected, the progress made towards final conclusions should be reported daily or as frequently as may be practicable.

The audit parties conducting the audit give the full details of the theft/ embezzlement cases in Annexure 'V' and 'VI' of the title sheet (included in Appendix 4 of this Manual) and after duly certified by the D.D.O./Head of Department as the case may be and will forward to Headquarter. The reference of FAW/FASS may also be indicated.

At Headquarter while vetting the inspection reports the theft/ embezzlement and frauds cases from the concerned section be forwarded to FAW/ FASS Section along with Annexure 'V' and 'VI' referred above and these para be kept at the end of Inspection Report.

The FAW/FASS Section will register these cases and allot the registration number under the intimation to concerned Audit Management Unit.

On receipt of intimation from FAW/FASS Section AMG Section will settle the para from Inspection Report on the plea that “On the basis of transfer of para to FAW/FASS Section, the para has been settled.” A note of this regard will also be made in Settlement Register. The department concerned will also be intimated that para relating to theft/ embezzlement and fraud cases has been registered in the FAW/FASS Section and in future the correspondence be made from FAW/FASS Section.

[Authority:- Group Order I.C.-I/ N-21011/7/95-96/ Vol.II/437 dated 7.7.95]

During review of case of fraud, illegal acts and other non-compliance ASSOSAI Guidelines as detailed in **Annexure-IV** to this chapter should also be followed

2.30 It should be recognised as one of the first duty of the Inspecting Officer to report to the Accountant General (Audit-I) separately and immediately, anything really serious or really important which comes to light in the course of his inspection without waiting to include them in the Inspection Report. Such interim reports may be shown in the first instance to the head of the office inspected for any comments of his own.

2.30.1 Though it is not incumbent on the Inspecting Officer to verify by count the cash balance of the office inspected he is not, however, debarred from verifying the cash of an office if the circumstances of any case warrant this. In such a case the verification should be undertaken as soon as the necessity for the same is felt, and this should preferably be done at a time when the officer-in-charge is present.

If in any case, the balance pertaining to a cash book is counted a simultaneous count of all cash balances (with relevant accounts) in charge of the disbursing officer or other custodian of the cash chest is desirable.

2.32 Conduct of Audit

In conducting the audit of accounts, the auditors should deal only with matters which have a financial bearing. Points which come under the principles of audit but which cannot be substantiated by formal audit rules, as also cases of transgression of the universally accepted standard of official conduct of financial administration (standard of financial propriety) should be investigated. But the auditors must be careful never to interfere in executive matters, not to take up questions of administration which have nothing to do with audit and accounts or which are otherwise outside the province of legitimate enquiry by audit.

2.33 Propriety Audit

The following functions of the propriety audit enumerated in the Annexure to para 2.2.9 of M.S.O. (Audit) have been transferred to AMG Headquarters Sections with effect from 15.8.1968. The brief particulars of each item and the procedure to be followed for conducting scrutiny of these items of propriety nature from the higher audit of view shown against each is as given below :-

Sl. No.	Reference of items of annexure to para 2.2.9 of M.S.O. (Audit)	Brief Particulars	Procedure to be followed
1.	2.	3.	4.
1.	(i)	Audit of expenditure with reference to financial propriety.	As and when a case which is to be objected on the ground of propriety comes to notice during the course of local audit, the field party/Inspecting Officer will forward same to AMG Headquarters in a separate tour note and mention of the same case also be made in the title sheet of the I.R. At Headquarters, the dealing Senior Auditor/ Auditor and the Assistant Audit Officer of AMG Section will examine the case, further from the higher audit point of view due to issues involved and submit the result to Sr. Audit Officer/ AMG Headquarters and Senior Deputy Accountant General/Deputy Accountant General (AMG). These cases will be noted in the Higher Audit Items Register referred to in S.No. 7 below. Cases presenting any special interesting features would be transferred to Concerned ECPA Section through Sr. Deputy Accountant General/ Deputy Accountant General (AMG).

2.	(ii)	Suggestions designed to prevent extravagance in expenditure	During the course of local audit, if any extravagance expenditure is observed in the auditee unit, the field audit parties will forward suggestions with draft inspection report to stop such extravagant expenditure. The suggestions received from the parties will be attended by vetting section at the Headquarters. The dealing auditor of the department concerned and the Assistant Audit Officer of the AMG concerned will scrutinise all such suggestions and submit the result to the Branch Officer. The results of the scrutiny will also be submitted to the Sr. DAG/ DAG (AMG) and proposed for further examination in next audit.
3.	(vii)	Comparison of rates prevalent in neighbouring localities for similar works and supplies.	The Inspection field parties will collect the rates for supplies made, items of work done and services rendered from the relevant departments in each district and append statement with the Inspection report. A note of this will also be given in the title sheet. A view will be put up by each AMG Sections of Headquarter to Branch Officer Quarterly on 10 th Feb., May, August and Nov. about the information so reviewed and apparent discrepancies or variations. A copy of review will be sent to concern AMG Section. In Controlling section of AMG Wing a consolidated half yearly review will be put up to Senior Deputy Accountant General/ Deputy Accountant General (AMG) on 15 th May and Nov. of each year.

4.	(viii)	Scrutiny of lump sum contracts in different departments for similar works with a view to ensuring uniformity of approach and reducing expenditure.	The field parties will furnish the information regarding lump sum charges for lighting etc., along with the Inspection Reports. A review will be prepared by each of AMG Headquarters Sections and put up to Branch Officer on the 10 th April, July, Oct. and January each year about the information's so reviewed and apparent discrepancies of variations. A copy of review so prepared by AMG Headquarters Sections will be given to controlling section of AMG Wing, which will prepare a consolidated half yearly review on 15 th of April & Oct. each year for submission to Sr. D.A.G./ D.A.G.(AMG).
5.	(xv)	Suggestions designed to increase revenues.	During the course of local audit field parties will undertake this work and incorporate the results in the Inspection Report.
6.	(ix)	Scrutiny of contracts, other than those relating to P.W.D above the value prescribed for the purposes and deviating from the standard approved forms with a view seeing whether their terms are unduly liberal or do not include necessary safe	During the course of vetting of the Inspection Report important cases will be marked by the vetting officer which will be noted in a register to be maintained at Headquarters by each of the auditor at Headquarters. This register will be put up to Branch Officer on 10 th of each month on the basis of entries noted in the Register a review will be under taken by AMG (Co-ordinating seat) and submitted to the Senior Deputy Accountant General/ Deputy Accountant General (AMG) by 15 th May and November each year.

		guards to protect Govt. interest.	
7.	In addition to the above provisions, it shall be the duty of all Assistant Audit Officers of AMG Headquarters Section and of the dealing assistants of the co-ordinating seat, to stop and take initiative for the higher audit items of work mentioned above and note such cases in the 'Higher Audit Items Register' maintained in each section, having corresponding parts. This Register would be reviewed by Branch Officer every month on the 5 th to ensure that adequate action is being taken to finalise the various items noted therein and also that items for which it is found in closer scrutiny that they can not materialise, are also eliminated from the said register. Items which have developed sufficiently should be intimated to concerned E.C.P.A. section after each quarter.		
8.	All the dates given above will be noted in the Sectional Calendar of Returns.		

[Authority:-T.M./68-C/112 dated 12.8.1968 file O.A.D. II Group Order – 10]

NOTE – When an Sr. Auditor/Auditor proposed to raise a higher audit question on a subject which is predominantly administrative or technical, he should make that he has been able to ascertain and properly grasp the facts and the principle or principles behind them and that the raising of the question or its pursuit is a legitimate duty of audit and likely also to serve some practical purpose. It is desirable to consult the Gazetted Officer, if on the spot or the Senior Deputy Accountant General/ Deputy Accountant General (AMG) as the case may be, before taking up or pursuing questions which are likely to taken an awkward turn.

2.34 For intelligent and efficient local test audit it is necessary that auditors should have an intimate acquaintance with the Acts, Codes, Manuals and Administrative Orders or Rules relating to the department under audit. The Assistant Audit Officer should either take from the headquarters office any such books relating to the accounts he is going to audit, or get the same from the office inspected.

2.35 The value of an audit depends largely on the intelligence and the thoroughness which are brought to bear on it. Some-time routine and

formal objections if pursued properly, lead to the detection of serious irregularities or of a defect of system liable to lead to fraud. Auditors should always be alive to this. Never should they exercise perfunctorily the prescribed routine checks. When Assistant Audit Officer feels that he had touched on a matter which may call for investigation, he should go into it thoroughly and completely leaving no detail undiscovered and he must take nothing for granted during such investigation.

2.36 In auditing payment vouchers the auditors should not apply merely mechanical checks, e.g. seeing that there is proper acquittance in support of payments, that amounts charges are arithmetically correct and that the rates are in accordance with the schedule of rates. In the interest of thorough audit, it is necessary to see that the charges in the bills are not extravagant and if doubt arises, the prevailing market rates may be ascertained, through the District Officer. Cases of different rates paid for the same article observed in auditing the accounts of two or more offices in the same locality should be investigated and the causes of such difference carefully assessed.

2.37 The following instructions should be observed while conducting an inspection.

- (1) Every objection noticed in the course of inspection or test audit should be recorded then and there.
- (2) The defects noticed be classified as 'Important' or 'Minor'.
- (3) The minor defects should, as far as possible be disposed off on the spot by pointing out the errors and getting them rectified.
- (4) Important defects and irregularities should be incorporated in the inspection report which should be narrative and descriptive in form.
- (5) At the same time in order to facilitate subsequent reference and the checking of the results of inspection, the

arrangements of the report should be systematic corresponding closely to the conduct of the inspection.

- (6) The remarks about the general state of the accounts of the office inspected should be recorded by the Inspecting Officer himself.

NOTE

1. In cases where the audit reveals an unsatisfactory state of accounts it should be so mentioned. In other cases it may be stated that there is scope for improvement. It is only when the Inspecting Officer is fully satisfied about the prompt and proper maintenance of accounts he may say that the State of accounts is satisfactory.
2. When an adverse comment is made in respect of general state of accounts of an office the remarks should be somewhat in the following form :-

“There is scope for improvement. Please see for example paragraphs of the Inspection Report/ Test Audit Note.”

- (7) When anything is noted as “not quite satisfactory” the reasons should be stated in the body, of the Report in detail.
- (8) Defects should not be recorded in general terms and unnecessary details should be avoided.
- (9) All exaggeration of language should be carefully avoided.
- (10) General objections should not be raised unless they can be supported by concrete instances.
- (11) If a really flagrant case of irregularity is detected, it should be investigated with the utmost care and set out in such details as to ensure that the gravity of the breach of the rule is clearly brought to the notice of the superior authority, so that the audit office may be in position to press for proper action.

2.38 The following further instructions should be observed by the inspecting staff while conducting an inspection :-

- (1) While auditors should not make any relaxation of their own accord, it is very important that the prescribed checks should be observed in the spirit and not in the letter as opposed to the spirit.
- (2) Replies to enquiries on doubtful points or calls for information should be obtained in writing on half margin forms from the ministerial head of the office inspected before the Assistant Audit Officer leaves the office, if the replies are not received promptly, the facts should be brought to the notice of the head of the office and the results communicated to the Head Office.
- (3) Objections which are simple directions and instructions for further guidance should be included in the Test Audit Note. All minor errors which are of no consequence to the finance of the State and can be set right on the spot, should be so settled and the notes carefully filed for the approval of the Senior Deputy Accountant General/ Deputy Accountant General (AMG). The value of an Inspection is enhanced more by the number of points thus settled on the spot than by what is loaded in the Inspection Report.
- (4) Isolated routine objections need not, as a rule, be mentioned in the Inspection Report, but if a number of similar points is noticed the type of error or irregularities with a few of the worst instances may be mentioned.
- (5) If any office is particularly careless and pays no attention to directions or repeats the mistakes or habitually disregards the rules the matter should be taken up in a special letter to the head of the department, care being taken to substantiate the charges of such disregard of rules etc. by sufficient evidence.
- (6) Whenever any irregularity or delay which was previously noticed is taken up again by the Test Audit Staff, the fact

should be mentioned in the report with the reasons for its inclusion.

- (7) Money values of objection should be specified wherever possible not only those coming under paragraphs 7.2.16 of the M.S.O. (Audit) but also for cases of enquiries and remarks made on doubtful points which may have a potential money value e.g., the amounts of contracts for which tenders are not openly called for, cases where the lowest tender have not been accepted, values of the extra concessions granted to contractors, not provided for in the agreement etc.
- (8) Objection which can be waived under para 7.1.16 to 7.1.18 of the M.S.O. (Audit), should not be embodied in the Report or the Audit Note but should be put up to the Senior Deputy Accountant General/ Deputy Accountant General (AMG) for orders.
- (9) All statements and allegations made and all figures furnished should be based on clear documentary evidence so that the Audit Officer may be in a position to press for proper actions. Copies of correspondence or other important documents related with audit point should be collected and sent along with the inspection report. Reference to the orders or Rules which have been violated should be quoted.
- (10) The names of the officers responsible for the irregularities should be kept in record in the rough notes in all cases of serious irregularities.
- (11) When a letter of Government order is quoted, which in the opinion of the Assistant Audit Officer may not be available in the Central Office a copy of it should be sent alongwith the Inspection Notes for the information of the Senior Deputy Accountant General/ Deputy Accountant General (AMG).
- (12) The audit staff should go through all the inspection notes of departmental officers during the period of audit as valuable hints are likely to be obtained from these sources. This point requires special attention during audit.
- (13) The complaints relating to corruption/ information called for under RTI/ Complaint received from Central Office should be examined seriously under the supervision of Concerned Group Officer.

(Authority: Office order No.26 issued vide No.ITAP/V-12011/PAG (G&SSA)/122/2015-16 TR-I/77-81 dated 23.06.2015).

NOTE: Intelligent probe should be made where maintenance of Accounts records is defective: It has been observed by the Comptroller and Auditor General, that a number of instances had come to the notice of his office, when local audit had satisfied itself by mentioning that certain records were not maintained properly by the Officers concerned and asking for a rectification of these defects. Subsequent developments have, however, shown that in a number of such cases, the defective maintenance of records was more or less a cover to hide misappropriation and fraud. If the local audit had been sufficiently vigilant in such cases and made a further probe the frauds and misappropriations could have been brought to light much earlier. Again in a number of cases, frauds and misappropriation were earlier subsequently detected by the Administrative Authorities themselves though the period during which such frauds occurred were covered by one or more local audits. Where important initial records e.g. Cash Books, Pass Books and Security Register etc. are not maintained properly, it will be sufficient simply to state in the Inspection Report that such records were not maintained properly. Improper maintenance or non-maintenance of important initial records having a direct bearing on cash transaction will *prima facie* strengthen the apprehension that all may not well with the cash transaction of the office inspected.

The Inspecting Officer and the party should in such cases besides mentioning the technical defect and shortcomings in keeping the accounts registers etc., should also make an intelligent probe to see if the defective maintenance or non-maintenance is a camouflage to hide fraud and misappropriation.

[C.A.G.'s Confidential D.O. No. 2045-Admn. III 479-60 dated 5.12.1960.]

2.39 Use of distinguishing coloured pencils by the Audit Staff

In auditing accounts all entries checked, should be ticked by the Senior Auditor/Auditors and all vouchers registers, etc. examined should be initialled by them. For this purpose special audit pencils (Brown coloured pencils) should be used.

NOTE :-The State Government (Finance Department) have issued directions to all Departments that since brown coloured pencils are used by the Audit Staff such pencils should not be used by the departmental internal check staff.

[Finance Department No. D. 8454/F-(AA)-55, dated 23.8.1955- File Circular/ C.D.C.S. 1956-57.]

2.40 Discussions with the departmental officers regarding points in the previous Report.

(i) During Inspection

The Assistant Audit Officer/ Sr. Audit Officer (Inspection) are required to see that at the time of local inspection they should discuss with the departmental officers the old inspection report and should close the maximum possible number of outstanding paras. In cases certain objections cannot be cleared, reasons as to why they could not be dropped should be recorded. They should sent details regarding the number of previous paras in the new report, the number of Inspection Report, paras closed during discussions and the numbers of paras which could not be closed along with reasons thereof.

Where old paras are incorporated in the new reports full facts of the case as well as the reference of the Inspection Report in which the objection was previously taken should be so recorded in the new Report that the old Report may not be referred to again. Mere enclosing an annexure enumerating the paras does not serve any purpose. The audit findings of current report should also be discussed by Inspecting Officer with the Head of the Office concerned and request responses at the close of audit, to confirm the facts and figures included in the audit observations before sending it to the headquarter. The minutes of the exit meeting should be prepared and proceedings of the meeting duly signed by both the parties shall be kept in Annexure VII included in Appendix 4 of this Manual and attach it to the Inspection Report.

[Office Order No. 1509/O.A.D., dated 31.5.1956 case file OAD/O.O./56-57 and No. ITAP/V &12011/PAG/(G&SSA) 414/2018-19/ TR-I/12-16 dated 3-4-2019 and Para 5.21 of Compliance Auditing Guidelines issued by office of the C&AG, Professional Practices Group- Appendix 2 of this Manual.]

NOTE:- Since it is desirable that there should be no dispute about the facts, between the officer whose office is inspected and the Inspecting Officer, the Drawing and Disbursing Officers should invariably verify the facts brought out in the Inspection Report before endorsing the same.

[F.D.(Account & Audit) No. D. II/366/F.D. 9(Aa) 56, dated 12.1.1957.]

(ii) At the time of exit conference

The outstanding paras of old Inspection Reports must be discussed during exit conference and details of discussion/ progress must invariably be included in the minutes of the exit conference meetings.

(Authority: Office order No.37 issued vide No. ITAP/V-12011/PAG(G&SSA)/122/2016-17/TR-I/72-75 dated 01.07.2015).

2.41 Matters dealt with by the Inspecting Staff to be kept confidential

The Inspecting Staff should note that matters with which they have to deal are confidential. The Audit is intended to be for the assistance of local Officers and the Audit Department is not justified in permitting their shortcomings to become public.

2.42 Better co-ordination between Audit and Accounts offices:-

All Audit parties review Personal Ledger Accounts of drawing and disbursing officers completely. Observations found during this review or cases of non-reconciliation from treasury should be included in draft Inspection Report. Cases of excess expenditure over budget provision should also be reviewed completely and such objections with full details should be included in Draft Inspection Report.

ANNEXURE-I
(Refer to in Para 2.03)
Register of Probable Draft Paras

Sl. No.	Name of Office	Period of Inspection Report	Para No.	Nature of irregularity	Amount	No. & Date of report to the Head of Department
1.	2.	3.	4.	5.	6.	7.

No. and Date of report to Government	Remarks	Order of Government if any	Whether draft sent to Report Section	Whether included in the Audit Report	Remarks
8.	9.	10.	11.	12.	13.

Form S.Y. 324
ANNEXURE II

(Refer to in Para 2.20)

Proforma of Weekly Diary

The Diary for the Week ending (Saturday) in respect of
Inspection Party No.

Date	Day of Week & Time of Attendance	Name of Office/ Department	Details of Work done		
			Shri	Shri	Shri
1.	2.	3.	4.	5.	6.
Details of C.L. and R.H. during the week.					

Shri Senior Audit Officer
dated to.....
Supervision done.

No.:- AMG Party No. /

Officer

Assistant Audit

Dated

Inspecting Officer

[Authority :- OAD –I/N 21013 / Group Order No. 370. dated. 15.9.1989]

Form S.Y. 324

ANNEXUE III

(Refer to in Para 2.21)

Proforma of Intimation

No.

Dated

To,

The Senior Audit Officer/Audit Officer (A.M.G)

Office of the Accountant General (Audit-I),

Rajasthan, Jaipur.

Sir,

I have to report that I arrived/ left of..... on the
to take up the audit/ after completing the audit of the accounts specified
below :-

(1)

(2)

(3)

(4)

Yours
faithfully,

Signature

(Designation)

Dated..... 20.....

Annexure-IV

(Refer to in Para 2.29 & ASOSAI Guidelines)

Fraud, illegal acts and other noncompliance

1. When auditors conclude based on evidence obtained that a fraud or an illegal act has occurred or is likely to have occurred they should report relevant information. Auditors need not report information about fraud or an illegal act that is clearly inconsequential. Auditor should also report other noncompliance (for example a violation of a contract provision) that is material to the financial statements.
2. Whether as particular act is in fact illegal may have to await final determination by a court of law.
3. Thus when auditors disclose matters that have led them to conclude that an illegal act is likely to have occurred they should take care not to imply that they have made a determination of illegality.
4. In reporting material fraud illegal acts or other non-compliance, the auditors should place their findings in proper perspective. To give the reader a basis for judging the prevalence and consequence of these conditions the instances identified should be related to the universe or the number of cases examined and be quantified in terms of money value, if appropriate in presenting material fraud illegal acts or other noncompliance auditors should ensure that standard for objectives scope and methodology audit results and presentation standards as appropriate are observed. Auditors may provide less extensive disclosure of fraud and illegal acts that are not material in either in quantitative or qualitative sense.
5. When auditors detect fraud illegal acts or other noncompliance that are not of material nature, they should communicate those findings to the auditee, preferably in writing and should refer to such communications in their report on compliance. Auditors should document in their working papers all communications to the auditee about fraud, illegal acts and other noncompliance.
6. Management is responsible for taking timely and appropriate steps to remedy fraud or illegal acts that auditors report to it. When fraud or an illegal act involves assistance received directly or indirectly from another government or agency. For example central government grants received by the State Government, auditors may have a duty to report it directly (to the other government/agency) if management fails to take remedial steps.

7. Auditors should obtain sufficient competent and relevant evidence (for example by confirmation with outside parties) to corroborate assertions by management that it has reported fraud or illegal acts.
8. Auditors under some circumstances may be required to report promptly indications of certain types of fraud or illegal acts to law enforcement or investigator authorities. When auditors conclude that there type of fraud or illegal act either has occurred or is likely to have occurred, they should ask those authorities and /or legal counsel if reporting certain in formation about that fraud or illegal act would compromise investigative or legal proceedings, Such as information that is already a part of the public record.

CHAPTER 3

Audit methodology, Compliance audit, Performance audit and Audit Planning

3.01 Types of audit – Terminologies

Audit methodology is how the Office of the CAG of India codifies the standards and practices to be followed by auditors in carrying out their work.

It gives rigour and discipline to our work and provides the structure within which audit teams exercise professional judgement. It is – what we do, why we do it, and how we do it. SAI India has been committed to follow a structured approach to its functioning, to ensure quality, standardisation and transparency. CAG's Auditing Standards and Regulations on Audit and Accounts provide the desired direction in this regard.

Regulations on Audit and Accounts, 2017 clearly define types of audit as financial, compliance and performance audits.

Defining the types of audits has some clear purposes:

1. It helps in determining the purpose for which the audit is being undertaken. Essence of “Compliance Audit” is in assessing the extent to which laws and regulations (authorities) have been respected. “Financial Audit” provides assurance that the financial statements properly present the financial situation. Financial and compliance auditing may be performed together where the auditor also gives an assurance that funds have been spent in accordance with the laws and regulations, in addition to true and fair view of the financial statements. Properly prepared financial statements and compliance with applicable authorities does not, of itself guarantee that public programmes deliver value for money to the taxpayers, which gives rise to the third key area of activity for SAIs. “Performance Auditing” is focused on improving good performance in public administration by examining whether public programmes and services achieve the principles of economy, efficiency and effectiveness and identifying conditions or practices that hamper performance and enable the auditor to make suitable recommendations.
2. Different types of audit require different set of guidelines, standards, and rigour and quality assurance requirements. As the parameters against which the functioning of the audited entities is to be judged in the audit would differ in financial, compliance and performance audit, the audit procedures are designed differently. For example, in compliance audits, normally the parameters are available as part of rules governing the audited entities, but in the case of performance

audits, the benchmarks against which the performance of the programme or the entity is to be judged may not be available in such a straight forward manner.

3. The types of audits are determined by objectives. Audits are conducted to achieve either assurance on financial statements or assurance on compliance with rules and regulations or achievement of intended objectives. These are different dimensions of the public sector audits.
4. International best practices require that each audit indicates the methodology and the standards adopted. It is only possible if there is clarity about the audit types.

However, it is not to say that a combination of types of audits is not possible. It is possible to conduct audit having objectives of financial + compliance or compliance+ performance or any other combination. In case of such audits, discipline of the dominant type of the audit has to be maintained.

Keeping the above differences in mind, it is essential that while designing the audit plan these distinctions are kept in mind and allocation of audit resources is done accordingly. It is also essential to clearly state the type of audit to make the process transparent and easily understandable to the external stakeholders.

With the commitment of adapting ISSAIs appropriately in SAI India and being the participant of designing SAI performance Measurement Framework, maintaining discipline of audit methodology has become imperative.

The specific terminologies being presently used in the Department are :

- Audit of transactions – is normally being used to denote compliance audit
- CCO based audits - are mainly compliance audits, or what we have been calling transaction audit. The crucial difference in these audits from the earlier DDO based audits is that it is a top down approach and an effort towards integrated audit. These audits may also include certain feature of performance audits.
- District audit – Audit of a district, combining features of compliance as well as performance audits, is taken up to provide the audit profile of a district.
- Thematic audit – This is the terminology which is being used for audits which may have both compliance and performance audit objectives. The objectives of such audits are to focus on a particular audit objective across sectors or audited entities. These audits could be basically compliance or performance audits. Presently however,

thematic audits are being shown as a different class of audit while designing the annual audit plan and also in the final Audit Reports, which gives an erroneous impression that thematic audits are a different type of audit.

- IT audit – Audits done in the IT enabled environment of audit of IT based system are termed as IT audits. Most of the IT audits are, by their very nature, compliance audits.

The above analysis has been presented to bring the focus on the use of appropriate terminologies in the audit documentation in the Department. The following guidance is being provided to all internal stakeholders, for proper application:

1. There are three types of audits in public sector auditing, viz., financial, compliance and performance. There are specific standards applicable to each of these types of audits, which need to be applied.
2. However, it is possible to have combinations of these audits. In those cases, standards applicable to the dominant type would be applicable, unless specific guidance for the combination audits is available.
3. IT audits, environment audit etc., are audits conducted in those particular sectors or using a particular methodology. It is possible to conduct compliance and performance audit in the IT sector or environmental sector. IT audit techniques can be used for financial, compliance or performance audits.
4. While allocating resources during the Strategic Audit Plan or the Annual Audit Plan, the types of audits should be kept in the view. The total resources should be divided among financial, compliance and performance audits as per the priorities.
5. Performance measurement and peer reviews expect a clear demarcation among types of audits. Quality assurance and quality control procedures are also more effective if there is clarity about types of audits, as applicable standards are different as per types of audit.
6. The determination of the type of audit is to be guided by the objectives of the audit assignment and the kind of audit assurance it strives to provide.
7. Use of alternative terminologies like, thematic audits, CCO based audits or District audits, should be avoided while preparing audit plans

or in the structure of the Report, in the interest of professionalism and clarity.

8. However, it is not necessary that the title of the Audit Report or the Audit Topic (if it is part of a Report) should carry the words – financial, compliance or performance audit. The title of the Report or the Topic should be indicating the subject matter of the audit.

(Authority:- C.A.G. letter No.III/J/19-328-PPG/23-2013 dated 17.10.2013)

3.02 Compliance Audit

(i) All compliance audits – commonly addressed as transaction audits – would henceforth be regulated by the Compliance Auditing Guidelines (Appendix-2) for the IA&AD duly approved by the Comptroller and Auditor General of India for adoption and implementation of these guidelines. Department centric approach of planning and reporting, risk based selection of audit units and holistic and balanced reporting are at the core of these guidelines. Major features of these guidelines are:-

Defining Apex Auditable Entities/Audit Units/Implementing Units :-

The guidelines intends to place the Department/Sector as the centre piece of the audit focus and provide a scientific mechanism of defining audit units. The existing audit universe would have to be classified into the following three categories for planning and conducting compliance audits. (Details at paras 3.4 to 3.6 of the Compliance Auditing Guidelines)

Apex auditable Entities :-

The highest authority or Head of Department of each Department/Sector under the audit jurisdiction of each field office (headed by AG) would be the Apex Auditable Entity.

Audit Units :-

Organisational hierarchies below each Apex Auditable Entity have to be defined as Audit units if they satisfy any of the broad attributes-substantial delegation of powers, functional autonomy and operational significance.

Implementing Units :-

These are the lower most layers of organisational hierarchies that do not satisfy any of the attributes for classifying them as Audit Units. Implementing units are typically the last mile service providers and implementation arms of Government.

Annual Compliance Audit Plan :-

Based on risk profiling of the Apex Auditable Entities and Audit Units an annual audit plan for compliance audits that would be undertaken in the year would have to be prepared. This essentially means that the Annual Audit Plans being prepared by field offices would have to adopt a holistically approach of covering various auditable units for each stream of audit – Performance Audit, Compliance Audit and Financial Attest Audit. (Details at paras 3.12 to 3.16 of the Compliance Auditing guidelines) (Appendix-2)

Planning and conduct of individual Compliance Audits :-

The Compliance Audits would cover both regularity and propriety audit. Where evaluation of regularity involves complexity or multifarious activities a specific subject matter may be selected for evaluating regularity, while audit against propriety of the selected auditable entity would be carried out in the normal course. A process rigour has been envisaged. Audit objectives and scope of audit have to be determined for each compliance audit and evidence gathering and evaluation process is to be adequately documented. An Audit Design matrix and Audit Findings matrix have been prescribed where a specific subject matter has been selected for evaluation. (Details in chapters 4 and 5 of the Compliance Auditing guidelines) (Appendix-2)

Reporting :-

The Audit products for reporting are the Inspection Report to be issued to the audited entities and the Compliance Audit Report to the Legislature. The format of Inspection Report has been prescribed in these guidelines, which has to be adopted (Para 6.5 of the Compliance Auditing guidelines) (Appendix-2). A Departmental Appreciation Note has also been envisaged to be issued where necessary. The issue of DPs, Factual Notes etc. before reporting matters in the Compliance Audit Report would continue as at present.

Follow Up :-

The Process of Follow up has been prescribed both for the Inspection Reports and the Compliance Audit Reports.

(ii) Headquarters instructions on Compliance Audit of SPVs and Trusts/Societies implementing beneficiary oriented schemes, Compliance Audit of Regulatory Bodies and Compliance Audit of Public Private Partnership arrangements are given in Appendix-3.

(Authority: CAG No.726, 725 and 727/16-PPG/2016 dated 24.8.2016 circulated to all Group officers vide No. AP& R Cell/A-12011/2017-18/K-206/Vol-I TR-I/174 dated 19.09.2016)

A guidance note was also issued by the C & A.G. vide No.226-09-PPG/2017 dated 23.8.2017 in furtherance of the Compliance Auditing Guidelines which is appended with Appendix-2

3.03 Performance Audit

(1) Performance Auditing carried out by the Department is an independent, objective and reliable examination of whether government undertakings, programmes, systems, activities or organisations are performing in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. It seeks to provide new information, analysis or insights and where appropriate, recommendations for improvement. Thus it delivers new information, knowledge or value by

-Providing new analytical insights (broader or deeper analysis or new perspectives);

-Making existing information more accessible to various stakeholders;

- Providing an independent and authoritative view or conclusion based on audit evidence; and

- Providing recommendations based on an analysis of audit findings.

Typically performance audits address the issues of economy, efficiency, and effectiveness.

(2) The Department has to deal with a variety of subjects of performance audits and conduct audit in diverse entity environments. Besides, different structures for audit management exists in the audit of State Governments. It may, therefore, be necessary to adjust the actual process of planning, field audits and consolidation of the performance audits in the context of the entity environment and composition of audit offices.

(3) Performance Audits guidelines deal with the Mandate and General Principles for Performance Audits, strategic audit planning and selection of subjects, planning for individual performance audits, various elements of implementing the performance, aspect relating to evidence and documentation, reporting process of draft performance audit report and follow up procedures.

Note :- For detailed guidelines please see CAG website.....

3.04 (a) Audit Planning and risk analysis

(i) The manpower and budgetary resources being limited, it is imperative that these resources be optimally utilized through a rigorous audit planning exercise. Audit planning, being the starting point of the entire audit exercise, is the main area of attention to

address quality issues. While undertaking audit planning, the audit offices should focus on important areas thrown up by a robust, structured and formal risk analysis. Such a process is expected to yield a more effective audit output with resultant improvement in quality, because of better utilization of available resources in a timely manner.

- (ii)** A formal, documented and structured risk analysis must be carried out for identification and grading of risk and materiality of various auditable entities and subjects for audit.
- (iii)** Basic guidance on risk analysis and risk based selection of units and subjects is contained especially in Section II- Chapter 1, paragraph 2.1.25, Section VI- Chapter 1, paragraphs 6.1.9, 6.1.10, 6.1.14 of Manual of Standing Orders (Audit) 2002; Chapter 2, paragraphs 14 to 17 of Internal Controls Evaluation Manual and Chapter 3, paragraphs 3.5, 3.9 & 3.11 of Performance Auditing Guidelines 2014. This body of general guidance should be applied by the field audit offices in a formal manner to document the profile of the entire auditable domain in terms of audit risks.
- (iv)** The process of risk analysis and preparing the risk profile of the auditable domain should go beyond relating the audit risks to merely the annual receipts and expenditure of the auditable entities and should include the documentation of issues that are engaging the attention of our stakeholders, as evidenced from legislative proceedings, government announcements and media coverage. There is already an established mechanism of Audit Advisory Board to reach out and seek inputs, where feasible and available, from various stakeholders. Where considered appropriate, the auditable entities may also be consulted at appropriate levels to assess the audit risks. Specific weightage should be assigned to such factors in the risk assessment.
- (v)** Up-to-date folders should be maintained both in physical and electronic form in respect of each sector, department, group of related auditable entities and major schemes/ programmes. These folders will facilitate the process of audit risk analysis and help in timely identification of areas for audit scrutiny in a systematic manner. These will also help in conducting desk reviews and pilot studies when particular subjects are taken up for performance audits. Responsibility of maintaining complete and updated folders should be specifically assigned to designated officers.
- (vi)** The risk analysis is not a one-time exercise. The risk profile of auditable domain should be periodically reviewed and updated so as to ensure that major changes in audit risks and inclusion of new

auditable entities and subjects are properly documented in a timely manner. Requisite approval of competent authority should be obtained in time if the review of audit risk profile warrants any changes in the annual audit plan. Hence, the risk analysis folders should be reviewed by the Group Officers, as per periodicity to be fixed locally by the heads of field audit offices, for appropriate action. This action may include issuing advisories to audit parties or suggesting mid-course changes in the annual audit plan for approval by the Headquarters Office.

- (vii) Audits that would lose impact if not taken up and reported promptly need to be included in the annual audit plan with due approval, by deferring or excluding lower risk audits included in the plan, if necessary. Higher priority audits should be given due consideration while scheduling the work plan for the year.
- (viii) The field audit offices should put in place their own mechanism to operationalize the above guidance on risk analysis, periodic review and updation of audit risk profile and seeking approval of competent authority for audit plans.

(Authority : CAG D.O. No. 259-PPG/18-2015 dated 14.09.2015 and guidance note issued vide No.402-PPG/11-2013 dated 5.10.2016).

Modalities of preparation of Audit Plan are given in **Annexure-I**

3.04 (b) Maintenance of portfolio files and their updation

For risk analysis of all the audits, maintenance of department-wise portfolio files, portfolio files of main schemes and Public Sector Undertakings should be ensured by all the groups. These portfolio files should contain all the information as given in **Annexure-II**. Controlling sections of all the groups will submit to the concerned Group Officers a six monthly return on 10th April and 10th October in the format (given in Annexure-II) with a copy to AP&R Cell. AP&R Cell will submit return of the groups to the Accountant General (Audit-I) on 15th April and 15th October every year.

(Authority : AP&R Cell /A-12011/K-173/2015-16 dated 17.12.2015).

3.05 Financial Attest Audit

Financial Attest Audit (FAA) is concerned with expression of audit opinion on a set of financial statements. FAA is required to be carried out to reduce the possibility of the material misstatement in a financial statement and thereby, provide credibility to such a statement. Financial Attest Audit Manual (FAAM) 2009 has been brought out in June 2009 with the objective of bringing the Indian practice at par with the international best practices as far as possible. FAAM 2009, provides the

principal and concepts applicable to various financial attest audits conducted by the Department. To operationalise the FAAM, 2009, Financial Attest Audit Guidelines (FAAG) have been issued in March 2015 superseding all other existing instructions relating to audit of State Government Accounts and provide conceptual clarity for all financial attest audits being undertaken by the Department.

Therefore, the Financial Attest Audit of State Government Accounts shall be conducted as per the FAAG. The FAAG provides a set of detailed, step by step instructions to carry out the Audit the FAAG lists down the checks to be applied in the audit of Sanctions, Vouchers, Treasury, Monthly Civil Accounts, Monthly Expenditure Report (Appropriation Accounts), Finance Accounts and Annual Appropriation Accounts so as to culminate in the Audit Certificate and State Finance Report.

(1) Audit of Vouchers/Sanctions

Financial Attest Audit wing has to examine vouchers/sanctions for various assertions of propriety and regularity.

(2.) Audit of Monthly Civil Accounts and Monthly Appropriation Accounts (Report of Monthly Expenditure)

Audit of these Accounts should be conducted by FINAT as per checks given in FAAG Guideline Annexure G, H for the month of Sep, Jan, Feb, March, March (supp).

(3) Comprehensive review of Grants

The comprehensive review of at least two grants every year should be conducted with the head of accounts-wise budget and expenditure data related to at least more than three years, work flows could be built into to filter and extract grants based on certain risk parameters like grants showing persistent savings, having the highest budget provisions for the current year of audit, having huge proportion of plan allocations, having supplementary provision on surrenders with respect to plan expenditure etc. This will lead to indentifying the high risk grants for comprehensive review.

For detailed instructions as regards to Audit Planning, Audit implementation, documentation and reporting and various audit checks for audit of vouchers/sanctions, monthly civil accounts, etc FAAG along with its Annexure and Guidance Note may be seen on CAG website.

3.06 Results of Inspection – Inspection Reports

The results of local audit by the Inspecting Staff are communicated through the Inspection Reports. Inspection Reports should include only important points and cases of serious financial irregularities and they are addressed to higher authorities. The money value of objection should be

duly taken into account in considering their importance for inclusion in Part-II A and Part-II B of the Inspection Report and objections involving petty amount which could be settled locally should be taken in Part-II B with title “Minor and procedural irregularities”. Every effort should be made to settle points of minor importance locally so that correspondence on unimportant points and objection of a routine nature may be reduced to the minimum. Inspection Reports should also briefly describe the general state of accounts and the nature of the financial control in the office inspected, disclosing any defects in system and errors in principle.

3.07 (A) (i) Conduct of Inspection & preparation of Inspection Reports on significant audit findings and other incidental findings

While conducting compliance audit, procedure for gathering evidence, evaluating evidence, forming conclusions, documenting the all process and communicating with auditable entities, should be followed as stated in Chapter 5 of Compliance Auditing Guidelines (Appendix-2) of this Manual.

(i) Inspection Parties should broadly follow the pattern as below while drawing up their Reports of Inspection of Offices :-

कार्यालय (कार्यालय का नाम.....) के लेखावधि से तक की लेखापरीक्षा पर निरीक्षण प्रतिवेदन

भाग प्रथम – प्रस्तावना / Part I - Introduction

कार्यालय के अवधि से तक के लेखों की नमूना लेखापरीक्षा भारत के नियन्त्रक एवं महालेखापरीक्षक के (कर्तव्य, शक्तियां एवं सेवा शर्तें) अधिनियम 1971 की धारा के अन्तर्गत, कार्यालय महालेखाकार (लेखापरीक्षा – I.) राजस्थान जयपुर के निरीक्षण दल सं. के निम्नांकित सदस्यों द्वारा दिनांक से तक की गई—

1. श्री, पदनाम दिनांक से
2. श्री, पदनाम दिनांक से
3. श्री, पदनाम दिनांक से

लेखापरीक्षा का पर्यवेक्षण श्री द्वारा दिनांक से तक किया गया।

(अ) लेखापरीक्षा इकाई का सामान्य परिचय / (A) Overview of the Audit Unit

- अधिकार क्षेत्र (कार्यात्मक/भौगोलिक) / Jurisdiction (Functional/ Geographical)
- कार्य प्रवृत्ति / Nature of work
- विभाग/इकाई का महत्व / Significance of unit/ department
- मुख्य उद्देश्य / Main Goals

(ब) वित्तीय निष्पादन / (B) Financial performance

- कुल प्राप्ति / Total Receipts
- आवंटन के समक्ष व्यय / Expenditure against allotment

(स) लेखापरीक्षा कार्यक्षेत्र / Scope of Audit

- नमूना प्रक्रिया /Sampling Procedure
- लेखापरीक्षा नमूने /Audit Sample
- लेखापरीक्षा हेतु चयनित कार्यकारी इकाई / Implementing unit selected for Audit
- लेखापरीक्षा हेतु चयनित विषय-वस्तु / Subject matter selected for Audit

मापदण्ड का स्रोत / Source of Criteria

आंतरिक जांच / Internal control

(द) लेखापरीक्षा मानक / Auditing Standard

1 कार्यालय का गत तीन वर्षों का शीर्षवार बजट आवंटन (राजस्व प्राप्तियों एवं अनुदानों का विवरण भी दिया जाये।) / Head wise Budget allotment of last three years (The revenue receipts position and Grants-in-Aid should also be mentioned)

2 यथा नियम/ विनियम, अनुबंध/संविदा की शर्तें, विशिष्ट प्रश्नावली, राज्य/ केन्द्र सरकार के वित्तीय नियम/

i.e. Rules/ Regulations, Terms of Contract/ Agreement, Specific questionnaires, Financial rules of Governments.

3 भाग प्रथम-प्रस्तावना के अन्त में कृपया निम्न प्रमाण पत्र दर्ज करें:-

“प्रमाणित किया जाता है कि लेखापरीक्षा नियंत्रक-महालेखापरीक्षक के लेखापरीक्षण मानकों के अनुसार की गई है।”

At the end of Part I- Introduction following certificate may please be mentioned :-

“It is certified that the audit has been conducted in accordance with the applicable Auditing standards of CAG.”

उद्घोषणा

यह निरीक्षण प्रतिवेदन कार्यालय लेखापरीक्षित इकाई का नाम द्वारा प्रदान एवं उपलब्ध कराई गई सूचना के आधार पर तैयार किया गया है। कार्यालय महालेखाकार, (लेखापरीक्षा- I) राजस्थान, जयपुर लेखापरीक्षित इकाई की ओर से दी गई किसी भी गलत सूचना एवं उपलब्ध नहीं करावायी गयी किसी भी सूचना के कारण उत्पन्न होने वाले किसी भी दायित्व के दावे का त्याग करता है।

Disclaimer

The Inspection Report has been prepared on the basis of information furnished and made available by the office of the (name of audited entity). The office of the Accountant General, (Audit-I) Rajasthan, Jaipur

disclaims any responsibility for any misinformation and/or non-information on the part of audited entity.

(Authority : CAG letter no. 756 Inspection/336-2017 dated 13.10.2017)

भाग द्वितीय – लेखापरीक्षा निष्कर्ष / Part II – Audit Findings

भाग II अ – महत्वपूर्ण लेखापरीक्षा निष्कर्ष / Part II A -Significant audit findings

भाग II ब – अपेक्षाकृत कम महत्व के लेखापरीक्षा निष्कर्ष / Other incidental findings

भाग तृतीय – पुराने प्रतिवेदनों के बकाया अनुच्छेदों की जांच

Part III – Follow up on findings outstanding from previous Reports

पुराने प्रतिवेदनों के बकाया अनुच्छेदों का निपटान / Settlement of old outstanding paras

बकाया अनुच्छेदों का विवरण / Detail of old outstanding paras

भाग चतुर्थ – उत्तम कार्य–प्रणाली / Part IV – Best Practices

इस भाग में लेखापरीक्षा द्वारा पाई गई कोई नवीन अथवा उत्तम कार्य–प्रणाली अगर लेखापरीक्षा द्वारा इस भाग में उल्लेख किया गया हो, का विवरण दिया जाये। Any good practice or innovations, if noticed during the course of audit may be mentioned in this part

4 लेखापरीक्षा इकाई के सकारात्मक एवं नकारात्मक दोनों प्रकार के लेखापरीक्षा निष्कर्षों को इस भाग में सम्मिलित किया जाये।

Both positive and negative findings that pertains to the auditee unit may be included in this part.

5 लेखापरीक्षा निष्कर्षों को यथासम्भव उनके महत्व के घटते क्रम में व्यवस्थित किया जाये।

The audit findings should be organised in decreasing order of materiality and significance.

6 (1) लेखापरीक्षा इकाई द्वारा अभिलेख प्रस्तुत नहीं करने की स्थिति में आंतरिक लेखापरीक्षा के कार्यालय आदेश संख्या 25 दिनांक 22.05.2015 में वर्णित प्रक्रिया का पालन करते हुए भाग II ब में “अभिलेख प्रस्तुत करने का अभाव” शीर्षक से अनुच्छेद सम्मिलित किया जाये। If any record(s) not produced by the Auditee unit then a para with title “Non production of Records” may be included in Part II B of IR under the procedure mentioned in the office order no. 25 dated 22.05.2015 issued by ITAP.

In case of non-production of records, the following procedure may be adopted:

- (i) Reminder may be issued to auditee unit and facts for non-production of records may also bring to the notice of the group officer.
- (ii) List of records which are not produced, may be sent to group office by fax.

- (iii) Also inform to next higher authority of auditee unit to get the derived records.
- (iv) Also discuss with Head of Office during Exit Conference and comment may be obtained and included in the minutes of exit conference.

(2) प्रक्रियात्मक एवं लघु महत्व की अनियमिततायें जिन्हें वर्तमान में नमूना जांच टिप्पणी में लिया जाता है उन्हें भाग II B में “प्रक्रियात्मक एवं लघु अनियमिततायें” शीर्षक से अनुच्छेद बनाकर सम्मिलित किया जाये। / Minor and procedural irregularities which are being issued as Test Audit Note at present should be included in Part II B of IR with title “Minor and procedural irregularities”.

भाग पंचम – आभार / Part V – Acknowledgement

- नेतृत्व / Thanks.

लेखापरीक्षा अवधि के दौरान लेखापरीक्षा इकाई में निम्नलिखित अधिकारी पदासीन रहे:—

क्र.सं.	नाम	अवधि
1.		
2.		
3.		

- धन्यवाद / Thanks.

लेखापरीक्षा दल कार्यालय का आभार व्यक्त करता है कि उनके द्वारा लेखापरीक्षा को सफलतापूर्वक सम्पन्न करने में सहयोग प्रदान किया गया। एक प्रारम्भिक वार्ता दिनांक को रखी गई जिसमें लेखापरीक्षा के क्षेत्र एवं कार्यपद्धति को स्पष्ट किया गया। लेखापरीक्षा द्वारा उठाये गये विभिन्न बिन्दुओं पर चर्चा हेतु निर्णय वार्ता दिनांक को रखी गई। हम विभाग के अधिकारियों के साथ-साथ कर्मचारी-गणों से प्राप्त सहयोग का भी आभार प्रकट करते हैं। इस दौरान उपलब्ध सुविधाओं, बैठने की व्यवस्था एवं अभिलेख लेखापरीक्षा दल को उपलब्ध कराने की स्थिति अच्छी/ सामान्य रही। / The audit party acknowledges the cooperation given by the office of the ----- in providing the necessary support for successful conduct of Audit. An Entry conference was held on wherein scope and methodology of audit was explained to the organisation. Exit conference was held on to discuss various points raised by audit. We also appreciate assistance received from officers

and staff during our interaction. Overall response in providing necessary amenities such as sitting accommodation, production of records required by audit was good/ average.

(Authority : Office order No.36 issued vide No.ITAP/V-12011/PAG (G&SSA)/122/2016-17/TR-I/41-45 dated 27.05.2016)

3.07 A (ii) While preparing the inspection reports, the Part II- Audit findings should be prepared in two distinct part i.e. Part IIA and Part IIB.

The first part – IIA comprising significant audit findings relating to evaluation of the regularity related subject matter(s)/ specific subject matter(s) and propriety related subject matters and

the second part – IIB comprising other incidental findings relating to both regularity and propriety aspects. The audit findings should be organised in decreasing order of materiality and significance, if possible.

(Para 6.5 of Chapter 6 of Compliance Auditing Guidelines (Appendix-2) of this Manual)

3.07 A (iii) Part III – Follow up on findings outstanding from previous reports—This part may indicate the progress of settlement of audit findings outstanding from previous Inspection Reports and list out the findings that continue to be outstanding.

Position of outstanding paras of previous Inspection Reports should be shown in the following proforma given at serial number 9 of the title sheet (Appendix -4 of the Manual): -

Period of Inspection Reports	No of paras outstanding (opening)	No of paras outstanding (closing)	Reasons for the paras remaining outstanding

(a) While preparing latest positions of audit objections in Part-III of inspection report, efforts made to clear the old audit objections by the department should be clearly mentioned.

(b) Compliance made in respect of each audit objections by the department, where the first compliance of the old inspection report has not been furnished by the department may be shown.

(c) Items which have been examined by the Supervising Officer should also be shown specifically.

(Authority :- I.C.-I Group Order/93-94/Group Order No. 414 dated 13.10.1993.)

3.07 A (iv) During the course of local audit of the accounts of the department, all efforts should be made to clear the outstanding paras for more than three years old. Complete investigation/examination of outstanding paras would be made, compliance of the general irregularities will be left on the department and serious irregularities, if any, will be incorporated with the up-to-date position in current Inspection report. Paras outstanding more than three years old and numbers of paras settled may also be shown in Title Sheet.

[Authority :- I.C.-I Group Order no. 489 dated 20.9.1999 and Group Order No. 495 (para 2) dated 11.5.2000.]

3.07 A (v) Accountant General (Audit-I) has directed that before dispatch of Inspections reports it should be ensured that title sheet in the revised format (given in Appendix-4) is invariably be enclosed with the Inspection Reports.

(Authority: O.O. No.39 issued vide No. ITAP/V &12011/PAG/(G&SSA) 414/2018-19/ TR-I/12-16 dated 3-4-2019 and ITAP/V-12011 /PAG/(G&SSA) /449/2019-20/TR-I/47-51 dated 24.5.2019).

3.07 (B) Guiding principles for drafting the inspection report

(i) While conducting audit of State Government Departments the internal Audit Report should also be reviewed invariably and facts of study of these reports be incorporated in the introductory part of the Draft Inspection Reports and ensure to enclose a copy of the said report with draft Inspection Report invariably.

Expenditure of the departments vis-a-vis budget grants should be analysed. It is an important aspect of the financial matters, fact of above analysis be incorporated in the introductory part of the draft Inspection Report.

(Authority: Group order No IC-I/N-21011/77/2000-01/508 dated 1.1.2001 and Group order No IC-I/N-21011/77/2000-01/525 dated 24.6.2002.)

(ii) Inspection Reports should be written in a clear and concise manner; the value of a report is not to be judged by its length. Though every point worthy of notice must be included by the Audit who should give special attention to all matters which cannot be covered by a set of formal audit rules. Reports must be clearly expressed so that there can be no doubt as to the meaning of the raised point.

In drafting the Inspection Reports, language used must be moderate and impersonal as the effectiveness of an audit objection is more likely to be reduced, rather than enhanced by the use of the strong language. As a matter of fact, the more serious nature of objection is greater to need for using language which is both polite and unexceptionable. The use of such words as 'should' 'must' etc. is to be strictly avoided and the words 'please' and 'kind' used as freely as possible. It is often but a matter of tactful drafting and use such phrases as "It appears:", "It seems", "possibly" or "It may be likely" that often dilutes the unpleasantness in such cases and at any rate leaves the way open for a reasonable answer. No improper or questionable motives should be attributed in the Inspection Reports, even by implication to any gazetted officers. All comments should as far as possible be concluded in the Third version and in impersonal and objective phraseology. The drafts should always be

prepared by the Inspecting Officer himself or by the Assistant Audit Officer/ Section Officer if he is in supervisory charge of the party.

The Comptroller and Auditor General has observed that the audit objections are not being drafted carefully and properly. The objections are based on incomplete information and are also not clearly worded. The Inspecting Officer should write the report himself and should not leave it to his subordinates to do the drafting. As a rule trifling matters which can be and have been set right on the spot or are of no consequence to the finances of the Government need not be mentioned in the inspection report. However, if a number of similar points are noticed it may be desirable to mention the type of error or irregularity with one or more instances that proper instructions may be issued for future guidance of the Government. It is desirable that statement and figures in relation to any defects or irregularities discovered should be based on clear documentary evidence. It is not sufficient to quote the rule or the order violated, the actual or possible effect of such deviation on the financial interests of Government should be explained clearly. There are Codal instructions that all observations and objections must be conveyed in courteous and impersonal terms and must be clear and intelligible. It is of utmost important that any statement of criticism or irregularity should be accurate, fair, moderately worded and dispassionate. Innuendo is forbidden if a charge cannot be substantiated there should not be even any hint of it.

[Authority:- C.A.G. Circular No. 30 T.A. I /1981 and letter No. 715-T.A. I/106-81 dated 20.06.1981 Circulated through Group Order No. OAD.- I/G.S./K-325/G.O./No. 247 dated 16.07.1981.]

NOTE :-

- (1) Whenever an Inspection is supervised by the Sr.AO the inspection is supposed to be conducted by him.
- (2) Serious notice will be taken if any serious defect or irregularities omitted are subsequently discovered and unless the general remarks show an intelligent appreciation of the correct State of accounts no consideration will be given to mere mention in the Inspection Reports, far less in the Minor and Procedure Irregularities of the irregularities that turn out to embezzlements.
- (3) If in any case, complete accounts records are not available of an individual item or head of accounts, it will not ordinarily be sufficient to comment it in the Inspection Report and mention it in the general remarks. In cases, however, where the incompleteness of the records and information supplied, effect on the general system of accounts, the matter should be promptly brought to the notice of the Senior Deputy

Accountant General/Deputy Accountant General (AMG) setting forth the full facts for deciding if the audit should be suspended. The auditor will continue to check the records for which papers are available.

(iii) An audit memos should invariably be issued in respects of audit objections. Before incorporating audit objection in inspection report, reply from the Head of the Office/Head of the Department in respect of the audit memos issued to them should be obtained. It should be ascertained by the Audit Officer/Party In-charge that audit memos pertaining to audit objections likely to be incorporated in inspection report have been issued to the department and reply/comments thereof offered by the Head of Office/Department have been obtained and if reply not received, it should specifically be mentioned in audit objection that audit memo no. and date relating to the objection was issued to the department, but reply/ comments was not received.

[Authority :I.C. I Group Order No. 403 dated 26.08.1992.]

When a particular record is not produced during currency of audit & the same is promised to be produced at some later date such date, may be fixed with the departmental authority and intimated to Headquarters.

While drafting the para on “non-production of records”, the complete details indicating the amount and their impact on audit and the persons responsible for non-production of records and efforts made in this regard should be incorporated in Inspection Report.

(Authority :- I.C. I Group Order No. 482 dated 15.06.1999.)

(iv) (a) During vetting of the Inspection Reports it has been observed that the factual statements/draft paragraphs on the paras included in Part-II A of the Inspection Reports could not be developed/issued only because prior to raising audit objections full analysis of the case was not done as well as significant and important information in regard to the draft para was not obtained. Important and essential documents related to the para were not collected. It has therefore, been enjoined upon all the Inspecting parties that all the important key documents should be collected and enclosed with the IR file before completion of audit.

(Authority : ITAP/V-12011/PAG(G&SSA)/169/Part file/2013-14 TR-I/164-167 dated 16.10.2014 issued vide Office Order No.19).

(iv) (b) Audit is concerned with the facts only and not with officers. Necessarily in the Inspection Report no mention should be made of the Office concerned but the regularity of otherwise of the facts alone commented upon. Only in cases of very serious dereliction of duty or embezzlement designation of the officers should be mentioned.

NOTE - To avoid any subsequent dispute the Inspecting Officer should also get a certificate recorded as under by the Officer whose office has been inspected.

“Discussed and facts verified”.

[Government of Rajasthan Order No. D.II/366/FD/AA/56 dated 12.1.1951 read with their order No. FD/Insp./General 15/139 dated 8.1.1958 and O.O. No. T.M. VIII(A) Effy-Audit 2830 dated 5.9.1956. and I.C.-I Group Order No. 475 dated 15.1.1998.]

(v) Care should be taken to see that every paragraph comprises three distinct parts, first a statement of facts next the rule and orders infringed and the nature of irregularity and then the action required for removing it. Rules infringed may of course be indicated first and facts stated next, but all of these three points must be distinctly stated.

(vi) When higher sanction for any charge is called for, the rule under which the authority sanctioning the charge in the first instance is not competent must be distinctly stated and the authority where sanction is necessary, specially indicated. Terms like “this appears to require higher sanction” or “the sanction of competent authority is needed” are not helpful and should be avoided.

(vii) Just as statement of facts and of the action to be taken (including the sanctioning authority) must always be definite. Statement of inference from these facts may be problematic. Thus even when the evidence of embezzlement is very strong the facts should be stated distinctly, but the inference should be it appears to be or may turn out to be case of embezzlement.

(viii) Where proposals have been accepted no remarks need be made, where they have been rejected the local officers argument should be commented as to why these cannot be accepted.

(ix) Repetition of what has already been said may be avoided but fresh criticism in this respect may be made.

(x) The instances of certain defects are very numerous, it is not necessary to quote all the instances detected. A few typical instances of months audited should be sufficient but it should be added in the body of Inspection Report that these instances are illustrative and not exhaustive.

(xi) The rules in the various codes and rules and sections of the Acts to which reference has been made should be quoted freely in the Inspection Reports. When a letter or a Government order is quoted, a copy should be attached to the Inspection Report invariably. In case it is not available in the local office, a note to this effect should be recorded by the Inspection Party in the margin of the Inspection Report.

(xii) It is desirable that important points like imposition of illegal taxes should be taken up separately because action should be immediately taken in that case and also because these matters have to be treated confidentially so that tax payers may not refuse to pay such taxes till their validity is decided.

(xiii) When cases of shortages in Government stores or defalcation of public money are found these should immediately be reported in detail to A.M.G Headquarters.

Special attention should be drawn to the reference already made while forwarding the draft Inspection Report and Minor and Procedure Irregularities to the Headquarters for necessary action under para 7.1.8 of M.S.O. (Audit), if such cases have not already been reported to Audit Office by departmental officers as required under the rules, the omission to do so should be specifically mentioned in the Report. The shortages as usual will have to be commented upon in the Inspection Reports.

NOTE :- In case the party is to stay at the place for some more time, the instructions from the Headquarters should be awaited. In case however the party is to leave shortly instructions may be obtained by contacting the Senior Deputy Accountant General/ Deputy Accountant General (A.M.G) on phone.

(xiv) In cases where an allowance is being paid to a Government servant and Government sanction has not been obtained to the allowance, a report of the cases be made to the Senior Deputy Accountant General/Deputy Accountant General (A.M.G) by taking a para in the I.R.s by the Party separately.

(xv) While attempting paras on embezzlement, complete details of cases viz. Name and full Designation of persons involved, name of the office and department, case No., amount of embezzlement etc. should be mentioned.

(Authority :- Group Order No. OAD.I/I.R./K. 1423/G.S./169 dated 17.1.1978.)

(xvi) While conducting audit in the offices of the Heads of Departments/Controlling Officers where detailed literature about the schemes etc. in operation is available, full details of the schemes programmes should be collected and sent to Headquarters office for use in DP cell of the group concerned and in-depth study of the schemes should be conducted with reference to periodical progress reports/returns, major changes in policies, programmes, executive and status of organisational set up and instructions regulating and governing the working of the department. Purchase orders/ contract files should also be scrutinised adequately in the above study.

(xvii) While conducting the audit of various departments, a detailed analysis based on the reasons reviewed by the controlling officers having thorough comparison with the expenditure booked with Budget allotment be indicated. These paras will be sent after vetting to FAA Cell. So far as the excess/saving is concerned in grants/expenditure without provision the facts after verification from concerned controlling officer be intimated to Accountant General (Audit-I) and Government. The party will develop a para on this subject alongwith D.D.O. wise analysis.

(Authority :- I.C.-I Group Order No. 498 dated 27.06.2000.)

(xviii) The same nature of paras taken during audit should be clubbed in one para.

(xix) The paras relating to construction works should be analysed in depth keeping in view the terms and conditions of the agreement /work order along with the relevant records of the works such as consumption statement, M.B.'s and running/ final bills etc.

(xx) The factual statements in respect of part-II A paras should be prepared and the same be sent to the Sr. Dy. Accountant General/ Dy. Accountant General (A.M.G) along with all key documents positively.

(Authority :- Sr. D.A.G., I.C.-I No. IC-I/21011/97/04-05/ dated 02.03.2005).

(xxi) As per prevailing practice, audit is being conducted considering a D.D.O as independent unit and I.R. is issued to the concerned D.D.O and a copy of I.R is also issued to the Head of the Department for his comments and pursuance for compliance of the I.R. This position has been reviewed and various higher authority centres have been recognised in every department.

(Authority :- As per office orders of D.A.G./ I.C.-II issued on dated 04.04.2005).

(xxii) In cases of personal objections especially relating to MPs/MLAs correctness of facts and figures should be examined and their verification from original documents shall be done before any comments in the Inspection Report.

(Authority :I.C.-I Group order No-I/N-21011/77/2001-02/519 dated 9.11.2001)

3.08 Arrangement and dispatch of Inspection Reports by Field Parties.

(a) The paras in part II-A & II-B of the draft Inspection Report should be arranged strictly in accordance with their importance and subject-wise.

- (b) The main Inspection report file should start with the first draft made by the Assistant Audit Officer of the party and then the final draft prepared by the Officer should be kept. The objection memos and replies received from the department should be kept in a separate volume but attached to the main file. At headquarters also no part of the file should be detached and all papers should be filed in one place so that it is available for consultation at the time of examining compliance reports or preparing draft paras.
- (c) The Inspection Reports should be despatched/ E-mail to the Sr. Audit Officer Headquarters by name by the Assistant Audit Officer or the Inspecting Officer and it should be received at Headquarters within Seven days from the date of closing day of Inspection (one day for dispatch and remaining days for transit of post).

(Authority :- Office order No. A.G./ Audit-1/ Sectt./dated:-12-10-94 and Para 3(b) of Matrix for grading the Inspection Reports attached with Compliance Auditing Guidelines(Appendix-2)

If any delay is anticipated the permission of the Senior Deputy Accountant General/Deputy Accountant General (A.M.G) should be obtained within this time limit. The Inspection report should be accompanied by a title sheet as given in Appendix-4 to this manual.

- (d) while suggesting increase/ decrease in party days, the following information must be furnished :-
- (i) the basic data of increase in expenditure figures and increase in the vouchers of months test checked etc. with reference to earlier figures.
 - (ii) increase in the number of staff's service books.
 - (iii) details of expansion in the activities of the Department, if any.

(Authority :- OAD-I/G.S./Group Order No. 176, dated 19.4.1978.)

NOTE (1) The non-receipt of the audit requisitions will not be accepted as an excuse for delaying the submission of an Inspection Report. Auditors must arrange to get all the memos before they conclude an audit. If they fail to get back the same, they must bring the matter personally to the notice of the Head of the Office or Department as the case may be and arrange to obtain the memos anyhow. In cases there is no such matter the fact should be clearly noted on the forwarding memos. In case no objection memorandum are issued during an audit the fact should be noted clearly on the forwarding memos.

NOTE (2) The practice of completing annexures etc. after the last day of the audit, which causes delay in the dispatch of report by the field parties, should be avoided.

3.09 The pre-requisite for the preparation of a draft para is the preparation of a factual statement which should be prepared by the Inspecting staff on the spot, so as to bring out the serious irregularities and prove to hilt the facts. (See paragraph 3.10 below.)

(Office Order No. Rep/IX/Vol. III/471 dated 24.10.1956.)

3.10 Preparation of Factual Statement

The Serious irregularities warranting issuance of factual statement should be reported in Part-II-A of the Inspection Report.

Information on all the points relevant to the serious irregularities should be collected, the accuracy of the information and the statistical data etc. should be checked and copies of documents (Notes, Correspondence etc.) on the basis of which the irregularities have been brought out and can be sustained should be collected. It should particularly be seen during discussion of the inspection report that the facts, on the basis of which the serious irregularities have been brought out are categorically accepted by the Head of the Office. The Inspecting Officer should prepare a factual statement on the serious irregularities reported in Part II-A of the Inspection Report and support it by the copies of notes, correspondence, vouchers etc. The factual statement should then be earmarked to the Senior Deputy Accountant General/Deputy Accountant General (A.M.G). The Inspecting Officer at the time of submission of Inspection Report should also indicate both in the covering note and also against the appropriate items of the title sheet that factual statement has been prepared by him, and if not, reasons therefore should be recorded.

[Authority :- I.C. I Group Order No. 401 dated 10.8.1992.]

As soon as a para of the Inspection Report is marked fit for draft para proposed by the Deputy Accountant General/ Sr. Deputy Accountant General (A.M.G) it should be noted in the Potential Draft Para Register maintained by vetting sections to all AMG Groups.

Register of Potential Draft Para

A Register of “Potential Draft Para” should be maintained in each section at the Headquarters. Whenever a para is referred to the Government/Head of the Department for comments or collection of some orders/information, it should be noted in the Register of “Potential Draft Para” besides the name of the office, the register should contain information in brief regarding the objection and information called for or documents

desired. The number of reminders should be clearly indicated against each para. The Register should be reviewed by the Branch Officer on 5th of every month and put up to the Group Officer on 5th of April, 5th of July, 5th of October and 5th of January and the Branch Officer and Group Officer to keep a proper watch over the pursuance of important paragraphs and enable to pursue them in time so that the information is collected, orders obtained, cases are closed or factual statement issued to the Government.

The case shall be examined in the vetting sections to all AMG Groups with a view to seeing whether any further information is necessary to make the case file complete. Information on the points considered necessary for developing factual statement/ draft para on the serious irregularities reported by the Inspecting Officers, will be collected through correspondence or personal contact as may be considered necessary from the Head of Office/ Department or other concerned Office.

After collecting the relevant information, a factual statement will be prepared by the vetting sections of concerned AMG Group and submitted to the Sr. D.A.G./D.A.G. (A.M.G) of concerned section for necessary orders and approval.

The vetting sections to all AMG Groups should maintain the Register of Potential Draft Para/ Factual Statement in the proforma given below :-

Register of Potential draft para/ Factual Statement

1. Serial Number
2. Para No. and period of I.R.
3. Subject of the para.
4. Dispatch number and date of I.R.
5. Name of the Office/Department.
6. Amount
7. Dispatch number and date of issue of Factual Statement.
8. Date of receipt of acceptance of facts.
9. Dispatch Number and Date of issue of Draft Para.
10. .Year and para number of Audit Report.
11. Name of contributor
12. Remarks.

After approval of the factual statement by Sr. D.A.G./ D.A.G. (A.M.G), it should be issued by vetting section of concerned AMG Group with all supporting documents to the Government with a copy to the concerned Heads of Departments etc. and thereafter the vetting section will send the

factual statement file to DP Cell for preparation of Draft Para. The reply received from the department with regards to Factual Statements will be examined by the vetting sections to all AMG Group.

It has been further, decided that in addition to the normal processing by the vetting sections of concerned AMG Group of paras marked for meriting inclusion in the Audit Report, Sr. Audit Officer of vetting section of concerned AMG Group will review all the Inspection Reports department wise available in A.M.G Sections and segregate cases on which draft paras can be attempted. Cases pointing out irregularities of similar nature and persisting for long, should be grouped and necessary records with facts and figures maintained.

These cases will also be processed further for issue of factual statement by vetting sections of concerned AMG Group in the manner prescribed for the cases reported by the Inspecting Officer.

(Authority:-Letter no.Admn-I/Au-I/Re-Str/M-14-N-13/K-171/2020-21dt.7.8.20

Audit findings related to the transaction of the financial year immediately preceding the year of preparation of audit report.

The audit findings related to the transactions of the financial year immediately preceding the year of preparation of audit Report are to be processed on priority basis. These instructions are to be adhered to by the field audit offices.

(Authority :-CAG letter No.-532 WR/Co-ord/Sr. Mgt/76-2016 dated 29.6.2016)

Processing of Draft Paras

The already existing ECPA/DP Cell/RSR sections will be responsible for the Processing and issuance of DPs of Compliance audits & Performance audits.

(Authority:-Admn-I/Au-I/Re-Str./M-14-N-13/K-171/2020-21 dt.7.8.2020)

On receiving the factual statement files from vetting sections, the ECPA/DP Cell/RSR sections (AMG) will be the custodian of the file (concerned) and will noted the files in the “Register of cases likely to develop into draft para” in the proforma given below :-

Register of cases likely to develop into draft para

1. Serial Number
2. Date of receipt of factual statement file
3. Para number and period of I.R.
4. Subject of the para.

5. Amount. (Rs.)
6. Name of the Department/Office.
7. Dispatch number and date of I.R.
8. Reference of D.P. /F.S. Register.
9. Cases transferred to other section.
10. Cases closed during the month.
11. Cases linked with other cases.
12. Cases under pursuance.
13. Cases under examination.
14. Total cases.
15. Name of contributor.

The ECPA/DP Cell/RSR sections will draft 'Draft Paras' from the same file after checking facts and figures etc. and then submit it to the Accountant General through the Sr. Deputy Accountant General/ Deputy Accountant General (AMG). After approval of the draft paragraph by the Accountant General (Audit-I), the ECPA/DP Cell/RSR sections (AMG) will issue the Draft Paragraph to the Government and case file will send to QCC after issue. If draft paragraph is revised on suggestion of QCC with approval of AG (Audit-I), the revised draft paragraph will issue by the ECPA/DP Cell/RSR sections. The reply received from the government with regards to Draft Paragraphs will be examined by the ECPA/DP Cell/RSR sections.

[Authority:- Senior D.A.G./(I.C.) Orders dated 10.2.1982 file No. OAD I/ Address.A.G./8/ 81 and letter no. Admn-I/Au-I/Re-Str./M-14-N-13/K-171/2020-21 dt.7.8.2020]

3.11 Procedure of dealing with the Inspection Reports in the Headquarters Section

- (a) The Register for watching the receipt and issue of Inspection Reports and Progress Register of Settlement of Inspection Reports should be maintained in the form given in **Annexure-III** and **IV** to this Chapter.
- (b)(i) On receipt of an Inspection Report from the Parties, the section should submit it to concerned Senior Audit Officer/Audit Officer alongwith the last Inspection Report for approval after verifying the various particulars noted in the forwarding memo in case the report was prepared by the Assistant Audit Officer. In the case of supervised audit, the report should be submitted to the Senior Deputy Accountant General (A.M.G)/Deputy Accountant General (A.M.G).

(b) (ii) Accountant General (Audit-I) has ordered that the Inspection party while preparing the Inspection Report should include in the title sheet the information/certificate relating to the following points No.1 to 3. At the Headquarters Office as will all the following points may be included in the **“Checklist for audit of Inspection Report”** to be submitted alongwith Inspection Reports during vetting by the vetting sections :-

1. Prescribed checks as per codal provisions have been exercised by the local audit party in terms of quantum of audit and specific issues involved and the same are reflected in working papers.
2. Whether Group Officers have interacted with field party during local audit, if yes, when and what instructions have been issued.
3. Any modification/improvement suggested by the Group Officer during supervision.
4. Information to auditee unit was sent in prescribed time schedule.
5. Whether target dates for start and completion of the audit assignment fixed?
6. Was any diversion in the schedule dates of audit, if yes the reasons there of?
7. Date of submission of IR by section to AAO (within 2 days)
8. Date of vetting & submission of IR by AAO to BO. (within 2 days)
9. Date of approval by BO/GO (2days)
10. Completion of typing work (9 days)
11. Position of I.R. monitoring

(Authority : Principal Accountant General (G&SSA) office order No. 13 issued vide No. ITAP/V-12011/PAG/122/2009-10 dated 19.3.2012).

(iii) Accountant General (Audit-I) has taken serious view on non-collection and non-enclosure of key documents concerned with paras by the Inspecting parties as observed during vetting of selected Inspection Reports. The following system has, therefore, been enforced with immediate effect :-

1. Two proforma have been added as Annexure II and III in the title sheet (Appendix 4 of this manual) in relation to paras of Part-II A and Part-II –B which should invariably be filled in by the Inspection parties;
2. At Headquarters it should be seen during vetting that all the key documents are enclosed with the Inspection Reports. If these are not found enclosed, concerned Group Officers should be informed so that key documents relating to serious irregularities may be collected timely;

3. If wilful negligence of the para contributing officer is found for non-collecting the key documents, he will have to collect the key documents on his own expenditure and the time taken for collection of key documents will be as leave period.

(Authority: Office Order No. 28 issued vide No. ITAP/V-12011/PAG (G&SSA)/169(Part file)/2015-16 dated 29.06.2015).

- (b) When the draft is passed by the Senior Audit Officer/Deputy Accountant General (A.M.G), the Inspection Report should be typed in the Office and it should be ensured that it is issued within one month from the date of completion of Inspection. Schedule of one month is bifurcated as under:-

S.No.	Item of Work	No. of working days
1	Receipt of draft Inspection Report from Audit Party after closing day of Inspection (1 day for dispatch and remaining days for transit of post)	7 days
2	Submission of Inspection Report by the vetting Section (1 day for diarising and noting in Progress Register, 1 day for vetting in section and 2 days for checking by Asstt. Audit Officer).	4 days
3	Approval by Gazetted Officers (Branch Officer and Group Officer)	2 days
4	Typing and issuing of I.R. (4 days for Typing, 2 days for comparison and 1 day for dispatch)	7 days
	Total working days	20 days
	Expected holidays	<u>10 days</u>
	Total	30 days or one month

It is enjoined upon that drill should be strictly followed and effective steps should be taken to cut down delays at all level by strict monitoring. Further a report in respect of all Inspection Reports received should be prepared in proforma prescribed and shown in **Annexure-V** and **VI** for this purpose and submitted to the Group Officer concerned every month on 5th and to Accountant General (Audit-I) on 10th of the month.

(Authority:- Office order No. A.G./ Audit-1/ Sectt./11 dated 12-10-94 and Para 3(b) of Matrix for grading the Inspection Reports attached with Compliance Auditing Guidelines (Appendix-2)

The Inspection Reports is forwarded to the authorities concerned as soon as fair copies of the Reports are approved by the Sr. Audit Officer or Senior Deputy Accountant General / Deputy Accountant General (A.M.G) as the case may be. Necessary entries at the various stages of receipt and disposal of the Inspection Reports should be made in the Register for watching the receipt and issue of Inspection Reports and Progress Register of settlement of Inspection Reports.

[Comptroller & Auditor General's letter No. 1656-Admn.III/152-60 dated 16.8.1960 File No. OAD/Misc. (2)/47/59-60 to 60-61.]

NOTE :-It is one of the most important duties of the Headquarters Section to watch the disposal of the Inspection Reports from the day when the draft Reports are received from the Audit Party until they are finally disposed off and to see that no delay occurs at any of the stages enumerated above without taking prompt action. Delay in this respect should be reported to the Senior Deputy Accountant General./Dy. Accountant General (A.M.G).

- (d) A register bearing the name as “Register of Common Irregularities” will be maintained by all Inspection Civil Sections and irregularities pertaining to common errors as incorporated in Inspection Reports of different bodies/authorities will be noted in this register by the concerned section.
- (e) Contribution registers relating to Inspection Parties will be maintained by Inspection Civil Sections, wherein the work done by Officer/Official of the party is required to be noted. This register will be submitted on 15th of every month to the Group Officer for his examination and a record will be maintained comprising details in a Diary called as: Diary relating to work contribution of Officers/Officials of audit parties.

(Authority:- I.C. I Group Order No. 475 dated 15.01.1998.)

- (f) A list of Inspection Reports to be issued in ensuing month should be submitted by each group every month to the PAG (Audit-I) so that Inspection Reports may be selected for test check before issue of Inspection Reports. The selected Inspection Reports may be submitted to ITAP Section for vetting after issue.

(Authority: Office order No.14 issued vide No. ITAP/V-12011/PAG(G&SSA)/122/2009-10 TR-I/90-93 dated 02.07.2012).

3.12 Advance Audit Comments

It will be open to the Audit Department to bring at once (i.e. even in advance of the ordinary Report) to the notice of the higher authority irregularities which may be considered to be so serious as to justify this course.

3.13 Order of the Rajasthan Government for expeditious settlement of the objections raised in Inspection Reports.

The Government of Rajasthan have issued orders that the inspections lose their utility, if the objections taken in the Reports are not settled expeditiously and defects pointed out are not rectified. It is also in the interest of the Department to finalise these Reports as early as possible, because with the passage of time, it becomes increasingly difficult to deal with them. In addition, the accumulation of these Reports makes the task of clearing current Reports more onerous. It has been decided that this office should furnish the respective departments of the secretariat a list of the points outstanding in the Inspection Reports issued by the Inspection Audit-I Sections. On receipt of such lists, the departments concerned should call for the papers from their subordinate offices and collect other relevant material. Thereafter these points should be settled after discussion between a representative of the department and a representative of this office. At this meeting, representative of the Finance Department should also remain present invariably. Any points on which there is disagreement at the meeting should be referred by the officers to their next higher officers so that they can settle these points by discussion, if necessary.

It will be for the department concerned to arrange with the Finance department for its representative to attend and to fix the meeting after consultation with the Sr. Audit Officer within a period of 4 weeks of the receipt of the list of outstanding points from this office. After discussion the minutes of the meeting should be drawn up. Action should be taken by the department on the minutes within 4 weeks from the date on which the meeting was held.

[Government of Rajasthan, Finance Department (Accounts and Audit) letter No. D. 144(AA)55, Dated 31.5.1955 Case file OAD/2/6/55-56.]

3.14 Disposal of Replies of Inspection Reports

(a) The replies to objections raised in Inspection Report when received in the Headquarters Section should be carefully and closely scrutinised [See Paragraph (b)].

A note showing the further action to be taken for each Paragraph should be prepared. This note should show clearly whether or not the objection has been withdrawn and if not what further action is to be taken on the paragraph. Any points requiring verification on the spot should be marked.

(b) As soon as the reply to the Inspection Reports is received in the Head Office it should be examined by the Headquarters Section to see how far the reply given meets the objections originally raised and suitable comments in the form of a note in half margin should be offered. The examination should be real and aim at the disposal of each objection completely. When further information is required it should be called for at once. Where it is considered necessary that consultation of local records will be necessary the words “will be verified at the time of next audit” against the paragraph in the Report, should be written.

(c) All the compliance reports (i.e. replies to Inspection Reports) received in the Head Office should be entered in a separate Sectional Inward Diary Register. Weekly balance of compliance reports pending final disposal will be struck off as in the case of General diary and put up to the Gazetted Officer.

3.15 Disposal of Paras of Inspection Reports

(A) Approval of Group Officer in respect of issued Inspection Reports

Paras contained in part-II of the issued Inspection Reports should be settled only with the approval of the Group Officer concerned irrespective of the fact whether paras are settled on the basis of replies received from the audit units or through discussion in Adhoc committee meetings/Audit committee meetings. Besides, for settlement of objections contained in paras of issued Inspection Reports provisions of para 7.1.16 to 7.1.22 of M.S.O (Audit) should be strictly complied with besides other instructions issued by Headquarter office from time to time.

(Authority:- CAG letter No.489/WR/coord/misc-corr/195-2013 dated 20.6.2016)

(B) Disposal of Paras of Inspection Reports after Preparation of Draft Paras.

On the financial irregularities commenting upon the nugatory expenditure or avoidable expenditure as financial reviews on the various schemes are reported to the Public Accounts Committee, action taken by Department

will be watched by ECPA/DP Cell/ RSA Sections under provision of para 7.4.11 of M.S.O. (Audit).

The Accountant General (Audit-I) has decided the procedure to be followed in dealing with the inspection report paras after their inclusion in the Audit Report which is as under:

(1) According to this procedure, those paragraph/ paragraphs which have been included in the audit reports of the Comptroller and Auditor General should be removed from the Local Inspection Report after the presentation of the said report to the State Legislative Assembly. However, while issuing the dropper/ letter to the concerned department, it should be noted in the letter to the concerned department that the said paragraph/ paragraphs will not be followed up through the local inspection report as they have been included in the audit reports of the Comptroller and Auditor General. Therefore, the proceedings on the said paragraph/ paragraphs should be ensured as per the recommendations made by the Public Accounts Committee/ State Undertaking Committee on the draft paragraph included in the CAG Report, and the final decision on these draft paragraphs should be taken by the Public Accounts Committee / State Undertaking Committee only.

(2) If the same nature of paragraphs which have been included in the CAG report, are included in the inspection report, then they should be decided on the basis of proper compliance and it should be noted in the letter to be written by the group to the department that same nature of paragraph is included in the CAG Report of the year and the proceedings on the said paragraph should be ensured as per the recommendations made by the Public Accounts Committee/ State Undertaking Committee on the draft paragraph included in the CAG Report.

(3) The list of paragraphs/ inspection reports decided by the groups as mentioned above (sl. no. 2) should be kept safe for record in the relevant section.

(Authority: office order issued by Quality Control Cell vide No. QCC/Proposal/(6)/2020-21/TR dated 26.11.2020)

NOTE: Necessary note against the para of the Inspection Report which has been incorporated in the Audit Report as draft-para would be made by the concerned vetting sections for guidance of the field parties.

[Based on A.G.'s orders vide para 68-II-File No. Rep-IX/62-63.]

3.16 Depiction of money value in relevant records

The CAG of India has observed that concerned groups were not following the instructions for expressing money value of objections in relevant records resulting in depiction of money value on higher side in

outstanding old Inspection Reports and paragraphs. The Accountant General (Audit-I) has accordingly ordered that the concerned Group Officers should ensure that the staff deployed on this work should follow the instructions contained in paras 7.2.15 to 7.2.17 of CAG's MSO (Audit) scrupulously.

(Based on PAG (G&SSA) Orders issued vide No.CCS/GSSA/R-11011/K-17/50/2013-14 TR-I/252-255 dated 15.10.2013)

3.17 Data Analytics for Financial Attest Audit of State Government Accounts

Data Analytics could be used for planning and implementation of the year long process of financial attest audit and also in the preparation of and enhancing the graphical representations in the Report on the State Finances.

The Data Analytic process for Financial Attest Audit begins with the identification and mapping of the availability of datasets vis-a-vis the audit process. The relevant datasets and their availability may be mapped to different audit components (like sanctions, vouchers, Treasury monthly accounts) of the financial attest audit process. Insights derived from the datasets may lead either to risk areas or high risk transactions themselves. Based on these insights and the subsequent Audit findings on the identified transactions, a standard model could be built for repeated use in the audit process. Detailed guidance note on the data Analytics for FAA of State Government account is available on C.A.Gs website.

Annexure-I

Refer to in para No. 3.04 (a) (viii)

MODALITIES OF PREPARATION OF AUDIT PLAN

Time schedule followed in preparation of Audit plan is as follows:-

S.No.	Modalities	Time Frame
1.	To obtain various data of State Government viz. Budget Outcome, Output Budget, Current Budget, Draft Annual Plan for State Plan Schemes, Draft Annual Plan for Centrally Sponsored Schemes/Central Sector Schemes	April- June
2.	Updation of auditee units (deletion/ updation) by Groups	By the month of July
3.	1. Meeting of Audit Planning Group to discuss the modalities of preparation of Audit Plan 2. Data of expenditure of auditee units obtained by various means viz. VLC, CCO of Departments, RCAO and CAPs) (Data is obtained from VLC (A&E) for last three years <u>{Plan, Non-Plan}</u>, state fund, central assistance CSS expenditure except Works Departments. 3. Data of Capital and Revenue expenditure (excluding Salary Head) and Revenue Receipts of Works Departments i.e. PWD, Forest, irrigation, is received by VLC/CAPs. 4. Data of Public Health Engineering Department is received from RCAO/PHED in Capital and Revenue Expenditure. 5. Pilot Study/preparation of Justification Notes of topics of PA/TA/LDPs in view of Minutes of State Audit Advisory Board.	Month of the August
4.	Risk Analysis of Departments and DDOs (As described below)	By August/ September
5.	Finalisation of Integrated Audit Plan	By September/ 1 st week of October

According to the “ Guidelines on Chief Controlling Officer (CCO) based Audit” which was circulated by the Headquarters vide DO No. 199-Audit (AP)/16-2006 dated 30th June, 2009 focus of audit should be on Department as a whole and if the Department is too large, focus of audit should at least, be on one or more CCO within the Department.

A. RISK CRITERIA FOR DEPARTMENTS WHERE MAJORITY OF UNITS AUDITED ARE UNDER SECTION 13, 17 AND AUDIT OF AUTONOMOUS BODIES

Risk Criteria adopted for the top down approach is as under :

Department excluding Panchayati Raj Institutions (PRIs)

(a) CRITERIA FOR DEPARTMENT RISK ANALYSIS

Departments in the erstwhile Audit-I Office were analysed and categorized on the basis of following criteria:-

Sr.No.	Particulars	Risk Weight	Factor Weight	Risk Factor
1.	Total Budget of the Department	Note-1	0.15	
2.	Non-plan Budget as a Ratio of Total Budget	Note-2	0.15	
3.	Audit Paras Published in Previous Audit Reports	Note 3	0.10	
4.	Pendency of IR Paras	Note 4	0.20	
5.	Embezzlement, loss and theft cases Reported	Note 4	0.10	
6.	Index Sheet Points	Note 4	0.15	
7.	Risk Perception	Note 4	0.15	

Note 1: If total Budget of the Department is:

More than RS.1000 crore, Risk Weight was 3

Rs.500 to Rs.1000 crore, Risk Weight was 2

Less than Rs.500 crore, Risk weight was 1

Note 2: If Non-plan budgeted expenditure as a ratio of Total Budgeted Expenditure was:

More than 75% Risk Weight was 1

50% to 75% Risk weight was 2

Less than 50% Risk Weight was 3

Note 3: If Number of Audit Paras Published in Reports of previous 5 years period were:

More than 5 Risk Weight was 3

2 to 5, Risk Weight was 2

Less than 2, Risk Weight was 1

Note 4: For columns 4 to 7, the Risk Weights (1 to 3) were decided by the wing through analysis of the concerned parameter for each department.

CRITERIA FOR CATEGORISATION OF DEPARTMENTS :

S.No.	Score Range	Risk Category
1.	Where Risk Factor was more than 2	High Risk (A)
2.	Where Risk Factor was more than 1.5 and up to 2	Medium Risk (B)
3.	Where Risk Factor was up to 1.5	Low Risk (C)

SEVEN POINT CRITERIA FOR RISK ANALYSIS OF DDOs

A Seven Point Criteria is used for Risk Categorizations of DDOs as given below:-

S.No.	Criteria	Code	Points
1.	Budget allotted to department and unit thereunder with expenditure incurred by department and their units (year 2009-10)	01	
	(i) Units having more Rs.1 crore expenditure excluding establishment expenditure*		3
	(ii) Units having expenditure between Rs.25 lakh to Rs.1 crore*		2
	(iii) Units having expenditure less than Rs.25 lakhs*		1
2.	Establishment expenditure incurred in the units of the departments and percentage of establishment expenditure with respect to the total expenditure	02	2
3.	Paras appeared in previous inspection reports of units (FS/DP)	03	2
4.	Nature of work/activities of the departments and their units	04	2
5.	Losses, theft, defalcation cases appeared in units	05	1
6.	Press clipping	06	1
7.	View of experienced staff members	07	1

The limit of expenditure can be set more than prescribed in view of available Manpower. Generally in departments, where the expenditure concerned with infrastructure development viz. Irrigation etc. the limit of expenditure in all three categories can be enhanced please refer to Headquarter letter dated 28.02.2003 (enclosed) for taking expenditure criteria according to available manpower.

The units categorised at Sl.No.1(i),(ii) and (iii) will be given points 3,2 or 1(Code-02)

If establishment expenditure of a unit is 70 to 100 per cent, 2 points will be given otherwise no point will be provided (code-02).

The overall categorisation and party combination as prescribed by ADAI (RS)'s DO letter No.1127/Rep (S)/138-2002 Dated 4.10.2002 (enclosed) is as under:-

>7 (7and more) =A Category =1 Sr.AO/AO & 2 AAOs =100% Supervision
>4 to 6 (4to6) =B Category =2 AAOs & 1 Auditor =50% Supervision
>4 (Less than 4 =C Category =1 AAO & 1 Auditor =No Supervision

(b) CRITERIA FOR PARTY DAYS TO BE ALLOTTED

Criteria for Party days to be allotted are taken from ADAI (RS)'s DO letter No. 1127/Rep (S)/138-2002 Dated 4.10.2002 (enclosed). 230 Party days are fixed for one party in a year by Headquarters' General Circular No. 20-AC.II/91 issued vide letter No. 773/AC.II/134-91 dated 6th August 1991 (Copy enclosed).

8 to 10 Working days	Category A units
6 to 8 Working days	Category B units
3 to 6 Working days	Category C units

Apart from this allocation, in some CCO units (under 'A' category units) additional days are allotted for collection primary information as required for initiating CCO based audit:-

II PRIs

As per Hqrs. Letter dated 21.11.2003 (enclosed) following criteria for Risk Analysis are adopted in the selection of units planned :-

i. The Criteria

- Expenditure
- Periodicity
- Size-Functions
- Party Days/Supervision

ii. Party Days Norms

- PRIs

Upto 20 Crs -10 days, 20-40 crores-20 days, more than 40 Crores-30 days

- Panchayat Samiti -7 days
- Gram Panchayat – 2 days

iii Periodicity of Audit

- PRIs

- Zila Parishad – (Panchayati Raj cell), ZP (RD Cell) and Panchayat Samiti- Annual
- Gram Panchayat – One in 5 Years

iv Composition of parties

- PRIs

- ZP – 4 members – 1 AO, 2 AAO, 1 Auditor
- PS – 2 members – 1 AAO, 1 Auditor
- GP- 2 members -2 Auditor

Calculation based on 5 days week/8 working hours per day i.e., 230 working days in a year less 5% for leave, transit, training, Group meeting etc. i.e. 218 days are used.

Selection of units

Risk analysis of units is done on the basis of revenue realized by the units, number and nature of paragraphs included in the Audit Reports, possibilities of potential audit material and number of auditable units of the Department. Average revenue of last three years all auditable units is taken into account and accordingly units are provisionally classified in A, B and C category. Last three years inspection Reports are analyzed with reference to major objections included in the reports. Thereafter pending index-sheet points, newspaper clippings are marked and with the suggestions of supervising officers of concerned taxes, units are finally categorized into A, B and C category. 'A' category units are to be audited every year 'B' category units in two years and 'C' category units are to be audited once in three years.

Calculation of man days and transit

- (1) 230 man days are taken in a year
- (2) As per norms, 10% working days are to be provided as transit, however, considering the 5 days week, 5% transit period has been provided.

B. RISK CRITERIA FOR SELECTION OF PUBLIC SECTOR UNDERTAKINGS

(a) Criteria for units planned for audit of accounts under Section 143(6)(9) of the Companies Act, 2013/Section 619(4)

▪ As per Hqrs. U.O. No. 500 to 507/WR/KC/Selection criteria/341-2013 dated 9.7.2014

- 1) The periodicity of selection of annual accounts of State Government Companies for supplementary audit would be as under :-

Annual	Paid up capital above Rs.50 crore or capital employed above Rs.200 crore or turnover above Rs.500 crore whichever is applicable.
Triennial	Paid up capital Rs.20 to 50 crore or capital employed Rs.100 to Rs.200 crore or turnover Rs.200 to 500 crore whichever is applicable.
Once in five years	Others (not covered under above criteria).

- 2) Annual accounts wherein disclaimer/adverse opinions have been given by the statutory auditors should be taken up for supplementary audit irrespective of the applicable selection criteria.

- 3) First accounts of the Company should be taken up for supplementary audit irrespective of the applicable selection criteria.
- 4) The Statutory Corporations may be audited annually as we are their sole auditors.
- 5) Notwithstanding the above criteria, in case a PAG/AG, based on assessment of risks, wishes to conduct the supplementary audit of Companies falling under the category of (2) and (3) above for more than one year they may do so without any restrictions.
- 6) while issuing non-review Certificates in respect of Companies falling in the triennial or once in five years category, the PAG/AG must ensure that minimum checks such as arithmetical accuracy, general compliance to Accounting Standards in drawing the financial statements compliance with earlier year observations and correctly carry forwarding the previous year's figures are done. The Report section of the Commercial Wing may carry out the general checking of the accounts before PAG/AG signs the non-review Certificates.
- 7) These instructions would apply with immediate effect.

This issues with the approval of ADAI (WR)

Targets of the Group for

Particulars	Target set	Achievement	Target set
Draft Paras			
Clearance of Outstanding Paras			
Clearance of OB items			
Clearance of Internal Arrears			
Clearance of External Arrears			

ANNEXURE

Details of performance Audits/Integrated Audits/IT Audits/Environment Audit/LDP for the Audit Plan

State Topics

S.No.	Office	Department	Details and AR	Topic	Party Days Planned	Justification Note

All India Performance Audit Topics

S.No.	Office	Ministry/Department	Details	Topic	Party Days Planned

Note : Party Days are calculated by taking 230 days less 5% for leave, transit, training, Group meeting etc. i.e. 218 days for one party per year

ANNEXURE

Proposed Timeframe for Audit Reports

i. Details of Timeframe for the Audit Reports for the year

Office	Audit Report	Date of Submission of DPs	Date of Submission of Review	Date of submission of Bond copy to Headquarters

ii. Each year an office order is issued from erstwhile Report Section attaching Headquarters letter showing all the target dates and time frame for submission of Bond Copy for Audit Report (Audit-I) Rajasthan, Jaipur of that year.

iii. Guidelines and audit material regarding topics included in the audit plan as per Performance Auditing Guidelines and Compliance Auditing Guidelines as the case may be prepared and submitted for approval to Hqrs. Within the time frame as mentioned below :

Report Name	Last date for receipt of DPs at Hqrs.	Tentative Schedule of mid-term appraisal by Hqrs.	Last date for receipt of PA at Hqrs.	Last date for receipt of annotated version of DPs at Hqrs.	Last date for receipt of annotated version of PAs at Hqrs.	Tentative month of spot Discussion and KD verification	Target date for submission of Bond Copy to Hqrs.	Target date for submission of Bond Copy to CAG of India.
State finance								
Audit-I								

Year wise Guidelines and audit material regarding topics included in the audit plan as per Performance Auditing Guidelines and Compliance Auditing Guidelines as the case may be prepared and submitted for approval to Hqrs. Within the time frame decided by CAG office.

iv. Details of Timeframe for the Audit Report (State Finances)

Report	Certification of Accounts	Submission of Bond Copy to Headquarters

Annexure –II
(Refer to in para 3.04 (b))

कार्यालय प्रधान महालेखाकार ,लेखापरीक्षा-। राजस्थान, जयपुर।

क्रमांक: ए0पी0एण्ड आर0सैल/ए-2011/के-173/2015-16/TR-I/168 to 173 दिनांक : 17.12.2015

परिपत्र सं. 1/2015-16

विषय :- विभागीय पत्रावलीयो का संधारण व अद्यतन किया जाना।

उप नियंत्रक महालेखा परीक्षक महोदया के अ0शा0पत्र सं. 259/च्छ/18-2015 दिनांक 14.09.2015 की अनुपालना में सभी समूहों द्वारा सभी प्रकार की लेखा परीक्षाओं के Risk Analysis के लिये निम्न कार्य किया जाना सुनिश्चित करावें :-

2. **विभागवार पोर्टफोलियो पत्रावलियों** – सभी समूह उनके लेखापरीक्षित विभागों से संबंधित पोर्टफोलियो पत्रावलियों का संधारण करते हैं जिसमें निम्न सूचनाओं का होना एवं उन सूचनाओं का विश्लेषण **संलग्न फॉरमेट के अनुसार होना** व उसका डेटाबेस बनाया जाना सुनिश्चित किया जावे –

- प्रशासनिक प्रतिवेदन
- विभाग की वेबसाइट पर उपलब्ध सूचना ;प्रशासनिक प्रतिवेदन के अतिरिक्त
- वी0एल0सी0डेटा
- आउटपुट बजट (पिछले तीन वर्षों का)
- आउटपुट बजट (पिछले तीन वर्षों का)
- पंचवर्षीय योजना
- संबंधित अखबारी कतरनें
- Plan Budget Linked Document
- ऑडिटी प्रोफाईल (एक्शन प्लान आईटम । U-02)
- विभाग के अंतर्गत आने वाली स्वायत्त ाषी संस्थायें एवं उनकी प्रोफाईल (एक्शन प्लान आईटम AU-03)
- मुद्रित ड्राफ्ट अनुच्छेद/समीक्षायें
- **PA/TA attempted but not printed**
अमुद्रित समीक्षायें/थीमेटिक पैराग्राफ जो छप नहीं सके।

3. **मुख्य योजनाओं की पोर्टफोलियो पत्रावलियों**

भारत सरकार/राज्य सरकार के अधीन चल रही मुख्य योजनाओं ;जैसे प्लैंगशिप एवं अन्य वृहद स्तर की योजनाएँ की पोर्टफोलियो पत्रावलियों अलग से संधारित की जावे जिसमें उस योजना से संबंधित निम्न सूचनाओं का संधारण किया जाना अपेक्षित है:-

- योजना की मार्गदर्शिका
- योजना का आकार, बजट
- योजना के लक्ष्य एवं उपलब्धियाँ (Physical and Financial)
- योजना से संबंधित अखबारी कतरनें
- योजना के मुद्रित ड्राफ्ट अनुच्छेद/समीक्षायें

4. लोक-उपक्रमों की पोर्टफोलियो पत्रावलियों
लोक-उपक्रमों की पोर्टफोलियो/डेटाबेस मुख्यालय के पत्र क्रमांक [501/CA.II/Coord/Audit Plan/2010-2011/166-2009](#) दिनांक 11.09.2009 के अनुरूप किया जाना अपेक्षित है।

5. डेटाबेस का अद्यतन किया जाना

- Auditee Profile (MS Access)
- Autonomous Bodies information System

सभी समूहों के नियंत्रक अनुभाग इस संबंध में एक छः माही रिटर्न ,फॉरमेट संलग्न संबंधित समूह अधिकारी को 10 अप्रैल व 10 अक्टूबर को प्रस्तुत करते हुए उसे ए0पी0एण्ड आर0सैल में भेजेंगे।

सभी समूहों की रिटर्न ए0पी0एण्ड आर0सैल द्वारा प्रधान महालेखाकार को 15 अप्रैल व 15 अक्टूबर को प्रस्तुत की जायेगी। कृपया इसे कैलेण्डर ऑफ रिटर्न में सम्मिलित किया जावे।

यह प्रधान महालेखाकार महोदया द्वारा अनुमोदित है।

उप

महालेखाकार (प्रशासन)

एवं व0ले0प0अ0

आंतरिक निरीक्षण दल

विभागीय पत्रावलीयों के संधारण व अद्यतन किये जाने हेतु भेजी जाने वाली विवरणिया।

प्रधिकार – उप नियंत्रक महालेखापरीक्षक महोदया के अ0शा0पत्र सं. 259/PAG/18-2015 की अनुपालना में आई0टी0ए0पी0 का परिपत्र सं. दिनांक.....

क्र0सं0	विभाग/योजना/लोक उपक्रम का नाम	पोर्ट फोलियो पत्रावली का अद्यतन वर्ष	डेटाबेस में सम्मिलित किये जाने की दिनांक	यदि अद्यतन नहीं किया गया है तो उसके कारण

ANNEXURE III

[Refer to in Para 3.11(a)]

Register of watching the receipt and issue of Inspection Reports:-

Sl. No.	Name of Office Inspected	Name of Inspecting Officers & Staff	Date up to which Account is audited	Date of Audit		Date of receipt of Draft Report
				From	To	
1.	2.	3.	4.	5.		6.

Date of Submissi on to A.O./ D.A.G.	Date of approval	Date on which sent for typing	Date of return from type	Dat e of issu e	Referenc e to Progress Register	Remark
7.	8.	9.	10.	11.	12.	13.

ANNEXURE IV
Progress Register of Settlement of I.R.s

[Refer to in para 3.11(a)]

Sl. No.	Name of the Unit Inspected	Item No. of the Register of Inspection Report	Date of completion of Audit	No. & Date under which report was issued	Due date of receipt of reply	No. & date of reminders etc.
1.	2.	3.	4.	5.	6.	7.

Date of receipt of 1 st reply	Date of issue further audit remarks	Further correspondence		Date of closure of Inspection Report	Remarks*
		Date of receipt of further replies	Date of issue of further remarks or reminders		
8.	9.	10.	11.	12.	13.

- *Here in individual No. of the paras outstanding after six months of the issued of the report should be given and circle as and when finally settled.

ANNEXURE V

[Refer in Para 3.11(c)]

Receipt of Inspection reports upto _____

Section	No. of Inspection Report to be received as per previous report	No. of Units audited in respect of which I.R. to be received upto 15 th of the previous month	Total Number of inspection Reports to be received
1.	2.	3.	4.

Number of Inspection Reports received					Balance of I.R. to be received		
Within the stipulated time	Delay of 7-15 days	Delay of 16-30 days	More than 30 days	Total	No. of I.R. relating to previous report	No. of I.R. relating to current report	Total
5(a)	5(b)	5(c)	5(d)	5(e)	6(a)	6(b)	6(c)

Sr. Audit Officer

ANNEXURE VI

[Refer in Para 3.11(c)]

Issue of Inspection Reports upto

Section	Total Number of I.Rs. remained to be issued as per last report					Total No. of I.R. received during the month col. 5(e) of part (I)	Total 2(e)+3
	Under type	Under comparison	Under editing		Total		
			B.O.	G.O.			
1.	2(a)	2(b)	2(c)	2(d)	2(e)	3.	4.

Number of I.Rs. actually issued					Balance to be issued				
Within the stipulated time	Delay of 7-15 days	Delay of 16-30 days	Delay of more than 30 days	Total	Edition		Under type	Under comparison	Total
					B. O.	G. O.			
5(a)	5(b)	5(c)	5(d)	5(e)	6(a)	6(b)	6(c)	6(d)	6(e)

Sr. Audit Officer

CHAPTER 4

GENERAL PRINCIPLES AND PROCESSES OF AUDIT

4.01 General

The general principles to be observed in inspections and local audits of the initial accounts of the Government Office and institutions are laid down in Section II of the M.S.O. (Audit). These and other instructions, to be followed generally in the audit of these accounts are summarised in the succeeding paragraphs. The special rules and instructions applicable to the accounts of certain offices or institutions wherever necessary are given in the succeeding chapters.

4.02 The Primary objects of inspections and local audits are as follows:-

- (1) Local inspection is intended to assure an Sr. Audit Officer of the accuracy of the original data on which the accounts rendered to the Accountant General (Accounts & Entitlement) and audit works are based and to enable him to apply a test check to such accounts, vouchers etc., as are not audited in the Central Office; and
- (2) Local Audit is conducted to enable a Sr. Audit Officer to conduct on the spot a test audit of the accounts maintained in certain Government and non-Government institutions and offices with a view to verify the accuracy and completeness of accounts according to the prescribed rules for the audit of expenditure and receipts of the Union and State Government.

The primary function of audit is thus to verify the accuracy and completeness of accounts. All possible attention should, therefore be devoted to the examination of initial records and accounts. It should also be ascertained that the Treasury Rules are being properly followed by the Departmental Officers.

The Instructions contained in paras 2.37 to 2.42 regarding conduct of Audit should always be kept in view while conducting the Inspection of a Civil Office.

4.03 Before taking up the audit of any particular institution, the Test Audit staff should make themselves conversant with the nature of the transaction, the systems of accounts, the account books prescribed, the budget, departmental manual and the administration report or any other publication in order to make their audit both intelligent and useful instead of allowing it to become merely a routine process of checking registers in a disconnected and mechanical way.

Sometimes an intelligent investigation of matters, which appear, on a superficial view to be of no moment, is likely to lead to the fraud and the inspection should be conducted with a keen eye for such possibilities. The auditors should, however, be careful not to infringe on matters unconnected with the accounts or finances of the institution, or which are otherwise outside the province of legitimate enquiry.

4.04 General Examination of Accounts

The accounts of stores, cash books, purchases and contract accounts, muster rolls and works accounts, for the entire period covered by the inspection should be examined generally to see that they are maintained in accordance with the prescribed rules and that the writings do not indicate any attempts to tamper with the records or they evade the requirements of rules. The recorded transactions should be reviewed intelligently, and doubtful and abnormal items should be examined closely.

In cases where works are carried out departmentally e.g. Famine Relief Works etc., the Accounts of Stores, Cash Books, Measurement Books, Muster Rolls and Works Accounts should be examined for the entire period.

[NOTE:-The Audit of Stores Accounts is undertaken only when specifically required.]

4.05 Audit of Receipts

“Section-16 of the Comptroller and Auditor General’s (Duties, Powers and conditions of Service) Act, 1971 provides that it shall be the duty of the Comptroller and Auditor General to audit all receipts which are payable into the Consolidated Fund of India and of each State and of each Union Territory having a Legislative Assembly and to satisfy himself that the rules and procedures in that behalf are designed to secure an effective check on the assessment, collection and proper allocation of revenue and are being duly observed and to make for this purpose such examination of the accounts as he thinks fit and report thereon”.

“The accounts of certain offices/ departments, excluding the departments, the audit of which is conducted by (revenue audit wing) involving revenue collections is audited by Inspection Audit-I parties”. In such cases it has to be seen that the receipts realised during the month have been properly brought to account in the Cash Book and receipts are being issued in each case and the amount is accounted for in the Cash Book agrees with the amount shown in the respective receipts. The remittances into Treasury should also be verified. The department should also be asked to furnish the details of outstanding to see that the provisions of Rule 30 of the General Financial and Account Rules

are being complied with and in case of heavy outstanding the facts may be brought to the notice of the legislature through the Audit Report.

4.06 Receipts

“The instructions contained in Chapter-3 of Section II of the Comptroller and Auditor General’s Manual of Standing Orders (Audit), should be borne in mind conducting the audit of receipts”.

(a) The various processes and stages of collection and accounting of receipts should be intelligently examined in order to ensure that there are no weak points in the system involving risk of leakage of receipts or commission of irregularities. It should also be seen that:-

- (i) adequate regulations and procedure have been framed to secure an effective check on the assessment, collection and proper allocation of revenue.
 - (ii) such regulations and procedure are being observed.
 - (iii) where any financial rule or order prescribes the scale or periodicity of recoveries, there is no deviation without proper authority from such scale or periodicity.
 - (iv) a register of all recurring and non-recurring demands is kept in accordance with the rules and collections are watched against it.
 - (v) Arrangements for collection are satisfactory and there is no outstanding requiring special notice.
 - (vi) money received are brought to account immediately and ordinarily there is no undue delay in their remittance into treasury.
 - (vii) the return of the counterfoils of used Receipts Books is properly watched and the counterfoils are recorded after check so as to ensure that there had been no delay or omission in bringing the receipts to account.
 - (viii) the responsibility of conducting the internal checks on the above lines is entrusted to some responsible official and there is recorded evidence to the effect that he exercise these checks.
- (b)** Audit of Non-tax revenue may also be done along with regular audit for which Group Officer may draw a folder for every department collecting Non-tax revenue indicating rules/ procedure relating to

collection, accounting and transmission/ deposition into the treasury with the directions to the parties to audit Non-tax receipts and include objections, if any, in the Inspection Report.

(Authority: Office order No.30 issued vide No ITAP/V-12011/PAG(G&SSA) /122/ 2015-16 TR-II/146-149 dated 04.11.2015).

4.07 Audit of Receipt Books.

It should be seen that:-

- (i) The stock account of receipt books has been maintained and the number of receipt books received agrees with the invoice received from the Stationery Department and that all such receipt books are kept under lock and key, by responsible officer.
- (ii) Only one book is issued to an individual officer authorised to sign the receipts only after the return of the previous used up receipt book.
- (iii) The number of receipt forms contained in each book is recorded on the covering page under the initial of a responsible officer and all the forms are machine numbered.
- (iv) The issue of a receipt book and the return of a used up receipt book are duly acknowledged.
- (v) For cancelled receipt forms, there should be both the original and the duplicate in the receipt book.
- (vi) The closing balance in the stock account is verified by the head of office regularly by actually counting the number of receipt books in hand and certificate to that effect is recorded in the stock account.
- (vii) The blank receipt books are kept under the custody of the officer authorised to sign the receipt and
- (viii) The provisions of Rule 47 of G.F. & A.R. (Part-I) are followed by the officer issuing duplicate receipts.

4.08 Audit of receipts from the Cash Book.

The receipt side of the Cash Book should be checked with all counterfoils of receipts, licenses etc. and the remittances to the treasury entered on the payment side with the challans received by the Treasury Officer or the Bank, or with the treasury pass book.

Any return of receipts submitted by the head of the office to the higher authorities should be checked with the Cash Book or other subsidiary receipt registers.

4.09 The quantum of check is prescribed in local Secret Memorandum of Instructions.

4.10 Audit of Expenditure

In the audit of expenditure it should be seen that:-

- (i) There is a proper sanction, either special or general, accorded by competent authority authorising the expenditure.
- (ii) The sub-vouchers for all sums of Rs. 3000 and below in amount, which are not required to be sent to the Audit Office, are kept on record duly cancelled so that they cannot be used again.

[Authority:- Rule 121 of General Finance and Account Rules (Part-I).]

- (iii) The payment has actually been made to the proper person and properly acknowledged so that a double payment on the same account is impossible.
- (iv) Entries of payments in the local accounts are properly vouched.
- (v) All materials and stores billed for have been brought on the respective inventories.
- (vi) The articles or materials billed for have been purchased on the tender system, as prescribed in the financial rules of Government.
- (vii) The quality and quantity of stores have been certified before payment and that no payment has been made to the supplier in anticipation of the actual receipt of stores.
- (viii) The rates paid for are not in excess of the accepted and the market rates and do not exceed any rates or scales fixed under the rules or orders issued by competent authority.
- (ix) All paid vouchers/sub-vouchers are stamped as paid or cancelled.
- (x) The details work up to the totals.

- (xi) There are no erasures and that any alterations in the figures have been attested by the drawing officers.
- (xii) The expenditure has been incurred with the due regard to financial propriety e.g. supplies in excess of requirements have not been obtained, the expenditure has been incurred only on legitimate objects etc.
- (xiii) Expenditure has not been unnecessarily incurred to prevent the lapse of budget allotment, and that charges incurred in one year have not been met from the budget allotment of the next year.
- (xiv) The expenditure has been recorded under the correct heads of account.
- (xv) The register of recoveries on form G.A. 60 is maintained.
- (xvi) There is no case of wasteful expenditure.
- (xvii) The monthly expenditure statements and store and stock accounts are dispatched in time, wherever necessary and,
- (xviii) Every voucher bears a pay order signed or initialed by the disbursing office specifying the amount payable both in words and figures.
- (xix) The expenditure has been incurred up to the limit of budget provision. If excess expenditure is essential in the interest of State Government, prior approval of finance department has been adjusted by receiving supplementary demand or re-appropriation of funds.

[Authority:- GOR F.D.P 7(2) fin-I(1)Rep-exp.2002 dated 11.12.2002 and Rule 9 of GF&AR (Part-I)]

It should also be examined that expenditure on contingencies works etc. is being properly incurred according to the financial rules and that the accounts indicate no laxity in supervisions and control.

4.11 Contingent Vouchers

It should be seen that:-

- (i) The sub-vouchers available contain pay orders signed by competent authority and they are supported by payees' acknowledgement with dates of payment.

- (ii) All payments are checked with vouchers. Those vouchers which are sent to the Audit Office in accordance with rules, should be obtained by the audit party. If any vouchers or sub-vouchers which under the rules should have been submitted to the Audit Office are found to have been retained the reasons for their retention should be enquired and their submission insisted upon.
- (iii) The details given in the sub-vouchers agree with the entries in other registers e.g. the number of days for which witnesses are paid should agree with the number of days of attendance in court as shown in the Witness Register of the Court and the stores purchases with the stores ledgers etc.
- (iv) The details work up to totals and the totals are in words as well as in figures.
- (v) Revenue stamps have been affixed to the payees' receipts in all vouchers for sums over Rs 5000 and they have been defaced.
- (vi) The purchase of typewriters, duplicators and duplicating machines, as well as stationery are made in accordance with the prescribed rules contained in the Printing and Stationery Manual and that Typewriters are not hired for a period exceeding two months without the previous sanction of the State Government.
- (vii) (a) Each items of payment has been recorded in the contingent register and is initialed by the Head of the Office or other Gazetted Officer authorised in this behalf.
 (b) The amount of work bills posted in the contingent register and included in the total is initialed by the disbursing officer.
 (c) The progressive totals of expenditure are made from month to month and do not exceed the budget allotment noted at the top of the register under each; and
 (d) That sub-vouchers are properly numbered.
- (viii) (a) The flow of expenditure is even and that if expenditure is unusually heavy in March it does not lead to financial irregularities.
 (b) All charges incurred must be paid and drawn at once and under no circumstances may they be allowed to stand over to be paid from the grant of another year.

- (c) That no money is withdrawn from the treasury unless it is required for immediate disbursement.

NOTE: - All cash memoranda which do not contain an acknowledgement of the receipt of money from the persons named therein are not receipts within the meaning of section 2(23) of the Indian Stamps Act (Act 11 of 1899) as the mere writing of the purchasers name and address on a cash memorandum for delivery-purposes does not transform it into an acknowledgement to the purchaser that the money has been paid. Cash memoranda do not therefore required to be stamped when the amount exceeds Rs. 5000 and they should not be regarded as sub-vouchers in audit; unless they contain an acknowledgement of the receipt of money from the person named (with stamp affixed when the amount exceeds Rs. 5000).

4.12 Audit of Bill Register

Check the Bill Register to see that:-

- (i) It has been maintained in the prescribed form and all the columns provided therein has been properly filed in.
- (ii) All bills drawn have been entered in the bill register date-wise and the entries duly endorsed by the drawing officer in each case under his dated signatures.
- (iii) In case of bills endorsed to parties that they have been entered in the register and a note to this effect has been made therein.
- (iv) All bills have been cashed and treasury vouchers numbers/dates have been noted in all cases.
- (v) In case of cancelled bills, a note to that effect has been made in the register; and
- (vi) All bills shown as cashed have been properly accounted for in the cash book as well as the other subsidiary registers.

NOTE: - In certain cases the Treasury Officers do not return form No. G.A. 23 indicating Treasury voucher number and date in time and the Drawing and Disbursing Officers also do not make any enquiries about passing or otherwise of the bill. In such cases where form G.A. 23 is not received from the Treasury Officer (to be test checked for detailed months of audit). The Sr. Audit Officer, AAO (Party in-charge in case the audit programme is unsupervised) should himself go to Treasury/Treasuries to check up whether the amount actually drawn was as per bill sent to the Treasury. Non-receipt of form G.A. 23 should be commented suitably in the “Inspection Reports.”

[Authority :- A.G's Order vide Group Order No. OAD/G.S./K.G.O. 184 dated 22.2.1979 and I.C. I/N-21011/77/2000-2001/ Group Order No. 501 dated 8.9.2000.]

4.13 Audit of the Contingent Register.

The entries in the contingent register should be checked with the sub-vouchers where available and the propriety of the expenditure scrutinised with reference to rules and orders.

It should be seen that :-

- (i) Each entry is initialed by the Drawing Officer.
- (ii) They are correctly entered in the columns having as heading the classification under which the expenditure falls.
- (iii) The total of the entries of the sub-vouchers agrees with the total of the contingent bills drawn.
- (iv) The total expenditure during the year under each head of classification does not exceed the allotment noted at the top of the respective column; and
- (v) The details of stores and other articles purchased as shown in the entries in this register for which no sub-vouchers are available agree with those in the entries in the stock books or other registers or records maintained in the office.

The totals of the bills drawn in the Contingent Register should also be checked.

NOTE: - Where Municipal Taxes or Charges for electric current of residential quarters are met from Government it should be seen whether the share of the taxes payable by the officers who occupy the quarters and the cost of electrical current consumed have been realised from them.

4.14 (A) Audit of Establishment Pay Bills (Gazetted and Non-Gazetted Officers)

- (i) The establishment and other vouchers relating to the Test Audit month or months selected for check with initial and subsidiary records kept in the departmental offices are sent/obtained by the inspection parties by the main office for checking them with cash book, office copies of the pay bills, absentee statements, acquaintance rolls, treasury bill books etc.
- (ii) Besides, the overtime allowance claims, children's education claims, reimbursement of tuition fees claims and T.A. bills, are

checked with reference to the local record(s) kept in the departmental accounts offices to test the correctness of the certificates on the basis of which the claims have been drawn and to see that the rules and regulations in regulating such claims have been followed.

- 4.14 (B)** (i) The nominal check of pay bills of establishment for the month/months selected for test check audit during local inspection will be conducted in the manner prescribed in Office Order No. T.M./80-C/27 dated 20th May 1980, relevant extracts are given in **Annexure-I** to this Chapter.

NOTE :- Consequent on discontinuance of nominal audit and abolition of the system of maintenance of fly leaves in respect of non-gazetted claims it has been decided by the Comptroller and Auditor General that audit and review in respect of bills (a) on account of payment who die in harness (b) on account of payment of leave salary at the time of retirement and (c) pertaining to surrendered leave relating to the selected month/months should be audited cent per cent by the field parties. In addition, the cases of drawl and disbursement of leave encashment during the period covered by local audit may please also be checked to the extent prescribed in Memorandum of Secret Instruction (Local). During the local audit a list of cases of leave encashment made during the period covered by audit should also be obtained from the departmental authorities and suitable comments incorporated in the Inspection Reports, wherever necessary.

[Authority :- Group Order No. O.A.D. I/C.S./O.N./1980-81/11/G.O. No. 229 dated 31.1.1981.]

- (ii) Salary payment of employees from State/Central exchequer is permissible up to the limit of sanctioned/approved posts for the Government/ Semi Government organisations. The act of violation of financial rules may notice in test check of pay bills with reference to sanctioned posts. Payment of salary from State/Central exchequer may be in the name of ghost employees. Such cases should be detected and commented in the Inspection Report.

(Authority:-Group Order No.:-IC-I/N-210011/77/2002-03/532dated 5.12.2002)

4.15 Acquittance Rolls of Establishment

These should be examined to see that there is proper acquittance for each amount disbursed, that the amount have been disbursed to the

persons entitled to receive them and that the arrangements for keeping a proper watch over undisbursed amounts are satisfactory.

NOTE :- The verification of the note of arrear claims in the office copies of the original bills should be conducted during local audit in respect of Class-III and Class-IV staff whose names are not required to be entered in pay bills.

[Authority : C.A.G.'s letter No. 2608 Admn-I/56-58, dated 9.9.1959 letter No. 3829 Admn-I/156-58 dated 28.10.1959.]

4.16 (a) Audit of T.A. Bills

(I) The following should be looked into by Audit in the Audit of travelling allowance bills:-

- (i) The journey was necessary and authorised by general or special orders of the competent authority.
- (ii) The journey was actually performed and was done as expeditiously as possible.
- (iii) No claim in respect of the journey had been submitted previously.
- (iv) The amount had been correctly drawn with reference to the rates and general conditions in force.

(II) The responsibilities for the scrutiny of travelling allowance bills are shared between the Controlling Officers and the Sr. Audit Officers because some of the checks prescribed above cannot be independently exercised by the Audit Office. Audit should ensure that the Controlling Officers properly exercise the scrutiny entrusted to them under the rules of the Government in relation to these bills.

(III) In the majority of cases, countersignature of bills by the Controlling Officer is necessary. This requirement does not, however, dispense with the necessity for formal audit with reference to the rates and general conditions. Ordinarily, the countersignature by the proper authority, or the signature of the drawing officer when a bill does not require countersignature, should be accepted as final evidence of the correctness of the facts of the journey on which the claim is based, and of the Controlling or the Drawing Officer, as the case may be, having exercised the scrutiny entrusted to him under the rules of the Government. Occasionally, a test check should be undertaken to verify that bills have been scrutinised properly by these officers.

(IV) In cases where the mode of travel, class of accommodation, rates of daily allowance, etc. are determined on the basis of the pay of the government servant, particulars thereof shown in the bill should be checked, during audit, with reference to the pay bills or Gazetted Entitlement Register. The daily allowance, mileage allowance, etc. claimed in the bill should be admitted based on the rates prescribed in the rules, fares claimed in respect of different modes of travel should be similarly checked with reference to the applicable fare tables of the agencies concerned.

4.16 (b) Leave travel concession claim of All India Service Officers.

The All India Service (LTC) Rules 1975, as amended (First Amendment Rule, 1977) in May 1977 provide that the All India Service Officers (I.A.S./I.P.S./I.F.S.) serving in connection with the State office of the Union shall be regulated in the same manner and subject to the same conditions as are applicable to the officers of Central Civil Services Class-I (Group-‘A’). The L.T.C. of member of the services serving in connection with the affairs of a State, shall be regulated in the same manner and subject to the same conditions, as are applicable to the Officers of the State Civil Services, Class-I. The Government of India have further clarified vide their No. 11022/6/77 A.I.S. II dated 1.10.1977, that in case of the States, which have not framed any rules providing L.T.C. to its State Civil Officers of Class-I, the All India Services Officer could be governed by the Central Government L.T.C. Rules for this purpose and the Officers may opt whichever is beneficial. The L.T.C. claims of such officers should be checked in accordance with the L.T.C. rules applicable to them. It has been decided that all the L.T.C. Rules claims in respect of All India Services Officer (I.A.S./I.P.S.) etc. posted in the State should be examined. Parties visiting State Government Secretariat, Collectors, Superintendents of Police and other Heads of Department etc. should examine such cases wherever they find that I.A.S./I.P.S. Officers have worked in that department from 1977-78 onwards and specifically comment upon the irregularities noticed in such scrutiny.

NOTE :- As the above referred to provisions of T.A. Rules including orders issued by the State Government in this behalf are also applicable to High Court Judges in terms of Section 23 of High Court Judges (Conditions of Service) Act, 1954, L.T.C., T.A. claims are to be regulated under provisions as amended from time to time of High Court Judges T.A. Rules 1956. L.T.C.

& T.A. claims of the High Court Judges may also be reviewed during local audit of High Court.

(Group Order No. OAD-I/K.318/GO/80-81/234 dated March 1981 and DAG's DO letter No. 892-Reps)/98-99 dated 23.6.1999.)

4.17 (A) Cash Accounts

The arrangements for the drawal of cash from the treasuries for realisation and for the custody, payment and accounting of cash should be examined to see that they are in conformity with the prescribed rules. The cash books should be generally examined and it should be seen :-

- (i) that all receipts of cash as shown in the counterfoils of receipt books as well as the cash received from the treasury on bills, cheques, cash orders and Reserve Bank drafts are traceable under proper dates and with correct particulars;
- (ii) that receipts which should be remitted into the treasury were so remitted without any delay;
- (iii) that all payments are supported by proper vouchers complete in all respect;
- (iv) that the totals are correct and the balance have been correctly worked out;
- (v) that private cash is not mixed up with the regular cash of Government;
- (vi) that the cash book is closed and balanced on the prescribed dates;
- (vii) that there are no erasures or interpolations, and that errors are rectified properly;
- (viii) that there is not tendency to keep an unduly large cash balance in hand and that cash in hands of cashiers etc. does not exceed the amount of security taken from them;
- (ix) that there is evidence in the cash book of verification of all entries made therein regarding receipts, payments and balances and that the balance of cash in chest are counted at least once a month, i.e., on the last working day of each month and duly certified by the head of the office;
- (x) that custody of cash overnight is under the dual control of the cashier and another responsible officials, that duplicate keys of

the safe are properly sealed in a box and deposited in the treasury, the box being made withdrawable under the joint signature only of the custodians of the original keys.

NOTE :- Accounts of imprest and temporary advances, if any, should be examined to see that they are regularly closed and rendered punctually every month and that they are properly examined by the recouping officer, before recoupment.

- (xi) the verification of the actual cash in hand is left to the discretion of the Inspecting Officer or the Asstt. Audit Officer in charge of the local audit. Whenever the verification is made, a memorandum may be drawn up as follow :-

Previous day's balance as per Cash Book

.....

Add :- amount received during the day as in the Cash Book and as verified with reference to the counterfoils of receipts, cheques etc.

.....

Deduct: payment made during the day as per the Cash Book and To be verified with reference to the sub-vouchers

.....

NET TOTAL

The amount of cash in hand should agree with this total. It should also be seen in audit that the safe account contains nothing but Government money.

Whenever the cash is verified, it should be seen that the cash book is written up-to-date and all entries should be vouched to date of verification. The composition of the balance in hand so verified i.e. cheques, notes, coins etc. should be recorded in the inspection report also.

If, in any case, the cash balance pertaining to the cash book is counted, a simultaneous count of all cash balance (with relevant accounts in charge of the disbursing officer or other custodian of the cash chest) is desirable. This verification of cash should preferably be done at a time when the officer-in-charge is present.

The above consideration applied also in respect of surprise inspection of cash undertaken when temporary misappropriation is suspected. (Vide Comptroller and Auditor General's D.O. No. 70/Admn. I/54, dated 26th July, 1954).

NOTE :- The field parties are to collect and furnish with the inspection report, detailed information as per proforma in (**Annexure-III** to this chapter) respect of funds withdrawn by the Drawing and Disbursing Officers in the month of March each year to avoid the lapse of unspent cash balance held by them at the end of each financial year. It should also be seen that every Drawing Officer furnishes this information to the Accountant General Rajasthan, Jaipur by the 15th July each year

[Letter No. A.A.-II-IX/218/v(iii)71-72/Vol. II/dated 30.5.1978 to Financial Commissioner, Government of Rajasthan, Jaipur.]

[Authority :- Group Order No. 178 dt. June, 1978 and 208 dated 31.3.1980 based on C.A.G.'s letter No. 489-Rep/248-75 dated 5.5.1978.]

(xii) (A) Besides audit of selected month, a general review of Cash Book should also be made and during the course of local audit on the accounts of the department if a large sum/amount is found to have been withdrawn and distributed in any an other month, it should be examined thoroughly.

(B) the inspecting officer will record a certificate in 'Title Sheet' that vouchers of a month (to be specified) have been tallied with the entries made in Cash Book of the auditee unit. Such certificate will be furnished by AAO as the case may be, where the audit programme is unsupervised. Compliance of the above directions will be watched by the Audit-I Sections located at the Headquarters.

(Authority:- I.C. I/N-21012/28/95-96 Dated 2.9.1996 G.O. No. 455)

4.17 (B) Other important points

The following aspects may specially also be examined during local audit: -

- (i) Drawal of fund in advance of requirement.
- (ii) Amounts sanctioned in relaxation of treasury control.
- (iii) Failure to adjust A.C. Bills.
- (iv) Delay in remittance of unspent amounts.
- (v) Non submission of D.C. Bill.
- (vi) Personal Deposit Account balances.

- (vii) Incorrect lapsing of funds specially Government of India funds.
- (viii) Treasury control on nullifying budgetary provisions in efficacy of Letter of Credit.
- (ix) Temporary diversion of funds and effect of creation of funds like Hospital fund etc.

Audit observation on these points shall be included in the Inspection Report. Headquarter section shall consolidate such aspects from Inspection Reports and forward to D.P. Cell (A.M.G).

(Authority: - IC-I/N-21011/77/2002-03/534 dated 17.2.2003)

4.18 Challans

The Inspecting Auditor should see that :-

- (i) every Challan has been stamped with the Treasury or the Bank seal, and that it has been initialed by the Treasury Accountant or the Bank authority as the case may be;
- (ii) the challans for sum of Rs. 500 and over have been signed by the Treasury Officer.

4.19 Measurement Books

It should be seen that :-

- (i) the books are maintained in accordance with the prescribed rules;
- (ii) the arrangements in force for taking measurements for checking measurements by some officer superior to the officials who had originally taken the measurements, and the results of check-measurements are not such as to indicate laxity of control
- (iii) in respect of running contract accounts, reference to the previous set of measurement is given.
- (iv) the contractor's acceptance is obtained below each set of measurements;
- (v) the pages containing detailed measurements are scored out by a diagonal line in red ink and the abstract of measurements bears a reference to the number and date of vouchers of payment.
- (vi) the check measurement has not preceded the measurement.

- (vii) the check measurement has not been so delayed as to make it undependable, in view of the subsequent progress of work rendering independent check of the accuracy of the original measurements impossible, if not difficult; and
- (viii) the dates of measurements of any outstation works are traceable in the travelling allowance bills of the officials concerned. (A few cases here and there should be test-checked to see this point).

The Standard Measurement Book, on the basis of which either estimates for annual repairs, etc. are prepared or payments are made, should be examined to see that :-

- (i) they are duly certified as fully checked by some responsible officer; and
- (ii) they are brought up-to-date from time to time and additions and alterations in the books are approved by a responsible officer.

4.20 Muster Rolls

Muster Rolls should be generally examined to see that the instructions prescribed for their maintenance are followed. In particular, it should be seen that :-

- (i) attendance is taken daily and the record of attendance is checked at intervals by responsible officers inspecting the works, etc., on which the labour is employed;
- (ii) disbursements are not entrusted as a rule to officials of low standing;
- (iii) where possible, the officer making the disbursement is not the same as the one controlling the labour;
- (iv) a record is kept of the progress of work done by labour and the cost is not so largely in excess of the value at current rates as to indicate either loss to Government or need for closer financial control; and
- (v) labourers paid from muster rolls were not engaged on any work other than that for which they were detailed.

4.21 Account of Works

It should be seen that :-

- (i) estimates are prepared and sanctioned by competent authority as prescribed in the rules;
- (ii) the rates of the sanctioned estimates do not exceed those allowed in the neighboring Public Works Divisions;
- (iii) rates paid are in accordance with contracts and in cases where no contracts have been entered into, they do not exceed the market or schedule rates;
- (iv) where through-rates for finished items of work are allowed to contractors, the value of any materials, carriage, etc. and incidental charges are not charged to Government but recovered from contractors;
- (v) no financial aid is given to contractor beyond that agreed upon in the contracts;
- (vi) in cases where contractors are allowed labour rates only or work is carried out by daily labour, arrangements exist for exercising detailed control over transactions relating to materials and for verifying the unused materials;
- (vii) the materials received from dismantling old structures etc. are properly accounted for and are disposed off to the best interest of Government;
- (viii) there is no undue delay in closing the accounts of works;
- (ix) the excess over sanctioned estimates are investigated and sanctioned by competent authority; and
- (x) where materials for the work are supplied by Government to the contractors, the prices of the materials are fixed correctly as per rules and adjusted against the contractors.

4.22 Loss caused by careless or dishonest accounting in works expenditure

Losses are often caused by careless or dishonest accounting in expenditure relating to works. Although audit has a little approach to the actual state of affairs and to approach on a well planned fraud is limited, such cases may come to light by an examination of the records with a view to see that there are no cases of the nature indicated below :-

- (i) Omission to claim money due from a contractor or to afford credit in the accounts when, it is actually not realised,
- (ii) Exorbitant rates in estimates or works;
- (iii) Allowance of full rates to contractors when the contract rate is both for labour and material but the material is supplied by the department and is charged to the estimate;
- (iv) When the rate for a certain kind of work e.g. brick work is fixed on the assumption that the required materials will be available at a certain rate, allowance of full rate to the contractor when the department supplied the materials at a lower rate;
- (v) When the issue rate of stock is below the market rate issue of more materials to the contractor than actually required for the works;
- (vi) Incorrect measurements for a work, or measurement paid for twice over; and
- (vii) Charge to work of the cost of departmental labour supplied to a contractor, instead of recovery from him.

The above list is just explanatory and not exhaustive. A careful and thorough check may reveal many other types of cases and is quite essential.

4.23 Stamp Account

It should be seen that :-

- (i) the account has been maintained properly, bringing to account all receipts and issues;
- (ii) the physical balance has been verified periodically and agreed with the book balance;
- (iii) service postage stamps have been used strictly for official purposes only; and
- (iv) the expenditure on telegrams is not excessive.

4.24 Audit of Log Books and Car Diaries

It should be seen that :-

- (i) a separate log book in the prescribed form has been maintained for each vehicle;

- (ii) full details of all journeys undertaken are recorded covering the mileage done, places visited on route and the relevant kilometer reading;
- (iii) purpose of journeys is always recorded in detail under the signatures of the official using the vehicle and vague descriptions such as 'Official Duty', 'Government Work' etc. are avoided;
- (iv) the vehicle is used for bonafide public purposes and not for any private purposes without orders of the competent authority;
- (v) in the case of authorised private journeys the charges recoverable at the prescribed rates, have been recovered and credited to Government Revenue;
- (vi) all issues or purchases of petrol, mobil oil and other lubricants and consumable stores such as acid, distilled water etc. are duly recorded in the log book;
- (vii) log books are closed and average number of kilometers per liter of petrol or diesel oil worked out at prescribed intervals and that the yield is not unduly low and where it is so, the cause leading thereto is investigated;
- (viii) that full details of major repairs to the vehicle, replacement of parts and spares are recorded in the log books;
- (ix) that the repair and replacements have been done by Government workshops, authorised dealers or garages in accordance with orders of the Government in this behalf;
- (x) a list of equipment's and tools with the driver is kept in the log book or other record;
- (xi) details regarding the identity of the engine, tyres and battery etc. fitted on the vehicle are on record;
- (xii) that the replacement of parts, for which life has been prescribed. e.g. engine. Tyres, etc. have been made only after completion of the required run;
- (xiii) that in cases where frequent repairs to vehicles engines or replacement of some parts have been carried out they are not indicative of any foul play (some cases at random may be

selected and explanation for frequent repairs may be called for);

- (xiv) the vehicle is periodically tested and inspected by the prescribed authorities;
- (xv) a stock account of the condemned and replaced parts and accessories is maintained and their disposal done to the best advantage of the Government;

4.25 Stationery Register

- (i) Trace all purchase of stationery as shown in the indent with the receipt entries of the register in respect of the month for which detailed check is being conducted and a general check should be applied for rest of the months.
- (ii) Check a percentage of totals and closing balance.
- (iii) See as far as possible that all issues are bona-fide.

4.26 Register of Forms

- (i) Check the receipt entries with indents.
- (ii) Check the issue as far as possible.
- (iii) Check as prescribed in the Local Secret Memorandum of instructions.
- (iv) The receipt and issue of saleable forms, license forms or the receipt forms should be very carefully checked.

A common practice resorted to by persons who defalcate money is to set aside a receipt book and to misappropriate money realised by grant of receipts from that particular book. Inspecting Auditor should, therefore, be particular about checking these forms very carefully and seeing that books shown as issued are traceable from the receipt entries in the Cash Book and that the Head of the office certifies that the balance of the book of receipt forms as shown by the Stock Book is actually in stock.

4.27 Assets Register

Register of assets shall be maintained by the executive agencies for each Central Government Sponsored Scheme (i.e. Rural Development Programme, Urban and Rural Employment Scheme etc.) Other departments which have agricultural land (Like Agriculture, Animal Husbandry Department etc.) shall also maintain the said register.

Maintenance of Assets Register should be ensured during local audit. Suitable comments for non-maintenance or improper/incomplete maintenance should be incorporated in the Inspection Report.

A certificate for maintenance of Assets Register shall also be accorded by Sr. Audit Officer/Party In-charge.

(Authority: - Group Order No.: - IC-I/N-21011/77/2000-01/509 dated 25.1.2001)

4.28 Account records not specifically mentioned

All other account records not specifically mentioned in the preceding paragraphs, or in the chapter dealing with the audit of the accounts of the particular office or institution, should be examined to see:-

- (i) That they are maintained in accordance with the prescribed rules and are up-to-date; and
- (ii) That they are periodically reviewed by a responsible Officer.

4.29 (a) As the submission of Annual establishment Return have been discontinued adequate attention should be paid during local audit to the review of Service Books. They should be checked as prescribed in Local Secret Memorandum of instructions. The service Books so checked should bear an audit endorsement duly signed (with date) by the Official in charge of the audit party.

4.29 (b) The Service Book are checked to see that: -

- (i) A service book is maintained for every Government Servant and a service roll for each Group 'D' Government servant/Class-IV servant;
- (ii) Entries of all events in the official career of a Government Servant are made in the service book and attested by competent authority;
- (iii) No alteration is made in the date of birth without the sanction of competent authority and entries in the front page are re-attested every five year's; and
- (iv) Annual certificate of verifications of service is recorded in the Service Book.
- (v) After Departmental Promotion Committee Ministerial employees usually forgo their promotion just to avail the benefit of Selection Pay Scales (9, 18, 27) such irregular cases should be commented in the Inspection Reports.

(Authority: - Group Order No.: - IC-i/N-21011/77/2002-03/528 dated 23.8.2002)

(vi) It should also be checked that:-

(a) No candidate shall be eligible for appointment to the service who has more than two children on or after 1.6.2002 Provided that where a candidate has only one child from earlier delivery but more than one child are born out of a single subsequent delivery, the children so born shall be deemed to be one entity while counting the total number of children.

(b) No person shall be considered for promotion for 5 recruitment years from the date on which his/her promotion becomes due if he/she has more than two children on or after 1st June, 2002

Provided that the person having more than two children shall not be deemed to be disqualified for promotion so long as the number of children he/she has on 1st June, 2002, does not increase.

Provided further that where a Government servant has only one child from the earlier delivery but more than one child are born out of a single subsequent delivery, the children so born shall be deemed to be one entity while counting the total number of children.

(Authority: - Government of Rajasthan Department of Personnel (A-Group-II) order No.-F-7(8)DOP/A-II/95 dated 20.6.2002)

(vii) It should also be checked that for authorisation of payments of sanctioned leave encashment the payment have been charged to the following Sub-Head

2071 - Pension & Retirement Benefit 01 - Civil 115 - Leave Encashment Benefits

For operation of this head the Head of office will be competent for their officer/officials and in case of head of office the Head of department will be competent

These order are effective from 1.4.2002.

(Authority: - Government of Rajasthan, Finance Department (G&T section) order No.P-1(22) finance/G&T/2002 dated 26.3.2002).

Entries in pay columns should be verified with reference to the office copies of the pay bills for the month or months selected for detailed

audit to see that they agree. The quantum of check of service books has been so prescribed that each service book will be certified once in four years as the Service books are the only documents for verification of pension.

In the Service Book selected for check, the correctness of pay and increments allowed to the Government servant from time for the period to which the service books relate, is also to be checked as prescribed in the **Annexure I** to this Chapter.

It should also be checked that no payment has been made to Government servant beyond attaining the age of superannuation or on the expiry of term of extension of service sanctioned by the competent authority. The audit endorsement regarding check of service book duly signed by the Asstt. Audit Officer in the Service Books is required to be given during local audit.

[Authority: - Annexure Attached to Office Order No. T.M./80-C/27 dated 20.5.1980]

- 4.29 (c)** Provision of inter departmental transfer contained in Rajasthan Sub-ordinate office Ministerial Service Rules, 1957 have become ineffective as per State Government's circular No. P-3 (5) personnel/K-2/97/29/2000 dated 15.7.2000 and new Rajasthan Subordinate Office Ministerial Service Rules 1999 have come in force with effect from 31.5.1999. There is no provision for inter departmental transfer in new rules. Therefore compliance of Rajasthan Subordinate Office Ministerial Service Rules, 1999 should be ensured and cases of non-compliance should be incorporated in the Inspection Report.

(Authority: - Group Order No.:- IC-I/N-21011/77/2000-01/505 dated 18.10.2000)

- 4.29 (d)** Class IV employees who have passed the Hindi Examination prior to date 29.6.1985 from institutions approved by Department of General Administration vide their order dated 13.5.1974, may be promoted/appointed as Lower Division Clerk according to seniority and provisions of rules as instructed by Department of Personnel and Administrative Reform vide their circular No. P-3/45/personnel/K-2/84 dated 5.9.97. There after Department of Personnel had intimated vide circular No P-3(45)personnel/K-2/84/28-2000 dated 3.7.2000 that class IV employees, who had not fulfilled educational qualification prescribed in rules after dated 28.6.85 and had been promoted as L.D.C. as per circular dated 5.9.97, shall immediately be reverted.

Compliance of circular dated 3.7.2000 shall be reviewed at the time of local audit and commented in the Inspection Report.

(Authority:- Group Order No.:- IC-I/N-21011/77/2000-01/504 dated 18.10.2000).

4.30 Check of Leave Accounts

Leave Accounts including accounts of persons likely to retire and who have put in 30 years of qualifying service, should be checked in detail to the extent prescribed in the “Secret Memorandum of Instructions.” In such detail check it should be seen that :-

- (i) Leave account has been properly posted and closed after the incumbent returns to duty from leave and that the entry has been duly attested.
- (ii) The leave sanctioned has been correctly posted in the leave accounts and the entry of leave sanction order has been attested.
- (iii) Leave at credit has been correctly calculated in accordance with the rules and the leave account has been revised with reference to orders regarding completion of probation, confirmation etc.
- (iv) The face of issue of certificate under the service rules is recorded, where the period of leave is counted as service for increment under that rule.
- (v) Subsidiary leave accounts have been maintained wherever, necessary.
- (vi) The collective record of the various kinds of special leave granted to the employee is maintained.
- (vii) The nature and extent of leave sanctioned is correctly due and admissible to the employee.
- (viii) There are no cases of evasion of leave rules.

[Authority :- letter No. 102-OM-145-79-I dated 20.3.1980 from Office of the C.A.G.’s of India, New Delhi.]

- (ix) Sanction of leave encashment of the employee/officer at the time of retirement, has been issued by the competent authority and whether it has been charged to correct head of account (2071).

The competent authority to operate the budget head will be as follows :-

- (1) Employees/officers of the office - Head of office.
- (2) Head of the office - Head of the Department.

(Authority :- G.O.R. DOF order No: P1(22) Fin/G&T/2002 dated 26.03.2002)

The leave account of the members of offices, which are situated away from the headquarters station of a district should be obtained with the Service Books at the headquarter of the district by correspondence through the proper channel, unless the station where the aforesaid offices are situated has to be visited in the course of local inspection. In the later case the check of the leave accounts should be done when that station is visited.

All objections noted in the course of check of the leave accounts in each office should be communicated to the head of the office through a formal Inspection Report contained important irregularities which will be returned with replies through the Head of the Department, or a Test Audit Note giving minor irregularities which may be settled from the replies of the head of office alone without referring to any higher authority.

4.31 Tenders and Contracts

The Inspecting Staff should particularly see that unless otherwise permitted by Government or by the competent authority, Tenders have been invited in the case of all purchases of articles and stores. They should examine original tenders and compare them with the comparative statements and the agreements finally accepted cases of alteration of figures, over-writings and other un-authorised corrections of tendered rates or other errors should be mentioned in the Inspection Reports on the accounts of the offices inspected. The inspecting staff will also see that the rules laid down by Government or set out in the Manuals in regard to invitation and acceptance of tenders and for entering into agreements with contractors have been observed. Cases of irregularities may be brought to notice in the Inspection Reports.

The files for contract agreements should be scrutinised to see:-

- (i) that the department made an intelligent assessment of their requirements regarding the purchases to be effected and also

decided the specification of each article, which were made public in the Tender notice itself and that the terms in the tender notice are quite clear regarding the last date of inviting tenders, the period for which supplies are required for, earnest money and security deposits, the time for supply of articles by the supplier etc.;

- (ii) that tenders are invited in the most open and public manner and that satisfactory reasons are recorded for accepting a tender other than the lowest;
- (iii) that contracts are executed either on standard forms or on special forms prepared in consultation with the law officers of the Government, and that the terms are precise and definite and there is no room for ambiguity or misconstruction therein; and
- (iv) that contracts are sanctioned by the competent authority and that the terms once entered into are not changed without special and proper sanction.

In case where a formal written contract is not made, it should be seen that the orders for supplies or for execution of works is not given without at least a written understanding as to price or rate at which payment is to be made.

- (v) That as per Government of Rajasthan, Finance Department letter No. P. 1 (10) Finance/G.F.& A.R./87 dated 1.3.1988 a copy of contracts of in respect of all purchases amounting of Rs. one lakh or more should be furnished invariably to the Accountant General (Audit-I), Rajasthan. Jaipur.

It is, therefore, enjoyed upon all field parties to scrutinise such cases and in case it is found that a copy of contracts of purchases worth Rs. one lakh or more have not been furnished to the Accountant General (Audit-I), Rajasthan, Jaipur, a suitable comment to this effect should be incorporated in Inspection Report.

(Authority: - G.O. No. 381 issued vide letter No: I.C.-I/T.11011 dated 28.9.1990)

4.32 Security Deposits

It should be seen :-

- (i) that security is taken as required under rules from persons entrusted with the custody of cash or stores;

- (ii) that security deposits are covered by a proper bond or agreement setting forth the conditions under which the security is held;
- (iii) that Government paper tendered as security is taken as its face value or market price whichever is less at the time of deposit and that re-adjustment is made if there is subsequent appreciation or depreciation in value as prescribed by rules;
- (iv) that the register of receipts and disposal of securities is properly maintained and that all entries since last audit are correct, and specially that acknowledgement of deposit or for return of securities exist;
- (v) that the register as well as the securities are examined at least once a year by a responsible officer of the department;
- (vi) that in the case of Post Office Saving Bank Pass Books, they are hypothecated to the head of the office and are kept in his custody;
- (vii) that either the securities or the acknowledgement of their authorised custodians are produced for inspection.

4.33 Security Deposited by Central Governments/Offices with autonomous bodies/commercial Departments.

In case, where the autonomous bodies/commercial departments like State Electricity Board, Water Works, etc. insist on making of Security Deposits in Cash as a safeguard against default, delay in payment of their dues etc. instead of a letter or guarantee by the Central Government Offices, the departmental officers drawing the advances for the purpose are required to keep a record of such deposits for getting refund at appropriate time, they are also required to see that interest, if any, is received from the authorities regularly and well in time and adequate safeguards are also available to Government to get refund of the security deposit, when it is necessary to do so.

The field parties while conducting audit of the accounts of Central Department/ Offices will specifically see if such deposits have been made in accordance with the Government of India, Ministry of Finance Memo No. F.A(i)-II(A)(CA)68, dated 24.7.1968 and that the amount of deposit made and that of interest received is classified under the head of account mentioned therein. Any deviation from these orders should be commented upon in the Inspection Report suitably.

(O.A.D. II/Gr. Ord./10/68-70/107 of Nov. 1969.)

4.34 (i) Telephone calls by the State Government Officers from the telephones provided at their residences

The State Government have laid down the certain limits on number of free calls for the telephone provided at their residence

If any extra calls are made by the officers from their residential telephones, the charges for such calls will be paid by the officers themselves.

Local Audit Parties are required to look into the expenditure on the telephones provided at the residences of the officers and verify whether the orders of the Government are being followed strictly.

The accuracy of the information, particularly number of free calls admissible, should be checked by the parties. The designation of post, classification of post and name of the department should be clearly indicated.

Calls in excess of such number (excluding S.T.D. calls made for official purposes and so certified by the officer concerned with reference to the register maintained by him) will have to be paid by the officer himself. In the case of husband & wife sharing the same residential telephone the allowable number of calls will be worked out individually on bimonthly basis. (this will be effective from 1.3.1982). While working out the extra number of calls, the number of free calls allowed by P&T Deptt. which are so admissible to officers in addition to the prescribed number should be taken into account.

[O.A.D. II Group order/60/11275, dated 31.1.1968, No. O.A.D. II G.O./21/13503 dated 25.3.1968, No. O.A.D./G.O./68-69/1134/29 dated 30.5.1968 No. O.A.D. II/G.O./ 10/68-69/74, dated 18.4.1969 & No. O.A.D. II/Teh. Calls/68-69/118 dated 21.2.1970.]

4.35 Non –applicability of Rajasthan Civil Services (Medical Attendance) Rules, 2013 to Certain Departments

A list of Government establishments to which the Employees State Insurance Act applies is indicated in **Annexure-II** to this chapter. Rajasthan Civil Services (Medical Attendance) Rules, 2013 will not apply to these establishments.

[O.A.D. II Group order 10/2239/39 dated 17.6.1968, and Rajasthan Civil Services (Medical Attendance) Rules, 2013]

4.36 Audit of Vouchers relating to Secret Expenditure

- (a) Rule 68 (vi) of the Rajasthan General Financial and Accounts Rules (Part-I) stipulates that in cases in which documents relating to any

sanction or order are deemed to be secret, the Accountant General will accept a statement of fact signed by the Chief Secretary. Cases of such nature and all cases where vouchers are neither sent to the Accountant General (A&E) with F.V.C. bill nor shown to local audit parties on the ground that these pertain to secret expenditure which comes to the notice of the Inspecting Officers and field parties, should be reported to the headquarters. The matter may then be taken up by the A.M.G Headquarter with Government for having those documents examined at higher levels by reporting the matter to the Chief Secretary, because it is considered that no secrecy can normally be claimed from audit. The secret expenditure vouchers can be shown to audit at higher level.

- (b) After the departmentalisation of Central accounts the Pay and Accounts Officers maintain the accounts of secret expenditure incurred by the Central Government Officers authorised to do so and the vouchers etc. are retained by them. Therefore, the departmental Pay and Accounts Officers have been made responsible for watching the receipt of annual certificate from the Controlling Officers instead of the Accountant General. Such certificates are to be kept in safe custody of the Pay and Accounts Officers concerned and produced for check during local audit.

[Authority :- G.I.M.F. (Department of Expenditure) O.M.N.F. 1(3). B-II-(A)/78 dated 14.8.1978 & Comptroller & Auditor General's Endstt. No. 2363-T.A. II/269-76 & Auditor General's Endstt. No. dated 28.9.1978.] (Audit bulletin for the quarter ending December 1978 Vol. II/II-259 page 272.)

[O.A.D. II/Group order 10/68 of Feb. 1969.]

Such expenditure are of two different categories.

(i) Secret Service Expenditure :-

Payment made to informer etc. by Police, Excise Departments etc. where the names of the informers are to be kept secret in public interest falls under this category. In such cases local audit is not to be conducted at any level. The Controlling authority of such expenditure e.g., Inspector General of Police etc. will simply send a certificate regarding actual expenditure incurred to Accountant General (Audit-I) after the close of the financial year. Such certificates will be received in the concerned Financial Attest Audit Support Section and noted in the relevant register maintained there.

(ii) Secret Expenditure :-

This type of expenditure includes payment made to Presses for printing of question papers, and other remuneration to paper setters, valuers etc. in connection with the examinations conducted by the Public Service Commission, Director of Colleges, Higher Secondary, Technical Education and other authorities conducting departmental examination, where identity of Printers, Paper Setters, Valuers etc. is required to be kept secret till the event is occurred and the results have been published.

Local audit of such expenditure is to be conducted at the level of the D.A.G./Sr. D.A.G. after the event has occurred and results have been published. Instruction contained in the confidential D.O. letter dated 11.2.1980 of Shri Nemi Chand, Joint Director Offices of the C.A.G. of India addressed to the A.G. Andhra Pradesh are to be kept in view while conducting this local audit.

[Authority :- Notes & orders of the A.G. (Audit) dated 30.5.1985 in the file No. Sr. D.A.G. (I.C.)/Conf./P.A.]

4.37.A (a) Deduction of Income Tax at Source (T.D.S.) from the Salaries of the Government Servants

The primary responsibility for the correct deductions of Income Tax from salaries is that of Disbursing Officers in terms of Section 192 of the Income Tax Act. As such, audit need not check the correctness of the assessment, etc. But it should be seen during inspection of treasuries and other disbursing offices that they have adequate arrangements and safeguards to themselves about the correctness of Income Tax deduction from salaries they disburse, as audit is responsible only for verifying that in the disbursing offices and treasuries proper procedure is being followed in this regard.

The following checks should, however, be exercised by the local audit parties in the regard :-

(i) Value of rent free accommodation :-

The administrative authorities are required to sent statements of rent-free accommodation given by them half yearly to the disbursing officers with a copy to audit. In those cases where such returns are received these would be attached to the Index Sheet by the Headquarters section concerned to facilitate check. Even if such a return has not been received the local audit parties should make enquiries about the names of the officers/officials who have been provided with rent free accommodation and conduct the checks as to

whether the value of rent free accommodation has been taken into account for assessment purposes. In this connection they should also refer the list available in Appendix XXIX of R.S.Rs. Vol II for such officers/officials OAD-I/RA/IT/Salaries Part II. Dated 6.10.1967.

(ii) Inclusion of overtime fees etc. in the 'Salary Income' :-

Over Time Fees Paid to the employees are taxable and therefore, should be included in 'Salary Income' for the purpose of deduction of Tax at source. It should be verified that as a matter of procedure the over time fees paid to the employees are included in the 'Salary Income' by the disbursing officers for the purpose of correct deduction of tax at source in cases where the total assessable income for the year is above the taxable limit.

[Authority :- OAD-I/RA/IT/Salaries/PT. II/32 dated 4.6.1968.]

4.37 (b) Implementation of TDS provisions under the Income Tax (IT) Act, 1961

Many Government Departments are negligent when it comes to implementing the Tax Deducted at Source (TDS) provisions under the IT Act, 1961. This may be due to poor awareness about the TDS provisions amongst the Government deductors as well as slackness in implementation. The CAG of India, therefore, has instructed that compliance to TDS provisions under the IT Act may be examined during regular audit of the unit of each Government Department. This may be made a part of regular audit process every year and any significant non-compliance thereof, if noticed, may be intimated to the Director General (Direct Taxes) for inclusion in the related audit Report.

(Authority : 198/RADT/55-2015/KW dated 24.5.2016 Issued by letter No.604/प्रलेप (प्र.क.)/ 55-2015/KW dated 26.5.2016 (circulated to field parties vide officer order No.65 dated 26.8.2016)

4.38 Audit of expenditure relating to the Central Assistance – (Schemes run under centrally sponsored programme)

The instructions contained in the M.S.O. (Audit) and the Departmental Manuals should be kept in view while auditing the expenditure met out of Central Assistance. The following instructions may particularly be kept in view while examining the utilisation of assistance at the time of local audit/inspection:-

- (i) the amount of assistance obtained by the State Government is not more than the amount actually spent by the State Government.
- (ii) The expenditure has not been inflated by fictitious adjustments by drawing A.C. Bills of heavy amounts, the detailed accounts of which not rendered in reasonable time or in any other manner.
- (iii) Any general and special conditions attached to the sanction have not been deviated and fund utilised for other purposes.
- (iv) If a copy of the Scheme, has not been received from the Headquarters, the same should be obtained from the department and the correctness of the expenditure incurred by the department may be checked keeping in view the details of the scheme.
- (v) The audit of expenditure incurred through local bodies and autonomous institutions should be conducted on the basis of the utilisation certificates. All cases where the execution of schemes by the local bodies etc. has been unduly delayed beyond the time limit specified for this purpose by the State Government, should be commented in the Inspection Report for taking up to the matter with the Government of India by FAA Cell concerned.
- (vi) While conducting regular audit the actual utilisation of grants sanctioned for the Central Plan, Centrally sponsored scheme and State Plan Schemes should be ascertained by the field parties.

Keeping in view, *interalia*, the scheme-wise comments, based on the following points, should be incorporated in the Inspection Reports :-

- (a) The amount drawn from the consolidated fund and paid to an autonomous institutions or a local body where it is not utilised for the purpose for which it was meant.
- (b) The amount drawn and kept in personal ledger account to be opened in the Treasury.
- (c) The amount withdrawn from consolidated fund and kept in Bank Account.
- (d) The amount withdrawn from the consolidated fund and kept in the form of cheques etc.
- (e) The details of cases for want of D.C. Bills, utilisation certificates and amount kept under “Civil Deposits” or “Personal Ledger Account” or keeping as unspent in the form of cheques, cash etc. will be examined/verified by the

audit parties during the course of local audit and will be linked with the actual scheme.

The A.M.G Sections located at the Headquarters are also directed to examine/ review from the Inspection Report the observations made by the audit parties on these schemes in the light of above facts connected with the amount paid to Central assistance and extract of para relating to each scheme should be communicated to FAA Cell for consolidation and onward transmission to the concerned Ministry/State Government.

[Authority :- I.C. I/N.-21012/28/95-96 dated 9.10.1995 G.O. No. 444.]

(vii) During the course of audit of Centrally Plan Schemes/Centrally sponsored schemes by the field parties it is essential to examine the following points for issuing audit certificate:-

- (a) Where it is not possible to relate the amount of A.C. Bills for which D.C. Bills are awaited in respect of a special scheme or class of scheme, such amount should not be included in audited expenditure figures while issuing the audit certificate.
- (b) Amount transferred into Personal Deposit account and actually not spent should not be included in audited expenditure figures.
- (c) Amount withdrawn by drawing Nil bill through “Transfer Credit Voucher” debiting the final head of account, should not be included in audited expenditure figures.
- (d) Government should be perused regularly for the amount kept in objection and intimated alongwith audit certificate to the department till it is settled/adjusted finally.

(Authority :- I.C. I/N-12012/84/99-2000 dated 25.6.1999 G.O. No. 483.)

4.39 Withdrawal of Funds to avoid their lapse

Funds not required immediately are withdrawn and deposited into Civil Deposits, Personal Ledger Account, Current Account, Saving Bank Account etc. to avoid their lapse in some specific cases by the departments. This practice is against the spirit of the General Financial and Accounts Rules.

In order to include a comment to this effect in “Chapter-II of Civil Audit Report”, it is, therefore, enjoined upon all sections located at the

Headquarters and Inspection Parties to follow directions in this regard as under :-

- (i) That having vetted the inspection reports, a copy of para drafted by the audit parties in respect of withdrawal of funds and its investment into Public account, Bank account alongwith complete details there of as mentioned in **Annexure-III** to this chapter should be sent to FAA Cell by Sr. AO/AAO of the section concerned.
- (ii) That generally at the time of issuing sanctions in the month of March, directions to deposit the amount into Civil deposits/P.D. accounts/Bank accounts etc. are also issued by Administrative and Financial Departments. Such issue of sanctions is irregular. This should be seen and examined by FASS.-I section and initiate necessary action in this regard.
- (iii) That Inspecting Officer/Party In charge should ascertain that irregular withdrawal of fund and its investment into Bank account etc. has been thoroughly examined, a para to this effect has been included in inspection report invariably.

(Authority:- I.C.-I/N.2101/7/95-96 dated 9.8.1995 Group order No. 440.)

- 4.40** Expenditure shall not be incurred in excess of sanctioned provisions. If the excess expenditure is essential in the interest of Govt. then prior approval of the Finance Department shall be obtained and it should be ensured that timely adjustment of the excess amount have been made through supplementary demand of by re-appropriation.

(Authority:- Government of Rajasthan, Finance Department (Income-Expenditure section) No.P-7(2) finance-I(1) Inc.Exp./2002 dated 11.12.2002)

4.41 Audit of sub-vouchers relating to D.C. Bills

As per Rule 219 (iii) of G.F.& A.R (Part-I) by the State Government only D.C. bills pertaining to A.C. bills will be furnished to Accountant General Office by the Disbursing Officers, sub-vouchers relating to D.C. bills will be kept within departments and audit thereof will be conducted at the time of local audit on the accounts of the departments.

During the course of audit of sub-vouchers relating to D.C. bills it should be seen :-

- (i) That all D.C. bills and sub-vouchers thereof pertaining to A.C. bills concerned drawn prior to 22.1.1986 have been sent to the Accountant General, (Audit-I) office or not.
- (ii) That all the sub-vouchers in respect of A.C. bills drawn by the Drawing Officer are available or not.
- (iii) That payments have been made at reasonable rates and provisions of G.F.& A.R. in this regard have been followed or not.
- (iv) That heavy payments made in the month of March are in conformity of G.F.& A.R. or not.
- (v) That stamp receipts in respect of payments made are correct and received, wherever necessary.
- (vi) That payments have been made to the party concerned.
- (vii) That what action has been taken to obtain outstanding receipts. Cases and period from which receipt are outstanding should also be specified clearly.
- (viii) That sub-vouchers of D.C. bills are related to A.C. bills drawn previously for specific purpose.

(Authority :- I.C.-I Group order No. 405 dated 13.10.1992.)

4.42 Most of the embezzlements are due to defects in maintenance of cash book, payment of forged bills, drawls of payments from treasury/banks by unknown persons, irregular store management and non-compliance of prescribed rules and procedure. To detect the embezzlement cases following instructions should be followed: -

- (i) A analytical view should be applied at the time of checking of cash book and entries thereof, physical verification of cash balances, examination of financial irregularities, store management and other essential records relating to receipts and payments so as to highlight the embezzlements at the appropriate time.
- (ii) It should be analyzed that rules and procedure are being applied properly or there are lapses in rules/procedures, which causes for embezzlement.
- (iii) Whether Cash Book is maintained regularly and erasures and alterations in the figures have been attested by the drawing

officers. Sanction of competent authority has been obtained before payment of the bill.

- (i) Detailed examination of other important points which helps in detecting the embezzlement cases.

(Authority: - Group Order No. IC-I/N-21011/77/2000-01/507 dated 1.11.2000)

4.43 Audit Memos

Audit objections issued through audit memos should be confirmed by the concerned office/department and in no case audit objections be included in inspection report without issue of audit memos.

Beside, the following points also be kept in mind while issuing audit memos:-

- (i) That audit memos issued should be correct and complete in all respects so that department concerned could give proper reply there of and it could also be ascertained in audit that it is worth while to incorporate objections with the comments of the department in draft inspection reports.
- (ii) That the members of the audit party should not depend only upon the reply/Factual Statement/list etc. prepared/provided by the department, instead they should personally prepare the Factual statement/list etc. pertaining to audit objections and verify the facts and figures mentioned therein so that the same may be incorporated in inspection report properly.
- (iii) That while issuing audit memos it should be kept in mind that these are related to the section who is required to furnish the reply, and if memo issued are dealt with in more than one section, separate section wise audit memos should be issued.
- (iv) That as soon as reply of audit memos is received, action to prepare inspection report should be started without further delay.

(Authority:- I.C.-I/A.G. Audit/Civil Audit/ 93-94 dated 29.4.93 Group order No. 409.)

ANNEXURE I

(Referred to in para No. 4.14 (B) (i) & 4.29 (b))

No. T.M./80-C/27 Dated 20.5.1980

SUBJECT:- Revision of the existing system and procedure of establishments audit

The question of revision of the existing system and procedure for establishment audit i.e., audit of Pay Bills of establishment had been under consideration of the Comptroller & Auditor General of India for some time. Keeping in view, the existence of adequate checks and balances in the departmental offices in the matter of regulation pay and allowance, and the repetitive nature of establishment charge, following decisions have been taken by the Comptroller & Auditor General of India.

- (i) Not reproduced.
 - (ii) Supplementary and Arrear claim should be generally reviewed during local audit to ensure that the cases are not kept pending unnecessarily and there are valid reasons for claiming them in arrears or in supplementary claims, and should be subject to detailed check in respect of such claims in the months selected for test audit.
 - (iii) Not reproduced
 - (iv) Not produced.
 - (v) The nominal audit of the pay and allowances drawn for individuals will be conducted during local inspection in the manner and to the extent indicated in paragraph 4 below.
 - (vi) Not reproduced.
 - (vii) (a) A part from the nominal audit being conducted during local audit the existing checks exercised in local audit, as indicated in the Annexure one establishment vouchers relating to test audit month or months selected for check, the service books and the leave accounts of non-gazetted Government Servants will continue to be exercised.
2. The existing audit system of T.A. bills of establishment, medical reimbursements bills over time allowance bills, reimbursement of tuition fees etc. will continue to be followed.

3. As regards the procedure for audit of pay bills of gazetted officers in whose cases, the system of issue of pay slips by audit offices has been dispensed with, any salary and allowance are drawn in the same manner as the non-gazetted establishment the existing system will continue.
4. Manner and extent of nominal check to be conducted during local inspection in addition to the checks exercised in local audit of establishment charges are mentioned in Annexure: -
 - (a) The nominal check during local inspection will be conducted in respect of pay bills of establishment for the month/months selected for test audit.
 - (b) The nominal check will be exercised with reference to initial and primary records containing the authority for the events necessitating the regulation of pay and allowances of Government Servants such as increment. Certificates sanctioning the increment, orders declaring him fit to cross the efficiency bar, order of promotion/reversion and fixation of pay on such promotion/reversion, sanctions to leave and the subsistence allowance granted to him, general orders of Government governing the pay scales, different types of allowance admissible and specific pay of compensatory orders of Government in regard to grant of special pay or compensatory allowance to any member of establishment or type of establishment. For this purpose the local audit party will maintain a guard file of general orders governing pay and allowances of establishment. Copies of specific orders relating to particular establishment should be made available by concerned FASS Section to local audit. The paid establishment vouchers for the months selected for audit should invariably be made available to the local audit parties well in time.

Apart from comparing the pay and allowances drawn by each government servant in the pay bills of selected test audit month/months with the corresponding entries in the pay columns of the service books and checking the acquittances rolls to ensure that the pay and allowance drawn have been disbursed and acquittances obtained properly and accurately, the admissibility of pay and allowances drawn for each individual Government servant in these pay bills should be checked completely in the manner indicated above.

- (c) The above checks should be integrated with the checks of service books as already prescribed and where service books are not made available they should be checked independently with reference to the initial and primary records mentioned above.
 - (d) In addition to audit of pay and allowances drawn in the pay bills of establishment for the month/months selected for test audit in the manner prescribed above, 20% of (a) cases of increment of the office under inspection, and (b) cases of fixation of pay on promotion/reversion during the period covered by local audit should also be during local inspection.
 - (e) The Inspecting Officer should include in a separate Para of the Inspection Report either in part II (a) or (b) or Part III, as the case may be, the results of local audit of establishment, the service books and leave accounts.
 - (f) The Sr. Audit Officer/Asstt. Audit Officer/Sr. Auditor/Auditor on inspection duty will give certificates mentioned in the title sheets at the close of the inspection
5. It has also been decided that nominal audit of establishment will be conducted during the regular local audit of the departmental offices and it is not necessary to form separate local audit parties nor to prescribe separate periodicity of local audit or the purpose. In case any departmental office is not subject to local inspection at all because of smallness of contingent expenditure incurred by that office, it should be ensured that such offices should be subject to local audit at least once in 3 to 5 years for establishment audit.
 6. In order to meet the additional work load on local audit parties, it has been decided that one extra party day for each office subject to annual or bi-annual inspection may be allowed for the additional items of work relating to nominal check as such offices would come under the category of large or medium size offices. It has been considered that offices which are subject to local inspection, triennial or at less frequent intervals would come under the category of small size offices which would not require any strengthening in the duration of audit for the items of work relating to nominal audit of such establishment. The revision of the party working days in local audit will commence only after the Audit of vouchers for April 1980 is completed in Central office.

7. The above decisions may be gives effect to from 1st April, 1980 i.e., in respect of pay bills of establishment paid from 1st April onwards.
8. The objection taken by the Local Audit Party concerning pay & allowances, increment, service books, leave account etc., of the Government servants shall not be passed on to concerned FASS Section. Instead, all such objection shall be pursued through the objection books of the Audit-I Section itself. In case any doubt is felt about any rule or order in any particular cases or about the applicability/ interpretation of any order that aspect may got examined by the Audit-I Headquarter from the concerned FASS Section.

ANNEXURE II

(See Para No. 4.35)

List of Government establishments to which the Employees State Insurance Act applied.

1. Public Works Department (B&R) Workshop, Ajmer.
2. Public Automobiles workshop, Bikaner.
3. Water works, Bhilwara.
4. Public Works Department (B&R) District Division II, Workshop, Jaipur.
5. Public Works Department (B&R) City Division-I Workshop, Jaipur.
6. Agriculture Workshop, Jhotwara, Jaipur West.
7. Jaipur Milk Supply Scheme, Jaipur.
8. Public works Departments, Roller Repairs Workshop, Jodhpur.
9. Government Ayurvedic Pharmacy, Jodhpur.
10. Rajasthan Ground Water Board Workshop, Jodhpur.
11. Public Works Deptt, Workshop, opposite power House, Udaipur.
12. Public Works Deptt. Workshop Kota.
13. Divisional Motor Garage, Udaipur.
14. Govt. Ayurvedic Pharmacy, Udaipur.
15. Water works, Bikaner.
16. Water Works, Sri Ganganagar.
17. Chambal Project Workshop, Kota.

(Authority: - Rajasthan Civil Services (Medical Attendance) Rules, 2013.)

ANNEXURE III

(Referred to in Note below paras 4.17 (A) (XI) and 4.39 (I))

1. ***Drawal of funds in March***

- (i) Particulars of drawing and disbursing Officer.
- (ii) Amount drawn and F.V.C. bill No. and date of drawl.
- (iii) Purpose for (and authority by) which amount sanctioned and drawn giving reference to sanction No. & date.
- (iv) Manner in which amounts retained i.e. in form of cash, bank draft, deposit at call etc. (with date of deposit or by obtaining bank draft etc.).
- (v) If drawn for payment of supplier, No. & date of supply order stating whether the supply was scheduled to be completed by a particular period.
- (vi) Date and particulars of payments actually made.
- (vii) Whether full or part of the amount drawn was refunded & if, so when.
- (viii) Reason for delay in payment and non-refund in time together with reasons for non-supply in time.
- (ix) Whether full amount or 90% of the amount of supply order was drawn and if advance payment was made, reasons thereof be also stated.
- (x) Terms and conditions for drawal/payment of amount as per supply order.
- (xi) Whether the drawal of amount was in order? If not, details of irregularities committed.
- (xii) Whether any incorrect certificates were recorded on the F.V.C. Bill at the time of drawal of funds stating that the material has already been received and entered on such and such date, number of the stock register?
- (xiii) Whether supply order was issued rate contract? If so, give particulars thereof.
- (xiv) In case supplies were not completed, what efforts the department made with the Supplier in getting the material?

In the case involving Rs. 50000 and above copies of sanction supply order, terms and condition for drawal/payment of amount, proforma invoice and bill of the supplier, extracts of certificate recorded on the body of the F.V.C. bills and any other relevant information/documents should be furnished and such cases should be included in the Inspection Reports.

2. *Cash balance at the end of the month of March*

- (i) Name of Office.
- (ii) Amount.
- (iii) Remarks (Reasons for the amount remaining unspent). The field parties should particularly comment on these cases where the amount involved is quite sufficient say Rs. 20000 or above and the amount has been retained in Cash in the following year for want of supply or for want of execution of the scheme for which the amount was drawn

Checks exercised in local audit of establishment charges

Local Audit

The following checks are in addition to those which have been prescribed from time to time. :-

(A)The establishment vouchers relating to the test audit month or months selected from check of the initial and subsidiary records kept in the departmental offices are taken by the inspection parties for checking them with cash book, office copies of the pay bills, rolls, treasury bill book etc.

Acquittance rolls and the register of undistributed pay and allowance are examined to see that each amount shown as disbursed has been disbursed to the persons entitled to receive them and the arrangement for keeping a proper watch over the undisbursed amount is satisfactory.

(B)Besides, the over-time allowance claims, children's education claims reimbursement of tuition fees claims and T.A. bills, are checked with reference to the local records kept in the departmental accounts office to satisfy about the correctness of the certificates on the basis of which the claims have been drawn and to see that the rules and regulations in regulating such claims have been followed.

(C)The pay and allowances drawn for each individual as per vouchers taken from the central office are compared with the corresponding entries in the office copies of the pay bills.

(D)The Service Books are checked to see that (i) a service book is maintained for every non-gazetted government servant and a service roll for each class-IV; (ii) entries for all events in the official career of a government servant are made in the service book and attested by the competent authority; (iii) no alteration is made in the date of birth without the sanction of the competent authority; entries in the front page are re-attested every five years; (iv) annual certificate of service verification of service recorded in the service book. Entries in pay columns are verified with reference to the office copies of the pay bills for the month or months selected for detailed audit to see that they agree. The quantum of check of service books has been prescribed so that each service book will be verified once in four years as the service books are the only documents for verification of pension

In the service book selected for check, the correctness of pay and increments allowance to the Government servant from time to time for the period to which the check of service book relates is also to be checked.

It is also checked that no payment has been made to a government servant beyond his attaining the age of superannuation or on the expiry of term of extension of service sanctioned by the competent authority. The audit endorsement duly signed by the incharge of the Inspection Party is required to be made in the service books checked during the local audit.

Leave Account

5% of the leave accounts including accounts of persons likely to retire or likely to complete 30 years of qualifying service are checked in detail to see that :-

- (i) It has been posted properly and closed after the incumbent returns to duty from leave and every entry has been duly attested.
- (ii) Sanctioned leave has been correctly posted in the leave account and entry of the leave sanction order has been attested.
- (iii) Leave at credit has been correctly calculated in accordance with rules and the leave account has been revised with

reference to orders relating completion of probation, confirmation etc.

- (iv) The fact of issue of certificate under Fundamental Rule 26(b) is recorded, where the period of leave is counted as service for increment under that rule.
- (v) Subsidiary leave accounts have been maintained where necessary.
- (vi) The collective record of the various kinds of special leave granted to the employee is maintained.
- (vii) The nature and extent of leave sanctioned is correctly due and admissible to the employee; and
- (viii) There are no cases of evasion of leave rules.

CHAPTER 5

STORES AND STOCK ACCOUNTS

5.01 General

- (a) Consolidated Stores and Stock accounts for consumable Stores & such of those non-consumable stores which are kept in stock for purposes of distribution should be prepared by all the Heads of Departments concerned, based on the stock returns of the subordinate offices, for being included in the synoptic statement of stores and stock accounts in the Audit Report. It has been ordered by the Comptroller & Auditor General of India that the stores Accounts of such of those departments, where annual stores purchases exceed Rupees Five lakhs, may be considered as important and included in the synoptic statement under the Stores & Stock accounts chapter of the Audit Reports.
- (b) As per Rule 15 A of G.F. & A.R. Part-II, the following Head of departments will furnish their Annual Stores & Stock Accounts upto 1st July each year to this office: -
1. Chief Engineer, Ground Water Department, Jodhpur.
 2. Director, Agriculture Department, Rajasthan, Jaipur.
 3. Director, Water Shed & Soil Conservation Department, Rajasthan, Jaipur.
 4. Director, Animal Husbandry Department, Rajasthan, Jaipur.
 5. Director, Medical & Health Services, Rajasthan, Jaipur.
 6. Director, Ayurvedic Department, Rajasthan, Ajmer.
 7. Director General of Police, Rajasthan, Jaipur.
 8. Controller, State Motor Garage, Rajasthan, Jaipur.
 9. Commissioner, Food Department, Rajasthan, Jaipur.

10. Inspector General of Prisons, Rajasthan, Jaipur.
11. Commissioner, Excise Department, Rajasthan, Jaipur
12. Director, Printing & Stationery Department, Rajasthan, Jaipur.
13. Inspector, General, Registration & Stamp, Rajasthan, Ajmer.
14. Inspector General, Civil Defence Department, Rajasthan, Jaipur.
15. All Chief Engineers, Public Health & Engineering Department, Rajasthan..
16. All Chief Engineers, Irrigation, Rajasthan
17. Chief Engineer, C.A.D. IGNP, Bikaner.
18. Chief Engineers, IGNP, Bikaner.
19. Chief Engineer, CAD, Kota.
20. Chief Engineer, Mahi Project, Banswara.
21. Chief Engineer, Director, Sidha Mukh, Nohar Project, Hanumangarh.
22. Chief Engineer, Chambal Project, Kota.
23. All Chief Engineers, IGNP, Jaisalmer.
24. Chief Engineer, Project Management Cell, Churu
25. Chief Engineer, Project Rajasthan Vidhan Sabha Pariyojana, Rajasthan, Jaipur
26. All Addl. Chief Engineers, irrigation Rajasthan.
27. All Addl. Chief Engineers, C.A.D. IGNP Rajasthan.
28. Principal Chief Conservator of Forests, Rajasthan, Jaipur.
29. Chief Conservator of Forest, IGNP, Bikaner.

30. All Chief Engineers, Public Health & Engineering Department, Rajasthan.

31. All Chief Engineers, PWD Rajasthan.

(c) The departments concerned will furnish the consolidated stores & stock accounts to this office in the following proforma :-

Items of Stores	Opening Balances as on 1st April	Receipts during the year	Utilisation (sold other-wise disposes off)	Written off as shortage etc.	Closing Balance as on 31st March
1	2	3	4	5	6

The accounts are to be supported by the following certificates from the Head of Department:

- (1) “Certified that the figures in this statement represent a substantially correct statement of facts and that the stock in hand as on 31st March in respect of all the articles was not in excess of the requirements and consists of serviceable articles required for use”.
- (2) “Certified that the stock was physically verified from time to time and that with the exception of the excesses & shortages indicated below, found to agree with the balance indicated above”.

The Director, Treasury & Accounts, Rajasthan would get the physical verification of stores & stock conducted in accordance with direction given in Annexure –‘A’ under Rule 12(3) of Rajasthan General Financial and Accounts Rules Part-II.

5.02 The consolidated account furnished by the department is to be audited by the local audit parties at the offices of the Heads of the departments to ensure that the accounts have been properly consolidated and that the statements etc. received from the subordinate offices were properly prepared and that adequate checks were exercised by the Heads of the Departments, in the consolidation and certification of the accounts. Thereafter the following certificate would be recorded by the Audit Officer:-

“The Stores and Stock Accounts of was test-audited under my supervision in the office of the with reference to the statements received from the various subordinate offices and found to be correct according to the best of my information and in consideration of the explanations given to me”.

NOTE 1. – Non-receipt/ delayed receipt of Stores and Stock Accounts by the Heads of Departments from various subordinate office/field units lead to delay in preparation and submission of accounts to the Accountant General (Audit-I). The Accountant General (Audit-I) has, therefore, desired that parties conducting audit of the subordinate offices/ field units should carefully examine the reasons for late/non submission of accounts by them to their controlling officers. During local audit intelligent review of the position of stock account might bring out some of the grave irregularities and defects in system as defects in system. Suitable paras bringing out irregularities noticed as a result of such reviews may be incorporated in the Inspection Reports.

[Group Order No. OAD-I / S.S.As. / 235 dated 07.03.80.]

NOTE 2. – The checking of the initial accounts of stores maintained in the subordinate offices in case of Medical Department, various Presses, District Agriculture Offices is absolutely essential to supplement the audit of Stores and Stock Account conducted in the office of the Head of the Department who merely consolidates the accounts received, from his sub-ordinate offices. The same is to be conducted at the time of usual local audit of each office received from the Head of the Department should be filed in the Inspection

Report file, which should be checked by the audit party during next local inspection. A note of this should be made in the Index Sheet and the Asstt. Audit Officer should give a certificate in the forwarding Memo while sending the Inspection Report that he has checked the Stores Accounts and the irregularities have been incorporated in the Inspection Report. A copy of these irregularities effecting the Stores & Stock Account should be sent to the Head of the Department specially and a copy kept in the File of Stores and Stock account of each department which should be checked again at the time of next audit in the office of the Head of the Department.

[Office Order No. OAD / Circular / 18, dated 06.01.1958.]

NOTE 3. – Articles such as Instruments and appliances form part of ‘Dead Stock’ and should be excluded from the Statement of Stores and Stock accounts.

[OAD-IV / G.O. / Gen. / K.933 / G.0124 dated 01.02.1976.]

5.03 Account Records

The following are the important records to be examined: -

- (1) Annual Stock returns received from subordinate offices.
- (2) Write-off files.
- (3) Physical verification reports.
- (4) Any other files relating to preparation of the consolidated stock account.

5.04 Process of Audit

It should be seen that: -

- (i) The consolidated account has been prepared in the prescribed form and is signed by the Gazetted Officer-in-charge of the accounts as well as the Accountant or other subordinate who prepared the account.

- (ii) The opening balance agrees with the closing balance of the previous year.
- (iii) The amount shown under the column “Written-off” is supported by write off orders and only book value is written off.
- (iv) The arithmetical calculations in the account are correct.
- (v) Certificates and explanations on the following points are furnished by the department with the stock account: -
 - (a) Whether the figures in the consolidated account represent a substantially true and correct statement of affairs and agree with the figures in the registers maintained in the several offices and institutions.
 - (b) Whether the closing stock in all the offices and institutions under the control of the department has been physically verified and, if so, by which agency?
 - (c) Whether the closing balance agrees with the balance as per accounts of the Accountant General’s office in the case of opium and stamps stock account and action has been taken for reconciling the difference, if any?
 - (d) Whether the closing stock is or is not in excess of requirements?
 - (e) Whether action has been taken for writing-off the value of stores, which have been lost or have become unserviceable?
 - (f) Whether there are abnormal variations in closing stock or amount written off as compared with previous years and, if so, the reasons for such variations; and

- (g) Whether the accounts indicate purchases in excess of requirements; and if so, the reasons for such purchases?
- (vi) The CAG's in their General Circular No. 1 No. 102-Rep. (S)/7/97 dated 30 01.1997 had desired that a review on Stores and Stock Under the provision of section 17 of CAG's (Duties, Powers and Conditions of Service) Act 1971 of at least one department in rotation be undertaken and guidelines given in Annexure "A" to this chapter may be followed.

The correctness of the explanations and certificates furnished by the department should be examined and suitable audit comments appended to the Stock Account, wherever necessary.

5.05 Check of initial accounts in Unit Offices

While conducting the check of initial accounts in Unit / subordinate offices, as laid down in the note below para 5.02, following points should be kept in view: -

- (i) Figures shown in the Stock Accounts should agree with the balances in Store Ledgers.
- (ii) The cost of stores purchased (i.e. total receipts less stores received in transfer from C.S.P.O., other Departments) etc. should be agreed with the cash debits appearing in the accounts.
- (iii) The total issues (apart from the stores transferred to other Departments) should be checked with the issue register, their value agreed with the accounts and unadjusted items mentioned in audit comments.
- (iv) Shortages, damages, etc. should be scrutinized to see that proper and correct action has been taken for investigation and recovery / write off and items written off by competent

authority have correctly been valued and shown as such in the accounts.

- (v) Valuation of others, especially the closing stock, should be reasonable. (Closing stock should be valued at cost price plus incidental charges).
- (vi) The correctness of the certificates given by the Department should be verified as also the arithmetically accuracy of the ledger balances.
- (vii) Loss in the value of stores due to storage over a long period or on account of the expiry of their prescribed life, etc., should be brought out in audit comments.

[OAD / S&S / Accounts / Gen / 2411, dated 24.08.1967.]

5.06 The audit of stores accounts shall be directed to ascertain that the departmental regulations governing purchase, receipt and issue, custody, condemnation, sale and stock-taking of stores are well devised and properly carried into effect.

- (A) As regards purchases of stores, it should be seen: –
 - (1) That they are properly sanctioned and made economically, in accordance with any rules or orders made by competent authority for purchase of stores required for the public service in particular; when stores are purchases from contractors the system of open competitive tenders is adopted and the purchase is made from the lowest tender unless there are recorded reasons to the contrary.
 - (2) That the rates paid agree with those shown in the contracts or agreement made for the supply of stores;
 - (3) That certificate of quality and quantity are furnished by the approving and receiving Government servants before payment

is made except where the contrary is allowed by the rules of Government regulating purchase of stores.

- (4) That orders for purchase have not been split up so as to avoid the necessity of obtaining the sanction of higher authority required with reference to the total amount of orders.
- (5) Proper specification and required quality are indicated in unambiguous terms and,
- (6) Purchases are made at the right time to avail the advantage of favourable market; e.g., the market prices of food grains are likely to be the cheapest immediately after harvest.

NOTE – Audit may call attention to cases of uneconomical purchase of stores and of any losses, which may be clearly and definitely attributed to the defective or inferior nature to stores which were accepted and certified to be satisfactory in quality.

- (B) The accounts of stores should be generally examined to see :-
 - 1. That they are kept in the prescribed form.
 - 2. That entries of receipt and issue are made in them as transactions actually occur, that issues are supported by the proper authority and by proper acknowledgement and that some official is entrusted the responsibility of checking them properly and working out the balances correctly. Note: - The entries of issues in the stock and stores accounts for the month or months selected for test check should be ticked off while checking them with reference to the issue invoices or vouchers.
 - 3. That the accounts of balances which were audited in the previous inspection have been produced complete in all respects, that no entries in them have been tampered with, that the closing balances as per previous accounts have been

correctly carried forward to the accounts under scrutiny, and that there exists a certificate of periodical check of balances;

4. That stores are periodically counted, weighed or otherwise examined by some responsible official, other than the custodian of stores or his subordinates wherever possible, and verified with the balances in the stock book and that necessary action has been taken to adjust the surplus or shortage noticed.
5. That there is no unnecessary accumulation of stores; Purchases especially at the fag end of the year are not resorted to solely with a view to avoiding lapse of budget provisions and
6. That adequate action has been taken for the disposal of surplus, obsolete and unserviceable stores.

(C) Where a priced account is maintained, it should be seen: -

- (1) that the issues are priced with reasonable accuracy and the rates initially fixed are reviewed from time to time and revised where necessary so as to bring them within the market rates;
- (2) that the value accounts tally with the accounts of works and of departments connected with stores transactions, that the total of the value account agrees with the outstanding amount in the general account and that the numerical balance of stock materials is reconcilable with the total of the value balances in the accounts at the rates applicable to various classes of stores; and
- (3) that steps are taken for the adjustment of profits or losses due to revaluation, stock-taking or other causes, and that these are not indicative of any serious disregard of rules.

5.07 Disposal of obsolete, surplus or unserviceable stores

- (a) It should be seen during local audit that in the matter of disposal of obsolete, surplus or unserviceable stores, the procedure laid down in Rules 16 to 21 of the General Financial

and Account Rules Part- II of the Government of Rajasthan is carefully observed by heads of offices.

(b) The following further instructions have been issued by the Government of India and compliance with these by the heads of offices should be ensured during local audit: -

- (i) Full particulars regarding all condemned stores should be recorded in a suitable list from which their disposal can be watched.
- (ii) Where the articles are sold by public auction, the head of the office or any other Gazetted Officer should invariably attend the auction and record the final bids.
- (iii) The head of the office or any other Gazetted Officer should also be present when the articles sold are released, his presence being most essential when the release of the articles takes place sometimes after the auction or when it involves processes such as weightment, etc.
- (iv) A report of surplus stores for disposal should be prepared in Form S.R. 5 of the G.F. & A.R. Part-II as prescribed in Rule-17(i). This report should be signed by the head of the office or other gazetted officer after satisfying that all the items have been included in the surplus report.
- (v) A sale account should also be prepared in Form S.R. 7 (given in Rule 23(iii) of the G.F. & A.R. Part-II). The sale account should be signed by the Officer who supervised the auction after comparing the entries made in the sale account with report of surplus stores. If the articles are released in the presence of an officer

other than the one who supervised the auction, the entries in column 9 of the sale account should be attested by dated signature of such officer.

[G.I.M.F. (Deptt of Expr.) O.M. No. F. 11(5) E-II(A)/59 dated 13th February, 1959 forwarded in C.A.G's No. 53 Audit/II/Admn-I/58 dated 2nd March, 1959.]

(c) Rule 12 of GF&A.R. Part-II lays down that physical verification of all stores should be conducted at least once a year and Rule 13(vi) lays down that the officer conducting physical verification of stores will immediately report about unserviceable stores to the authority. Similarly, Rule 17 & 19 *ibid.*, lay down that the authority declaring the stores as unserviceable should record the full reasons for condemning them and how the condemned stores are to be disposed off i.e. whether by sale, public auction or otherwise. The information on surplus / unserviceable stores in the following proforma should invariably be furnished in an annexure to the Inspection Report and six copies of the annexure sent to concern Audit-I Headquarter's sections along with the draft Inspection Report.

(d)

1. S.No.
2. Name of articles with brief particulars as regard quality and make etc.
3. Date of purchase.
4. Purchase price.
5. Circumstances under which declared surplus / unserviceable or obsolete.
6. Present condition of stores i.e., whether serviceable or unserviceable.

7. Appropriate cost expected to be raised.
8. Reasons for non-disposal so far.
9. Mode of disposal / sale, public auction or otherwise, suggested.
10. Orders of the authority (Name, number and date) declaring unserviceable / surplus.
11. Remarks.

[OAD-I / G.O. 64 dated November, 1973]

Omission on the part of Departmental Authority in adhering to the codal provision on the subject should be similarly commented in the draft Inspection Reports. Two additional copies of the annexures (one for Government & the other for Finance Appropriation Audit Cell) detailing surplus / unserviceable stores should be sent with the Inspection Reports.

[OAD-II / 10 / G.O. / 37, dated 22.09.70]

5.08 Physical Verification Reports

As per Rule-12 (4) of GF&AR Part-II each Head of Department / Office is required to furnish a certificate to the Director, Treasury & Accounts, Rajasthan, Jaipur by 31st May each year to the effect that physical verification of stores of this office has been duly carried out as required under the rules during the last financial year & results thereof have been intimated to the Director, Treasury & Accounts, Rajasthan, Jaipur wherever required under the rules.

The field parties may ascertain whether such certificate has been sent by the office concerned & a clear indication should be given in the Inspection Report in case of default and in case of shortages, etc. The date of physical verification may also be invariably indicated.

[OAD-II / F. 10 / G.O. / 12, 24.12.69]

[OAD-I / G.O. / B.O. 132 dated 13.10.1976 and Section order OAD-I / G.S. / K 248 dated 06.05.78 – Copy at P-24 /c of the file No. D.P.Cell (OAD) / XXVIII-8 / 75-76]

Proforma for the Register for Receipt of Intimation Regarding Physical Verification of Stores

Name of Office	Financial Year	Date of Physical verification	Whether physical verification completed & certificate sent to C.A.O.	In case of shortages the amount of shortages	Ref. to para No. of I.R.
1	2	3	4	5	6

[OAD-II / 010 / G.O. / 112, dated 24.12.69]

ANNEXURE “A”

Para No. 5.04 (vi)

AUDIT OF MATERIAL MANAGEMENT

Before commencing the audit of stores and stock, the following aspects should clearly be understood.

1. Assessment of requirement.
2. Availability of funds.
3. System of purchase.
4. Accounting, handling and custody
5. Stocktaking.

Assessment of requirement:

The procedure of assessment of requirement should be accurate so that there is no procurement either in excess or in advance or too late of actual requirement. In case there is no prescribed system of assessment of demand, it would result in blockade of funds where the material is procured in advance or in excess of actual requirement. Delay in procurement of material will on the other hand affect the completion of the scheme of project which has a price escalation factor and delayed accomplishment of the aims and objectives of the scheme of project.

Availability of funds:

The procurement of material should be co-related with the availability of funds. If this aspect is not given cognizance by the department, it would result in lapse/excess of budget grant. Resorting to fictitious stock adjustments by the departments and drawl of funds in advance of actual requirement at the fag end of the year to avoid lapse of the sanctioned grant are other facts of this lapse.

Fictitious stock adjustments:

The transactions of receipts and issues are recorded in the chronological order of occurrence. Fictitious stock adjustments are strictly prohibited. The following adjustments constitute fictitious adjustment: -

- a. Debiting to a work, the cost of materials not required, or in excess of actual requirements to avoid lapse of the budget grant.
- b. Debiting to a work for which funds are available, the value of materials intended to be utilised on another work for which no allotment has been sanctioned.
- c. Writing back of the value of materials used on a work to avoid excess outlay over appropriation.

System of purchase:

- a. At the outset it needs to be seen whether there is a purchase manual and the purchases are effected according to the provisions of the manual.
- b. In the case of departments where large purchases manufacture or consumption of stores are effected, they have their separate rules / instructions for the purpose. For instance, in PWD and IPH departments, there is a separate Store Purchase Organisation/Standing Purchases Committee catering the need of the department. The intention of evolving such a system is to effect purchases in bulk from the principle manufactures to achieve competitive rates and to make purchases in the most economical manner. The system, if not evolved, should be commented by substantiating the same with supporting date.
- c. The departmental officers can procure supplies from the following sources ;
 - (i) DGSD;
 - (ii) Central Stores Purchase Organisation (CSPO)

(iii) Local purchases

In the case of procurement of material through DGS&D, the Heads of departments may place the indents to the DGS&D. Supply Orders can also be placed on firms on rate contract with DGS&D by the authorised Direct Demanding Officers.

It should be seen in audit that the powers delegated at different levels are not exceeded to and orders have not been split up to avoid the sanction of higher authorities. There is a tendency of resorting to last minute purchases in certain offices by collecting spot quotations. Such purchases are made on the plea of urgency or emergency. Since the spot purchases are not covered under the normal rules, the department version requires in-depth study. It will be helpful if such purchases are co-related with the actual consumption of material to verify the genuineness of the urgency of emergency. The payments in respect of all such supplies should be released only after the certification of quality and quantity in full by responsible officer as per rates agreed to in the supply orders.

- d. When purchases are being made through tender system, following points need to be seen in audit:-
 - (i) Adequate publicity, as prescribed, is given to ensure better participation.
 - (ii) There is apparently no formation of cartel to grab most of the contracts.
 - (iii) Specifications are firmly laid down before issuing N.I.T.
 - (iv) Local purchases are not made without getting a non-availability certificate from the Stores Department.
- e. Proper ordering level for major items has been fixed to avoid frequent tendering of the same item.
- f. Whether there is a regular system of vender's rating and review of it is conducted after periodic intervals.

A.G. Memos:

When the supplies are obtained through DGS&D the payments are released by their P.A.Os against the proof of dispatch documents. On receipt of debits from the respective P.A.Os. the same are passed on to the consignee divisions by A&E Office. Since the payments in respect of these supplies are released by the P.A.Os in advance of actual receipt of supplies at the destination, there is every possibility of short/non-receipt of material, missing consignments and pilferage etc. There may be cases where the A.G. Memos have been responded by placing the amount in P.W. Advances. Such cases need therefore, special attention. Audit may, review the outstanding balances and analyse the reasons thereof in depth.

Custody and Accounts of Stores:

- (a) It needs to be seen whether there is a stores manual and receipt, custody, issue and accounting are being generally made in accordance with the provisions of the manual.
- (b) The Head of an office or any other Officer entrusted with stores of any kind should take special care for arranging for their safe custody, for keeping them in good and efficient condition and for protecting them from loss, damage or deterioration. Suitable accommodation should be provided more particularly for valuable and combustible stores. He should maintain suitable accounts and inventories and prepare correct returns in respect of the stores in his charge with a view to preventing losses through theft, accident, fraud or otherwise and to make it possible at any time to check the actual balances with the book balances and the payments made to suppliers, etc. For securing this object, it is important that all quantities received in or issued from stores are entered in the stock account strictly in accordance with the rules and in the order of occurrence on dates the transactions take place, so that it should be possible at any time to check the actual balance with the book balance.

- (c) Separate stock accounts are normally maintained in respect of Dead stock and Consumable stores. The major consuming departments are required to maintain their accounts as per manuals of such departments.

Receipts and issue:

The following points should be seen:-

- a. In respect of the selected month, all materials received as per GRS and issued as per indents have correctly been recorded in the Bin Cards and Priced Store Ledgers. The material issued to works has been accounted for in MAS Registers. In case of issues outside the division, necessary authority existed to ensure recovery of the cost. Cases, where the payment has not been received for a pretty long period, should be thoroughly scrutinized to ensure that the transactions were not made with a view to cancel the shortages. Heavy old balances under the head “Cash Settlement Suspense Account” may be viewed in this type of transactions.
- b. The balances of Bin Cards and Priced Stores Ledgers are reconciled at intervals and completed Bin Cards received in the Division are verified with corresponding entries in the priced Stores Ledgers. Necessary evidence of such check by the Divisional Officer is available in the Bin Cards as well as in the ledgers.
- c. Adequate care is taken for the proper maintenance and safe custody of these records.
- d. That maximum and minimum level of stock holding have been fixed major items of stocks. Where the competent authority has fixed the reserve stock limit for any financial year, Audit should see that the limit fixed is reasonable as per actual requirements and is not exceeded at any particular period of time.

- e. Where the materials has been sold to municipalities, public or contractors, prescribed supervision charges are realized in addition to the value of stock. The supervision charges should be treated as revenue receipt or receipts on capital account as the case may be.
- f. Where scale has been prescribed for issue of stores of any particular kind, it should be seen that the scale is not exceeded.
- g. Where stores are supplied to branch / field offices directly by the supplier there is a system of getting acknowledgment of receipt from the branch / field offices. The same system should be examined for issue of stores from the General stores to other units.

Issue rates

The Issue rate of an article of stock should be fixed at the beginning of each year and should remain constant during the year provided there are no material variations in rates of fresh supplies. This rate in the stock on the principle that there may be no ultimate profit or loss in the stock accounts. The issue rates should normally be kept within the market rates. However, where the issue rates are appreciably less than the market rate, care should be taken that the issues to contractors and issues to other divisions and departments are at market rates.

The issue rates fixed are inclusive of storage charges on percentage basis. The amount recovered on account of storage should be worked out from the annual total credits to suspense stock and adjusted in accounts by reduction of expenditure "Receipt and Recoveries on Capital outlay". The amount so adjusted should be compared with the expenditure on storage as booked. Non-observance of the prescribed procedure may result in charging to stock any unrelated item of expenditure. Cases have come to notice of audit where even buildings have been constructed by debiting the cost to stock without any authority. Audit should examine such cases and brought out the irregularities.

At the close of each financial year, the annual excess or shortfall representing the differences in values of purchase and issue price should be worked out proforma and credited to revenue or receipt on capital account or charged off as “Losses on Stock”. These differences should be taken into account at the time of fixation of issue rates for the next year. It is also to be ensured that the valuation of stock is correct and the same system is being uniformly followed.

Stocktaking: -

A physical verification of all stores shall be made at least once in every year. The verification is not entrusted to a person, who is the custodian, the ledger keeper, or the accountant of the stores or to their nominees or who is not conversant with the nomenclature of different classes of stores. The verification shall be as far as possible is entrusted to a officer who is independent of the staff, responsible for physical custody. The results of physical verification should be reported to the Head of Office for orders but as soon as a discrepancy is noticed, the book balance must be set right, treating a surplus as a receipt and a deficit as an issue with a suitable remark.

It should, inter-alia be seen, in audit that-

- a. When the charge of the person responsible for the custody of the stores is changed, it should be ensured that complete charge has been handed over by the relieved officer and there is no discrepancy as compared to the book balances.
- b. Necessary security deposits have been obtained from the persons entrusted with the work of handling and custody of stores.
- c. There are adequate arrangement for stacking and safe custody of stores. The perishable stores are consumed within their life span.
- d. Retention of excess stores and unserviceable stores involve wastage of labour on its care and avoidable occupation of space where other items can be accommodated. Audit scrutiny should cover the effectiveness

of the measures to survey, segregate and dispose off surplus, unserviceable or obsolete materials.

- e. Sanctions to write off have been accorded by competent authority and there had been no system defect. The written off stores are destroyed or disposed off as per orders of the sanctioning authority.
- f. Where the material is found lying in stock unutilized for a long time, efforts should be made to trace out the source. This will help in establishing that the material is lying unused due to purchases in excess of the actual requirement.
- g. Whether there is a proper system for regular identification of slow / non-moving items and their disposal.

Cash Settlement suspense account:

It should be seen from records whether the cost of services/supplies rendered/ made by one division to another has been settled within the prescribed period from the date of receipt of the account from the originating (supplying) divisions. If not, what exactly has been the reason for non-adjustment as this would result in non-accounting/wrong accounting of material/supplies.

Since there is scope for misappropriation, pilferage and concealment of shortages etc. Audit may, therefore, review the balances in depth with a view to bring out any discrepancies.

(B) AUDIT OF STORES AND STOCK ACCOUNTS

DEFINITION OF STORES AND STOCK

1.1 Stores comprise all articles and materials purchased or otherwise acquired for use of government. Stores include not only expendable and issuable articles in use or accumulated for specific purposes, but also articles of dead stock of the nature of plant machinery, instruments, furniture,

equipment, fixtures, livestock etc. Stores, however, exclude books, periodicals, publications etc. in a library. Stock denotes stores kept in stock.

1.2 Stores and stock accounts include:

- Acquisition of stores,
- Their custody and distribution and
- Their disposal

1. BASIS OF AUDIT

Section 17 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 vests in the Comptroller and Auditor General the authority to audit and report on the accounts of stores and stock kept in any office or department of the Union or of a State.

2. SCOPE OF AUDIT

3.1 Rules and regulations which govern the purchase, receipt and issue, custody, condemnation, sale and stocktaking of stores have been laid down by government. The audit of stores and stock accounts in any office or department of government should be directed to ascertaining that the rules and regulations are well-devised and properly carried into effect, and to bringing to the notice of the government / legislature important deficiencies or grave defects in the system of control and avoidable expenditure or losses arising therefrom. In other words, the audit is directed to assessing the efficiency and effectiveness of the purchases function and the system of material management as a whole in the department. Irregularity in the disposal of public stores is equivalent to an illegal appropriation of public money and an audit of expenditure on purchase of stores cannot itself be a complete audit of the final application of the money without the audit of disposal of stores.

3.2 The stores and stock accounts form part of the initial and subsidiary accounts of the department. As such, audit thereof is conducted during local audit of the offices/ departments.

3. AUDIT CRITERIA

The following criteria could be broadly applied for the audit of stores and stock.

The need for the stores should be well defined and related to approved programme objectives.

The requirements (type and specification) for material should be defined in such a way that material acquired will enable the user to meet the need for a given purpose in an economical and efficient manner.

The right quality of the material in the right quantity should be acquired with due regard to economy, and it should be available for use when it is needed.

Stock management covering inventory control, storage and distribution should be economical and efficient.

Equipment should be properly utilized.

Procedure should be in place to ensure adequate security and custody of material and to ensure that material is not misused.

Disposal should yield maximum net benefit.

Due regard should be given to economy and efficiency of the entire materials management process.

4. ACQUISITION OF STORES

4.1 *Sanction:* While conducting the audit of purchase of stores, it should be seen that every purchase is covered by proper sanction and that purchase orders are not split up to avoid obtaining the sanction of higher authority required with reference to the total amount of the orders. Expenditure on stores is included under contingent expenditure, except when it is treated otherwise; e.g., stores relating to work, and as such. An authority competent to incur expenditure may sanction the purchase of stores required for use in public service.

Subject to the usual restrictions regarding existence of budget provision. availability of foreign exchange where necessary etc., and the monetary limits and other conditions prescribed generally-or in regard to specific cases. The delegation of powers and the rules and regulations made in this regard are to be looked into to see if the competent authority has sanctioned the purchase.

- 4.2 *Estimation of requirements:* The next point to be seen is the forecast of requirements This aspect assumes importance as purchase and stocking of materials in excess of requirements not only result in locking up of funds and avoidable expenditure on storage, handling and upkeep of surplus materials but are also attendant with the risk of lost due to depreciation in quantity and quality as well as obsolescence of materials with the passage of time. On the other hand purchase and stocking of materials less than the requirement is also equally injudicious as purchases especially of essential materials, when needed, may have to be rushed through at higher costs. It is to be seen in audit whether inventory management procedures have been prescribed interalia, to ensure that the optimum quantity of materials is purchased and stocked and that these procedures are being followed. The procedure adopted for estimation of requirements is to be studied in depth to see if the pattern of consumption in the past stock on hand and anticipated supply against pending orders, further trends of consumption, maximum limits, if any, prescribed and other known and foreseeable factors having a bearing on the consumption of stores have been taken into account and the requirement assessed. Normally, the requirement is estimated annually but where any other periodicity is prescribed. It should be seen whether it is adhered to. The other points to be looked into are:

Articles which are likely to depreciate or deteriorate during storage or which have a limited shelf life are not bought far in advance of requirements.

In the case of stores required for specific works the requirements is assessed correctly with reference to plans, estimates and drawing.

Proper specification and required quality are indicated in unambiguous terms.

Purchases, especially at the fag end of the year, are not resorted to solely with a view to avoiding the lapse of budget provision.

- 4.3 *Procedure for purchase:* The object of scrutiny of the methods adopted for purchase is to ensure that the purchases have been made most economically and in accordance with the rules and regulations made by the competent authority. The points to be looked into are as follows :

Purchases are made at the right time to avail the advantage of favourable market; e.g., the market prices of food grains are likely to be the cheapest immediately after harvest.

Where there is a central stores purchase organisation, Purchases are made only through that organisation and local purchases by field officers assisted to only exceptional cases for valid reasons

In cases where the stores of the specification required are covered by the rate contract entree into by the Director General of Supplies and Disposals (DGS&D) such stores are purchased under the rate contract.

When purchases are made from the market, the system of competitive tenders is adopted – open, limited, single or global, as the case may be, depending on the value and nature of stores, as laid down in stores purchase rules. The rules of the government generally prescribed the circumstances in which, and the monetary limits upto which, open limited, single or global tenders have to be invited. Subject to these rules, the following guidelines govern the circumstances under which the various kinds of tenders are invited.

Open Tenders: Open tenders involve invitation of tenders, after giving wide publicity. Where the value of stores warrants it, wide publicity may be given through newspapers and Tender Digest published by the government. Where the value of the stores to be purchased is not sufficiently large, the publication may be limited to the Tender Digest of the government and notice board of the various offices concerned. Generally, open tenders have to be resorted to when the stores supplied are being manufactured and distributed by a large number of firms in the country.

Limited Tenders: When the value of the stores to be purchased is not large enough or when the number of manufactures and distributors of the articles of stores is limited and known, limited tender system may be adopted. This, however, implies that the department has a fairly exhaustive list of all manufactures and suppliers of the article of stores to be purchased or the value of the stores to be purchased is so small, that there will not be much advantage in giving wide publicity, through newspapers etc. It must, however, be ensured that limited tender invitations are sent by registered post to all eligible firms.

Single Tenders: When the item to be purchased is proprietary in nature, is inevitable that a single tender is resorted to. In no other case will single tender be justified. In general single tender may be necessary in respect of spare parts of machinery. However, in certain cases, even spare parts of machinery may be manufactured by a large number of firms in which case, resorting to single tender could be objectionable.

Global Tender: This is resorted to in rare cases in respect of big project, particularly World Bank aided projects where global tenders are generally insisted upon. As global tenders may involve foreign exchange outgo, this should not be resorted to unless there is specific requirement for inviting global tender under the orders of the Central Government. When the value of items to be purchased is very small and the requirement immediate, purchases can be effected by inviting quotations instead of resorting to open tender etc.

The rules of the government lay down the monetary limit upto that purchases based on quotations can be resorted to.

The sealed tenders are opened on the prescribed time and date and according to the prescribed procedure regarding corrections and in the presence of the tenderers who may choose to be present.

The tenders are opened by the competent officer and so recorded by him in the register of tenders and signatures of tenderers present are taken.

- The tenders not containing to the tender conditions, in particular, conditions relating to earnest money deposit, specification delivery time, taxes, price variation etc. are rejected properly.
- The concession in respect of GST, excise duty etc., if any is duly availed of.
- The purchases are made from the lowest tenderer: in cases where purchase is made from a higher tenderer, the reasons for rejection of the lower tender(s) and acceptance of the higher tender have been kept on record, and are valid and justifiable.
- While evaluating the tenders, directions, if any issued by government, as a matter of policy for encouraging indigenous trade, small scale industries etc. have been correctly applied.
- Governments have issued guidelines for purchase of stores from their own departments, companies and public sector undertakings; in such cases, the conditions governing priorities, price preferences etc. are not deviated to the detriment of the financial interest of government.
- When the rates quoted by the tenderers are not on common terms, the rates are reduced to common terms for the purpose of comparison of rates.
- The comparative statement of tenders has been correctly drawn up and only the rates for the specification required are compared.

- The tender has been accepted only by the authority competent to do so.

4.4 *Agreements:* Besides seeing that agreements are not executed by the suppliers/tenderers whose rates have been accepted, the agreements themselves should be scrutinised to see:-

They are in proper form; standard form, if any, has been subjected to adequate and proper scrutiny and has been approved; in cases of deviations where deemed necessary, legal and financial advice has been sought to safeguard the interest of government and to eliminate the risk of any dispute.

The terms of the agreement are precise and definite and there is no room for any ambiguity or misconstruction therein.

The particulars regarding quantities, rates, specification etc. are correctly entered.

The terms governing inspection, delivery, payment etc., are specified without any omission.

In agreements providing for price variation, the basis for assessment of the variation has been precisely spelt out.

The price variation clause in respect of taxes and duties specify the existing rates of taxes and duties correctly; in respect of raw material, the correct formula is adopted, the price of raw material based on which the prices are quoted is specified in the tender and the payment of price variation is subject to certificate by cost accountant: in respect of cost of labour, an acceptable formula is adopted and cost of labour index derived from workmen cost of living index and price variation is allowed only in cases of timely delivery.

They incorporate the right of rejection of stores not conforming to the specification or received beyond the delivery period and provide for

levy of liquidated damages for non-supply/short supply/delayed supply of stores.

The terms and conditions of the agreements are not materially varied or deviated without the approval or previous consent of the competent authority: where a supplementary contract has been negotiated or payment authorized for additional or extra services required of the supplier/contractor, the propriety of the action is to be looked into, besides the competency, to see if the additional/extra services could not have been contemplated even at the time of placing tenders and whether there has been any unintended or undue benefit to the supplier/contractor.

In cases where a formal written agreement is not made, at least a written consent as to the prices is obtained before placing orders for supplies.

The agreements provide for collection of security deposit towards satisfactory fulfilment of the contractual obligations and in cases, where it is not done, it has been waived by the competent authority under general or special orders.

In the case of items, which lose their potency after a specified period, a warranty period is specified in the agreement. Within which stores have deteriorated or have been found to be not conforming to the specification and quality can be rejected and returned, despite inspection and acceptance at the time of supply. Similarly, in the case of equipment, machinery etc. the agreement provides for a guarantee period for the satisfactory performance of the supplies and release of the final payment and/or security deposit only thereafter.

- 5.5. *Receipt of Stores and Settlement of Bills:-* The following should be seen in audit :-

All items of stores paid for have been received, examined counted, measured or weighed as the case may be, while taking delivery and the officer receiving the stores has certified in the bills for the supplies that the stores are according to the prescribed specifications of quantity and quality and that they have actually been received and taken into stock in the appropriate stock register.

The rates charged and paid agree with these in the agreement.

In cases, where inspection in stages has been contemplated in the agreement, e.g. at the time of manufacture, when supplied after erection etc., such inspections have been made by the stipulated authorities and certification of inspection have been received and attached to the bills for the supplies.

The conditions governing the supplies, as in the agreement, have been strictly complied with, particularly the delivery period and when belated supplies have been accepted, liquidated damages as provided in the agreement have been recovered from the bills.

Where advance payments have been made either in full or in part, as per the terms of agreement, sufficient precautions have been taken to safeguard the interests of government; the stores have been received and the advance payments adjusted in the final bills.

In cases where actual are payable towards railway freight, insurance charge etc. the claims thereof have been supported by documentary proof.

Where the agreement provides for payment on the basis of prevailing market rates on the date of receipt of the purchase order by the firm or on the date of supply etc. such rates have been ascertained and correctly applied for regulating the payment.

In cases where the agreement provided for collection of security deposit, as a percentage of the value of supplies, as and when paid for,

such deductions have, in fact made at the prescribed rate and the deposit amount is released only after satisfactory completion of supplies and after the expiry of the guarantee/warranty period, as stipulated in the agreement.

6. STOCKING AND ISSUES

6.1 *Custody of Stores:* It should be ensured that procedures for custody of various articles of stock have been prescribed and are duly observed. Adequacy of storage facilities is to be looked into and inadequacies, if any, examined. In particular, it should be seen whether adequate precautionary measures have been taken to keep the stores in good and efficient condition and to protect them from damages of deterioration due to corrosion, rusting, dampness etc. Losses on account of theft, fire, neglect, spoilage etc. are to be examined and the departmental failure assessed.

6.2 *Issues:* the point to be looked into are:

Stores are issued only against proper indents in the prescribed form duly approved by the competent authority.

Scales, if any, prescribed for drawl/consumption of materials are adhered to.

A proper written acknowledgement is obtained from the recipients.

In the case of issue to contractor, from whom cost is recoverable, the acknowledgement gives full particulars of the materials including the recovery rates and the total amount chargeable to him.

Only such materials as are provided in the agreement and such quantities thereof as are required for use in the work within a reasonable time are issued to contractors.

6.3 *Stock accounts:* The stock accounts are examined to see the following:

They are kept in the prescribed form.

All receipts and issues are recorded in chronological order as and when the transaction actually occurs.

The balance of stock after receipt/issue is correctly worked out.

All entries in the stock account relating to receipts; issues and balances are attested by a responsible officer.

Balance as per previous account is correctly carried forward and no entries are tampered with.

All issues are supported by indents approved by the competent authority and proper acknowledgement of the recipients.

In the case of transfers from one work or section or department to another, proper acknowledgements, indicating that the stores have been duly accounted for, are obtained and kept on record.

An account of consumption of consumable stores is maintained accurately and in detail, by the indentures to whom these stores are issued.

When issues are made for replacement of old and worn out materials, the old and worn out materials are received back and duly accounted for.

Separate stock accounts are kept of

- Dead stock such as plant, machinery, furniture, equipment, fixture etc., and
- Other stores i.e. raw materials, expendable stores etc.

The balance of stores in hand does not exceed the maximum limit, if any, prescribed and is not in excess of the requirements for a reasonable period.

6.4 *Valuation of Stores:* The following should be seen in audit:

Stock account, recording both quantities and values, are maintained in cases where stores are intended to be converted into money or where their cost is distributed over, some public works, items or objects on which they are actually used or where they enter the block account maintained for a government commercial undertaking.

The values recorded in the priced inventory are not materially in excess of the market value of the stores.

The stores are priced with reasonable accuracy.

The rates fixed initially are reviewed from time to time and revised whenever necessary so as to correlate them with the market rate.

The system adopted for pricing issues is consistent and not changed often.

The value accounts tally with the accounts of works and departments concerned with the stores transactions.

The total of the value accounts agrees with the outstanding amount in the general accounts.

The numerical balance of stock materials is reconcilable with the total of value balances in the accounts at the rates applicable to the various classes of stores.

All profits and losses due to revaluation, stocktaking or other causes are duly recorded and adjusted, where necessary, and they are not indicative of any serious disregard of rules.

Losses are adjusted after obtaining orders of the competent authority and losses due to theft, fraud, neglect, lack of foresight in regulating purchases, purchase in excess of requirement resulting in surplus or obsolete stores, and wastage, in excess of the prescribed limits are investigated fully and responsibility fixed, wherever called for.

6.5 Annual Stocktaking: The points that should be looked into are:

The system of verification of stock prescribed is adequate and is adopted by the department.

The stores are counted, weighed or otherwise examined periodically , at least once a year, by the department under the procedures prescribed and rules made by the competent authority for physical verification or stores and reconciled with the balances in the stock accounts.

The verification has been entrusted to the custodian, the ledger keeper or the accountant of the stores to be verified or an officer not conversant with the classification, nomenclature and technique of particular classes of stores to be verified.

The verification has not been left on low-paid officials and in the case of large and important stores, it is entrusted, as far as possible, to a responsible officer who is independent of the subordinate authority in charge of the stores.

A certificate of verification of stores with the results is recorded in the inventory or stock account.

All discrepancies noticed are brought to the account immediately so that the stores account represents the truncate of affairs the excesses, after investigation to ensure that they are not due to incorrect accounting, are taken as results and the shortage, which are not due to incorrect accounting, charged to the stock after obtaining the write off orders from the competent authorities.

Before ordering write-off of the shortage, the competent authority has investigated the reasons for the shortage and fixed responsibility whenever called for.

7. SALE AND DISPOSAL OF STORES

7.1 *Inspection of stores:* The following should be seen:

The inventories are commensurate with the normal requirements of the departments.

Periodical inspection of stores is undertaken by the department to survey and segregate surplus, obsolete and unserviceable stock.

- 7.1.1 *Disposal of surplus, obsolete and unserviceable stores:* Audit scrutiny should be directed towards seeing:

Efforts have been taken to transfer the surplus stores to other works/ departments where they could be utilised.

A report of the surplus stores which cannot be so transferred as well as obsolete and unserviceable stores is promptly sent to the competent authorities for issue of orders for disposal.

There is no undue delay on the part of the competent authorities in issuing orders for disposal, resulting in deterioration of stores and consequent loss.

The orders declaring stores as surplus, obsolete or unserviceable should specify the full reasons for declaring them as such.

The surplus, obsolete and unserviceable stores have been promptly disposed off on receipt of orders from the competent authority, by sale in public auction or through invitation to tenders, or otherwise, as is specified in the orders themselves, to the best advantage of government.

Where the competent authority holds that the stores have become surplus, obsolete or unserviceable owing to negligence, fraud etc. on the part of individual government servants, responsibility for the loss is fixed and remedial measures devised to prevent recurrence of such cases.

8. INTEGRATED AUDIT OF STORES AND STOCK

It is desirable to attempt an integrated audit of the assessment of need, sanctions and contractors for acquisition of stores, receipts custody, issue, utilization and disposal of stores organized department wise depending upon

the relative importance of stores and stock in the activities of the various departments and organisations of government.

9. TYPICAL AUDIT OBSERVATIONS

Some of the typical audit observations on stores and stock accounts, features in the Audit-I Reports are given in the **Annexure-I**

ANNEXURE-I

TYPICAL AUDIT OBSERVATION ON STORES AND STOCK ACCOUNTS

Sanction and Estimation of Requirement;

Sanction obtained in excess of requirement and purchases made partly at the fag end of a year with a view to utilizing the saving in the budget provision.

Fixation of reserve stock limits after the close of a year instead of at the beginning thus defeating the very purpose for which these are fixed.

Lesser purchase by a centralised agency against the annual requirement of users resulting in piecemeal local purchases of the balance at higher rates by call of limited quotations.

Purchase of stores without sanction to estimates of the work for which the stores were meant.

Purchases and Agreements

Unnecessary purchase of material long before the actual need leading to loss and accumulation of idle stock.

Failure to give wide publicity for purchases.

Purchase of material without inviting tenders contrary to regulations.

Failure to accept tenders within their period of validity resulting in extra expenditure.

Rejection of a valid and acceptable lowest offer leading to loss.

Purchase of material without its suitability for the purpose for which it is intended resulting in accumulation of stock.

Purchase in small quantities rather than in bulk resulting in extra expenditure.

Payment of agency commission in excess of what has been allowed by government.

Injudicious purchase of material of higher specification entailing extra cost.

Erroneous grant of price preference leading to loss.

Restricting of orders placed on a supplier to a quantity lower than the tendered quantity and subsequent purchase at a higher rate.

Erroneous indication of a higher price in the purchase order placed on the basis of a rate contract.

Excess payment owing to allowing higher tolerance in weight than that specified in the purchase order.

Non-replacement of defective supplies contrary to the terms of the contract leading to loss.

Replacement of defective components entailing avoidable expenditure due to procurement of equipment not conforming to specification.

Stocking, Issue and Accounting

Accumulation of material in one office without transfer to another office where it was needed and purchase by that office entailing avoidable expenditure.

Centralized purchase and distribution by road leading to avoidable expenditure on transportation.

Absence of proper procedures for operating a centralized stores organisation covering forecasting, planning. Procuring, stocking, preservation, issue and accounting of stores, even long after its establishment.

Storage facilities for medical stores not conforming to the provision of the Drugs and Cosmetics Act.

Over-stocking far beyond requirement and non-availability of stock to meet requirements.

Equipment remaining idle due to lack of proper planning and coordination.

Large amounts blocked in machinery remaining unutilized.

Non-settlement of inter-divisional transfers of stores for years although the settlement has to be made within ten days.

Advance payments made years ago with no information as to whether the stores had been supplied or not.

Non-reconciliation of quantity balances in the accounts of stores section with these of Priced Stores Ledger involving risk of possible shortages being hidden.

Non-maintenance of quantity and value accounts.

Stock Verification and Disposal.

Part physical verification of stock without assigning any reason for the non-verification of the balance.

Misappropriations/shortages rendered possible due to non-verification of stores at periodic intervals.

Shortage disclosed by independent stores verification remaining unregularised for long.

Non-disposal of a large part of the surplus stores for want of sanction of government.

Bulk purchase of spares without assessing equipment/make-wise-requirement leading to needless accumulation and disposal at a loss.

Loss of sale on “as is where is” basis without assessing the value fully.

CHAPTER – 6

AUDIT OF PERSONAL LEDGER ACCOUNTS AND LOANS & ADVANCES

Personal Ledger Account

6.01 General

The Personal Ledger Accounts (PLAs) dealt with in this chapter relate to all kinds of accounts, which are maintained on the principles of personal deposit accounts under the orders of The Government.

NOTE 1: It has been ordered by the Comptroller and Auditor General of India that the fee collected from the students for extra-curricular activities in all educational institutions, should be brought within the Public Accounts and maintained in the form of personal deposit accounts subject to local audit by the Accountant General (Audit-I).

(G.I.M.E's letter No. F. 19-21/56-D-5, dated 3.8.1956 and C.A.G's letter No. 2373-Admn. 4/43-Admn./58, dated 7.10.1959)

NOTE 2. It has been ordered by the Comptroller and Auditor General of India that the funds maintained by the offices of the departments in their official capacity should also be brought within the Public Accounts of the State.

6.02 Accounts Registers

The following are the important registers which shall be scrutinised during local audit :-

1. Cash Book.
2. Receipt Books and Cheque Books.
3. Register of Receipt Books.
4. Register of Cheque Books.
5. Treasury / Bank Pass and Remittance Book.

6.03 Scope and extent of audit.

The object of audit of personal ledger accounts is to ensure that the initial accounts of the money are properly maintained by the persons operating on the accounts do not delay remittances into the accounts of money received by them in connection therewith, and that they do not make withdrawal or divert the funds temporarily for purposes unconnected with the accounts (vide para 3.11.10 & 3.11.11 of the M.S.O. Audit). The object of audit is also to safeguard the possibility of fraud or embezzlement of the money lodged therein.

The Audit Plan every year should include audit of at least 25 % of the transaction from PLAs of the DDO being audited on regular basis.

[C.A.G's General circular No. 14, No. 779- Rep (5) 79-95 Dated 16.7.1997]

The party in charge will check at least 25 % or more of total transactions of P.L.A./ P.D. Account during the local audit as per guidelines given in the next paragraph and information will be collected in the proforma given in **Annexure "A"** of this chapter and forwarded to Headquarter along- with title sheet.

As per Rule No. 8 of G.F.&A.R. the funds should only be withdrawn from treasury when it is necessary for immediate disbursement. Funds should not be withdrawn from treasury and placing in to P.L.A. / P.D. Account, Current Account & Saving Account to avoid lapse of budget and placing such moneys in deposits in the Public Account or with a Bank is forbidden. Such type of cases should be commented in Inspection Report.

[Authority: C.A.G's D.O. Letter No. 724 Rep (S) 79-95 dated 25.6.1998 & Group Order No. I.C. I / N-21012 / 84/ 98-99 / 479 dated 4.8.1998]

6.04 Process of Audit

Normally the audit will be combined with the audit of expenditure of the office visited by the local audit staff. The general instructions given in chapter 4 should be observed during the course of scrutiny of the various registers maintained. Besides it should also be seen that: -

1. Receipt are granted for moneys paid to the Administrator of the Accounts and they are promptly brought to account.
2. The withdrawals are correctly accounted for and they agree with those shown in the passbook.
3. The expenditure is properly vouched.
4. The expenditure is in accordance with instructions issued for the opening of the Personal Deposit Account.
5. There is proper reconciliation of the balance in the Administrator's Accounts with that in the treasury and that proper action is taken for the settlement of the discrepancies, if any.
6. The circumstances, under which the Personal Deposit Account was opened, still continue to exist.
7. The balance outstanding for a long time in the accounts are disposed off as per instructions issued from time to time.
8. The Administrator is prompt in giving the annual acceptances of the balance as reported by this office or has taken proper action to reconcile the discrepancy, if any.
9. Loans were sanctioned to Zila Parishad from the amount retained in P.L.As.

10. Funds kept in P.L.As diverted for other purposes such as payment of T.A. advances, payment of advances to private parties / bodies, repair to bungalows of government officers.
11. Discrepancy in number of PLAs operated as per books of AG and as per the records of government.
12. Discrepancy between the amount transferred to PLA and amount actually credited to PLA.
13. Prescribed maximum ceiling limit for retaining amount in PLA not adhered to.
14. Expenditure in excess of Budget provisions met from amount retained in PLA.
15. Amount from PLA withdrawn and deposited in current / saving / fixed deposit accounts in Banks.
16. Loans were raised by State Government against fixed deposit to pay over-draft and interest on such loan met from PLA fund.
17. Payees receipt and utilisation certificate for the amount paid from PLA were not obtained.
18. PLAs opened for limited purpose and for limited period were not closed and continued to be operated for depositing funds to avoid lapse of funds.
19. PLAs opened without concurrence of AG not closed annually.
20. Two or more PLAs opened for same purpose without closing the PLAs opened earlier.
21. Funds received from GOI for Central Schemes transferred to PLA to avoid lapse of funds.
22. PLAs which are not being operated, were not closed and amount transferred to Consolidated Fund of the State at the end of the year / prescribed period.
23. Revenue receipts are credited to PLAs.
24. Certain advances paid to officials from PLA were not adjusted and shown as outstanding.
25. In respect of Centrally Sponsored Schemes State's share are credited to PLA instead of to saving bank accounts as required under the Scheme. Diversion of Central Plan and Centrally Sponsored Scheme funds to PLAs and their misuse by administrator for the purposes other than the object of the scheme be highlighted.
[C.A.G's D.O. No. 724 Rep (s) 79-95 Dated 24.6.1998.]
26. Details of amount kept in PLA (scheme wise) not available.
27. PLAs showing negative balances.

28. The loans raised by government corporations transferred to government accounts are retained under PLAs and at the end of the financial year the loan was repaid to corporation and again in the month of April fresh loans raised by the corporation transferred to government accounts are deposited in PLA.
29. The extent, nature and modus operandi of clandestine diversion of funds to PLA Accounts at the close of the year, when the department is unable to spend the amount were there any specific/ general orders for such transfers.
30. Inter-mixing of funds of different schemes in one PLA making it impossible to distinguish the expenditure under different schemes thereby weakening the expenditure control.
31. Allocation of work to technical departments in the districts not on the basis of the criteria laid down under different schemes but on the basis of likes and dislikes of the administrators of the PLAs. This aspect needs to be looked into closely and commented upon.
32. Thorough and intelligent check of muster rolls with a view to detect fraudulent payments.
33. Audit of 'NIL' Payment Vouchers.

Considerable amounts of funds are transferred, at the year end from the Consolidated Fund to the Public Account (for example to deposit heads) through 'NIL' payment vouchers. Since the amounts so transferred are booked as expenditure under the Consolidated Fund, the expenditure figures are artificially increased, while there is no actual cash outgo from the Government fund. Such type of vouchers should also be audited and financial implications may be commented in para as per guideline given in this paragraph S.N. 1 to 33.

[Group Order No. I.C.-I / N- 21012 / 84 / 98-99 / 479 dated 4.8.1998, C.A.G's D.O. letter No. 416-Rep (S) 166-98 dated 5.5.1999.]

It should also be ensured that the prescribed subsidiary registers with reference to the orders issued are maintained by the Administrators and sufficient precautions are taken to safeguard the possibility of fraud or embezzlement of the money lodged with them.

Audit of Loans and Advances

6.05 General

The following points may be specially seen during local audit and suitable comments included in the Inspection Reports giving full facts:

-

- (i) That a suitable accounting procedure has been devised and instructions for the proper maintenance of accounts exists. Further the relevant registers and other records are maintained properly and on the prescribed forms. If any of the record is either missing or not maintained properly, the fact should be brought out in detail.
- (ii) That the sanction for the grant of loan is not beyond the financial powers of the sanctioning authority and that the amount of loan does not exceed the maximum limit prescribed in the rules.
- (iii) That adequate machinery exists for ensuring prompt and proper utilisation of loan and that the recovery of loan installments / interest including penal interest has been affected on due dates as per conditions of the loan.
- (iv) That adequate safeguards have been taken to ensure repayment of loan;
- (v) That an agreement has been entered into with the loanee and the same registered where necessary.
- (vi) That the land, machinery etc. have been hypothecated to Government where so required & appropriate insurance policy has been received.
- (vii) That proper payee's receipt exists in every case.
- (viii) That loan have not been granted twice to the same persons for the same purpose when rules do not provide for the same.
- (ix) That a loan has not been granted to a loanee who has already made a default in respect of the previous loan.
- (x) That the recovery of the installments of loans is regular. If not, year-wise position of the arrears of principal and interest due for recovery should be indicated in the Inspection Report.
- (xi) That the departmental figures have been reconciled with the figures shown in the books of Accountant General (Accounts & Entitlement) and that the balances shown in the latter's books accepted as correct.
- (xii) That loan is utilised for the purpose for which it is granted and there is no diversion or misapplication / misappropriation of loan. It should also be seen that utilisation certificate have been received in all cases. If not, full statistics of awaited utilisation certificate should be given.
- (xiii) Whether the overall balances of loans and advances at the end of the financial year have been accepted and an intimation of the acceptance has been sent to the Accountant General (Accounts & Entitlement), if not, reasons thereof.

(xiv) Whether appropriate and timely action has been taken to ensure recoveries of loan / interest? (Specify the delays in raising of demands etc.).

(xv) Reasons for not raising the demands in time.

(xvi) Whether any periodical review is done by the department?

(Authority: H.O letter 5181/GEI/185-2004/30.9.04)

6.06 checking of Permanent Advance & Imprest

Sanction to permanent advances should be examined and reviewed to see: -

- (1) That the officer sanctioning the advance is competent.
- (2) That there is no specific order of Government withholding from him the power to sanction permanent advances.
- (3) That the advance is intended not for his own office but for a subordinate office.
- (4) That the amount sanctioned does not exceed the limit recommended by the Head of the Department or fixed by the Government either for an office or for the sanctioning authority.
- (5) That these advances are not multiplied unnecessarily.

The permanent advances (imprest) should be checked by the Inspection / Local audit parties during local audit in order to see that the amounts held by various disbursing officers are not in excess of their normal monthly requirement.

(Authority – Ministry of Finance O.M. No. F. 7/2/72, coin dated 1.8.1973 & para No. 3.13.13 of M.S.O. (Audit), Edition 2002.

6.07 Audit of Taccavi Advances

The grant of Taccavi Advances to the cultivators is governed by the relevant provision of the “Taccavi Rules” issued by the Government in 1958. The loans under the Taccavi Rules are advanced both by the Revenue Department and by the Agriculture Department.

The advance given by the Revenue Department include: -

- (i) Ordinary Taccavi Advances.
- (ii) Famine Advances.

The loans advanced by the Agriculture Department consists of: -

- (i) Advances for installation of pumping sets.
- (ii) Advances for mechanized cultivation; and
- (iii) Advances for Grow More Food Scheme.

The Agriculture Department has framed detailed rules regulating the procedure to be followed in the grant of these advances and these rules should be looked into at the time of each inspection.

The initial records maintained at the District Headquarters consist mainly of –

- (i) The loans register, and
- (ii) The Khatauni of demands.

These records should be checked by Audit-I parties with a view to see that:-

- (1) Full particulars of the loanees are available;
- (2) The objects for which the loans are given are covered by the rules.
- (3) The loans are recovered promptly and that a proper arrangement exists to watch the same.

Audit-I Inspection parties should also see that the loans are utilised for the purpose for which they are granted. This can be done by going through the departmental records and the quarterly reports sent by the Patwaries to the Tehsildars vide Rule 70 of the Taccavi Rules, 1958. The loan files should also be seen vide rule 71 *ibid* to ensure that these reports are received regularly. These loan files are sent to the Collectorate as soon as the last installment of the loan has been paid or every month vide rule 50 *ibid*.

In order to check the original account maintained in the offices of the Disbursing Officers the collectors should be asked sufficiently in advance of the date of Inspection to obtain the relevant loan files from the Disbursing Officers and keep them in readiness for local audit on the dates intimated by this office.

While drafting the report, it should be specifically seen that separate paragraphs are prepared in respect of each type of loan granted and a specific mention made in the report whether the loans obtained are utilised for the purpose for which they are intended.

In the case of loans granted by the Agriculture Department for the purchase of pumping sets, etc. besides satisfying that the relevant orders and instructions issued by the department have been correctly followed, it should also be seen that the assets purchased are hypothecated to the Government.

[Office Order No. TM / VII (A)/ Adl. G.I. / Vol. D / 2672, dated the 29th July 1955. No. O.A.D. II / G 2704, dated 9th August 1955 and No. T.R. 138 / Report (C) dated the 29th August, 1957.]

[NOTE – The audit of loans and grants conducted in the office of the Collectorate covers various types of loans administered by different Administrative Departments. Paras pertaining to various Administrative Departments of the Government are to be issued to the department concerned and are also to be shown against the concerned Departments.]

All the field parties should ensure that: -

- (i) Paras pertaining to one Administrative Department are put in the draft Inspection Report at one place;
- (ii) The names of Administrative Department to which the para relates are also indicated in the beginning of the paras.

6.08 Scope and Extent of Audit.

As detailed accounts in respect of loans and advances are not kept in Central audit, local audit is undertaken to verify that the initial accounts of these transactions are kept properly. The object of the local audit is to see that the sanctions and disbursements to loans are according to the rules and procedure prescribed and that recoveries are affected regularly and credited to Government promptly under the correct heads. An important check to be exercised in local audit is to examine the methods applied by the Departmental Officers to satisfy themselves that the loans and advances disbursed by them have been expended on the object for which they have been sanctioned.

It has been decided by the Comptroller and Auditor General of India that a substantial percentage of the loan registers kept by the departmental officers should be conducted apart from a general review of all or at least of those in two taluka in each district.

The quantum of checks has been prescribed in the local Secret Memorandum of Instructions.

6.09 Results of Audit

Generally the objection relating to PLAs/Loans/Advances, accounts should be included in the Inspection Report pertaining to the offices locally examined. The Inspection. Reports of other than PLAs/LOANS/ADVANCES should be sent to the Administrator of the accounts with a copy to the Head of the Department concerned.

ANNEXURE A
(Referred to in para 6.03)

Details showing the transactions under Personal Ledger Account and Personal Deposit

Name of Office	Name of Treasury	Name of Drawing and Disbursing Officer	No. Of Personal Ledger Account	Transactions during the year under P.L.A/c	Details of P.L.A/c audited by the In charge of Party
1.	2.	3.	4.	5	6

Opening Balance as on 1 st April	Transfer of amount under P.L.A/c during current year	Expenditure during the year out of P.L.A/c	Balance as on 31 st March	No. of Transaction of more than 1 Crore	Position of P.L. A/c of Transfer/ Deposit as on 31 st March	Other Remarks.
7	8	9	10	11	12	13

Asstt. Audit Officer
Party No.....

SECTION-II
STATE GOVERNMENT DEPARTMENTS AND INSTITUTIONS
CHAPTER 7

**AUDIT OF ACCOUNTS OF HOUSEHOLD SECTION AND THE
SECRETARIAT OF HON'BLE GOVERNOR OF RAJASTHAN**

Section I – Household Section

7.01 The local audit of the accounts of Governor's household and office of the Secretary to the Governor (Secretariat Portion) is conducted at the office of Secretary to the Governor of Rajasthan, (Raj Bhawan, Jaipur) under the direct supervision of Sr. Deputy Accountant General /Deputy Accountant General (AMG-III).

NOTE 1 - Even preliminary observation memos should be issued over the signature of Group Officer to ensure that frivolous and petty observations are avoided.

[C.A.G.'s Confidential letter No. 939 Admn. I/6121-56(ii) dated 28.4.1962 File No. Sr. D A.G. (I.C.) 2 Vol. I]

NOTE 2 – House-hold of Governor of Rajasthan has come into existing on 1.11.1956. (Secretary to Governor D.O. Letter No. 5921 dated 15.10.1957 to Accountant General placed in the file No. Senior D.A.G. (I.C./2 Vol. I.)

7.02 The object of scrutiny of accounts is to see that

(a) The expenditure does not exceed the budget provision under various sub-heads of account and also the ceilings prescribed in the schedules of the Governor's (Emoluments, Allowances & Privileges) Act-1982, operative w.e.f. 1.4.1987 & Governor's (Allowances & Privileges) framed there under.

(C.A.G's letter No. 775-Audit/22-69/II dated 8.7.1969 File Conf./D.A.G./ OAD/23.)

(b) There are no serious irregularities or embezzlements of any kind.

[Government of India, Ministry of Home Affairs Confd. letter No. 1/42/61-Public-I dated 16.1.1962 file senior D.A.G.(I.C.)/C/2 Volume-I]

NOTE – The allowances and privileges of the Governor are governed by articles 156/158 of the Constitution of India, Section 73 of the S.R. Act, 1956 and the Act and rules made thereunder viz, the (Governor's

Allowances and Privileges) Act, 1982 & Rules 1987 (as amended from time to time)* vide **Annexure-I** to this Chapter.

* Amended vide GSR 70(E) dated 01.02.1989, GSR 949(E) dated 28.12.1992, GSR 275(E) dated 10.3.1993, GSR 708(E) dated 16.11.1993, GSR 696(E) dated 26.09.2001, GSR 87(E) dated 10.02.2009, GSR 288(E) dated 31.3.2011, GST 518(E) dated 16.07.2014, GSR 788(E) dated 11.11.2014 & GSR 80(E) dated 10.02.2015

7.03 Sumptuary Allowance of the Governor

Sumptuary allowance of the Governor is drawn on a contingent bill by an officer authorised by the Governor i.e., by the Secretary to the Governor of Rajasthan and any unspent portion thereof lapses at the end of the year. Essentially, therefore, it is of the nature of a grant to a department and withdrawals from this grant have to be subjected to audit scrutiny in order to ensure that they have properly accounted for. Audit need not question the discretion of the Governor in the matter of guests whom he invites or the incurring of charges, which it is customary to meet out of the sumptuary allowance, such as the cost of meals of Aid-decamps (A.D.Cs), etc. Audit should not also object to the Governor's paying for himself or other members of his family at a rate, which he considers reasonable. It is laid down by the Comptroller & Auditor General of India that transactions which pertain to the head of a state should hardly be dealt with lightly and even in the performance of such a function as that of audit of expenditure, the nature of the fund and the status of the dignitary for whose use it is constituted should be duly borne in mind.

[C.A.G's letter No. 2055 Admn. I/621-56 dated 13.8.1957 File Senior D.A.G. (I.C.)/C/2 Volume-I]

7.04 Creation of separate fund and limitation of the amount of the grant to that fund

When the Governor forgoes his sumptuary allowance, the State Government can create a separate and independent fund for expenditure on public hospitality to be administered by the Secretary to the Governor on behalf of the Government, the intention being that the provision for such expenditure should be made separately from the head under which sumptuary allowance falls. This fund is nothing more than a grant to be drawn as and when required and the amount remaining unspent at the end of the year lapses. As the "Sumptuary Allowance" cannot be increased except under an enactment made by the Parliament under articles 158(3)

of the Constitution, the intention is that the grant for meeting the entertainment expenditure should not also be exceeded except by a similar process. In other words it is limited to the amount voluntarily surrendered by the Governor.

[M.H.A. letter No. 19/11/56 Pub-I dated 28.3.1956 & C.A.G.'s No. 310-A/172-56 dated 15.2.1957 file Senior D.A.G. I.C./C/2 Volume –II]

7.05 Other transactions

Besides the transactions met from sumptuary allowances test check of the following is also to be conducted: -

(a) Contract Allowance –

Contract allowance is intended to cover miscellaneous expenses on wages, allowances, pensions, etc. of household servants, maintenance of motorcar supplied to the Governor at the cost of the State and household contingent expenses.

[G.I.M.H.A. No. 19/42-61/Public-I dated 9.4.1962 in reply to C.A.G.'s letter No. 340 Admn. I/621-66/III dated 8.2.1962 A.G.'s letter No. 1235-A/183-57 dated 13.6.1958, Budget Officer & Government of Rajasthan No. D. 7143/File-4(119)F(B)/ 56 dated 31.7.1957.]

NOTE- Contract and other allowances are drawn from Government account by the Secretary to the Governor as and when necessary against actual requirements.

[C.A.G.'s letter No. 310-A/172-56 dated 25.2.1957.]

(b) Entertainment Allowances

(i) This allowance is intended to cover hospitality expenses of the Governor and charges in connection with the visits of high personages. The instructions given for audit of sumptuary allowance in Para 7.03 above would apply for this allowance also.

[C.A.G.'s letter No 2055 Admn.-I/621-56 dated 13.8.1957 file Senior D.A.G. (I.C.)/C/2/Volume-I.]

(ii) The audit of these transactions is conducted as per procedure laid down in Chapter 4 of Audit-I Manual read with Chapter 4 of Section III of M.S.O.(Audit) for audit of contingent bills. The extent of audit will be as provided in Secret Memorandum of Instructions regarding the extent of audit.

[Memorandum No. T.M.VIII (19) GOVNR/Vol.2/2277/1452 dated 17/18.8.1959 File No. Sr. DAG (I.C.)/C/2/Vol.-I.]

(c) (i) Expenses towards purchase of medicines equipment etc. required for the Raj-Bhawan Dispensary –

Audit of this item of expenditure should also be conducted on the same lines as in sub-para 7.05(b) (ii) above.

(ii) Medical facilities for the Governor –

The Governor will be entitled to medical facilities as per Section 7 of Governor's (Emoluments, Allowances & Privilege) Act, 1982 and Rule 10 of Governor's (Allowances & Privileges) Rules 2001, made there under

(d) Tour Expenses

The cost of all journeys of the Governor during his term of his office whether on duty or on leave is charged against the grant "Tour Expenses." This grant is intended to meet the tour expenses of the Governor and also all direct expenditure connected with it. If the Governor requires his Secretary to travel with him in the reserved accommodation, then cost of the Secretary's journey should become a part of the Governor's tour expenses. The full cost of haulage should therefore, be charged against the Governors tour grant and no credit should be made for various fares ordinarily draw able by the officers travelling with the Governors and the officers themselves should draw only the fraction of a fare ordinarily admissible in supplement of the full fare for meeting incidental expenses.

[Office Order No. 495/T.K. VIII (19) Governor/4160 dated 14.9.1956 file Sr. D.A.G. (I.C.)/C/2 Vol.-I.]

7.06 Excess expenditure over the ceiling limits prescribed in Governor's Allowances and Privileges Rules for maintenance of official residence etc.

The excess expenditure over the ceiling limits in regard to the Governor of the State affected by reorganization could be regularised by the Government of India if the matter is brought to their notice by the State Governments. Regularisation of excess expenditure by the Government of India by an executive order is not legally permissible in the case of States, which have not been reorganised. Further, the amount specified in the Third Schedule of the Governor's Allowances and Privileges, Rules 2001 for the maintenance and repairs of the officials residences of the Governors and similarly for the maintenance of official railway saloons under the fourth Schedule/Table "B" can be increased in any year only after obtaining the special order of the President in advance. The Government of India, Ministry of Home Affairs has also emphasized the

need for obtaining the prior approval of the President before incurring excess expenditure on official residences etc.

It should, therefore, be ensured that the actual expenditure incurred in respect to the Governors is properly watched against the prescribed limits and matter taken up with the State Government.

[C.A.G.'s letter No. 775-Audit/22-69-II dated 8.7.1969 File Senior DAG (OAD)/ 23 Volume-II.]

7.07 Entertainment Expenditure

(a) The expenditure on entertainment is regarded as expenses relating the office of the Governor. Accordingly, the expenditure should be "Charged" on the Consolidated Fund.

(b) The Secretary to the Governor draws the amounts as and when necessary against actual requirements.

Section II – Governor's Secretariat

7.08(a) The expenditure on the secretariat staff of the Governor is met from the general revenue of the State and is charged on the Consolidated Fund of the State with reference to article 202(3) of the Constitution of India. The expenditure is outside the purview of the States Reorganization (Governor's Allowances and Privileges) orders, 1957 and is not, therefore, subject to the limits specified in the schedules thereto.

(b) The procedure for audit detailed in Chapter 4 of this Manual applies to these accounts also.

Section III - Raj Bhawan

7.09 Providing audit of Raj Bhawan

Prior approval of the Accountant General (Audit-I) should be obtained each time when Inspection party is to take up the inspection of the accounts of Governor's Secretariat and House-hold Section. While putting up the case the name of the Sr. Audit Officer and Asstt. Audit Officer of the party should also be indicated.

[A.G.'s Orders dated 9.11.1968 file conf. DAG (OAD) 23/Vol. II]

ANNEXURE I
THE GOVERNORS ALLOWANCES AND PRIVILEGES ACT,
1982

No. 43 of 1982 dated 28th August 1982

(As amended up to 26.9.2001. Issued by Government of India, Ministry of Home Affairs, New Delhi, No.7/2/2001-M&G dated 02 November 2001)

(Authority: GOI M&H Affairs New Delhi No 7.2.01 M&G dt 2 November 2001)

An Act to determine the emoluments, allowances and privileges of Governors.

Be it enacted by Parliament in the Thirty-third Year of the Republic of India as follows: -

1. Short title extent and commencement

- (i) This Act may be called the Governors (Emoluments, Allowances and Privileges) Act, 1982.
- (ii) It extends to the whole of India except the State of Jammu & Kashmir.
- (iii) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appointment.
(w.e.f. 1.4.1987 vide GSR No. 342 (E) dated 30th March 1987.)

2. Definitions

In this Act, unless the context otherwise Definitions, requires: -

- (a) “Governor” means the Governor, or any person discharging the functions of the Governor, of any State or of two or more States;
- (b) “Maintenance”
 - (i) In relation to official residences, includes the provisions of electricity, gas and water;
 - (ii) In relation to motor vehicles, includes the pay and allowances of chauffeurs and the provision of oil and petrol or other fuel;
- (c) “Members of the family” in relation to a Governor, means the spouse and the dependent children of the Governor;

- (d) “Official residences” in relation to a Governor means such residences as may be specified by the President by notification in the Official Gazette, as the official residences of the Governor and includes the staff quarters and other buildings and other buildings apartment thereto and the gardens thereof;
- (e) “Rules” means rules made under this Act;
- (f) “State” does not include a Union Territory.

3. Emoluments

There shall be paid to every Governor emoluments at the rate of Rupee Thirty Six thousand per mensem with effect from the 1st day of January, 1996. Provided that is a Governor, at the time of his appointment: -

- (a) Is an receipt of a pension (other than disability or wound pension) in respect of any previous service under the Government of India or any of its predecessor Governments or under the Governments of a State or any of its predecessor Governments his emoluments shall be reduced: -
 - (i) By the amount of that pension; and
 - (ii) If he has, before such appointment, received in lieu of a portion of the pension due to him in respect of such previous service the commuted value thereof, by the amount of that portion of the pension;
- (b) Is in receipt of any benefit by way of contributory provident fund, his emoluments, shall be reduced by the pension equivalent of such benefit.

4. Leave Allowance

- (i) Subject to any rules made in this behalf, the President shall grant such leave to a Governor, as he may consider necessary.
- (ii) Where a Governor is granted leave by the President he shall, during the period of such leave, be paid leave allowance at such rate as the President may by order determine.

Provided that such leave allowance shall be reduced to that extent, if any, to which the emoluments of the Governor are liable to be reduced under the proviso to Section 3.

5. Use and maintenance of official residences, Household Establishment

A Governor shall be entitled, without payment of rent, to the use of his official residences throughout his term of office and no charge shall fall on the Governor personally in respect of the furnishing or the maintenance of such residences.

6. Subject to any rules made in this behalf, no charge shall fall on a Governor personally in respect of pay, allowances or pension or other emoluments paid to, or facilities provided for, the members of the household establishment provided to the Governor.

7. Medical treatment

Subjects to any rules made in this behalf, a Governor and the Members of his family shall be entitled during the terms of his office and thereafter also, to free medical attendance, accommodation and treatment, in the hospitals maintained by the Central Government or the Government of any State.

8. Conveyance

- (i) A Governor shall be entitled to use without payment of rent, such number of motor vehicles as the President, may by order determine.
- (ii) No charge shall fall on a Governor personally in respect of the maintenance of the motor vehicles referred to in sub-section (1)
- (iii) The use of motor vehicles referred to in sub-section (1) by the members of the family of a Governor shall be regulated by rules made in this behalf.

9. Travelling allowance on assumption or vacation of office

Subject to any rules, made in this behalf, a Governor shall be entitled to travelling allowance for himself and the members of his family and for transport of his and his family's effects: -

- (a) In respect of the journey for assuming office from the place where he is ordinarily residing to the place of his duty, and
- (b) In respect of the journey on relinquishing office from the place of his duty to the place where he would ordinarily reside thereafter or if he has to take up any other office under the Government (including the office of the Governor of another State) after such relinquishment, to the place of duty with respect to such other office.

10. Allowances for renewing furnishings and for maintenance of official residences

Subject to any rules made in this behalf, a Governor shall be entitled to such allowances for renewing the furnishing and for the maintenance of the official residences, as the President may by order determine.

11. Other Privileges and allowances

For the purpose of enabling a Governor to discharge conveniently and with dignity the duties of his office, he shall be: -

- (i) Entitled to such other privileges as may be prescribed by rules made in this behalf, and;
- (ii) Paid, subject to any rules made in this behalf, such amount, as the President may by general or special order, determine by way of the following, namely: -
 - (a) Entertainment allowance;
 - (b) Hospitality grant;
 - (c) Household establishment expenses;
 - (d) Office expenses;
 - (e) Contract allowance, i.e. an allowance for miscellaneous expenses;
 - (f) Tour expenses; and
 - (g) Such other allowance or expenses as may be provided for by the rules.

12. Additional Expenses

- (1) Where, in the case of any Governor, the president is satisfied that the amount authorised under this Act by way of any allowances or for meeting any expenses with respect to any matter requires to be increased or that a need has arisen to sanction expenses with respect to any matter for which provision, though permissible, has not been made in the rules made under this Act, he may by special order increase such amount or sanction such expenses to such extent as may be specified in such order.
- (2) An order may be made under sub-section (1) so as to have retrospective effect.
- (3) Every order made under this section, shall be laid, as soon as may be after it is made, before both houses of Parliament.

13. Power to Make Rules.

- (1) The President may by notification in the Official Gazette, make rules for the purpose of giving effect to the provision of this Act.

- (2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely: -
- (a) Grant of leave to a Governor under Section 4;
 - (b) Matters relating to the household establishment provided to a Governor under Section 6;
 - (c) Medical attendance, accommodation and treatment of a Governor and the members of his family under Section 7;
 - (d) The use of motor vehicles by the members of the family of Governor under sub-section 3 of the Section 8;
 - (e) The travelling allowance on assumption or vacation of office of a Governor under Section 9;
 - (f) Allowance for renewing furnishing and for the maintenance of the official residences under Section 10;
 - (g) The privileges to which a Governor is entitled and the allowances or expenses payable to a Governor under Section 11.
 - (h) Secretariat Assistance and Reimbursement under section-12 A

(3) Every rule made by the President under this Act shall be laid, as soon as may be after it is made, before, each House of Parliament, while it is in session, for a total period of thirty days, which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rules should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

14. Validation

(1) Every special order issued, before the commencement of this Act, by the President in regard to the allowances, expenses (including medical expenses) or privileges of any Governor (other than the Governor of Nagaland) shall, notwithstanding that such order was made retrospective effect, or is inconsistent with any general order issued under

any law with respect to those matters, be as valid and effective as if such special order formed part of this sub-section and this sub-section had been in force at all material times.

(2) Every general or special order issued, before the commencement of this Act, by the President in regard to the allowances, expenses (including medical expenses) or privileges of the Governor of Nagaland shall, notwithstanding that such order was made with retrospective effect, be as valid and effective as if it formed part of this sub-section and this sub-section had been in force at all material times.

15 Saving

Nothing contained in this Act or the rules made thereunder shall have effect so as to diminish the emoluments and allowances of any Governor during his term of office.

Government of India
Ministry of Home Affairs

NOTIFICATION

(Issued by Government of India, Ministry of Home Affairs, New Delhi,
30 March 1987 as amended up to 10.02.2015)

GSR. 343(E) In exercise of the powers conferred by Section 13 of the Governors (Emoluments, Allowances and Privileges) Act, 1982 (43 of 1982), the ¹{President} hereby makes the following rules, namely:-

1.SHORT TITLE AND COMMENCEMENT:

(1) These rules may be called the Governors (Allowances and Privileges) Rules, 1987.

(2) They shall come into force on the 1st day of April, 1987.

2.DEFINITIONS: In these rules, unless the context otherwise requires:-

- (a) “Act” means the Governors (Emoluments, Allowances and Privileges) Act, 1982 (43 of 1982);
- (b) “Official residence” in relation to a Governor of a particular State means the corresponding residence (s) specified in column (2) of Schedule I to these rules;
- (c) “Schedule” means a Schedule appended to these rules;
- (d) Words and expressions used herein and not defined shall have the meaning respectively assigned to them in the Act.

3.RENEWAL OF FURNISHINGS OF OFFICIAL RESIDENCES:

(1) There shall be paid, from time to time, to each Governor an allowance equal to the actual expenses in renewing the furnishings of his official residence(s) subject to the maximum amount specified in column (3) of Schedule I.

Provided that if, when the Governor assumes office, the period which has elapsed since his predecessor assumed office (persons appointed to discharge the functions of the Governor being disregarded) falls short of five years, the maximum amount so specified shall be decreased by such amount as the President may by order determine;

Provided further that in the case of Governors holding office immediately before the commencement of these rules, the amount admissible to them during their entire terms shall be such as the President may by order determine.

1 {} Substituted by GSR 949 (E) dated 28.12.1992

2)The provisions of this rule shall not apply to persons appointed to discharge the

functions of the Governor under article 160 of the Constitution of India.

4 HOUSEHOLD ESTABLISHMENT:

(1) The total number of officers and other staff on household establishment at official residences shall be as the President may prescribe, from time to time, by an Order and their scale of pay, allowances, other emoluments and facilities shall be such as are admissible to the State Government officers and other employees of the corresponding posts in the concerned State Government from time to time.

(2) The officers, and the staff of the household establishment shall be entitled to rent free accommodation and those of the officers and the staff who are not provided any Government accommodation shall be allowed house rent allowances at the rates admissible to the State Government Officers and other employees of the corresponding posts working in the concerned State Government and in such cases the first charge of ten percent on the pay shall also be met out of the Governor's allowances.

(3) The staff of the household establishment shall not be allowed overtime allowance.

(4) The officers and staff of the household establishment, who are provided government accommodation, shall be provided free electricity and water subject to the limit laid down by the Governor from time to time but such limit shall not exceed 6 ¹/₄ percent of the pay of the members of the staff for the supply of both electricity and water.

Provided that out of the limit of 6 ¹/₄ percent the electricity charges shall not exceed 5 per cent in any case.

(5) Any expenditure on consumption of electricity and water in excess of the limit specified in sub-rule (4) shall be borne by the concerned officers or the member of the staff, as the case may be.

(6) No member of the household establishment shall be allowed free use of official transport for private purpose.

Provided that the staff of the household establishment may be allowed to use government vehicles on payment of usual charges, subject to availability of vehicles.

(7) The staff of the household establishment shall be entitled to pension and other retirement benefits including medical facilities as are admissible to the concerned State Government employees of the corresponding posts.

(8) The expenditure to be incurred under sub-rule (1) shall be part of the governor's allowance and shall be drawn separately under the sub-head "Household Establishment".

5 Expenditure on Governor's Secretariat etc.:

(1) In addition to the house hold establishment, the Governor shall be entitled to a separate secretarial staff which shall be provided by the concerned State Government.

(2) The expenditure incurred on the establishment of the Governor's Secretariat and the expenditure on pension and other retirement benefits including medical facilities of the household medical establishment staff shall be charged on the Consolidated Fund of the concerned State.

(3) The expenditure referred to in sub-rule (2) shall not form part of the Governor's allowance.

6. ALLOWANCES OF THE GOVERNORS:

(1) In order that the Governor may be able to discharge conveniently and with dignity the duties of his office, the Governor shall be paid annually the following allowances or grants, namely:-

(a) entertainment allowance – to be spent for patronising art, culture and music and any unspent portion of the allowance under this sub-head shall lapse at the end of the financial year to which it relates;

(b) hospitality grant – for meeting hospitality expenses of the official guests and any unspent portion of the grant under this sub-head shall lapse at the end of the financial year to which it relates;

(c) office expenses allowance – for meeting expenditure on the following items:-

(i) telephone charges; (ii) service postage (iii) books and periodicals; (iv) stationery

and printing; (v) maintenance of motor cycles, scooters and cycles including POL for these vehicles; (vi) miscellaneous expenses;

Provided that any expenditure on the purchase of cycles, scooters or motor cycles shall be met directly by the State Government;

(d) contract allowance – for being utilised for expenditure on the following items:-

(i) special stationery; (ii) laundry contingencies; (iii) sports; (iv) fire wood (v)

presents; (vi) soaps, cleansing material, insecticides; (vii) liveries; (viii) POL (other than expenditure from tour expenses); (ix) maintenance of cars (x) Library; and (xi) other miscellaneous expenditure;

(e) grant for maintenance and repairs of furnishings – to be utilised for maintenance and repairs of furnishings of the official residence (s) and / or for the purchase of new items of furniture provided that maximum amount does not exceed the amount specified under this sub-head;

(f) tour expenses grant to be utilised for the tour expenses of the governor and expenditure on POL for cars of official residence (s) used for tours of the Governor.(2) The amount admissible under different sub-heads under sub-rule (1) shall be as specified in Schedule II.

²(*) (Provided that the Governor may, without exceeding the maximum amount specified in column (8) of the said Schedule, re-appropriate whenever necessary, from one subhead to another sub-head thereof.)

³(**) [3(a) and (b) omitted]

(4) The amount specified under sub-heads relating to office expenses, maintenance and repairs of furnishings, contract allowance and tour expenses of Schedule II may, in any year, be increased by the amount not expended in previous years under the same sub-heads.

7.ALLOWANCES FOR MAINTENANCE OF OFFICIAL RESIDENCE(S):

The Governor shall also be paid such allowances, each year, for the maintenance of Governor's official residence(s) under various sub-heads as specified in Schedule III;

Provided that the Governor may, without exceeding the maximum amount specified in column 7 of the said schedule, re-appropriate whenever necessary, from one sub-head to another sub-head thereof;

Provided further that the maximum amount specified in column 7 of the said Schedule may, in any year be increased by the amount not expended in the previous years.

8. TRAVELLING ALLOWANCE ON ASSUMPTION OR VACATION OF OFFICE:

(1) The Governor shall be paid an allowance equal to the actual expenses incurred in undertaking journeys for the purposes specified in Section 9 of the Act, as travelling allowance for himself and members of his family and for transportation of his and his family's effects.

(2) The expenditure to be incurred under sub-rule (1) shall be charged on the Consolidated Fund of the concerned State but shall not form part of the Governor's allowance.

9. LEAVE: The President may grant leave to a governor for such duration as he may consider necessary.

10. MEDICAL ATTENDANCE AND TREATMENT: (1) A Governor and members of his family shall be entitled, free of charge to medical attendance, accommodation and treatment on the scale and conditions applicable to the highest ranking member of the All India Services under the All India Services (Medical Attendance) Rules, 1954 as amended from time to time.

(2) While on duty outside India, a Governor shall also be entitled, free of charge, to

² (*) Inserted *vide* GSR 70(E) dated 1st February, 1989.

³ (**) Deleted *vide* GSR 70 (E) dated 1st February, 1989.

medical attendance, accommodation and treatment as may be admissible to the Head of Indian Mission at that place or at the place of treatment.

(3) The State Government shall make adequate provisions for medical facilities for the Governor and his family and the expenditure on this account shall be charged on the Consolidated Fund of the State and this shall not form part of the Governor's allowances.

(4) Medical attendance, accommodation and treatment of an Ex-Governor and his family shall be governed by the Rules/Orders issued by the Government of India in the Ministry of Health from time to time.

11. TOURS AND OTHER JOURNEYS: (1) The Governor shall be entitled to requisition a railway saloon for all his journeys within the State

and shall be entitled to take with him not more than three persons without payment of any fare for them.

(2) The cost of haulage and requisitioning of saloon under sub-rule(1) shall be met from the sub-head “tour expenses”.

(3) If, for his journey within the State by rail, a Governor chooses not to requisition a saloon under sub-rule (1), he shall be entitled to travel in a four berth compartment or coupe, whether first-class air-conditioned or first-class and during such a journey a Governor shall be entitled to take with him three persons in case of a four berth compartment and one person in case of a coupe, without any extra charge.

(4) For journeys on official business to places outside the State, a Governor shall be entitled to travel in a four berth compartment or coupe, whether first class air-conditioned or first class and during such a journey, shall be entitled to take with him three persons in the case of a four berth compartment and one person in the case of a coupe, without any extra charge.

(5) The spouse of the Governor may travel within the State by rail for attending functions organised by any organisation or associations connected with art, culture, science and literature and for that purpose may reserve a single seat in first-class air-conditioned or first class compartment and expenditure for such journey shall be met :

(i) from the sub-head “tour expenses” if she is not associated in any capacity with that organisation or association; and

(ii) by the organisation or association with which she is associated in any capacity;

Provided that this facility shall not be available for private journeys of the spouse of the Governor.

(6) A Governor travelling on duty (but not on non-official business) shall be entitled to travel by air and during such travel, shall be entitled to take one person with him at Government expenses.

^{4*}[(7) A governor while travelling on duty by air under sub-rule (6) may at his

discretion travel in the executive class along with his spouse or with any person in lieu of his spouse and the person accompanying him during such a journey shall also be entitled to travel in the executive class.]

5\$ [(8)(a) Save as otherwise provided in clause (b), a Governor shall not be

entitled to travel on private business by air at Government expenses and shall not also be entitled to take any person with him at Government expenses.

(b)A Governor shall be entitled to travel on private business twice in a year during

which he shall be entitled to take his spouse ^{6*}[or one person along with him in lieu of his spouse] by air, steamer or rail by the highest class or by road, to any part of India and such travel shall be deemed to be travel on duty;

Provided that the duration of such journey does not exceed ⁷\$[ten] days on each occasion;

^{8&}[Second proviso omitted] ⁹[Provided further that –

(i) before undertaking private visits within India, the Governor shall seek approval of the President and any communication for such approval shall be forwarded to the President's Secretariat at least two weeks in advance, except in exceptional circumstances;

(ii) where such private visit is to a foreign country, the communication shall be forwarded to the President Secretariat at least six weeks in advance;

(iii) the Governor shall leave the State for any foreign visit or, as the case may be, domestic visit outside his State only after receiving due approval of the President except in emergent or extraordinary circumstances;

(iv) in the case of emergent or extraordinary circumstances, the President's Secretariat shall be intimated as soon as the programme is finalised and such intimation shall contain details of the circumstances and compelling reasons why it was not possible to obtain prior permission for the visit and the proposal for according ex-post facto approval shall be forwarded to the President before the departure of the Governor.]

Explanation: For the purpose of this clause, a journey shall mean a point-to-point journey by the shortest route.]

⁴ *[] substituted by GSR 87(E) dated 10.2.2009

⁵ \$[] Substituted by GSR 275 (E) dated 11.3.1993.

⁶ *[] inserted *vide* GSR 87(E) dated 10.2.2009.

⁷ \$\$[] Substituted by GSR 696 (E) dated 26.9.2001.

8 & Omitted *vide* GSR 87(E) dated 10.2.2009

8 [] inserted *vide* GSR 80(E) dated 10.2.2015

(9) A Governor on his private journey outside the State ¹⁰{except for the two private journeys referred to in clause (b) of sub-rule (8)} may travel in a four berth compartment or a coupe, whether first-class air-conditioned or first-class and he shall pay -

(i) the fare for two berths of the appropriate class if he travels in four berths compartments in addition to his own fare;

(ii) for his own fare, if he travels in a coupe; and

(iii) the reservation charges for the compartment or the coupe, as the case may be, and any other expenditure incurred during the journey.

(10) (a) For the journeys performed under sub-rule (9), the cost of one fare only shall be met by the Government from the sub-head “tour expenses” and against that fare the Governor may take any person along with him who need not necessarily be a member of his family.

¹¹##(b) For journeys performed by the Governor under clause (b) of sub-rule 8, the expenditure shall be met by the Government under column (7) “tour expenses” of Schedule II.

¹²*(11) Deleted

(12) Where there is no railway station or airport in a State, any journey performed by the Governor or by the spouse of the Governor, for private purposes, to reach the nearest railway station or airport situated in a neighbouring State, shall be deemed to be an official journey.

¹²[(13) Any visit by the Governor outside his State shall be regulated in the following manner, namely :-

(a) in case of official visits outside the State,-

(i) all visits outside the State shall be undertaken only with the prior permission of the President and any communication soliciting such approval shall be forwarded to the President's Secretariat-

(A) in the normal course, at least seven days before the commencement of any such visit; and

10 { } Added *vide* GSR 275 (E) dated 11.3.1993.

11 ## Added *vide* GSR 275 (E) dated 11.3.1993.

12@@Omitted *vide* GSR 708 (E) dated 16.11.1993.

¹³[] inserted *vide* GSR 80(E) dated 10.2.2015

(B) in emergent circumstances, as soon as the programme is finalised;

(ii) no visits shall be undertaken without obtaining the prior permission of the President or in emergent or extra-ordinary circumstances without prior intimation to the President's Secretariat;

(iii) in case of emergent or extraordinary circumstances, the intimation shall contain details of the circumstances and the compelling reasons why it was not possible to obtain prior permission for the visit, and proposal for according ex-post facto approval shall be forwarded to the President's Secretariat before the departure of the Governor;

(iv) while permission is sought for visits, the details of the finalised engagements and the programmes for which the permission is sought may be clearly itemised in the communications;

(v) the duration of such visits of the Governor shall not exceed twenty percent of the days in a calendar year;

(b) in case of any official foreign visit,-

(i) the communication seeking approval of the President for undertaking such foreign visits shall be received in the President's Secretariat at least six weeks in advance;

(ii) the details of engagements during the foreign visit shall be clearly stated and itemised in the communication;

(iii) the Governor shall invariably obtain clearance under the Foreign Contributions Regulation Act(FCRA clearance) and Political clearance before undertaking the foreign visit;

(iv) the Governor shall leave the State only after due approval of the President;

(c) the schedule of the visit once approved by the President shall not ordinarily be revised, but in case of any revision in the schedule in extra-ordinary or emergent circumstances, the approval for revised programme shall be forwarded to the President's Secretariat as soon as possible and in any case, before the departure of the Governor from his State;

(d) in addition to the requirements contained in clauses (a), (b) and (c),-

- (i) copies of all communications soliciting the approval of the President for visits shall also be endorsed to the Principal Secretary to the Prime Minister and to the Home Minister;
- (ii) frequency of visits to the home State shall be avoided or limited.

12. ENTITLEMENT OF TRAVELLING ALLOWANCE AND DAILY ALLOWANCE OF THE HOUSEHOLD ESTABLISHMENT ACCOMPANYING THE GOVERNOR:

(1) Any member of the Governor's household establishment accompanying the Governor on his visits within the state or outside the State, whether official or private, shall be treated as on duty and shall be entitled to draw travelling allowance and daily allowance as admissible under the State Government rules;

(2) Any member of the Governor's household establishment accompanying the spouse of the Governor during her journey within the State only shall be treated as on duty and shall be entitled to draw travelling allowance and daily allowance as admissible under the State Government rules.

Provided that no travelling allowance or daily allowance shall be admissible to any member of the Governor's household establishment accompanying any other member of the Governor's family or Governor's personal guest.

13. USE OF MOTOR VEHICLES BY THE GOVERNOR ETC.:

(1) Any private journeys performed by the Governor outside the State by motor vehicles of the official residence(s) ¹⁴(except for the two private journeys referred to in clause (b) of sub-rule (8) of rule 11) shall be paid for by the Governor at the staff car rates of the State Government.

(2) The spouse of the Governor shall be entitled to use, free of charge, the motor vehicles of the official residence(s) within the State only and for her journeys outside the State, if not accompanied by the Governor on official duty, shall be paid for by the Governor at the staff cars rates of the State Government.

(3) Any other members of the Governor's family or personal guests of the Governor not accompanying the governor or spouse of the Governor, may be allowed to use motor vehicles of the official residences within the State and charges for such journeys shall be paid for by the Governor at the staff car rates of the State Government.

¹⁴[13A. **SECRETARIAL ASSISTANCE TO EX-GOVERNOR.** -

(1) An ex-Governor shall be entitled to secretarial assistance in the form of one Personal Assistant who may be appointed by the ex-Governor, on reimbursable basis, on a maximum remuneration of Rs. 25,000 per month.

(2) A person shall not be qualified for appointment as a Personal Assistant under sub-rule (1) unless ¹⁵[he has passed 12th Class or equivalent from a recognized Board or University].

(3) The remuneration referred to in sub-rule (1) shall be borne by the Central Government.

¹⁴ () Inserted *vide* GSR 275 € dated 11.3.1993.

¹⁵ [] Inserted *vide* GSR 518 € dated 16.07.2014.

(4) The amount required by the ex-Governor for the purposes of remuneration referred to in sub-rule (1) shall be drawn in the form of simple receipt.

(5) The information regarding the person appointed under sub-rule (1) and the period of such appointment thereof shall be furnished to the office from which the amount shall be drawn under sub-rule (4).

(6) At the end of each year, a certificate to the effect that the amount drawn has been expended for the purposes for which it had been drawn, shall be given by the ex-Governor in Form I of these rules.

(7) [] substituted by GSR 788 € dated 11.11.2014.

(8) An acknowledgement from the Personal Assistant of the ex-Governor of having received the remuneration is also to be furnished.]

14 INTERPRETATION:

If any question arises as to the interpretation of these rules, it shall be referred to the Central government, who shall decide the same.

15. REPEAL AND SAVING:

(1) All the orders in force immediately before the commencement of these rules in so far as they relate to matters provided for in these rules are hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the orders so repealed shall be deemed to have been done or taken under the corresponding provisions of these rules.

FORM I

Form of certificate [see rule 13A(6)]

Certified that the amount of Rs (Rupees)
drawn

by me during the year ending 31st March, has been expended on the
maintenance

of my Personal Assistant. It is further certified that, any time during the
period for which the reimbursement was claimed, I was not re-appointed
to the office of the Governor or elected to Parliament or the State
Legislature or appointed to any office of profit under the Union or a State
Government.

Signature

date

place

*Schedule – I

[See rule 3(1)]

Official residence(s) of the Governors and maximum amount admissible for renewal of their furnishings

Sl.No	Name of the State	Official residence (s)	Maximum allowance to Governor for
1	Rajasthan	The Government House at Jaipur and	100000

*Substituted by GSR 486(E) dated 24.05.2018

(Authority : As per Notification available on Internet)

* Schedule – II

[See rule 6(2)]

(Allowances of Governors in respect of certain matters) (in Rupees)

S.No	Name of the State	Hospitality Expenses	Entertainment Expenses	Office Expenses	Maintenance and repairs of furnishings of	Contract Allowances	Tour Expenses	Total (maximum amount)
1	Rajasthan	2000000	1100000	2600000	100000	1000000	2500000	9300000

*Substituted by GSR 486 (E) dated 24.05.2018

***Schedule – III**

(See rule 7)

(Allowances for the maintenance of Official Residence) (in Rupees)

S.No.	Name of the State	Repairs	Gardens	Electricity	Water	Improvement	Total (maximum)
1	2	3	4	5	6	7	8
1	Rajasthan	10000	500000	6500000	300000	10000	7320000

Note: The principal rules were published in the Gazette of India vide number GSR 343(E), dated, the 30th March, 1987 and were subsequently amended vide numbers GSR 532(E), dated, 29th May, 1987; GSR 70(E), dated 1st February, 1989; GSR 675(E), dated 30th July, 1990; GSR 64(E), dated 15th February, 1991; GSR 949(E), dated 28th December, 1992; GSR 275(E), dated 11th March, 1993; GSR 708(E), dated 16th November, 1993; GSR 475(E), dated 23rd May, 1994; GSR 538(E), dated 6th July, 1995; GSR 326(E), dated 17th June, 1997, GSR 166(E), dated 1st April, 1998; GSR 832(E), dated 23rd October, 2000, GSR 696(E), dated 26th September, 2001, GSR 781(E), dated 22nd November, 2002, GSR 193(E), dated 31st March, 2006, GSR 506(E) dated 8th July, 2008, GSR 87(E) dated 10th February, 2009, GSR 288(E), dated 31st March, 2011, GSR 518(E), dated 16th July, 2014 and GSR 788(E), dated 11th November, 2014, GSR 486(E) dated 24 May 2018 and GSR 546 (E) 12 June 2018

*Substituted by GSR 486 (E) dated 24.5.2018

CHAPTER 8

GOVERNMENT HOSPITALS INCLUDING MENTAL HOSPITAL AND PUBLIC HEALTH

8.01 Scope of Audit

The general principles to be observed in inspections and local audits of the initial accounts of the Government Office and institutions are laid down in Section II of the M.S.O. (Audit). These and other instructions, to be followed generally in the audit of these accounts are summarised in the succeeding paragraphs.

The main object of local audit is to check the accounts of

- (i) receipts and stores and stock (including patients cash and Jewelry of Principal State Hospitals),
- (ii) revenue generated and collected under the following heads in Medical, Health & Medical Education Department (Govt. Hospitals includes Mental Hospitals) :-

S.No.	Head	Particulars
1.	020	Receipts from Parties for hospital and dispensary services
2.	101	Receipts from Employees State Insurance Scheme
3.	107	Receipts from drug manufacturer
4.	800	Other Receipts
		02-Urban Health Services
5.	800	Other Receipts
		03 - Medical Education, Training & Research
6.	101	Ayurveda
7.	105	Allopathy
8.	800	Other Receipts
		04 – Public Health
9.	105	Receipts from public Health Laboratories
10.	800	Other Receipts

- (iii) Receipts of 3 years under the heads other than mentioned in (ii) above and analyse them.

8.02 Nature of receipts.

- (I) The following are the different kinds of receipts in the hospital which will be incorporated in the Government Cash book : -

- (i) Hospital stoppages including fees for medical attendance and X-Ray treatment, fees for major operations and cost of special drugs and equipment/devices supplied to well to do patients etc.
- (ii) Recovery of fees for the loan of medical instruments, hospital dressings and oxygen cylinders supplied to medical practioners;
- (iii) Fees for training of candidates;
- (iv) Sale proceeds of medicines;
- (v) Subscriptions and donations;
- (vi) Contributions from public bodies;
- (vii) Laboratory receipts;
- (viii) Income from endowments;
- (ix) Miscellaneous e.g –
 - (a) Recovery on account of breakages;
 - (b) Sale proceeds of old stores and unserviceable materials;
 - (c) Ambulance hire charges;
 - (d) Rent on account of rooms (cottage wards etc.) from paying patients;
 - (e) Electricity charges of Cottage Wards;
 - (f) Telephone calls charges of residences of Doctors;
 - (g) Charges of Medical fitness at the time of 1st Appointment;
 - (h) Money orders and Earnest money received from tenderers;
 - (i) Caution Money, recoveries from employees and other receipts.

The demand and collection of the receipts should be checked from the respective receipts registers maintained in the hospital.

- (II)** In accordance with the Rajasthan Societies Registration Act 1958, a Rajasthan Medicare Relief Society was established in 1995-96. Charges of all laboratory tests, receipts on account of contract of cycle/scooter stand, donation and receipt of cottage wards are received by the society. The society was established for meeting the following objectives: -
- (a) Providing medical care to the patients on cost price basis: -
 - (i) General and complicated test of laboratory.

- (ii) All General and complicated radiological test.
 - (iii) Modern test i.e. Sonography, CAT Scanning, Image intensifying and other facility of modern technology.
 - (iv) All facility for endoscopic treatment.
 - (v) General and latest treatment of heart, mind, kidney etc.
 - (b) Providing facility to the patient on cost price basis.
 - (c) Providing free medical facility to the patients below poverty line, widows, orphan, accidental patients prisoners and old age persons of more than 70 years age.
- (Authority: - Medical & Health (Group-I) department order No:- P-18 (23) M.E./ Group-1/96 dated 17.11.97)
- (d) The assistance, donations, money, instruments and buildings from State Government, other financial institutions, donors and industrialists be received to achieve the above objects.
 - (e) Providing other facilities for achieving the aforesaid programme.

It was also decided in the by laws of the society that audit of all accounts will be conducted annually.

(Authority: - Supdt. S.M.S. Hospital, Jaipur vide his letter No. 11559 dated 14.12.2000.)

Note: - Fees will be recovered from all patients including Minister/Ex-minister, MLA, representative of press, Govt. officers, other than the categories indicated in the above Para 8.02-II (c)

(Authority: - Medical & Health (Group-I) departments order No, P-18 (20)/MH/2/95 dated 25.5.2000.)

8.03 Account Books, registers, etc.

The following important account books and registers are required to be maintained in connection with the cash, stores and other transaction of the institutions.

- A. Books Relating to Cash Transaction: -
 - (i) Cash book, receipt books, stock register of receipt books.
 - (ii) Permanent advance register.
 - (iii) Contingent bills register.

- (iv) Register of bills.
- (v) Ward fee register, operation register, ambulance register, registration fees register, certificate register.
- (vi) X-Ray and Screening register.
- (vii) Register of anti-rabies treatment.
- (viii) Charity account register and subsidiary registers.
- (ix) Register of unpaid amounts.
- (x) Classified register of expenditure.
- (xi) Clinical, Laboratory income register.
- (xii) Register of abstract bills.
- (B) Stock Accounts: -
 - (i) Stock book of medicines and equipments.
 - (ii) Stock book of rationed and Food stuff (Storable) articles.
 - (iii) Stock book of furniture, crockery.
 - (iv) Stock book of clothing's.
 - (v) Stock book of surgical instruments and appliances.
- (C) Other Registers: -
 - (i) General breakage register, Register of unserviceable materials and Register of disposal of condemned articles.
 - (ii) Dhobi Account.
 - (iii) Milk Account.
 - (iv) Diet Register.
 - (v) Service books and leave accounts of staff.

8.04 Check of receipts

In addition to the general checks laid down in para 4.06, the following points should be borne in mind in examining the items of receipts :-

- (i) that the relevant registers mentioned above are maintained in accordance with the rules;
- (ii) that all items of receipts have been recorded in one or other of the registers;

- (iii) that bills or receipts have been issued for the recovery of demands on accounts of sale of medicines, dietary charges, hospital stoppage, ward rent etc.;
- (iv) that receipts have been granted for the other collections such as subscriptions, donations and contributions;
- (v) that all collections have duly been entered into the cash books and remitted into the treasury without delay;
- (vi) that the prescribed fees for special courses of training in Government hospitals are recovered from trainees in accordance with the rules;
- (vii) that arrears outstanding at the close of a year have been carried over to the subsequent years register;
- (viii) that necessary sanction has been obtained for the write off of irrecoverable items;
- (ix) that exemptions and discounts were given as per prescribed norms and on basis of documents;

8.05 The more important points to be attended to in scrutinising the main registers of revenue and expenditure are indicated in the succeeding paragraphs.

8.06 Ward Fee Register

- (1) verify from special ward fee register the correctness of fees recovered with reference to the rate and the period of stay;
- (2) check the correctness of the total stay with the entry of admission and discharge in the hospital admission register;
- (3) review the hospital admission register and see that names of all chargeable patients are correctly transcribed in the special ward fee register;
- (4) see whether a proper system exists to recover promptly special ward fees;
- (5) see whether any exemption was given to a special class of patient on the proper documents.

8.07 Ambulance Register

- (1) see that the log book of the ambulance is properly maintained in the prescribed form and journeys are recorded clearly and chronologically;
- (2) check the amount recoverable as per rules from each patient and see that recovery is affected promptly;

- (3) see that the sanction of the Director, Medical and Health Services has been obtained for remission of fees either wholly or in part;
- (4) see that the charges were reimbursed from any health project i.e. JSY, JSSK, etc.

8.08 X-Ray and Screening Register

- (1) see that fees are promptly recovered in case of paying patients and in other cases they are marked free by the medical officer under his signature;
- (2) trace the X-Ray films consumed as per this register with the stock account of films. See that a proper remark is made in respect of spoiled films;
- (3) see that solutions of X-Ray film was disposed of timely and revenue deposited in relating heads.

8.09 Register of Bills

- (1) See that every bill preferred at the treasury for money is entered in to this register and date of receipt of money and the amount received is also shown therein.
- (2) Check from the bill register the amount received from treasury with the entries of amount received in the cashbook.

8.10 Register of abstract Bills

- (1) verify from the Register of bill that the abstract bills are entered into this register showing the particulars of the number of the bill, month, amount, date of submission of the detailed bill and its amount, amount refunded, if any, together with the number and date of challan;
- (2) see that the detailed bills are submitted at periodical intervals and that no detailed bill is outstanding on account of money drawn on abstract bills during that financial year;
- (3) see that in cases of amounts drawn on abstracts bills in the month of March, payment are not made to the supplier in advance to avoid the lapse of grant and goods are received in the subsequent year.

8.11 Purchase of Drugs

Purchase of drugs for the Govt. Hospitals/Medical Institutions will be in accordance with the purchase policy laid down as under: -

- 1 All drugs that are manufactured by Public Sector Units be purchased from them (and if M/s R.D.P.L. agrees to supply these drugs at rates

lower than or equal to the lowest rates offered by the Public sector units, such drugs can be purchased from them).

- 2 Drugs manufactured by M/s R.D.P.L. & not manufactured by other Public sector units, may be purchased from R.D.P.L.
- 3 Drugs manufactured by other Public Sector Units & not manufactured by M/s R.D.P.L. may be purchased from the lowest rate offered amongst the Public Sector Units.
- 4 All other drugs (not manufactured by any Public Sector Units) may be purchased on the basis of Rate Contract.

(Authority: - Medical & health Department Order No. F-7 (7) MPH/Gr-II/81 dated: - 10.3.1988)

8.12 Procurement Medicine and Medical Instruments New Policy

Rajasthan Medical Services Corporation Limited (RMSCL) was incorporated on 04th May, 2011 as Public Limited Company under The Companies Act, 1956. It is wholly owned Government Company. RMSCL has been established as a centralized procurement agency for procuring generic medicines, surgical & sutures and medical equipments for the department of Medical, Health and Family welfare department, medical Education department and other departments. It was constituted in compliance of Hon'ble Chief Minister budget announcement for the year 2011-12 to provide commonly used essential medicines free of cost to all patients visiting Government healthcare institutions.

8.12 (i) Constitution Of Technical Advisory Committee (TAC)

A Technical Advisory Committee (TAC) has been constituted under the chairmanship of Managing Director, RMSC to provide guidance and supervision for various technical issues regarding procurement of medicines and other items. The committee finalizes the drugs to be included in the EDL, and its updation from time to time (inclusion and deletion of drugs), guidance on tender conditions to better the procurement processes, advice on specifications. The other members of the committee who assist MD, RMSC on all technical aspects are from DM&HD, Medical colleges, Finance Deptt. GoR, HoD, Pharmacology Department SMS medical colleges, RUHS representative, Superintendent, SMS Medical College, and other nominated and special invitees as per agenda requirements.

Authority: GoR, M & H deptt. (Gr-5), no. P.7(1) med-5/2015 dated 06.01.2015

8.12 (ii) RSEML Procurement List

The corporation has its own List of Drugs, Surgical & Sutures. It has been prepared after taking in to consideration the need of State. However NLEM, RSEML, and EDL of WHO have also been considered. Further the EDL of TNMSC, KSMSC, Delhi and Karnataka etc have also been considered for

The drug List of RMSC is based on principles of:

1. Efficacy
2. Safety
3. Suitability
4. Cost effectiveness

It may be revised from time to time by RMSC in consultation with its T.A.C. and end users.

The Corporation will decide on the quantity to be procured from the essential drug list. It will be based on the requirements as ascertained from all state controlled health facilities.

8.12 (iii) Procurement of medical instruments

The government of Rajasthan had constituted Rajasthan Medical Services Corporation Limited, Jaipur by passing a Cabinet Memo in March, 2011 with the objective to procure and manage the drugs & medicines and equipment & instruments at fair and reasonable prices for all the Govt. Medical Institutions. A cell for procurement & maintenance of equipment & instruments, medical and non-medical consumables & other hospital supplies established in RMSC, Jaipur under the overall supervision of Executive Director (EPM).

8.12 (iv) Technical Advisory Committee (TAC) :

The TAC has been constituted to advice on various technical issues regarding procurement and maintenance of medical equipment & instruments. TAC had multi faculty members to revise the Essential Equipments List (EEL) from time to time.

8.12 (v) Technical Committee (TC) :

The Corporation had formed a technical committee to prepare and examine the specifications of each and every item/article.

State Government has created RMSC to procure equipment and medicines for Department of Medical Health and Family Welfare, Medical Education, Ayurveda, ESI and Medical Relief Society etc. The State Level Technical Advisory Committee in its meeting dated 21.12.2012 has approved the essential equipment (and instruments) list (EEL) for centralized procurement of equipments. The EEL comprises of almost all the important bio-medical equipment, instruments and other hospital items. The specialty wise list of equipment is compiled and grouped in two categories:-

Group –A include those equipment which require annual maintenance and repair.

Group –B include those instrument that do not require maintenance services. Normally, RMSC will not purchase equipment beyond EEL. Other than EEL items are required to be purchased by the respective department according to their needs and budgetary provisions.

8.12 (vi) Vaccines & Serums

The supply of vaccines and serums shall be allowed to be distributed to the hospitals as per the clearance from CRI, Kausuli. In addition to this, samples of the Vaccines may be drawn from the warehouses randomly and sent to the CRI for analysis.

8.13 Stock account of Medicines and Equipment-Receipts

Verify the receipt of the medicines from the invoices into the stock register of medicines and see that the items of medicines, equipment's, etc. are received duly brought into account.

8.14 Rajasthan State Essential drugs List (RSEDL-2000)

The State Government has declared a Rajasthan State Essential Drugs List (RSEDL-2000) for the State of Rajasthan with the following guidelines: -

1. The doctors of the State working under Government shall prescribe and use medicines out of the RSEDL only as far as possible. Deviations in prescription outside the RSEDL would be subject to scrutiny by an "Authorised Medical Authority" to be constituted by the Government.
2. The RSEDL would serve on a positive list for the public servants and pensioners. Therefore, medicines to these categories would be reimbursable only from RSEDL. Medicare Relief Card Holders would also be prescribed medicines only out of this list claiming reimbursement of Medicare case. This would prevent unnecessary prescribing and save money to Government exchequers. However, in case of severe/chronic illness and life threatening situations supported by the recommendations of 'Authorised Medical Authority' to be notified separately, the reimbursement to these categories outside the RSEDL could be considered by the Government.
3. Procurement of drugs and medicines in Government Hospitals and institutions would continue to be on the basis of existing drugs list of the Government as this is reported to be sufficient to take care of 90-95 percent cases of illnesses. Broadly 75 percent of the budget of a hospital should be spent for procuring medicines from the list. Remaining 25 percent budget should be spent to procure medicines from EDL. This ratio of expenditure could be relaxed by the Government on receipt of

specific proposals from an institution through HOD with this recommendation. Store Purchase Organisation of Medical & Health Department would circulate the approved rate contract for all medicines in the EDL on the basis of which the EM & HOs, PMOs, and Suptds, Medical College Hospitals would procure medicines as per their demand.

- 4 After the approval rate contract is circulated to all concerned, It would be the responsibility of the in charge of the medical institution to ensure that medicines in the approved rate contract are available in the hospital and dispensed on priority to the following categories free to cost:

(i) Medicare Relief Card Holders.

(ii) Emergency cases.

(iii) Other extreme poor categories like destitute, beggars, orphans, senior citizens and widows unable to afford treatment cost. Decision on this would be taken discretely by in charge of the hospital and in his absence by another doctor authorised by him for this purpose. Since budget is limited, it is expected to use the discretion with almost caution.

A separate account of drug dispensation to each of the above category would be maintained separately. Drug dispensation counters be opened in each Hospital.

(Authority:- Medical & Health (Gr-II) Department's order No. F-22 (15) Med./74 dated 6.3.2000)

8.15 Issues of Stock

It should be seen: -

- (1) that the issues are supported by indents in the proper form and are duly acknowledged;
- (2) that the quantity issued is in accordance with the quantity indented;
- (3) that the issues are attested by the Officer-in-charge of the stores;
- (4) that the indents for fresh stock are not made as a matter of routine but are based on actual requirements as may be evidenced by the average of the previous months;
- (5) that the daily balance is properly arrived at;

- (6) that condemned articles are entered in the register of unserviceable articles and entries made on the issue side of the stock register in respect of them;
- (7) that separate registers are maintained for costly drugs so that the issue of drugs, the cost of which is recoverable from the patients may be duly noted in the prescribed register; and
- (8) that the main stock is checked at least once a year and certificate of verification recorded in each of the registers concerned

“NOTE: -Some medicines have expiry dates whereas others can be used without any time limit. Large stock of medicines of both the categories of medicines should invariably be commented bringing out the period since when lying on the cost involved. Special attention should be drawn to cases where the medicines have been retained in stock even after the date of expiry, as these are the case where the Government has been put to appreciable loss. Field parties should also examine whether there exists a system under which the medicines, which are likely to expire, are identified and whether steps have been taken to utilise these before the date of expiry. Defects/Shortcomings noticed in this regard should be commented upon suitably. Sometime the manufactures accept the time expired medicines. In such cases the circumstances under which the needful could not be done may also be ascertained and brought out in the Inspection-Report.”

The stock might contain sub standard medicines also. Detailed investigations about the receipt of these sub-standard medicines, issues thereof and their effect on the patient should be made and full/particulars of such cases may be given in the inspection report.

[Authority: - Group Order No. O.A.D. II/G.O./23 Dated 28.9.1972.]

8.16 Stock account of Sera and Vaccine

Apart from the checks on the lines indicated above, it should also be seen: -

- (1) Whether in the case of sera, the date of expiry or their potency is noted in the remarks column of the register, so that the stock is not kept unused beyond the prescribed date;
- (2) Whether any appreciable stock is kept unused beyond the prescribed date, resulting in loss to Government; and
- (3) Whether recovery of cost is affected from paying and well-to-do patients, whenever necessary.

8.17 Stock Book of Diet Articles

The receipt entries in the stock register should be checked with the details furnished in the paid contingent vouchers of the hospital concerned. The monthly totals of the issues of the various articles entered in the stock register should be checked with the totals given in the ingredient statements.

8.18 The stock accounts maintained in the hospitals should be checked to see: -

- (1) that the articles purchased are entered in the respective registers and are duly accounted for;
- (2) that the registers bear evidence of check by the Medical Officer-in charge, at fairly frequent intervals;
- (3) that the issue to kitchen of diet and other articles like firewood which are made according to a prescribed scale agree with the quantities actually consumed and if large savings are noticed systematically, a revision of the scale should be suggested if the circumstances justify such a course;
- (4) that the stock books contain indication of regular verification of the stock.

NOTE: - It is not possible for the Auditor to check the issue of medicine, etc., from stock, and no attempt should therefore, be made to check the quantities of issue with the prescription etc. The Auditor should see that accounts as maintained are arithmetically correct.

8.19 Stock of furniture and crockery supplied to the Wards, etc.

As regards furniture and crockery supplied to the wards etc., it should be seen: -

- (1) that all the articles returned from the wards as unserviceable or requiring repairs or replacements have been entered in the disposal register and that the medical officer's orders regarding their disposal recorded;
- (2) if the orders of the medical officer are to the effect that the articles should be auctioned, that they have been entered in the auction register and subsequently sold and the sale proceeds credited into the Treasury and entries recorded in the books;
- (3) that the articles sent for repairs have been repaired and brought on to the stock book again;

- (4) that necessary recoveries have been affected from persons responsible for articles broken or lost through negligence;
- (5) that the articles supplied do not exceed the number condemned;
- (6) that the date of the contingent bill in which the cost of the articles purchased is included and the initials of the medical officer are given in the column provided in the disposal register; and
- (7) that the stock is verified once a year by the medical officer in charge and the result recorded.

8.20 Stock Register of Clothing's

The following checks should be exercised to: -

- (1) see that all new clothing articles shown as received agree with those shown in the bills of contractors in the case of cloth purchased;
- (2) see that every issue for use in the ward is supported by a requisition slip signed by a Medical Officer. Check the issues shown therein with the articles shown in the requisition slip;
- (3) verify that there is an acknowledgment on the reverse of the requisition slip of the person to whom the clothing articles have been supplied for use in the ward;
- (4) check the issues for use in ward with the entries of receipts in the Ward Register; and
- (5) see that all unserviceable articles are properly written off.

8.21 Stock account of surgical instruments and appliances

The surgical instruments, appliances, etc. of a hospital stand distributed in operation theatres, wards, outpatient departments etc., and the persons in charge of the latter (i.e. theatre, ward etc.) are held personally responsible for their security. All instruments etc., so distributed are treated as 'issues' in the main ledger (showing the ward etc. to which the supply has been made) and the entries thereto are attested by the issuing officer.

“Over stocking and unnecessary purchases leading to avoidable loss due to blocking up of the capital or on account of the expiry of the life of the medicines, should be specifically examined.”

8.22 A “list” of surgical instruments, appliances, etc., for each such local (operation theatre, ward etc.) by the issuing officer, is made over to the officer responsible for the custody of the articles. When new articles are issued or when old ones are withdrawn, necessary alteration in the list is made by the Issuing

Officer only (and not by the Officer-in-charge) over his dated initials. Thus the security of the articles distributed over the several places is ensured and responsibility is also fixed in regard to the articles in each place.

8.23 The stock accounts (main) should be generally checked to see that the articles received on annual and supplemental indents and by local purchases have been duly brought to account and that acknowledgment signed by the Ward Assistant Surgeons, are available in support of all issued to the wards, the operation theatres, etc.

It should also be seen (a) whether the stock in the main ledger has been verified annually by the head of the office, (b) whether the stock standing distributed in the several places (operation theatres, wards, etc.) have been verified by officers not connected with the custody of the articles (c) whether the verification of the stock at all the places has been done simultaneously and not on different dates, and (d) whether the certificates of verification have been duly recorded in the registers and lists under the dated signature of the officers entrusted with the work of verification.

8.24 Diet Register

It should be seen that: -

- (1) a Diet Register is maintained for each ward;
- (2) that name of each patient and the diet prescribed for him (i.e. full diet, half diet, milk diet etc.) are shown therein;
- (3) the total number of full, half and milk diets for a day corresponds with the requisition slip for the supply of food stuff, vegetable, etc.;
- (4) the scale of diet prescribed is in accordance with the authorised scale;
- (5) the number of patients diet as shown in the Diet Register tallies with the number of patients as shown by the Hospital Admission Register;
- (6) the quantity of articles of diet agrees with the quantity as shown in the bill and the contingent register. When articles of diet are purchased from the Market, see that the rates are not higher than the current prices. When these are supplied by a contractor see that the contractor was appointed after inviting tenders and that the suppliers rates were the lowest.

8.25 Milk Account

It should be seen that the supplies are recorded in the prescribed register as soon as the supply is made and that the specific gravity of the milk supplied

is also noted and bills are passed with reference to entries in this register and the quantity of milk supplied.

In case the Contractor fails to supply the ordered quantity of milk and the milk is purchased from the local market, the difference between the rates of the contractor and local purchase rates to be deducted from the Contractor's monthly bill, should be noted in the register.

8.26 Register of Miscellaneous Recoveries (due from staff)

This register shows the amounts due from the staff on account of: -

- (1) loss due to breakage of articles of crockery, instruments, appliances, linen, etc. as per details in the General Breakage Register;
- (2) electric current charges; and
- (3) water charges.

It should be examined: -

- (1) whether entries are made promptly in this register in respect of cost of articles broken damaged or lost and ordered to be recovered from the staff;
- (2) whether monthly postings are made of dues on account of electric current and water charges;
- (3) whether recovery is affected monthly from the salary of the persons concerned either by short payment or in cash;
- (4) whether cash recoveries are entered promptly in the cash book;
- (5) whether the register is closed periodically with a statement showing the demand collection and balance, so as to keep a close watch on overdue items; and
- (6) whether prompt action is taken to enforce recovery from persons transferred to other offices or who have quitted service.
- (7) whether revenue/receipts were timely recovered from vehicle stand contractors, canteen contractors, medical shops (Private/cooperative etc) .
- (8) whether penalties/damages are recovered from defaulter contractors and action for forfeiture of security deposit taken .
- (9) whether Register of cash receipt books was properly maintained .

8.27 Register of Miscellaneous demands

In institution where there are fruit bearing trees which can be leased out or where there are other sources of revenue, a register of miscellaneous

demands should be examined to see whether entries are made in regard to all possible sources of miscellaneous revenue, whether leases are given out after conducting an open auction and whether the lease amounts are collected and accounted for promptly.

8.28 Other Registers

The Registers of Stamps, Stationery, dispatch, encashment, earnest money, works, agreement and Forms should be checked according to instructions laid down in case of other similar Departments.

8.29 Contract of ration articles, medicines and other equipments

In addition to the other particulars to be examined to contract the following should also be seen: -

- (1) That the rates for the purchase of ration articles, medicines and other equipments have been approved well in time by the competent authority and purchases have been made from the approved firms on approved rates;
- (2) That in case rates have been approved late, Government have not been put to any loss on Account of making purchases local on higher rates;
- (3) That in the case of the defaulting contractor whether the purchases have been made from the local market or contract has been given to some one else at the risk and expense of the defaulting contractor. In both the cases loss caused to Government due to extra expenditure incurred either in the local purchase of the articles or through the other contractor, has been worked out and action has been taken to recover such amount from the defaulting contractor.
- (4) That the commodities supplied by the contractors are of the quality specified in the tender notice.

In case of ration contracts the following should also be seen: -

- (1) Date of sending tenders to the sanctioning authority;
- (2) Date on which sanction accorded;
- (3) Date on which sanction received in office;
- (4) Period for purchases made locally if rates were approved late.
- (5) Amount of extra expenditure incurred by making purchases from the local dealers.

“In the case of purchases of medicines it should be seen with reference to the consumption pattern, that these were not purchases in smaller/uneconomical packing resulting in avoidable expenditure”.

8.30 Accounts of Zanana Hospital, Chandpole Jaipur.

Rajasthan Medicare Relief Society has been functioning since 14.8.1996 and following receipt is being incorporated in the accounts of society :-

- (1) Pathological Test;
- (2) Radiological Test; and
- (3) Cottage and Private ward receipt

The receipt on account of following is being incorporated in the Cashbook maintained by the Hospital: -

- (1) Tender Form Fee;
- (2) Ambulance charges;
- (3) Electricity and Water charges; and
- (4) Receipt on account of auction

[Authority: - Superintendent Zanana Hospital Jaipur letter No. Account/2001/137 dated 8.1.2001]

8.31 Accounts of Mahila Hospital, Sanganeri gate, Jaipur

The Medicare Relief Society is functioning since 19.2.1997 and following receipts are being incorporated in the accounts of society

- (1) Indoor Patient Fee;
- (2) Sonography;
- (3) X-Ray;
- (4) Blood and other Test Fee;
- (5) Rent on account of Cottage;
- (6) Consultancy charges;
- (7) Fee for providing Blood;
- (8) Leproscopy charges;
- (9) Tender Fee;
- (10) Cycle Stand; and

(11) S.T.D. Booth charges.

[Authority: - Superintendent, Mahila Hospital Sanganeri gate, Jaipur letter No. Account/2000-2001/4807 dated 4.01.2001.]

8.32 Mobile Surgical Unit

Mobile Surgical Unit, Rajasthan is a part of Medical & Health, Department Government of Rajasthan with a 500 bedded Surgical Hospital on wheels in camp and has capacity to extend upto 1000 bed or more according to requirement and 50 bed in mobile Surgical unit of city Hospital at Jaipur and 100 bed unit at Ajmer, Jodhpur, Udaipur, Bharatpur, Kota and Bikaner are working under M.S.Unit, thus total number of bedded in M.S.Unit are 1150.

Unit works in distantly based rural areas of Rajasthan particularly S.C. blocks, Tribal, Backward and Remote areas. This unit organises 24+5+5 Camps yearly. Targets of Mobile Surgical Unit for the 2018-19 to organise camp were 154 to 168 in all these zones.

In MSU camp patients get their treatment free of charge. The medical facility including investigation, operation. Medicines & stay are provided free of cost by the Government (Unit) and food etc. by S.H.O./N.G.O.

First two days are the outdoor days in the camp in which patients are examined in the outdoor & given medicines & those who needs, operations are admitted, fully investigated and all pre-operative preparation including History writing and preanaesthetic check-up are done.

Next 2 to 4 days are the operation days depending on the number of patients admitted for operations. General Surgical operations including the operations for Gall Bladder, Kidney, Intestinal Tract, Parotid Gland, Breast Cancer etc. ophthalmic operations both intra & extra ocular, E.N.T., Orthopedic operation, Gynecological operations & Dental operation are being done in routine in these camps, patients are followed for next 7 days in the post-operative period and discharged with necessary Medicines & Instructions.

After about 3 weeks, a team of experts again go for follow-up of these patients at camp site on a prefixed date.

The Mobile surgical unit have latest investigative & operative equipments in its unit one sonography van, one X-ray van, one dental van, one autoclave, two Generators, an autoanalyser for lab investigation and transport section having vehicles to transport.

[Authority: - Director Mobile Surgical Unit, Raj. Jaipur, letter No. Account/2001/188 dated 18.1.2001.]

Test in camps are free of charge. Charges for test at Director, Mobile Surgical Unit, Rajasthan, Jaipur (H.Q.) are applicable according to rates fixed by Medical Health and Family Welfare Department from time to time.

8.33 Government Hospital will be provided free medicines, Laboratory test, Outdoors and Indoor facilities to the following persons who are of other than BPL Card Holders.

1. Orphans children who are living in orphan centers controlled/recognized by Social

Welfare Department during their period of living in orphan centers which shall be certified by the Head of organisation/officers of Social Welfare Department.

2. Blind, deaf, Dumb, Mental retired students during their period of study in schools

Of recognised by govt. on the certification by Head of organisation/Education officer.

However facility will not provided to children of Income Tax payer Mother/Father.

(Authority:- Medical & Health (Group-II) Department's Order No.P-13 (6)/ MH/2/99 dated 26.3.2002)

8.34 Accounts of SMS Hospital, Jaipur:

Additional Superintendent shall working as per direction and work distribution done by Superintendent. Accounts Officer do the work as a financial advisor. Assistant Engineer will maintain electricity supply system of whole building. Records related to medical and patients will be maintained by MRO. Verification of papers related to Legal/MLC and Administrative/Judicial procedure and issue of Death Certificate will be done by MRO.

Work related to court cases, summons, Appeals in public interest, Lokayukt and compliance of Advocate General order are done by Chief Legal Assistant as per rules.

For fees for injury reports, medical legal report/ board report/ post - mortem report, physical fitness report, registration for various categories of patients & diet of required calorie, percentage of use of earnings of Medical Relief Society for free medicines to the poor, to all patients in case of emergency and services of ambulances equipped with

emergency Oxygen Cylinder, the Departmental Manual of Sawai Mansingh Hospital may be seen at the time of audit.

8.35 The Executive Committee of Rajasthan Medicare Relief Society decided in the meeting dated 24.2.2003 that following charges are being levied with immediate effect: -

1. For obtaining certified copies of all types of patients record etc. by commercial institution like LIC and GIC etc. Rs.250/.
2. For issuing Medical/Health certificate for miscellaneous purposes and filing of insurance claim forms etc. Rs. 50/.

(Authority: - Raj. Medicare Relief Society SMS Hospital's order No. F-1 (5) RMRS/SMS/86/98 dated 21.4.2003)

Free test shall be prescribed on which colored slip cutting/over writing will not be permitted on the slips of free test and to avoid misuse of the facility other than allowed free test crossed clearly.

(Authority: - Superintendent of SMS Hospital's order No. 4569-76/GS/PA/MH/2002 dated 28.2.2002)

All the staff of Medical store, Accounts section and Rajasthan Medicare Relief Society shall maintained day-to-day account of the expenses incurred on BPL and other poor patients.

(Authority: - Superintendent of SMS Hospital order No. 2926/PA/GS/MH/01 dated 29.3.2001)

8.36 Maintenance of Accounts

The following are the more important accounts registers etc. which should be examined in the local audit: -

- (1) Cash Book;
- (2) Store Registers (Permanent/Temporary);
- (3) Bill Register;
- (4) Bill Transit Register;
- (5) Budget Register;
- (6) Pay posting Register
- (7) Challan Register;
- (8) M.O./D.D. Register;
- (9) Stamps Register;

- (10) Double lock Register;
- (11) Receipt Register;
- (12) Bill Encashment Register;
- (13) Advance Register;
- (14) Traveling Allowance Register;
- (15) Medical Allowance Register;
- (16) Loan & Advance Register;
- (17) Establishment Register;
- (18) Periodical Increment Register;
- (19) Theft & Embezzlement Register;
- (20) Vehicle Log-book; and
- (21) Service Book;
- (22) Register of Medicines;
- (23) General Item Register;
- (24) Cloth and Bed Register;
- (25) Tools and Equipment Register;
- (26) Electrical Item Register;
- (27) Stock Register of Dental medicines;
- (28) Stock Register of Laboratory Items;
- (29) Stationary and Consumable item Register;
- (30) Rubber material and Suture Goods Register;
- (31) Stock ledgers of Medicines and equipments maintained in Wards and Theatres.

8.37 Accounts of Mental Hospitals

In addition to the other processes of audit conducted for the Hospital accounts mentioned above the following special records are maintained in the Mental Hospitals.

8.38 Registers of recoveries from paying Mental patients

With reference to this register it should be seen: -

- (1) That the names of all the mental patients who are to bear their maintenance charges as seen from the papers relating to new admission during the year have been entered;

NOTE: -Whoever signs an order for admission of a mental patient into the Hospital will have to report to the Superintendent as to who should bear the maintenance charges and at what rate. When no such report is made, it should be the duty of the superintendent to institute enquiry's on the point soon after admission.

- (2) That the recovery of fees, etc., in these hospitals are made with reference to the rules prescribed in Departmental Regulations;
- (3) That the dues are promptly realised by the issues of timely bills and reminders;
- (4) That the collections have been promptly credited in the register of cash receipts; and
- (5) That in cases where maintenance bonds are taken by Magistrates from the relatives or friends of the insane not belonging to that State, the prescribed minimum scales of charges have been adopted.

8.39 Mental Patient private property book

It should be seen: -

- (1) That the items of property belonging to the mental patients admitted during the year have all been entered in the register;
- (2) That acquaintances have been obtained for the property returned during the year; and
- (3) That a periodical verification of the outstanding property has been made from time to time and that a certificate of verification has been recorded over the dated signature of the verifying authority

8.40 Fees to be levied under the Rajasthan Medical Officers Fees Rules, 1964

The provisions of the Rajasthan Medical Officers Fees Rules 1964, issued under Government of Rajasthan, Notification No. F.1 (14) F.B (A) Rules/61-II dated 23.10.1964 as amended from time to time should be borne in mind; while verifying the rates of fees charged from consultations and laboratory tests etc. It should be seen that the rates prescribed in the schedule to these rules have been followed. It should also, be verified as to whether the states share as prescribed in the rules (viz. 3/5th) has been correctly calculated

and credited to Government. The discrepancies should be commented upon suitably in the Inspection Report.

[Authority: - No. OAD.III/I/R/Med./66-67/47 dated 27.7.1968.]

In clause (g) and (h) of Sub-rule (2)(1) of Rule-6, the existing works 'Medical officers fees Rules, 1964' as given in Schedule in Appendix-x of Rajasthan Services Rule-vol-II, shall be substituted by the words 'the Medical officers and Nursing staff fees Rules, 2011'.

Authority:- GoR, finance department (Rules DA)
F.6(4)FD/Rules/2003 Pt. Dated 7 March, 2013.

8.41 Aid material and equipment

Government of India have been sanctioning material and equipment in terms of its monetary value procured out of funds made available by various foreign countries or otherwise to states in connection with implementation of various programmes.

While conducting audit in the offices connected with any programmes/schemes it should be kept in view whether any Aid Material and Equipment were received under such programmes by such offices and if so, special attention should be paid to the following points and irregularities/lapses on the part of the department.

- (a) Discrepancy, if any, between dispatch of material and equipment by the Government of India and its receipt in the State.
- (b) Whether conditions subject to which these were required to be distributed have been observed.
- (c) Discrepancy in further distribution to actual beneficiaries.
- (d) Delays at each stage.
- (e) Difference between requirement and utilisation.
- (f) Balance lying unutilised and reasons thereof.
- (g) Loss/pilferage, and responsibility fixed, if any.

[Group Order No. OAD-I/G.O./231 dated 6.2.1981.]

8.42 In order to conduct extensive audit of purchase, installation and proper use of medical equipment's, the following points be examined during audit: -

1. Storage of Store Articles

- (i) The articles purchased were not available in store or it was available in store but declared unserviceable by the competent authority.
 - (ii) Purchase was essential and demand was appropriate.
 - (iii) Purchase was made under rules, financial justification & economy was observed.
2. Whether Purchase was made by opening a letter of credit at international level / D.G.S.& D. rate contract / through C.S.P.O. / open tender / monopolistic firms.
3. Letter of Credit:
- In such purchases the following facts may be ascertained:
- (i) Material, which was imported, bears approval by State Government.
 - (ii) Specific budget provision was available
 - (iii) Tenders were called for at international level.
 - (iv) Specification was laid down before purchasing the material.
 - (v) A comparison of the rates shown in proforma invoice and specifications thereof was made and approved the lowest rate.
 - (vi) Government approval was obtained for approval of higher rate which was recommended by the technical committee.
 - (vii) The members of the technical committee were experts in utilisation of related machine / equipment.
 - (viii) The Indian agent of the approved firm was registered with D.G.S. & D.
 - (ix) A letter of credit was opened in the bank according to the approved rates as per import exchange rates of R.B.I.,
 - (x) Purchase orders were issued accordingly & delivery period was ascertained.
 - (xi) The Indian agent was having authority for executing the work of required standard.
 - (xii) GST registration & clearance certificate and Income Tax certificate were available.

(xiii) Necessary security was deposited by the Indian agent and contract for supply, establishment, exhibition & repairing was done.

(xiv) The store was received in prescribed period, and if not, than whether liquidated damages amount has been claimed. If cases of non or short recovery of liquidated damages come into notice these cases should be examined critically and complete facts in this respect should be collected in the proforma given in Annexure I to this chapter

(Authority: Group order No 7 issued vide letter No ICVI /M&H/DP/2004-05 dated 23.7.05

(xv) If supplier applied for extension for time period, during the period of extension any loss was not occurred to State Government on account of change in exchange rates.

(xvi) For the supply of goods a sanction of competent authority was issued for non-production of goods in India and certificate for import duty exemption was issued.

(xvii) No demurrage was paid in absence of documents.

(xviii) Import goods received was according to specification, if not according to specification, whether the goods were returned or any amount was recovered from the firm due to this fault.

(xix) No excess amount beyond the fixed purchase price was paid, if paid, whether the sanction from State Government was received.

(xx) Balance amount deposited in the treasury and detailed bill submitted.

(xxi) Bank reconciliation statement received and compared.

(xxii) Good supplied by the Indian agent on the specified place and installed / exhibited during the guarantee / warrantee period.

(xxiii) Cash payment made to the Indian agent in rupee (according to tender rate)

(xxiv) If the sanction for purchase of machine / equipment was issued by State Government on the condition of replacement then it should be ensured that available unserviceable machinery have been disposed off according to rule and the amount received have been deposited in treasury in concerned head.

- (xxv) Basic requirements were available on the specific place where machine is to be installed before supply, whether machine was installed during guarantee period, if not installed machine was not put to any loss.
- (xxvi) Whether trained person were made available at time for operation of machine.
- (xxvii) Whether machine remained unserviceable, if yes then what were the reasons for it.
- (xxviii) Logbook of the machine was maintained or not.
- (xxix) How many non-availability certificates were issued to the patients during unserviceable period and how much loss of revenue was made.
- (xxx) How many concerned employees remained without work during unserviceable of machine and how much pay and allowances paid to them.
- (xxxi) What action was taken for its repair and how much amount was incurred.
- (xxxii) Whether in order to save the excess quantity of purchase material was supplied to subordinate institution without requirement.

4. Purchase through D.G.S.& D. and C.S.P.O.

Generally all purchases made on the basis of open tender but purchase can be made without open tender through D.G.S.& D. and C.S.P.O. such purchases may be reviewed in accordance with rule 33 to 36 of G.F.& A.R. Part-II

5. Instruments of asset nature

Machinery creating Assets / Instruments which are not manufactured by any firm and also there is no specified place; a certificate is required to be obtained before purchase from the manufacturer. The purchase of specified make should be purchased after specifying the reasons and also with the approval of Department purchase committee. Approval of Finance Department should be obtained in other cases.

6. On the Basis of Open tender

In the cases where purchase made on the basis of open tenders this may be ascertained that: -

- (i) Tender documents may be taken in accordance with the value of material and amount be deposited in the treasury.
- (ii) Open tenders be invited.
- (iii) Tenders rate received in accordance with the actual dealer.
- (iv) Whether Central Goods and Service Tax/Raj. Goods and Service Tax registration and clearance certificate and Income Tax certificate attached.
- (v) Comparison of rates was made and approval was given to the lowest firm.
- (vi) Whether the authority by whom the purchase is being made was technically sound.
- (vii) Whether the appropriate certificate was given in approving the higher rate.
- (viii) Whether the purchase was made in accordance with the demand and no unnecessary purchase was made.
- (ix) Whether the purchase was made to avoid the lapse of budget grant.
- (x) Whether the liquidated damage amount was recovered where the late supply of material was made. If cases of non or short recovery of liquidated damages come into notice these cases should be examined critically and complete facts in this respect should be collected in the proforma given in Annexure I to this chapter

(Authority: Group order No 7 issued vide letter No IC-VI /M&H/DP/2004-05 dated 23.7.05)

- (xi) Whether the amount of demurrage was recovered.
- (xii) Whether the production fee benefit was given to the purchase officer, if no then it should be reviewed.
- (xiii) Whether contract was executed from the consignee.
- (xiv) Whether the material was in accordance with supply orders and payment has been made as per approved rate.
- (xv) Purchase should not be made in splitting and sanction from competent authority be obtained.
- (xvi) Whether annual maintenance contract or repair of machinery was executed.

Note : GSR-96 In exercise of the Power conferred by section 55 of the Raj Transparency in Public Procurement Act, 2012 (Act No 21 of 2012) the State Government hereby makes the Raj Transparency in Public Procurement (RTPP) Rules, 2013 for different classes or categories of procurement of procuring entities (Notification of GoR, Finance Department, No. F1(8)FD/GF&AR/2011 dated 24.1.2013 and amended from time to time).

7. Receipt and Distribution
 - (i) Purchase of material be compared with reference to demand and should be reviewed.
 - (ii) Whether the machinery was received from other sources such as World Bank assistance or grants from grantee institutions leading to unnecessary stocking.
 - (iii) Whether limit was fixed for stocking.
 - (iv) The distribution of machinery was done according to requirement.
 - (v) Whether the record is being maintained.
8. Maintenance of Machinery/Instrument and safeguard
 - (i) Whether there is proper arrangement of stocking:
(Loss of machinery due to improper stocking reasons for expiry of serviceability should be ascertained containing the value of machine and amount of losses.
 - (ii) Payment of rent of building due to unnecessary stocking.
 - (iii) Whether the losses due to theft of machinery and action taken by the office.
 - (iv) Whether during physical verification excess/unserviceable/obsolete of machine was noticed, if yes, what action was taken?
 - (v) Whether a certificate was recorded for physical verification.
9. Disposal of machine and instrument.
 - (i) Whether the machine was declared unserviceable by the competent authority.
 - (ii) Whether the tenders were invited for its disposal and required procedure has been followed.

- (iii) Whether amount on account of GST has been recovered or not.
- (iv) Whether the amount was deposited in the appropriate head of Account.

10. Remarks

- (i) Generally machinery and Instruments were purchased by Principal and Controller of Medical Colleges and as per powers delegated to them, the same is being supplied to the concerned units and departments. The purchase beyond powers should be made after taking approval from State Government.
- (ii) Similarly, the Director Medical and Health Services Rajasthan, Jaipur invited open tenders as per demand and centralise purchases be made and supplied to the concerned units, the payment also made at Directorate level.

Out of total 10% payment, transport expenses and recovery of losses as per scale and demurrage charges may also be reviewed.

11(i) Purchases of medical Instruments / connected papers relating to its utilisation be examined as under: -

1. Copy of proposals sent to State Government for purchase of instruments.
2. Administrative and financial sanction of State Government and position of opening of letter of credit.
3. Invitation of tender notice.
4. Details of comparative tenders report of Technical Committee.
5. Contracts and conditions (conditions of annual maintenance contract)
6. Details of security deposit
7. Supply orders / purchase orders.
8. Date of receipt of instrument, installation and exhibition
9. Period of guarantee of instrument.
10. Details of payment (a) 90% advance (b) 10 % last
11. Position of infrastructure.
12. Appointment of employees for utilisation of instrument.

13. Report regarding exhibition of instrument and proper functioning.
 14. Log book of instrument.
 15. Present position of functioning of instrument.
- 11(ii) Replacement of new instrument and in the event of out of order of instrument the following points be examined: -
1. Instrument from and to remained out of order.
 2. Efforts for repair of instrument.
 3. Details of expenditure incurred.
 4. Sanction for expenditure on repair.
 5. Utilisation of services of employees during the period where instrument remained out of order.
- 11(iii) Record relating to purchases of medicine, distribution, & its utilisation.:-
1. Demand of medicine
 2. Proposal of purchase
 3. Contract rate
 4. Invitation of tender notice
 5. Contract and conditions
 6. Security amount
 7. Supply order / Purchase order
 8. Period of supply and sanction for extending the period
 9. Non-availability of materials and its validity.
 10. Date of expiry of medicine
 11. Details of payment
 12. Details of Distribution of medicine to medical units
 13. Utilisation of medicine
 14. Position of time expired medicines.

- 12 Information regarding unserviceable Machines / Instrument relating to Medical Department should be obtained in the proforma given in the Annexure II to this chapter.
- 13 An expert committee of the following officers has been constituted for purchase of Machine / Equipment :-
- (i) Principal, Medical College concerned for equipment's.
 - (ii) Superintendent of the Hospital, for Hospital equipment's.
 - (iii) Head of the Department
 - (iv) Sr. Accounts Officer / Accounts Officer Medical College, for Machine / equipment's of Medical College / Hospital both.
14. The following arrangements has been prescribed for regular Inspection & maintenance of the machines & equipment's purchased in Medical Colleges & associated Hospitals
- (i). The head of Department will report the Superintendent & Principal every month regarding working or non-working of the equipment's of the value Rs. 2 Lakhs or above.
 - (ii) The expert committee will ensure in each three month that the machines / equipment's are actually working or not in the hospital / medical college.
 - (iii) Head of Department will submit the details of equipment's / machinery of the value of Rs. 5 Lakhs or more quarterly to the Principal / superintendent.
 - (iv) Principal / superintendent will take action without any delay for repairing of unserviceable equipment's.
 - (v) It will be personal responsibility of the Principal to ensure regarding regular applicability of this arrangement.
 - (vi) It will be personal responsibility of the head of department regarding unserviceable equipment's / machinery field during surprise enquiry of Principal

[Authority Government of Rajasthan Medical and Health Group- 1 letter No. P-19 (2) ME / Group-1 / 99 Dated 28.04.2000]

- 15 A State Level Purchase Committee of the following officers has been constituted for purchase of articles of more than Rs twenty five lakh or articles, whose rate contract are to be executed for the department as a whole: -

1.	Principal Medical Collage Jaipur	Chairman
2.	Superintendent, S.M.S Hospital Jaipur	Member
3.	Superintendent, Janana Hospital Jaipur	Member
4.	Sr. Accounts Officer SMS Hospital Jaipur	Member
5.	Principal Concerned Medical College	Member Secretary

The above purchase committee can take specialists/ technical officers in the purchase of technical articles.

8.43 Miscellaneous

8.43(A) Major Schemes under department

(a)'Mukhya Mantri Nishulk Dawa Yojana (MNDY)'

The Government of Rajasthan launched (October 2011) the 'mukhya Mantri Nishulk Dawa Yojana (MNDY)' for providing generic medicines, free of cost, to all indoor and out door patients in Government Health Institutions. Rajasthan medical Sevices Corporation Limited (RMSCL) was constituted (May 2011) for implementation of the scheme. RMSCL was to act as Nodal agency, procure quality medicines across the State and supply to all Government Health Institutions through District Drug Warehouses (DDWs). MNDY guidelines provide for quality of the drugs procured was to be ensured through empanelled drug testing laboratories, of each batch of drugs/medicines supplied by the supplier. Drugs received at DDW are entered in stock register and kept in quarantine till their testing and receipt of test reports.

Authority :- Progress. report of M. & H. Deptt. for the year 2018-19.

(b) Online monitoring through "e-Aushadhi" software

For online monitoring, RMSCL adopted 'e-Aushadhi' software, a drug inventory management system, which is a comprehensive online system for detailed information about availability of medicines, right from procurement point to consumption point. This application has features like inventory management at DDC (Drug Distribution Centres), facility to receive drugs offline, issue drugs to patients and generate statements.

Authority :- Pro. report of M. & H. Deptt. for the year 2018-19 .

(c) Mukhyamantri Nishulk Janch Yojana

Government of Rajasthan (GoR) launched in April 2013 "Mukhyamantri Nishulk Janch Yojana" (MNJY), with the objective of reducing high "out of pocket" expenses borne by patients for diagnostic tests and to provide all healthcare services in the government hospitals. The scheme

envisages availability of common essential diagnostic services free of cost to the patients at all government healthcare institutions (healthcare centres) including Hospitals attached with Medical Colleges (MCH), District Hospitals (DH), Sub-District Hospitals (SDH), Satellite Hospitals (SH), Community Health Centres (CHC) and Primary Health Centre (PHC).

GoR issued (March 2013) guidelines for implementation of phase-I of the scheme covering MCH, DH, SDH and SH. Later, CHCs and PHCs (including city dispensaries) were covered under subsequent phase II and III during July 2013 and August 2013 respectively.

Subsequently, Government of India (GoI) also introduced 'National Free Diagnosis Services' during 2014-15 under National Health Mission (NHM), on a similar analogy to provide support to the states for setting up required infrastructure, institutional mechanism, human resources and equipments etc., for free diagnostic services.

Authority :- Pro. report of M. & H. Deptt. for the year 2018-19.

(d) Mukhyamantri Chiranjeevi Yojana

Under the Mukhyamantri Chiranjeevi Health Insurance Scheme, the Rajasthan Government is start cashless medical insurance of upto 5 lakh. The universal health scheme is available to all the families of Rajasthan beginning from May 01, 2021. The main eligibility criterion is to be a permanent resident of the Rajasthan State. Health Insurance Financial cover is up to Rs. 5 Lakh. The applicants applying for this scheme need to pay only Rs 850 yearly to avail the coverage benefits. Families can be covered by simply applying for it online.

Benefits of the Scheme:-

- A. This is the first health insurance initiative from the Rajasthan Government that gives cashless treatment in the registered hospitals.
- B. Scheme covers 1576 medical tests and more.
- C. Coverage for various other diseases is also provided.
- D. The cost of tests, medical expenses and a related package of 15 days after getting discharged from the hospital is also covered under the scheme.

Salient Features of the scheme:-

- a. Health insurance cover is provided to all the families under Below-Poverty Line, NFSA and SECC categories.
- b. Beneficiaries of Ayushman Bharat Mahatma Gandhi Rajasthan Swasthya Bima Yojana can also get covered under the Scheme.
- c. Small/marginal farmers and contractual workers can also get covered free of cost.

- d. Families who do not fall under the eligible category can also get insured by paying a nominal premium of Rs 850 yearly.
- e. The scheme has a budget of around of Rs. 3500 crore.

In addition to the major illnesses, the scheme also provides coverage for Covid-19 care and hemodialysis for the poor.

(e) Monitoring of faculty equipment through 'e-Upkaran'

RMSCL launched 'e-Upkaran' for monitoring of usage and repair and maintenance of equipment and instruments from one platform.

Authority :- Performance of income & expenditure report of M.H. & F. W.Deptt. Raj. Jaipur for the year 2019-20.

8.43(B) Miscellaneous points

(a) Registration of hospitals having diagnostic laboratories

GoR adopted (August 2011) the central Act for regulation of clinical establishments. The Act provided for registration of clinical establishments and GoR was required to notify the registering authority. However, GoR belatedly issued (June 2013) the notification for designating the registering authority and further issued instructions (June and September 2015) for all hospitals (having diagnostic laboratories) with the capacity of 50 beds or more, to be registered under the Act, by 30 September 2015. Further, instructions for registration of healthcare centres having capacity less than 50 beds, were not issued by GoR.

(b) Regarding inspection of primary and sub health center through Rajdhara application

Two primary health centers and two sub-health centers by CMHO and five primary health center and five sub-health centers by RCHO/ Add.CMHO /Dy.CMHO (Health/F.W.)/DPM and five primary health center and ten sub-health centers by BCMO and BPM are provided for every month inspection. Monthly report is to be sent through Rajdhara Application.

Authority : GoR, Dir.M&HS, Rajasthan, jaipur no F.ADAPHC/2019/40 dated. 08/02/2019 .

(c) X-Ray/X-Ray equipments

Safety code issued by Atomic Energy Regulatory Board (AERB) stipulated that diagnostic X-Ray/X-Ray equipment would obtain the license for operation and provide radiation protection devices such as protective lead glass viewing window, barrier, apron, goggles and thyroid shields, ceiling suspended glass, couch hanging flaps, golves etc. Instructions in this regard were also issued by GoR in May 2016.

Annexure I

List of Cases of non-or short recovery of liquidated damages for late supply of Material

S. NO	FVC Bill No and date	Purchase and order no and date	Details of material	Name of firm	Bill No & date	Amount of Bill	Due Date of receipt of material
1	2	3	4	5	6	7	8

Actual Date of receipt of material	Period of delay (In days)	Percentage of liquidated damages	Recoverable amount	Recovered Amount	Balance recoverable Amount	Effect of delayed supply of medical services	Remarks
9	10	11	12	13	14	15	16

(Authority: - Group Order No-7 issued vide letter No. IC-VI/M&H/DP/2004-05 dated 23.7.2005)

Annexure II
Information regarding unserviceable Machines
(Instruments)

S.No	Name of Office	Name of Machine/ Instrument	Purchase order No & date	Price	Date of Receipt	Date of Installation
1	2	3	4	5	6	7

Date by which machine/ Instrument was not utilized /working	Reasons for non working/ utilization of Machine/ Instrument	Current position	Effect of non working/ utilization of Machine/ Instrument	Capacity of Machine/ Instrument		Action taken for the repair	Remarks
				Sanctioned	Actual		
8	9	10	11	12	13	14	15

(Authority: - Group Order No-7 issued vide letter No- IC-VI/M&H/DP/2004-05 dated 23.7.2005)

CHAPTER 9

ACCOUNTS OF MEDICAL COLLEGES

9.01 General

The local audit of the accounts of Medical Colleges is directed mainly to a check of the receipts and stores and stock accounts.

The main items of receipts are: -

- (a) Fees from students for admission and tuition registration fees, examination fees, etc.
- (b) Fees collected by the clinical laboratories for analysis of specimens.
- (c) Fees for diploma courses in special subjects.

9.02 Accounts, Registers. Etc.

The following is a list of more important accounts registers, etc. to be scrutinize during local audit;-

- (i) Cash Book.
- (ii) Daily fee collection register.
- (iii) Register of cheque received.
- (iv) Stock accounts of instruments, appliances etc.
- (v) Register of receipt books.
- (vi) General breakages register.
- (vii) Register of loan of instruments
- (viii) Contingent Register.
- (ix) Service Books and leave accounts.
- (x) Acquittance rolls.
- (xi) Register of undisbursed pay.
- (xii) Tenders and contracts.
- (xiii) Permanent advance register and sub-vouchers.
- (xiv) Stock Register of departments of Surgery Chemistry, Biochemistry, Medicine, Anatomy, Physiology, Pathology, Bacteriology, etc.
- (xv) Library Accounts such as: -
 - (a) Accession Register.
 - (b) Overdue Register.
 - (c) Register of fines (with receipts).
 - (d) Library Caution Money deposit register.
 - (e) Staff issue register.
- (xvi) Sanctions for fee concessions.
- (xvii) Register of caution money deposits.
- (xviii) Vehicle account and log books.
- (xix) Register of fees charged for pathological, Bacteriological etc. examinations

9.03 Process of audit.

In addition to the general checks prescribed in chapter 4 of this Manual, the special instructions given in succeeding paragraphs should also be observed.

9.04 (a) Audit of Receipts.

It should be seen: -

- (i) That a statement of demand, collection and balance is maintained to watch the recovery of fees.
- (ii) That all amounts due including registration fees as per nominal register have duly been realised and credited to Government account.
- (iii) That notes of fees concessions are recorded in the nominal register and attested by the Principal.
- (iv) That refunds of fees collected erroneously are made on proper vouchers under proper authority.
- (v) The exemptions from payment of fees, as in the case of ex-serviceman are supported by orders of Government.
- (vi) That fee receipt books in standardised form, machine numbered and supplied by Government Press, Jodhpur with counterfoils, are used and that receipt are issued under the stamped signatures of the Principal in addition to the signature of the Head Clerk.
- (vii) That the entries in the daily fee collection register are checked by the Principal or other authorised gazetted assistants with the counter-foils of the fee receipts.
- (viii) That the fees collected and recorded in the counterfoils of fee receipts, daily collection register and the cash book is counted by the Principal or under his orders by a Gazetted subordinate at the close of business on each working day, verified with the book balance as shown in the cash book and initialed with date by the Principal in token of check.
- (ix) That the fee collected is remitted into the treasury in full without undue delay as required in Art. 7(1) of the Rajasthan Treasury Manual. It should be seen that unremitted balance of fee receipts at the close of the day is not in excess of the cash security furnished by the cashier.
- (x) That the electricity and water charges recovered from the students residing in hostels to cover actual expenses being incurred for the purpose.

(b) Breakage Register.

It should be seen that the entries in the register have been approved by the Principal.

Register of Fees charged for Pathological, Bacteriological, etc. examinations.

It should be seen that fees at the rates prescribed by the Government have been recovered and brought to account.

(c) Vehicle Accounts

- (i) Where a vehicle is provided by the college for the students, it should be seen that the charges have been correctly computed and promptly recovered from the students.
- (ii) It should be seen if the accounts relating to the vehicle (i.e. accounts of spares, petrol, repairs, etc.) are correctly maintained.

9.05 It should also be checked that the accounts relating to grant of study loan and recovery thereof are being maintained properly

9.06 Hostel Accounts

In checking of hostel accounts of Medical College it should be seen: -

- (i) Whether a complete record of number of rooms in the hostel has been maintained.
- (ii) Whether the allotment of rooms has been under the orders of the Principal or other competent authority.

9.07 Subscription from foreign Journals

Generally hundred percent advance payments are made towards subscriptions for foreign journals because Publishers/Agents/ Authorised dealers demand advance, it should be seen that these advance payments, have been sanctioned by the Government. It should also be ensured that all the issues subscribed for are received and recorded and that copies in lieu of issues missing/not received in delivery are obtained or their cost made good.

9.08 The provisions of Para 8.41 relating to audit of Purchase, installation and use of equipment will apply in the case of medical colleges also.

CHAPTER 10

ACCOUNTS OF JAILS AND CERTIFIED SCHOOLS

10.01 A. General

The accounts of the Central District Jails and Certified Schools are audited locally. The instructions contained in Rajasthan Jail Manual should be studied by the Inspection Staff before the commencement of audit of the accounts of the Jails. For purposes of accounts the Jails are divided into two departments, viz. (1) General maintenance department and (2) the manufacturing department.

10.01 B. Audit Criteria

The Jails in Rajasthan are governed under the Central Prisons Act and Rules and Regulations framed time to time. There are several Acts related to up keep prisoners, however mostly functioning of the Jails following

- 1- The Rajasthan prisons rules, 1951
- 2- The Rajasthan prisoners open air camp rules, 1972
- 3- The prisoners (shortening of sentences) rules, 2006
- 4- Rajasthan Prisoners Release on Parole Rule 1958
- 5- Rajasthan Prisoners Welfare Fund Rules, 1964
- 6- The Juvenile Justice (Care and Protection of Children) Act 2015
- 7- General Financial & Accounts Rules
- 8- Rajasthan Service Rules
- 9- Orders, Circulars and notifications related to departmental functions.

10.02 (i) Receipts

In following minor heads under major head 0056- Non- Tax Revenue Receipts are being collected, therefore, details of receipts for last 3 years may be collected and analyzed. If there is any shortcoming observed, may be commented in audit.

102	Sale of Jail Manufactures
800	Other receipts

Audit may see whether revenue generated and collected in other heads other than mentioned in table above? Details of receipts of 5 years may be obtained and analysed.

10.02 (ii) Accounts Records etc.

The following are the accounts and returns to be examined in the General maintenance department :-

1. Cash Book.

2. Register of Contingent Charges.
3. Register of Receipt Books.
4. Pay and T.A. Bills Register.
5. Permanent Advance Register.
6. Service Stamps Register.
7. Register of under-trial Prisoners.
8. Register of Civil Prisoners.
9. Convict Property Register.
10. Diet Register.
11. Clothing Register.
12. Garden Produce Register.
13. Stock Register.
14. Release Diary.
15. Employment Register.
16. Service Books
17. Labour Register

Note: - It should be seen that all the registers are page numbered and that the number of pages contained in each book is certified by the Superintendent on the first page.

10.03 Cash Book.

The auditor will examine the entries in the cash book of all receipts and drawals from treasury such as subsistence allowance, bedding money, fines paid into jail by convicts, securities furnished by jail subordinates and contractors, properties of prisoners in cash, etc, and check them with the subsidiary registers, if any, maintained and also see that they have either been duly remitted into the treasury, where necessary expended for the purposes for which they were intended and in the latter case that the expenditure has been properly accounted for by the necessary accounts and vouchers.

It should also be seen that :-

- (i) the amounts drawn on abstract bills have been brought in the cash book;
- (ii) the advances for the escort of prisoners have been duly recovered and credited in the cash book; and
- (iii) the receipts on account of prisoner's property in cash have been duly remitted into the treasury.

NOTE. – The treasury challans should be verified for this purpose.

10.04. Register of contingent charges

The register should be examined to see whether it has been written up in accordance with the instructions and initialed by the Superintendent himself.

10.05. Convict property register and register of under-trial Prisoners

It should be seen: -

- (1) that the personal belongings i.e. all cash and Jewellery of the unreleased prisoners according to these registers are actually in the custody of the Jailer and that the particulars of the properties agree with those entered in the court warrants :-

Note.- This check should be applied only in a percentage of the cases.

- (2) that the properties in cash of the convicts imprisoned during the year under audit according to these registers have been credited in the Jailer's cash book, and
- (3) that the acknowledgements in support of the amount disbursed as per Jailer's cash book have been obtained in the register.

10.06. Register of Civil Prisoners

The checks mentioned in the previous paragraph should be applied in the case of civil prisoners property also. In addition, it should be seen:

-

- (1) that the subsistence allowance has been released in advance at the scale prescribed by Government from time to time;
- (2) that subsistence allowance realised for civil prisoners according to the register has been duly credited in the cash book and the expenditure therefrom is properly accounted for;
- (3) that the unspent balance of subsistence allowance has been refunded to the committing court of the decree-holder;
- (4) that bedding money has been duly credited in the treasury either by the maintenance department itself or through the manufacturing department as the practice may be and the expenditure therefrom is properly accounted for; and
- (5) that decree amounts paid into the Jail by civil prisoners as shown in this register have been duly credited in the cash book and remitted to the court and that acknowledgements of the court are forthcoming.

10.07. Diet Register

It should generally be seen that –

- (i) the books are properly maintained and they bear evidence of check by the Superintendent;
- (ii) the number dieted should be agreed with that shown in the lock-up register after taking into account the admissions and release during the day. Sometime differences may occur owing to the fact that some release and admissions which were expected to occur and for which provision was made in the indent did not

actually take place. The number dieted under each class of convicts should be agreed with the figures compiled from slips received from each ward or barrack;

- (iii) the amounts of diet money shown in register should be checked with the amount and rates shown in the receipts granted by the Jailer, and with the warrants in cases in which they can be produced i.e., in cases when the prisoners have not already been released;
- (iv) the daily abstract of sick prisoners should be checked with the hospital diet register and the diet register of infirm patients to see that the infirm prisoners are not included in the number of prisoners shown in the diet registers;
- (v) all the diet registers should be checked at random with the scales laid down in part-IX Section I of the Rajasthan Jail Manual;
- (vi) the register of milk account should be checked with the diet registers. Where the surplus milk is converted into ghee, it should be seen that the out-turn is in proportion to the quantity of milk used. Roughly 40 kg. of milk should give 2 ¼ kg. of ghee;

Note-Per cup 2 gram of leaf tea admissible to prisoners w.e.f 9.9.2002

(Authority: Govt. of Raj. Home (GR-2) dep. order No. P1 (Ga) (1) Home-2/2002 dated 9.9.02)

(a) Accounts of Grain – It should be seen: -

- (i) that some time prior to the complete exhaustion of stock and before a further purchase has been made, the balance in the storage account is physically verified by the Superintendent personally;
- (ii) that the grain storage account has been properly maintained i.e. the quantity purchased has been correctly brought to account and that the grain placed in and issued from different storage pits and bins has been separately shown in the register;
- (iii) that the issues shown in the grain storage account are taken as receipts in the stock book of rations;
- (iv) that the issues shown of raw grains and receipts of finished materials shown in the stock book of rations are traceable into the mill register as receipts and issues respectively; and
- (v) that the losses in clearing and gridding are within the sanctioned scale;
- (vi) that the losses in grains purchased from Food Corporation of India are permissible upto 2 percent with effect from 9.9.2002

(Authority: Govt. of Raj. Home (GR-2) dep. order No. P1 (Ga)(1) Home-2/2002 dated 9.9.02)

10.08 Clothing Register

It should be seen: -

- (i) that the registers have been neatly kept and written up-to-date and they bear evidence of check by the Superintendent;
- (ii) that the issues of new clothing are traceable from the manufacturing stock book into the register of new clothing for any two selected months of the period under audit;
- (iii) that the entries on the receipt side of the convict clothing account agree with the Stores and sale book of Manufactured Articles (Factory) in the case of Central Jails, and in the case of District Jail, with the inter department receipts;
- (iv) that the issue of convict clothing of prisoners are made under the Superintendents orders.

10.09 Register of Garden Produce.

The Register should be examined generally to see that it is maintained properly in accordance with the rules and orders on the subjects. Audit party may collect all such rules and orders and analyse accordingly.

10.10 Stock Register.

It should be seen:-

- (1) that the stock book shows all civil stores, live stock and dead stock other than those connected with the manufacturing department;
- (2) that the opening balances of the year agree with the closing balances of the previous year;
- (3) that all purchases of provisions and stores are according to contract rates and agreements and that these purchases made during the year according to the paid vouchers or the office copies of the monthly accounts have been duly brought into the stock register;
- (4) that disposals of unserviceable stores and furniture have been sanctioned by the Inspector General of Prisons;
- (5) that all sale proceeds of unserviceable articles have been duly credited in the cashbook;
- (6) that the certificate of annual verification of stock has been recorded over the signature of the Superintendent;
- (7) that the years supply of grain and firewood and all articles of ration are purchased in the cheapest season according to the

Superintendents orders in the order book; and that the payment has been made after weighment and approval by the Superintendent;

- (8) that the issues showing the stock book agree with the diet registers and that the totals and balances have been correctly struck;
- (9) that in Central Jails, a stock account showing the dairy produce and its value and expenditure for the maintenance of cattle is maintained;
- (10) that the amount of livestock and the purchase of cattle has been shown into the stock book, and the sale proceeds of cattle appear in the cash book;
- (11) that the dead stock register is called tallied with the contingent register; and
- (12) that the annual deduction of 5 per cent has been made from the original value of each plant machinery etc. for wear and tear and that when the full value has been deducted, the plants have been retained the register until finally condemned and written of but no value is shown against them.

10.11 Release Diary

During audit the release diary should be checked with all the connected registers so far as payments to released prisoners are concerned. The gratuities paid to prisoners should also be checked with the register of remissions and rewards

10.12 Employment register

During audit the employment register should be checked and it should be ascertained whether the hire of convicts supplied to private individual is realised and credited in the cashbook.

It should also be seen whether the amount of the prisoners cash accumulated is large, and if so, much of it is not required for current payment to prisoners on their release to made over to the District Magistrate for deposit.

10.13. Minute Book

The Audit Party should also go through the Minute Book (form-3) and see that remark recorded by the Inspector General of Jails have been attended to so far as they relate to accounts.

10.14. Stock Registers of Medicines, Medical Apparatus and Surgical Instruments.

It should be seen that stock registers are maintained for medicines, medical apparatus, and surgical instruments and that the purchases made during

the year have been duly shown therein and also that the registers bear evidence of check by the Medical Officer.

In those jails where pounds exist, the register etc. maintained should be generally examined. However, special attention should be paid as to how the impounded cattle- are fed by the pound keeper. If they are fed from the grass growing in the jail compounds it should be seen that the feeding charges are paid to the credit of the Jail Department under the proper head instead of being appropriated by the pound-keeper.

10.15 Canteen Accounts

The instructions issued by Government for opening of the canteens should be studied and it should generally be seen; -

- (1) that the cash book is maintained properly;
- (2) what system adopted for operation of canteen;
- (3) that there is no diversion of funds for purposes other those specified in rules; and
- (4) that the profits realised are spent on the activities specified for that purpose and that the accounts are periodically checked by competent authority;

10.16. Certified Schools

The accounts should be checked observing generally the instructions given in the above paragraphs.

10.17 Contracts

The checks prescribed in para 196 of Rajasthan Jail Manual regarding contracts of ration articles and other equipments should be exercised mutatis mutandis. In addition to these checks it should be seen.

- (1) that articles of diet which are susceptible of shortage have been purchased in as large quantities as possible and in proper seasons, keeping in view the trend of prevailing market prices ;
- (2) that large supplies of articles of diet and of manufacture have been arranged for by public tender;
- (3) that agreements have been taken from all contractors and they have been executed by the Inspector General;
- (4) that in the case of articles the prices of which have been controlled by Government, the contract rates conform to the controlled rates;
- (5) that in the case of defaulting contractor, the contract has been resold at his risk and the liability of the defaulting contractor for any loss in the resale or by departmental purchase is fixed and mentioned in the agreement.

10.18 Railway Warrants.

During local audit the following points should be seen regarding the use of Railway warrants: -

- (1) that an account of Railway warrant book is maintained in the prescribed register at the office of the Inspector General of Prisons or at the five Circle Jails (Viz. Jaipur, Jodhpur, Udaipur. Kota and Bikaner.);
- (2) that warrants have been printed in triplicate and bound in books containing 50 (fifty) forms, and that not more than two books at a time are issued to each officer competent to issue railway warrants, and that a new book is issued on a requisition form and that too only when one book has been fully used up;
- (3) that before a railway warrant book is issued all the warrants in it have been stamped with the seal of the officer issuing the book, and that all the books and their papers have been serially machine-numbered;
- (4) that before a railway warrant book is brought into use, the number of forms contained therein has been counted and the result recorded over the signature of the Government Officer-in-Charge of the book, and that counterfoils of used books are kept in his personal custody;
- (5) that railway warrant book both in use at various offices and in stock at the distributing offices along with the account register remain under lock and key, in the personal custody of the Officer-in-Charge;
- (6) that the original copy of the railway warrant is given to the person, who is to travel for presentation at the railway station and on entry regarding issue of the railway warrants is made in the Report Book (R.J. 4) of the officer competent to issue railway warrants, and the duplicate copy has been forwarded to the drawing and disbursing officer, i.e. Circle Jail which in turn forwards the account to the head office by the 10th of each month for reconciliation purposes, and that the accounts clerk posted at the circle jails see that the account is sent on fixed dates, and that triplicate copy is kept for record at the office of issue;
- (7) that on receipt of the duplicate copy in the office of the Controlling Officer, he satisfied himself about the purpose of the journey, noted in the railway warrant and signs it token of its correctness and hands it over to the accountant who keeps the same in safe custody with him; and
- (8) that the Inspecting Jail Officers ensure at the time of their local inspections that railway warrants books are maintained properly and the warrants are not bring misused by any fraudulent means.

10.19. Securities

It should be seen: -

- (i) that security has been taken from all subordinates who are required to furnish it and the amount of each security is up to the limit fixed in the rule for the different classes of officers;
- (ii) that the investment of security deposits has been made in accordance with the rules;
- (iii) that where security is deposited in the form of Government promissory notes, the promotes have been deposited with the Reserve Bank of India in accordance with Rules on the Subject;

NOTE. – The investigation in Government Promissory Notes should be traced into the statement of trust accounts annually published by the Accountant General.

- (iv) that security bonds have been executed by every officer in one of the forms and in the manner as prescribed in the **Annexure-I**. The audit party will also keep in view the latest instructions, if any, issued by the I.G. Prisons in this regard at the time of audit;
- (v) that the savings bank pass books and the security bonds have been kept in the personal custody of the Superintendent; and
- (vi) that the securities obtained agree with those entered in the statement submitted annually to the Inspector General;

10.20. The Jail (Manufacturing Department) has been declared by the State Government as a Commercial Department. The accounts records maintained in this Department and the audit checks applied thereto are contained in Chapter 22 of this Manual.

- According to Jail Department in compliance of instructions (28th April 1961) of state government the manufacturing units of the jail department are preparing their annual accounts on commercial basis (Proforma Accounts), however these units are not classified as commercial units.

10.21. Schemes executed by Jail Department

Presently following schemes are being executed in Jail Department:-

1. State Schemes
 2. Finance Commission
 3. Building repairs
 4. Training Programmes.
 5. Installation of Cell phone Jammer of latest technology.
 6. Scholarship to dependents of inmates from Prisoners welfare Fund.*
- * For maximum 2 dependent studying in class 6 or above in government school/organization.

* Period of remaining punishment should be one year or more excluding imprisonment in lieu of monetary penalty.

(DG Jail Rajasthan, Jaipur department order No. 02/2010 dated 20.05.2010)

During local audit, these schemes should be examined in details and suitable comments may be incorporated in Inspection Report.

10.22 Payment of wages to prisoners: -

(1) Prisoners who are given hard imprisonment and prisoners who wants to labour voluntarily will be eligible for wages prescribed by Government from time to time after deducting expenses on food, clothes and other items of maintenance of these prisoners wages will be paid in proportion to work actually done during the month on prescribed works.

(2) Prescribed labour register and labour tickets for every labour shall be maintained by factory workman/assistant factory supervisor and jailor. Entries of the register shall be certified by Deputy Superintendent/Superintendent weekly. Payment of unattested entries shall be irregular.

(3) The labours in prison have been categorised as skilled and unskilled labour: -

(i) Skilled labourers:- Prisoners who are engaged in the manufacturing department(at a place where dari, niwar, furniture, cloth etc. manufactured as work of tailoring is done), are called skilled labours wages will be paid to skilled labourer on the basis of total work done in ratio of contract during the month.

(ii) Unskilled labourers:- Other prisoners who engaged in maintenance of jail services (such as preparation of food for prisoners, cleaning, arrangement of water in jail, offices, stores and factories and maintenance of factory machines and instruments. The number of unskilled labourer shall be restricted to ten percent of total strength of prisoners in the jail. Payment made to excess number of unskilled labourers shall be treated as irregular.

(4) Wages to skilled and unskilled labourers shall be calculated on completion of task at the rates applicable from time to time.

(5) Seventy five percent of wages will be paid to prisoner as per his desire and 25 per cent of wages will be paid to aggrieved persons. The amount for aggrieved person shall be retained in P.D Account to be distributed to aggrieved persons/ legal heirs.

Authority: Govt. of Rajasthan Home (GR-12) dep. order no. P4(2) Home - 12/Jail/1999/part Jaipur dated 08.09.2011.

(6) A committee is constituted by State Government Comprising the following: -

(i) Inspector General Jails president Rajasthan, Jaipur

- (ii) Assistant Legal Advisor Member Jails Rajasthan, Jaipur
- (iii) Superintendent /Dy. Superintendent Member of Concerned Jail.

This committee will decide the recognition of the sufferer or his legal heirs and amount payable to him/them. The Committee will organise three monthly meeting for recognition of sufferer or his legal heirs and his/their entitlement. If the number of sufferers or his legal heirs is more than one, the amount payable to them will be distributed proportionately among them.

(7) Payment shall not be made for non-working period due to weekly off other holiday, disease, peshi, challan, old age, voluntarily punishment, training, sports, yoga, vipashyana etc. or other reasons.

10.23 Inspector General Jails, Rajasthan, Jaipur instructed to all Jail Incharge that all employees/officers residing in government quarters will take electric/water connections at their own expenses and previous arrangement of free supply of electric/water will be stopped with immediate effect. In this connection Inspector General has fixed the rates of electric/water charges from employees/officers as follows: -

S.No	Category of Employee/Officers	Rate of Electric charge (monthly) effective from		Rate of Water charge (monthly) effective from 01.06.2000
		01.06.2000	03.06.2005	
1.	Prahari/Chief Prahari	Rs 250	Rs 500	Rs 50
2.	Asst. Jailer/Dy. Jailer/Jailer	Rs 500	Rs 1000	Rs 75
3.	Deputy Superintendent	Rs 750	Rs 1500	Rs 100
4.	Superintendent	Rs 1000	Rs 2000	Rs 100

These charges will be recovered from concerned employee/officer and receipt in G.A 55 will be issued. Amount recovered for the period of last years will be credited to Income Head of the department and amount recovered for current year will be treated as minus debit in concerned 'budget head (office expenses). In the case of non-depositing of these charges by any employee /officer, these will be recovered from salary of the concerned employee/officer. A complete record will be maintained in this regard. All officer-in-charge of jails will send a list of employees/officers residing in Government quarters to the office of Inspector General Jails, Rajasthan Jaipur.

(Authority: F 3(4)(Budget)/Lekha/26474-573 dated 03.02.2005)

10.24 (a) Inspection of Jails :

The annual Inspections norms of Jails were fixed as under :-

क्र. सं.	अधिकारी का पद नाम	की श्रेणी					
		केन्द्रीय कारागृह	जिला कारागृह	उप कारागृह	बंदी खुला शिविर	किशोर सुधार गृह	महिला सुधार गृह
1.	महानिरीक्षक कारागार	02	01	—	—	—	—
2.	उप महानिरीक्षक कारागार जयपुर रेंज जयपुर	03	05	07	05	—	01
3.	उप महानिरीक्षक कारागार जोधपुर रेंज जोधपुर	03	07	07	05	01	01
4.	उप महानिरीक्षक कारागार उदयपुर रेंज उदयपुर	03	10	10	05	—	—
5.	अधीक्षक केन्द्रीय कारागृह	स्वयं की कारागृह का वर्ष में 02 बार	क्षेत्राधीन प्रत्येक जिला कारागृह का वर्ष में 01 बार	क्षेत्राधीन प्रत्येक उप कारागृह का वर्ष में 01 बार	क्षेत्राधीन प्रत्येक बंदी खुला शिविर का वर्ष में 01 बार	क्षेत्राधीन किशोर सुधार गृह का वर्ष में 01 बार	क्षेत्राधीन महिला सुधार गृह का वर्ष में 01 बार
6.	अधीक्षक/उपाधीक्षक, जिला कारागृह "ए" व "बी" श्रेणी	—	स्वयं के जि.का वर्ष में 02 बार	क्षेत्राधीन प्रत्येक उप कारागृह का वर्ष में 01 बार	क्षेत्राधीन प्रत्येक बंदी खुला शिविर का वर्ष में 02 बार	—	—

- निरीक्षण अवधि में कार्य दिवस :- केन्द्रीय एवं जिला कारागृह पर —2 दिवस शेष पर —1 दिवस
- निरीक्षणावधि में रात्रि विश्राम :- केन्द्रीय एवं जिला कारागृह पर — 1 दिवस शेष पर — शून्य
- अधीक्षक एवं नीचे के स्तर के अधिकारी के लिए रात्रि विश्राम — शून्य
- उपरोक्त निर्धारित मापदण्ड अनुसार वार्षिक निरीक्षण किये जाने अनिवार्य है।
- नोट :- निरीक्षण अधिकारी निरीक्षण के दौरान बंदियों को पी.आई.सी.एस. के लिए इस कार्यालय के परिपत्र दिनांक 12.4.2019 के अनुसार प्रौत्साहित करेंगे तथा कारागृह प्रभारी को इस प्रणाली को कारगर करने के निर्देश भी देंगे।

निरीक्षण के दौरान पी.आई.सी.एस. प्रणाली का निरीक्षण आवश्यक रूप से करेंगे।

(Authority :- DG Jail Rajasthan, Jaipur circular No. [निरी/दौरे/आई.जी/डी.आई.जी/182/Part-5/5565-669 dated 2.5.2019](#))

10.24 (b) Night halts and tours

The quantum for night halts and tours was prescribed for the year 2019-20 as under :-

क्र.सं.	पदनाम	दौरे		रात्रि विश्राम	
		प्रतिमाह	वार्षिक	प्रतिमाह	वार्षिक
1.	महानिरीक्षक कारागार	1	12	1	12
2.	समस्त उप महानिरीक्षक कारागार रेंज	4	48	2	24
3.	समस्त, मण्डलाधिकारी एवं अधीक्षक, केन्द्रीय कारागृह	2	24	—	—
4.	समस्त, अधीक्षक/उपाधीक्षक, केन्द्रीय/जिला कारागृह	1	12	—	—

(Authority :- DG Jail Rajasthan, Jaipur Circular No. निरी/दौरे/आई.जी/डी.आई.जी/182/Part-6/5670-771 dated 2.5.2019) and same targets as per DG Jail Rajasthan, JPR circular no. [निरी/दौरे/आई.जी/डी.आई.जी/182/Part-6/15297-418 dated 16.06.2020](#)

Annexure-I

(Refer to in Para 10.19 (iv))

The security in the form and manner as laid down under the G.F.A.Rs. is only acceptable. Personal security is acceptable up to 50% only, i.e. half of the required security should be in cash and half in personal security.

As regards amount of security to be determined it should be of Rs. 500 minimum or in multiples of Rs. 500. Security of Rs. 500 should be sufficient but this point is left entirely to the discretion of the Officers In-charge Jails and Sub-Jails who may fix the amount of security if each official under them according to circumstances and local conditions. In case where it is considered necessary to take security of more than Rs. 500 approval of the I.G. Prisons should be obtained intimating the circumstances necessitating the same.

The security should be according to the rules laid down in the G.F. & A.Rs. and it should be either in cash or Post Officer Saving Pass Book of Post Office Cash Certificates or National Savings Certificates or in the Form of Fidelity Bonds from approved insurance Companies of reasonable financial standings in the form prescribed by the Government or mortgage of real property. Personal Security may also be accepted to the extent of 50% only, in conjunction with cash and not otherwise.

When Government servants furnish security in the form of fidelity bond, all the officers in charge of Jails and sub-jails should see that all such Government servants pay the permits necessary to keep it alive on the due dates and continued to do so until a period of 6 months have elapsed since the Government servant vacated his office. If the Government servant fails to deliver the premium receipt in time, immediate necessary action may be taken in the matter.

The security bond to be executed at the time of furnishing security should be in the prescribed form and when a Government servant is permitted to furnish security partly in one and partly in another of the approved forms of security, he should execute separate bonds for the different kinds of securities with necessary stamp duty, where necessary.

[IG Prisons Circular letter No. Act / GNL / 431 / 3226 (L), dated the 26th December, 1956, Jaipur]

CHAPTER 11

ACCOUNTS OF EDUCATIONAL INSTITUTIONS

11.01 Scope of Audit

Besides the common checks mentioned in Chapter-4, the local audit of schools and colleges is directed mainly to check the receipts and stores and stock accounts. The extent of audit of receipts is contained in para 4.05 of this manual.

11.02 The receipt of schools and colleges mainly consists of the following items: -

- (1) Admission Fees;
- (2) Tuition Fees;
- (3) Examination Fees;
- (4) Fines based on absence from school or college;
- (5) Fines for delay in payment of fees;
- (6) Hostel seat-rent, charges for electric lights, furniture rent etc.;
- (7) Library and Laboratory deposits.
- (8) Boys Fund.
- (9) Fees of Transfer Certificate.
- (10) Fees of Re-admission and
- (11) Caution Money (Security Deposit).

11.03 Accounts, Registers etc.

The following more important accounts/registers/records maintained by various institution of education should be scrutinised during local audit :-

(A) **All Institutions: -**

(I) **Accounts Sections: -**

- (i) Cash Book (Boys Fund);
- (ii) Cash Book (Government Fund) G.A. 48; but many school are not maintaining Cash Book due to introduction of Online Payment/ IFMS/ Pay Manager consequently many registers are not being maintained and thus lost their significance after application of above mentioned system.
- (iii) Register of Postal Stamps G.A. 115;
- (iv) Permanent Stock Register and Store Ledger G.A. 162;
- (v) Permanent and Consumable items issue Register;
- (vi) Stationery Register G.A. 161;
- (vii) Recovery Register of Festival Advance G.A. 185 A;
- (viii) Fees Receipt Register;
- (ix) Distribution of various types of Scholarship Register;
- (x) Register of issue of Receipt Books;
- (xi) Register of Receipt and Management of Cheque/Demand Draft/ Money Order etc. G.A. 51;

- (xii) Admission Register;
- (xiii) Permanent Advance Register;
- (xiv) Register of Refund of Fees and
- (xv) Register of Refund of Deposit/Caution Money.

(II) *Establishment Section*

- (i) Employees Attendance Register G.A. 159;
- (ii) Casual Leave Register G.A. 160;
- (iii) Register of Promises G.A. 47 and
- (iv) Annual Work valuation Report Dispatch Register.

(III) *General Section (Including Library)*

- (i) Receipt Register;
- (ii) Dispatch Register G.A. 1;
- (iii) Transit Register G.A. 2;
- (iv) Visitors Book;
- (v) Log Book;
- (vi) Teachers Diary;
- (vii) Supervision/Supervision Watch Register of Head Master;
- (viii) Order/Information Register;
- (ix) Register of Files G.A. 3;
- (x) Examination Result Register;
- (xi) Scholar Register;
- (xii) Student Attendance Register ;
- (xiii) Transfer Certificate Register ;
- (xiv) Student Progress Register ;
- (xv) Student Penalty Register ;
- (xvi) Fees Condonation Register;
- (xvii) Accession Register;
- (xviii) Issue Register (Library);
- (xix) Register of Various Books;
- (xx) Register of lost and Destroyed Books;
- (xxi) Library's signature book of Teachers/Students;
- (xxii) Dues Register of Students;
- (xxiii) History Book of School and;
- (xxiv) General Breakage's Register.

(B) *Secondary/Higher Secondary Institutions*

(I) *Accounts Section: -*

- (i) Bill Register G.A. 59;
- (ii) Travelling Allowance Register G.A. 98;
- (iii) Medical Expenses Reimbursement Register;
- (iv) Control Register of Postal Stamps;

- (v) Defalcation Register G.A. 163;
- (vi) Register of amounts Deposited in Treasury/Sub-treasury;
- (vii) Control Register of Advances G.A. 53;
- (viii) Deduction Register in Compliance of Accountant General;
- (ix) Special Recovery Register G.A. 61;
- (x) Register of Pay and Allowances of G.O. G.A. 73;
- (xi) Register of pay and Allowances of N.G.O G.A. 74;
- (xii) Register of Un-disbursed Pay and Allowances G.A. 102;
- (xiii) Register of Postal Order/Money Order/Bank Draft G.A. 103;
- (xiv) Watch Register foe Encashment of Bills G.A. 173;
- (xv) Register of Loans and Advances G.A. 185;
- (xvi) Control Ledger of Head-wise Expenditure G.A. 19;
- (xvii) Contingency Expenditure Register G.A. 1-4;
- (xviii) Caution Money Register;
- (xix) Stock and Issue Register of items of Science, Drawing, Agriculture, Commerce, Home Science, Geography etc. and Sports. NCC/ACC etc.;
- (xx) Register of Objection/Paras of Accountant General/Internal Audit Parties ;
- (xxi) Receipt Register of Railway/Transport Parcels;
- (xxii) Dispatch Register of Railway/Transport Parcels and;
- (xxiii) Telephone Register G.A. 116.

(II) Establishment Section

- (i) Increment Register G.A. 93;
- (ii) Receipt and Decisions of Application of Pension/Gratuity/ Commutation of Pension G.A. 152;
- (iii) Register of Service Books/Service Rolls and Leave Accounts;
- (iv) Establishment Register and
- (v) Disciplinary Action Register

(III) General Section (Including Library)

- (i) Official Order/Circular Files;
- (ii) Register of Open Examination Permission;
- (iii) Register of Under Consideration Periodically Reminders;
- (iv) Register of Subject-wise list of Register and
- (v) Suggestions Book.

(C) For Primary/Middle Institutions

(I) Accounts Section

- (i) Details of Bills send to District Education Officer and Passed Bills Received from District Education Officer.
- (ii) No fees is charged by Accounts Section of Primary/Middle Institutions from Kasturba Gandhi, Sharde Balika Hostel and hostel run in SC/ST tribal areas. Under RTE, Act 2009, DEO (Elementary Education) through BEEOs reimburse fees of 25%

of poor children admitted in private schools . A checklist of Circulars/Order should be made to check such cases .

(D) Hostel's Records:

- (i) Admission Register;
- (ii) Attendance Register of Student/Employee;
- (iii) Register of Health Examination;
- (iv) Cash Book;
- (v) Stock Register;
- (vi) Food Production Center Account Register;
- (vii) Guide Book;
- (viii) Order/Information Register and
- (ix) Seat Rent Register of Hostel.

11.04 Process of Audit

The some of the registers should be checked as follows: -

(i) Demand and Collection Register of fees etc.

Check the dues from students of different classes on account of the several kinds of fees including extra fees etc., noted in this Register. See whether steps have been taken for the realisation of arrear of fees. The names of the students of the different classes as noted in the Demand and Collection Register should also be checked with the class attendance registers.

NOTE It should be specially seen that the wards of the employees of semi-Government Bodies like Municipal Boards. Distract Boards and Government aided institutions are not granted exemption from the payment of tuition fees contravention of para No. 3 of the Government of Rajasthan, Education Department letter No. F. 3(12) Edu.(B) 56, dated 20.9.1956.

[OAD-II/R.R. College/I/R.G.O. 42/Edu-I/1708 dated 27.6.1968.]

- (ii) From 2009-10 onwards no demand or fees is collected from class 1 to 8 for age group 6 to 14 under Right to Free Education (RTE)

(iii) Admission Register

- (1) Examine the Admission Register to see that the admission and re-admission fees have been properly levied,
- (2) Check the receipt of admission fees as noted in the Admission Register with the Cash Book.

(iv) Scholarship Register

Check the Scholarship Register with the attendance report of scholarship holders, and examine the payment with the acquittances. See that unpaid items are remitted into the treasury at the close of the year.

(v) Seat-rent Register of Hostel

See from the register whether the seat-rents of hostels have been realised from the boarders according to the rules and check the realisation with the credits in the Cash Book. Examine also whether the charges for electric light and fan,

furniture, cost of superintendence and the occupiers shares of municipal taxes have been included in the seat-rent realised from boarders.

(vi) Attendance Roll Register

Check the recovery of fees from students against these rolls, examine from this register that the free ships are within the sanctioned limits.

(vii) Register of refund fees

Check the Register of refund of fees with the Cash Book and see whether the refund has been noted against the original receipt entries in the Fees collection book, and that each refund has been sanctioned by the competent authority.

(viii) Register of undisbursed amounts

See that the amounts entered in this register are not retained for more than three months. In cases, in which amounts were credited into treasury, and subsequently drawn, necessary notes are recorded against the relevant entries in the original bills from which the items were recorded in this register.

(ix) Stock Register of Library Books

Check this register and see whether the books issued from the library to teachers and students have been returned with the prescribed period. Also see that the stock of library books has been verified annually by a responsible officer and a certificate to this effect recorded on the Register.

(x) Issue Register of Library Books

Examine the issue Register of Library Books and see whether the price of books which have not been returned has been duly realised from the borrower, and credited to Government.

11.05 Audit of Stores in the Laboratories

The Science Department i.e Chemistry, Physics, Geology, Biology etc., of a college are equipped with laboratories consuming large quantities of stores and apparatus for which inventories must be kept. The following process of audit should be adopted: -

- (a) Check the Receipt Register of Stores and apparatus with the order books or indents and the duplicate copies of invoices and suppliers bills and see that the order of indents are signed by a responsible officer; check these bills with the Contingent Register to see that no double payment has been made, check the Receipt Registers with the stock books or stores and apparatus;
- (b) Check the issue Registers of stores with the departmental Requisition Books and check the issue side of Stock Book of Stores with the issue Register, see that all deductions due to loss, damage, etc. have been written off only with the sanction of competent authority;
- (c) See that the stock Books have been verified once a year by a responsible officer and a certificate of verification has been recorded under the signature of the verifying officer;
- (d) Examine whether stores in excess of immediate requirements have been purchased and the quantities used are not excessive as compared with the consumption in previous years and see from the value Account Books that the value of the balance of Stores is not large; and

- (e) See whether breakages of apparatus by students as shown in the stock Book of apparatus have been entered in the Breakage's register and necessary action taken to regularise the loss.

11.06 Purchase of Books

Substantial expenditure is incurred by the District Education Officer and Head of Educational Institute on purchase of books. At present Directorate through DEO and Nodal School is distributing free text books to class 1 to 12 through Rajasthan Textbook Board, Jaipur. Also there is a provision of getting 50% of books back from the children who have passed the exam.

As such the Education department sometime enters into contracts with various firms. In such cases it should be seen during local audit: -

- (i) that the books purchases are of the approved category and orders have been placed on approved firms. Value of books (not on the approved list of Department) purchased from the approved firms and the value of books (whether or not on approved list) purchased from unauthorised dealers together with the rate of discount allowed should be worked out and the total discount compared with the amount of discount which would have been allowed had the books been purchased from the authorised firms.
- (ii) that the discount mentioned in the rate contracts is allowed in prices quoted in the list of books approved by the Education Department.
- (iii) that General English, Hindi and Sanskrit Books and Foreign publications are selected for purchase from the approved books of the Department.

It should also be seen during local audit as to how many books are actually needed and how much amount has been spent on books not required or which are not used for the purpose for which they are purchased.

The above instructions should be adhered to and a certificate to the effect that necessary action has been taken on the instructions by the Assistant Audit Officer should be recorded on the forwarding letter of the draft Inspection Report to the Headquarters Section.

[O.A.D. Circular No. 409-421/O.A.D., Dated 19.4.1957.]

Note : GSR-96 In exercise of the Power conferred by Section 55 of the Rajasthan Transparency in Public Procurement Act, 2012 (Act No 21 of 2012) the State Government hereby makes the Raj Transparency in Public Procurement (RTPP) Rules, 2013 for different classes or categories of procurement of procuring entities (Notification of GoR, Finance Department, No. F1(8) FD/GF&AR/2011 dated 24.01.2013 and amended from time to time)

11.07 The Officers of the Education Department have been delegated powers for the purchase of books, periodicals, maps, furniture etc. to the extent of powers delegated to them for the purchases of stores vide Finance Department Order No. F. 18 (13) F.II R/55, dated 18.10.1955, provided there is specific provisions in the Budget.

[G.R.F.D. Order No. 6274/56-F 18(13) II/55, dated 22.10.1956.]

NOTE: - The local audit parties should not, therefore raise objections on such purchases except where the financial powers are exceeded.]

[File No. O.A.D. II/4/Misc./Edu. /63-64 at page 88.]

11.08 While conducting the local inspection of the offices of the major drawing officers of the Education department the following points should be specially seen with a view to finding out the extent of irregularities in the withdrawals made in March: -

- (1) that no amounts are drawn for making payment of supplies, etc. which are not received before the next financial years ;
- (2) that no unauthorised Bank Accounts are opened for the custody of huge amounts withdrawn and no payments made in anticipation of the receipt of goods; and
- (3) that the entries of payments are not made in the Cash Book in advance of actual payments and similarly receipts of goods is not entered in the stock books before the goods are actually received.

[Accountant General order dated 8.3.1957.]

11.09 In relaxation of general orders, the use of State Vehicles attached with the State Institute of Education, Research & Training, Udaipur has been permitted within a radius of eight kilometers as a means of transport for the invitee lecturers to the institute.

[Assistant Secretary of Government of Rajasthan's letter No. F. 2(11) Edu./C.V./64, dated 15th May, 1965 at page 188 of File No. O.A.D. II/4/Misc./Edu. I/ 63-64.]

11.10 Utilisation of Bus facility

The utilisation of the Bus facility has been allowed to the Girls students and teachers of the State Educational Institutions where such facility has been provided, subject to the payment of prescribed fees.

NOTE: - The bus fee shall be charged for full academically year except for summer vacations. There will no cut in charges for the winter break.

11.11 During local audit it should be seen that the fees received from the students in Government Educational Institutions on extra curricular activities e.g. Games Union and Examination Fees, reading room fees, caution money etc. should be credited under Head-K-Deposits and Advance (6) Deposits not bearing interest-8443 Civil Deposit of Educational Institution- Educational Institutions-Education/Medical/ Veterinary.

It should also be seen that each institution keeps one consolidated personal deposit account in the Treasury, which is operated upon by the Head of the Institution. The Individual accounts of the different kind of fees realised from the students have been maintained by the Head of the Institutions and see that the fees are utilised only for the purpose for which these have been realised and no appropriations is made from one kind of fee to another without prior sanction of the Government.

NOTE: - It has been decided by the Director of Elementary Education that the Boys/Girls Fund may be kept in the Personal Deposit Accounts at "Treasuries/Sub-Treasuries".

(Director, Elementary Edu letter No.3 नि/प्रार./जय/सा.
4/छात्रकोष/91-96/103 दिनांक 19-5-03)

It should be seen that the individual account of different kinds of fees realised from the students have been maintained by the Heads of Institutions and that the fees are utilised for the purpose for which these were realised and no

appropriation is made from one kind of fee to another without prior sanction of the Government.

[Authority: - Based on Addl. Finance Secretary Government of Rajasthan order No. D-3155/F. 1(64) F./A.A./56 dated 18th July, 1960 p/2 case file No. OAD. II/Boys Fud/63-64 and F.D. order No. F.12 (1) F.M./77 dated 10.1.1977.]

11.12 The state Government has sanctioned the grant T.A./D.A. to the members of College teams participating in the University Central and Zonal Tournaments at the following rates: -

- (1) II-Class Railway fare at Students concession rate both ways.
- (2) Daily allowance at prescribed rates.
- (3) Daily allowance will be admissible for travelling period i.e between 6 A.M to 6 P.M.
- (4) Daily allowance will be given to those who participate in Sports Activity, however the sports team which are not participate in sports activity, daily allowance will be paid for such intervals days.
- (5) Refreshment charges per player per match at prescribed rates.

[Government of Rajasthan. Education Department (A) s Order No. F. 3472(60/ F. 6(122)-Edu. A/56, 12 the July 1960 at page 42 ibid.]

11.13 In Rajasthan monthly fixed contingent charges are placed at the disposal of the Headmasters/Headmistresses of the Middle or Primary Schools by the District Education Officer. With a view to have an effective check on the utilisation of such funds it has been decided that the Distt. Education Officer and the Dy. Distt. Education Officer (Girls) should either calls for an account of expenditure incurred out of such lump sum payment of the previous month or a certificate in the following form from Headmaster/Headmistress of Middle and Primary School before fixed contingency of the next month is paid to them.

“Certified that the amount of Rs. as fixed contingency in respect of the Government Middle/Primary Schools received by me for the month of has been utilised for the contingent needs of the institution.”

Signature with Designation.

These accounts or certificates should be checked and filed with the relevant bill of fixed contingency. The Distt. Education Officer/Dy. Disstt. Education Officer (Girls)/Add./Dy. Distt. Education Officer or SDI should check the correctness of such accounts or certificate at the time of his Inspection of the Institution.

[Director of Primary & Secondary Education Government of Rajasthan letter No. EDB/BUD/B-5/15810; 17/63-64 dated 17th March 1963 at page 82 ibid.]

11.14 Scholarships & stipends

It has been decided by the Comptroller and Auditor General of India in April, 1982 that commencing from the audit of the vouchers of scholarship payment for April, 1982 onwards Scholarship payments are to be checked during local audit of departmental officers. The quantum of check of payment of scholarship has been laid down in the local memorandum of secret Institutions.

During course of local audit of scholarship payment vouchers it should be specifically ensured that a proper system exists in departmental offices for keeping a continuous record of all such payment and that acquittances have

been received and filed. Checks to be exercised during local audit are given in the **Annexure-I** to this Chapter.

The Inspection parties should give a suitable note in the title sheet whether they have conducted all the checks. The irregularities noticed in these payments should be taken in a self-contained para of the Inspection Report.

[Authority: - G.O. No. OAD-I/G.S./K. 320/81-82/283 dated 28.6.1962 based on the letter No. 540-TAJ/45-82 dated 24.4.1982 (T.N. No. TM/5/5/83/TR/99 dated 14.5.1982.)]

11.15 Audit of Primary Education

(I) *The following schemes were operated under Primary Education: -*

- (i) Direction and Administration;
- (ii) Free Disbursement or Text Books.
- (iii) Upper Primary Schools (Boy).
- (iv) Upper Primary Schools (Girl).
- (v) Primary Schools.
- (vi) Learning Laptop.
- (vii) Inspection and Festival of Admission.
- (viii) Primary Education Building
- (ix) State Institute Education Research & Training
- (x) Motivation for National Talent search Exam for primary School
- (xi) Fee Reimbursed for Private School Under RTE
- (xii) Grant for Deaf and Dumb schools.
- (xiii) Chief Minister Sambal yozana.
- (xiv) Board of Information Technology Education Standards (BITES)
- (xv) District Institute for Education & Training (DIET)
- (xvi) Serve Shisha Abhiyan
- (xvii) Assistance Under 13th Finance Commission
- (xviii) Shishak ka apna vidhalaya
- (xix) Bal Ganesh Chiranjivi Swasthya yozana

The Department performs the work related to monitoring & planning of all the aforesaid schemes as preparing draft plan, preparing amended proposals, proposals for B.F.C., preparation of Budget details, preparation of proposals for newly opened primary schools/centres & provision of posts for upgraded upper primary schools, proposals for extension in time in the temporary establishment posts, proposals for change in budget heads, preparation of accounts of the final grants, the plan according to the annual plan & monitors of the expenditure under C.S.S. & to get them reviewed by planning department monthly and quarterly, monthly & quarterly review to be get done from Director, Tribal Area Development of the T.A.D. expenditure & Special organisation planning to get he review & expenditure from Director, Social Welfare Department, Jaipur.

Except all the above programme related to the planning head the budget, expenditure monitoring, preparation of scheme wise proposals to send U.Cs. Of amount realised by Central Government etc. of all the schemes related to C.S.S. are also conducted by the department. Now the work related to DIET has also been transferred to this department.

[Authority: - Director Primary Education letter No. Primary/Audit/A.G.-I/ Misc./99 dated 04.05.2001.]

(II) Cooking food schemes: -

During the course of audit of offices of Elementary Education i.e. District Education Officer (Elementary Education), Sr. Deputy District Education Officer cum Block Elementary Education officer/Chief Block Education Officer, in addition to general checks prescribed in chapter 4 and other paragraphs in this chapter, the following points may also be seen and suitable comment be incorporated in the Inspection Report.

1. Mid day Meal Scheme

This is a central sponsored Scheme which implemented under the administrative control of the School Education Department, Government of Rajasthan (GoR) and Mid-day Meal Commissionerate is responsible for effective implementation and monitoring of the scheme. The School Management Committee is overall responsible for effective implementation of the programme at school level. The Mid-Day Meal is provided to all students of Class I to VIII studying in Government schools, Government of India (GoI)-aided schools, Special Training Centers (STC) {EGS and AIE centers, National Child Labour Projects (NCLP) centers and minority based institutions (Madarasas & Maqtabas). Government of Rajasthan started providing cooked meal to the children in schools under the MDM programme from July 2002. In the beginning, GoR provided Mid-Day Meal from its own state budgetary resources. The State Government started with allocation of Rs. 0.50 per student per day per meal as the “cooking-conversion-charges” since July 2002 itself. Ghoghri, Dalia etc. served to the school students as Cooked Mid Day Meal. From January 2005 onwards, the cooking conversion cost was enhanced to Rs. 1.50 per student per day per meal (Central share Rs. 1.00 & State share Rs. 0.50). With this enhancement, some new recipes such as Dal-Bati, Dal-Roti, Roti-Sabji, sweet/ namkeen Rice, Khichdi, Dalia, Pulav etc. were also introduced to the mid-day-meal menu. In March 2006, cooking conversion cost was increased to Rs 2.00 per student per meal (Central share Rs. 1.50 & State share Rs. 0.50). In October, 2007, the state government started implementing Mid-Day-Meal-Scheme for the students of class 6 to 7 in all educationally backward blocks of Rajasthan and enhanced the cooking-conversion cost of Rs 2.50 per student (Central share Rs. 2.00 and State share Rs. 0.50) for upper primary students. In the year 2008, the mid-day-meal menu in Rajasthan also included with a provision to provide seasonal fruits once a week along with cooked Mid-Day-Meal. The cost sharing ratio of 75:25 runs up to year 2015-16. From 2016-17, the new cost sharing ratio between Central and State was 60:40. As per Annual Work Plan & Budget provision for the year 2020-21, the present cooking conversion mid-day-meal cost is Rs 4.97/- and Rs 7.45/- per student per day for class 1-5 and class 6-8 respectively. In the scheme, every child in every Government and Government aided school is provided prepared Mid Day Meal with a minimum content of 450 calories and 12 grams protein each day for Class 1 to 5 and 700 calories and 20 grams protein each day of class 6 to 8 in all districts. The total number of working days for mid-day-meal

purposes has been decided as 236 for the year 2019-20. The School Management Committee (SMC) is overall responsible for effective implementation of the programme at school level. The State Government also launched Annapurna Doodh Yojna with effect from 02.07.2018. Under this scheme, students of class 1 to 8 are provided milk daily in schools as additional food item.

The administrative department of the MDM scheme was changed from GraminVikas and Panchayati Raj Department to Education Department (Elementary Education) vide Order No. F 5 (1) [Pers./ A-I/ 2016](#) dated: 28.01.2016 of the Personnel Department, GoR.

As per group order No. 531 dated 23.10.2002, during audit of offices of District Education Officers (Elementary Education) and Block Elementary Education Officer/Chief Block Education Officer, wherever Mid-Day Meal Schemes is applicable, the records of the scheme will be audited by the Inspection Party and suitable comments will be incorporated in the Inspection Report with reference to orders issued by the Central Government and the State Government in this regard.

The following points may be seen while conducting audit of the records of the Mid Day Meal Scheme: -

- (i) Whether distribution of Meal is being done as per prescribed norms.
(Authority: - Group order No.: - 547 dated 11.7.2004)
- (ii) Whether the distribution of Meal is being done to actual number of students actually attended the classes. If distribution of cooked food is made on the basis of enrolled student instead of actually present student, the matter may be investigated and the information regarding excess distribution of cooked food may be collected in the Performa given in **Annexure-II** to this chapter.
- (iii) Whether the distribution of cooked food is being done during the period of summer vacation also. If yes, the following points to be seen during review of the records of the scheme and collect the necessary information and suitable comments.
(Authority: - Group order No.: - 542 dated 17.10.2003)
- (iv) How many days of P.L. were credited to the leave account of teaching staff on account of cooking of food in summer vacation.
- (v) Pay and Allowances of P.L. credited as above may also be computed.
- (vi) How much quantity of wheat and rice were obtained for cooking food and how much quantity of wheat and rice were used. Total expenditure may be computed.
- (vii) The way of distribution of cooked food is to be checked from the records of the scheme in case of schools closed during summer vacations.

- (viii) When wheat were not provided for summer vacation by the Central Government to the State Government, from what source the wheat for cooking food in summer vacation were obtained by the office.
- (ix) Total expenditure on wheat and cooking food (Ghooghari) may be computed.

(Authority:- Group Order No. 542 dated 17.10.2003)

- (x) It should be seen in audit that mid day meal should be hot cooked, wholesome, nutritious and varied. The menu should vary from day to day, as per the guidelines issued by GoR.
- (xi) It should be seen that cooked food is provided for days prescribed (236 days for 2019-20).
- (xii) It should be examined in audit that the teachers are kept free from food cooking for smooth teaching work.
- (xiii) Food Cooking work should be got done from AMSS/ Self Help Groups as per guidelines of MDMS.
- (xiv) Whether calculation of food grains are done on the basis of actual average attendance of school children each month.
- (xv) Whether proper standards of cleanliness and hygiene, safe storage of all edible materials are maintained.
- (xvi) Whether complaints about cooked food are readdressed properly and timely.
- (xvii) The objectives of the MDMS is to address the most urging problems for the children in India, namely hunger and education, by:
- (xviii) Enhancement and improvement in nutritional status of school going children studying in class I to VIII.
- (xix) Providing nutritional support to children in drought affected areas during summer vacations.
- (xx) Encourage in enrollment and regularity in attendance of students.
- (xxi) Promoting harmony among children.

2. Samanikaran of Teachers

Director Elementary Education Rajasthan, Bikaner has issued orders of Samanikaran of Teachers' from time to time to ensure the ratio of teachers and students in Primary and Upper Primary Schools.

- (i) It may be ensured that samanikaran of teachers has been done as per instructions of the Directorate. If during audit cases of excess teaching staff than as per norms are found, the matter may be investigated thoroughly and suitable comments on pay and allowances of excess teaching staff may be incorporated in the Inspection Report.
- (ii) As per rules if a teacher is transferred to a school beyond 8 kms from the school of his previous posting during samanikaran, he will be eligible for the credit of 10 days P.L. expenditure on journey and transportation of house hold and a lumpsum grant. In this regard the following points may be seen and if necessary suitable comments may be incorporated in the Inspection Report: -

- (a) In the cases of teacher who are transferred to schools situated within 8 kms of their previous school, the payments of transfer benefit, if any may be checked and monetary value there of may be computed.
- (b) It may also be checked whether the pay and allowances to the teachers transferred during samainkaran are being drawn from the schools of their previous posting.

(Authority:- Group Order No. 543 dated 15.10.2003)

- (iii) Cases of uneconomical schools, where the number of students is negligible may be reviewed and suitable comments may be incorporated in the Inspection Report.
- (iv) The service books of teaching staff posted in Primary and Upper Primary Schools maintained by D.E.O. or B.E.E.O. may checked with reference and order issued by the State Government from time to time. The rules issued vide notification No. F-16 (5)/FD/(Rules)/98 dated 7.8.1998 and 20.1.1999 issued by Government of Rajasthan. Finance Department (Rules Divisions) may specifically be referred during the checking of pay fixation of teaching staff. Instructions given vide Rajasthan Government, Education Department letter No. P-5 (37)/shiksha-2/2001 dated 8.10.2001 may also kept in mind.

(Authority: - Government of Rajasthan, Finance Department (Rules Division notification No.F-16 (5) FD/(Rules)/98 dated 7.8.98)

- (v) The necessary investigation may be done regarding free distribution of Text Books and to ensure that free text books are distributed timely just after starting of the academic session. If these textbooks are lying unused without distribution the reasons there of may be investigated and suitable comments may be incorporated in the draft Inspection Report.

(Authority: - Group order No.: - 549 dated 21.9.2004)

- (vi) During audit of DEO (Ele.) and BEEO officer cases of grant-in-aid sanctioned/paid by these officer shall be examined thoroughly and suitable comment may be incorporated in the Inspection Report.

(Authority: - Group order No. IC-I/N-21011/77/2000-01/508 dated 1.1.2001)

11.16 Audit of Sanskrit Education

- (I) *Director, Sanskrit Education consists of following sections: -*

- (i) Store Section
- (ii) Cash Section
- (iii) Accounts Section
- (iv) Establishment Section

- (II) *Following schemes are being operated by the Directorate: -*

- (i) Reforms in Administrative Structure
- (ii) Sanskrit College
- (iii) Sanskrit Schools
- (iv) Research Centers
- (v) Tribal Sub-Plan
- (vi) Component Plan

- (vii) Building
- (viii) Sanskrit University
- (III) *Centrally Sponsored Schemes (CSS)*
 - (i) Providing financial assistance to very poor Sanskrit pundits.
 - (ii) Modernisation of Sanskrit Schools.
 - (iii) Sanskrit day Celebration.
 - (iv) Vocational training to Sanskrit Teachers.
- (IV) *Scholarship*
 - (i) Traditional Scholarship
 - (ii) Scholarship to very poor Students.
 - (iii) Pre-metric Scholarship.
 - (iv) Post-metric Scholarship.

All scholarships are being paid through Bank/Post Office by opening account and a register is also being maintained for its disbursement.

(V) Fee

The budget allotment for purchase of books to Schools/Colleges is provided as per their requirement and books are being purchased in view of financial rules.

(VI) Recovery of Fees from Students.

The daily allowance @Rs.30/- and Rs. 35/- per day will be paid from Boys' Fund to the students of (i) upper Primary level and (ii) Parveshka, Varishta, Upadhyay and College level respectively going outside to attend the sports competition.

(VII) Library

Budget allot to school and college are their requirement for purchase of books and books are being purchase as per financial rules.

(VIII) Sports Activities

(i) Upper Primary Level &

(ii) Higher, Senior-Secondary and college level students who participate in out of station sports activities. Daily allowance will be Paid Rs.30/- and Rs.35/- per day from Boys Fund.

[Authority: - Directors Letter No. 1839 dated 22.1.2001.]

11.17 Audit of B.S.T.C. Schools- Exemption from payment of tuition fees

In the B.S.T.C. Schools, the students belonging to Scheduled Castes, Scheduled Tribes, Backward Classes or wards of Government Servants and Goldsmiths were exempted from payment of tuition fees. In view thereof they were required to execute a bond to serve the State Government for one year and in case of failure they were to pay amount tuition fees exempted to them with 6% interest thereon, as required under Addl. Director, Primary & Secondary Education Bikaner letter No. DB.X/C/A/7/7/(6) dated 23.7.1963.

At present fees of widow/divorce candidates doing BSTC Course is reimbursed by the State government. Fees are reimbursed to respective DIET/College through the University which conducts the pre exams.

At the time of audit of BSTC Schools, it should be seen whether the agreements in this behalf are executed with such students and whether the terms of agreement are being implemented. In case no watch is kept for the fulfilment of the conditions of the agreement executed by the trainees, suitable comments should be included in the draft Inspection Reports. In case no such case is noticed a “NIL” certificate should be recorded in the Title Sheet.

[Authority: - OAD. -II/Edu. /G.O. 10/46 dated 17th August 1968.]

11.18 Audit of Non-formal Education

At present there are 302 Chief Block Elementary Education Officers (BEEOs).

Non-formal education is being imparted to children of 6-14 years of age who are due to financially, socially and other reasons incapable to attend school. At present scheme is in operation in 205 Panchayat Samitis and 161 Projects are being implemented.

[Authority: - Directorate letter No. 2631 dated 18.01.2001.]

11.19 Audit of College Education: -

(I) Commissioner College Education

(A) Following record are maintained in the office of Commissioner College Education:-

(1) Accounts Section: -

- i) Budget allotment file and Register
- ii) Files of Estimates (Original and revised) of receipts and payments
- iii) Correspondence Files relating to receipts and payments
- iv) Receipts and Payments Register
- v) Register and File of A.G. Audit Report of Government Colleges.
- vi) Investment Accounts and Files to C.A.G's Reports
- vii) Pension Cases
- viii) Registers and Files regarding U.G.C. Areas.
- ix) Salary up gradation cases
- x) Pay fixation cases Gazetted and Non-Gazetted Government and aided college.
- xi) Files Regarding Internal audit reports and compliance thereof.
- xii) Files regarding audit report of Local Fund Audit.
- xiii) Maintenance of Register and Files of theft/embezzlement cases lodged in Accountant General (Audit-I).
- xiv) Reconciliation Register.
- xv) File relating to opening of P.D. Account
- xvi) Permanent Imprest sanction file.
- xvii) Registers and Files of Physical verification done by Inspection Department.
- xviii) Preliminary enquiry file of theft/embezzlement.
- xix) Files relating to write off of unserviceable/ obsolete material / Books.

- xx) Special Enquiry Files.
- xxi) Information regarding O.B. items.
- (2) *Stores and stock Branch*
 - i) Open tender/purchase Files
 - ii) Limited tender purchase Files
 - iii) Single tender purchase Files
 - iv) Annual maintenance files
 - v) Permanent Stock Files/ Register
 - vi) Consumable Stock Files/Register
 - vii) G.A. Form Stock Register
 - viii) Register relating to stipend forms.
- (3) *Establishment Section: -*
 - i) Files related to appointment of Lecturers and Associate Professors.
 - ii) File related to Assistant Directors
 - iii) File related to Departmental Enquiry, Deputation, Transfer of Lecturers, Non-Gazetted staff and Hostel Wardens.

(Authority: - Commission College Education Rajasthan, Jaipur letter No. F-20 (101)(139)/aoyo/Nikashs/2001-02/763 dated 31.3.2004)
- (B) *Schemes*
 - i) Works under Five year Plans/Finance Commissions.
 - ii) Opening of New Colleges/Subjects/Faculties/Sections under college Development Committee under Self Financing Scheme.
 - iii) To make available free Text Books to the girls of Scheduled Cast, whose Father/Mothers are not 'Income Tax' payees.
 - iv) To monitor various units of National Service Schemes.
 - v) To take action on proposals relating to expenditure from Students Funds (Construction of Building and others).
 - vi) To check plans for TRF/refresher courses.

(II) *Government Colleges: -*

During the audit of government colleges in addition to general checks prescribed in chapter 4 and other paragraph of this chapter. The following points may also be checked: -

- (1) The Director College Education has issued directions regarding Computers Education in Government Colleges vide letter No. F-7 (4)/ Akad/ DCE/ Comp.Edu/ 2000/2421 dated 3.8.2000. These directions may be referred to during audit of Government Colleges. The following points may be seen: -
 - i) Whether the requisite fees have been received from every student and credited to correct Head of Accounts.
 - ii) Whether the computer Agency has provided appropriate number of Computer Systems of specified quality, printers, furniture and computer trainers of specified qualifications.
 - iii) Whether the computer agency has provided all the required material for Computer Education viz hardwares, Softwares

(Original and latest), usable material educational material etc in sufficient quantity.

- iv) If any class is vacant on any educational day due to absence of computer trainer without obtaining leave from the concerned principal at the rate 0.50 percent of total amount, payable for the day to the Agency by the college has been recovered.
- v) Whether free training were provided by agency to the officers/employees of the college (Maximum 15 in a year).
- vi) In the case of failure of computer Agency to provide 100 hours course in a academic year, whether the prescribed penalty has been proposed to the Directorate and after approval of the Directorate has been recovered from the III and IV installment of bill of the agency.
- vii) Whether the payment has been made to the computer agency at the prescribed rate in four installments on submission of bill and requisite certificates.

(Authority: - Director College Education, Rajasthan Jaipur letter No.F-(4)/A/DCE//Comp.Edu./2000/2421 dated 3.8.2000)

- (2) Scheme AKAD run by the colleges may also be reviewed and suitable comments if any may be incorporated in the Inspection Report. At present some of the scheme run by the Government Colleges are as follows: -

- i) Scheme of opening of new colleges/ new subjects/new faculties/new sections through college Development Committee under Self Finance Scheme.
- ii) Distribution of free Text Books to girls' student of Schedules Cast/Triber, whose father or mother is not taxpayer.

(Authority: - Commission College Education, Rajasthan, Jaipur letter No.F-20 (101)/139/Aays/Nika/2001-02/703 dated 31.3.2001)

(III) National Service Scheme: -

- (IV) Construction and repairs if any works of college building.
- (3) During audit of Government College expenditure from Student Funds may also be reviewed. It should be seen whether the expenditure from students funds are incurred on the purpose and within the limit of departmental instructions issued in this regard.

(Authority: - Government of Rajasthan Education (cell VI) Department Notification dated 13.7.1970)

- (4) Service Books of teaching staff and ministerial staff may be checked with reference to Rules and instructions/orders issued by the State Government from time to time. The Government of Rajasthan, Finance Department (Rules Division) has issued the rules prescribing revised pay scales (UGC) for Government College teachers including librarians and P.T.Is and Governing fixation of pay their in vide Notification No. F-13 (2)/FD (rules) 98 Jaipur dated 7.5.1999.

These rules may be referred to while checking of service books of college teaching staff.

(Authority: - Government of Rajasthan, Finance Department (Rule Dn.) Notification F-13 (2)/Rule/98 dated 7.5.1999)

11.20 Audit of Secondary Education: -

During audit of District Education Officers (Secondary) in addition to general checks prescribed in chapter 4 and other paragraphs of this chapter the following points may also be seen: -

- (1) State Government, Education Department has issued instructions regarding closure of uneconomic subjects/faculties vide letter No, F-4(3)/Edu./Gr.-I/2001 dated 1.8.2001.. Director, Secondary Education, Rajasthan, Bikaner has also issued these instructions vide letter No. Shvira/Madhya (Madhyamik)/21312/301/2001 dated 9.8.2001. During audit of D.E.Os it has been observed that some DEO offices have not taken necessary action regarding closure of uneconomic subject/faculties Due to non closure of uneconomical subject/faculties payment made to the teacher on affected post on account of pay and allowance are not being used properly

During audit of D.E.O's (Secondary) office, audit parties should make complete review regarding action taken regarding closure of uneconomical subject/faculties and suitable comments i.e. conclusion of review, objection on pay and allowances of teacher posted on affected post may be included in the Draft Inspection Report.

(Authority: - Government of Rajasthan Education Department letter No, F-4(3)/Edu/(Gr.-I)/2001 dated 1.8.2001 & Director Secondary Education Rajasthan, Bikaner letter No.Shivra/Madhy /Madhyamik/ 21312/3-1/2001 dated 9.8.2001)

- (2) During audit of Secondary/ Sr. Secondary school expenditure from Students Fund may also be checked. It should be seen whether the expenditure have been incurred on the purpose and within the limit prescribed in departmental instruction in this regard.
- (3) During audit of D.E.O. (Secondary), Secondary/Sr. Secondary schools service books should be checked with reference to rules and instructions issued by the State Government from time to time. The rules made by notification No. F-16(5)/FD(Rule)/98 dated 7.8.98 and 20.1.1999 issued by Government of Rajasthan, Finance Department (Rules Division) may specifically be referred to during the checking of fixation of teaching staff. Instruction given vide Rajasthan Government, Education (Gr-2)(Shiksha-2/2001 dated 8.10.2002 may also be kept in mind.

(Authority: - Government of Rajasthan, Finance Department (Rules Dn.) Notifications F-16 (5) FD/Rules/98 dated 7.8.1998 & Rajasthan Government, Education Department letter No. P-5 (371) Shiksha-2/2001 dated 8.2002)

- (4) Government Institution/Schools in which special courses for study have been arranged, it shall be seen that engaged teachers are according to the norms of the students prescribed in the specific course. Excess engagement of teachers for any course should be highlighted in the Inspection Report.

(Authority: - Group order No. IC-I/N-21012/2001-02/517 dated 9.7.2001)

- (5) During audit of D.E.O. (Secondary) cases of grant-in-aid sanctioned/paid, by the office should be examined thoroughly and suitable comments may be incorporated in the Inspection Report.

(Authority: - Group orders No: -IC-I/N-21001/77/2000-01/508 dated 1.1.2001)

ANNEXURE-I

[Referred to Para No. 11.14]

Checks to be exercised during local audit of Scholarship payment vouchers

1. Bills for educational scholarship, stipends, etc. are required to be presented in Form G.A. 112. The orders sanctioning the payment must be quoted in each case.
2. In the case of payment to institutions under private management, such bill should be prepared and vouched for by the authorities of the institutions concerned and countersigned by such Government official as may be nominated in this behalf by the Government. The orders sanctioning the pay must be quoted in each case.
3. If any conditions are attached to the payment of scholarships or stipend, the bill must bear a certificate of the countersigning officer that he is satisfied that the prescribed conditions have been fulfilled. It should be seen during local audit that the above provisions have been observed by the department.
4. In respect of practical training stipends schemes and merit-cum-means scholarship scheme the general principles contained in paragraph 2.2.1 of the M.S.O. (Audit) for the audit of expenditure should be applied to this scheme also. It should also be seen during local audit that :-
 - (i) the sanctioned scale is not exceeded.
 - (ii) there is no excess over the total amount sanctioned for the scholarships.
 - (iii) the scholarships are drawn only for the period for which they are sanctioned and
 - (iv) the bill should be audited with reference to the amount sanctioned for each individual.
5. There is no objection to payments of scholarship claims due in April being made in March if the provision for scholarship due in April is also made in the budget of the preceding financial year.
6. The Government of Rajasthan has prescribed the following procedure for the guidance of the disbursing officer: -
 - (i) In the case of payments to institutions whether under Government or Private management's within the State, the bill should be drawn in the prescribed form G.A. 112 duly vouched by the Head of the Institution. In the case of institutions under private management the bills should also be countersigned by the Government officer nominated for the purpose. The designation of countersigning officer should invariably be given

in the sanction itself and copy of the sanction endorsed to the institutions concerned.

- (ii) The scholarships or stipends tenable in the institutions outside the State, the amount of such payments should be made by bank drafts payable to the principal of the Institution concerned duly, crossed as “Payees Account only”.
7. All payments to third parties, including the payments to private parties for services rendered to Government which are payable at treasuries within the jurisdiction of Accountant General, other than the one in whose books the charges are adjustable should, as far as practicable be made direct by means of Banks Drafts obtained by the drawing officers instead of authorising the payments through another Accountant General in whose jurisdiction the payments are made. Government draft should be obtained in accordance with the provisions of Part XII Section-I of the Central Treasury Rules, Volume-I. The procedure laid down in rule 170(I) of the Central Treasury Rules Volume-I should be resorted to only the case where banking facilities are not available.

[Authority: - Annexure attached to group Order No. O.A.D.-I/283 dated 28.6.1982.]

Annexure-II
(Referred in Paragraph No.11.15 (II))

कार्यालय

मिड डे मिल स्कीम के अन्तर्गत आवंटित गेहूँ एवं वास्तविक उपयोग किये गये गेहूँ नामांकित/उपस्थित छात्रों आदि की सूचन

माह का नाम	माह में आवंटित गेहूँ	गत माह का शेष	कुल खाद्यान्न विवंटल	माह का उठाव	माह में वितरण	माह में उपयोग	माह में शेष	छात्रों की नामांकित संख्या	छात्रों की वास्तविक उपस्थिति जिन्हे घूघरी वितरित की गयी	माह में स्कूल खुलने के दिवस	100 ग्राम प्रति छात्र प्रतिदिन उपस्थित छात्र के हिसाब से उपयोग की मात्रा जो होनी थी विवंटल	उपयोग का अंतर विवंटल	अधिक गेहूँ की राशि (.....दर प्रति विव. के हिसाब से)
1.	2.	3.	4	5.	6.	7.	8.	9	10.	11.	12.	13.	14.

CHAPTER 12

N.C.C. UNITS

12.01 Scope and Extent of Audit

The local audit consists of a general examination of the initial accounts relating to expenditure met from the State funds, including the registers and records relating to Refreshment and Washing Allowance. Training and Amenity Grants and the accounts of Stores and Stock, in addition to a detailed check of the transactions relating to one selected month.

The local Audit of N.C.C. Units be carried out as per Departmental regulations issued by Directorate N.C.C. Rajasthan, Jaipur.

12.02 Accounts Records

The following are the important accounts records to be examined: -

- (1) Cash Book.
- (2) Imprest Account.
- (3) Treasury Bill Book.
- (4) Contingent Register.
- (5) Log Book and Register of Petrol, Oil etc.
- (6) Pay Bills, Acquittance Rolls, Service Books and Leave Accounts.
- (7) Clothing Stock Register.
- (8) Register of Stationery, Stamp Account and Dead Stock Register.
- (9) Washing Allowance Account.
- (10) Refreshment Allowance Account.
- (11) Accounts of Amenities Grant and Training Grant.
- (12) Training Stores Registers.

12.03 Process of Audit

In addition to the general checks prescribed in Chapter 4 of this Manual, and Departmental regulations issued by Directorate N.C.C., Rajasthan, Jaipur, the following special checks should be exercised: -

- The Refreshment Allowance Accounts should be checked with the Parade Attendance Register to ensure that the allowance for each day was given only to those cadets who were actually present. It should also be seen that the scale of allowance prescribed, including the monthly and annual limits fixed has not been exceeded in any individual case.
- Special sanctions for annual and combined cadre and social service camps or training courses should be scrutinized to see that they have been accorded by the competent authority. It should also be seen that the amount of advances drawn for such camps and courses of

training have been fully accounted for and unspent balances promptly remitted back into the Treasury.

- The Washing Allowance account should be verified to see that the scale prescribed has not been exceeded in any individual case and that proper receipts have been obtained for all payments.
- It should be seen that all local purchases have been made under proper sanction and, in the case of stationery articles, after obtaining the concurrence wherever necessary, of the Director of Printing and Stationery and that all the items have been taken to stock.
- It should be examined whether periodical physical verification of stock has been conducted and the necessary certificate recorded in the Stock Registers.

12.04 The teachers and professors when deputed for pre-commission training, refresher training or any other N.C.C. activities are entitled to receive their normal monthly pay and allowance in addition to allowance admissible under N.C.C. Rules. They are treated 'on duty' during such periods.

[G.I. Ministry of Defence's letter No. 3229 / N.C.C. / Coord (b) / 167-U / D / GS-III, dated the 11th April, 1962 of file No. OAD-II / Circular; N.C.C.]

12.05 to 12.10 : Deleted In compliance to DGA Defence letter no:- DGADS UO NO/5042015-504/D/OS/05/Spl.Enq/2012-13/Atgp-BVol-II Dt 05.04.2015 audit of NCC Camps is being discontinued.

12.11 Annual adjustment of Central Government's share of camp expenditure by this office can not be carried out with due promptitude if there is any delay in audit of Camp Accounts. This incidentally results in surrender at the end of the financial year, of the provision made in the Central Government budget towards expenditure connected with N.C.C. and accumulation of debits on a large scale on the State of accounts, rendering, it is difficult to make advance provision for debits which have to be raised by this office. Reimbursements to the State Government from the Center (Defence Services) is also held up as a result.

In view of the above, the local audit of the N.C.C. Camps must be conducted by the field parties alongwith the Units concerned to avoid delay in claiming the reimbursement.

Inspection AMG Headquarter Section will try to provide audit of Camp Accounts alongwith the regular audit of the concerned N.C.C. on the basis of information furnished by the N.C.C. Directorate in advance. But in cases where such audit is not provided by the Inspection AMG Headquarter Section for want of advance information from the N.C.C. Directorate and Camp accounts are ready with the Units and they request the Audit parties for their audit, the parties may check such Accounts in minimum possible time and have ex-post facto approval of the Inspection AMG Headquarter Section.

The Inspection parties while conducting the audit of N.C.C. Units/Camps will have to give a certificate regarding outstanding liabilities pertaining to audit of State Camps/All India combined Camps at the time of

audit, that audit of Camp Account alongwith regular Inspection has been conducted. The Headquarter Sections at the time of vetting the Inspection Reports will watch the facts of certification and non-compliance cases will be brought to the notice of the competent authority.

[Authority – O.A.D. I / K. 217 / 80-81 Group Order No. 243 dated 27.5.1981 and I.C.-I / N-21011 / 7 / 95-96 Group Order No. 442 Dated 21.9.1995.]

12.12. Camp Accounts

- (a) Expenditure in respect of camps may consist of the following items :-
 - (i) Pay of Officers of Camps.
 - (ii) Travelling / daily allowance of officers for camps, civilian staff and for cadets.
 - (iii) Messing allowance for officers, cadets.
 - (iv) Incidental expenditure.
 - (v) Payment of charge levied for accommodation, tents, electricity water, etc.
 - (vi) Payment for Dhobie, Sweepers and for conservancy arrangement.
 - (vii) Provisions for lanterns and hot water appliances.
 - (viii) Materials for cleaning and upkeep of uniform.
 - (ix) Provision of amenities and other requirement for Inspection.
 - (x) Provision of amenities of cadets viz. Newspapers etc.
 - (xi) Provision for trophies, prizes; and
 - (xii) Any other items of expenditure for which no specific provision has been made.
- (b) Process of Audit
 - (i) In the audit of camp accounts, information regarding conduct of camps held during the period proceeding the date of audit should be called for from the Unit Officer at the time of local audit.
 - (ii) It should be ascertained whether detailed bills in support of A.C. bills in connection with conduct of Camps are sent to Financial Attest Audit.
 - (iii) Detailed checks should be exercised on the items of expenditure incurred on camps with reference to initial records and instructions laid down in N.C.C. Act and the Booklet “Accounting instructions for N.C.C. and A.C.C. camps” and Model Budget for N.C.C.Unit.”
 - (iv) A Certificate should be appended to all Inspection Reports relating to N.C.C., Units that the accounts relating to the State Camp/All India Combined/Zonal camp (As the case may be) are subjected to local audit and that the allocations of the same to the extent of 75% to Government of India are found to be correct. In case of All India Camps, share of each participating Unit should further be certified.

[Authority:-DG NCC west block /letter no.0965/NCC HQ Camp/expenditure/P&F/Budget Dated 06.06.2006]

- (v) While checking purchases out of messing allowance under camp Accounts it should generally be seen that quantity consumed is not disproportionate to the number of participants of the Camps. It should be verified whether or not expenditure on issuing is within the ceiling prescribed towards cost of meal per cadet and condition in the contract that any rations left over after the camp are to be taken each by the contractor at the same rate, is duly entered in it,
- (vi) It should be seen that the expenditure is properly recorded in relevant registers and supported by paid vouchers and acknowledgements.
- (vii) Refreshment allowance account should be checked with Parade attendance Register to ensure that allowance for a day was given only to those cadets who were actually present. It should also be seen that the scale of allowance prescribed, including monthly and annual limits fixed, is not exceeded in any individual case.
- (viii) In case of Camp Accounts, it should further be seen that :-
 - (a) accounts are arithmetically correct;
 - (b) expenditure on T.A. Messing and incidental charges is within the prescribed limit;
 - (c) all payment are supported by receipts and proper form;
 - (d) purchases are made by inviting quotations from various dealers and rates do not exceed the market rates prevailing in the locality;
 - (e) hiring rates of various articles are reasonable and daily wages paid do not exceed local rates;
 - (f) the accounting procedure followed is in order;
 - (g) the balance of articles after the close of the camp is disposed of the best advantage and the sale proceeds, credited to Camp accounts by making entries in the Cash Book.

NOTE:-At the time of working out the net expenditure on messing, the amount realised from the sale of unconsumed articles should be taken into account.

- (h) Advances drawn from such camps are finally accounted for and adjusted.

[Group Order No. 243 dated 27.5.1981 File O.A.D. I/K-217/80-81/dated 27.5.1981]

CHAPTER 13

POLICE DEPARTMENT

13.01 General

(i) Guidelines for audit of receipts of the department

In The following minor heads under major Head 0055 non-tax revenue receipts are being collected, therefore, receipts for last 3 years may be collected and analyzed. If there is any short comings observed, may be commented.

101 Police supplied to other Governments

102 Police supplied to other parts

103 Fees, fines and forfeitures

104 Receipts under Arms Act

105 Receipts of State Head Quarter Office

Audit may see '800 other receipts' (recovery of overpayment, levy for police service, fees & renewal fees of private security agencies, receipts of FSL, amount of auction and receipts under Public Service Guarantee Act etc.).

Audit may see receipt of 0070- Other Administrative Service,

118-receipt under Right to Information Act-2005,

01-Application fees, 02-copy fees &

03-Other miscellaneous receipts.

Whether revenue generated and collected in other heads other than mentioned in table above. Details of receipts of 3 years may be obtained and analyzed.

- (ii)** In addition to the general checks prescribed in Chapter 2 and 4 the instructions given in succeeding paragraphs should also be observed.

13.02 Accounts Registers, etc.

The following are the more important accounts, registers etc. maintained at the District Offices, which should be examined in Local Audit: -

- 1 Cash Book.
- 2 Bill Register.
- 3 Contingent Register.
- 4 Appropriation Register.
- 5 Register of Loans & Advance
- 6 Band Register.
- 7 Motor Vehicle Register.
- 8 Petrol Register and Log Book.
- 9 Public Conveyance Day Book.
- 10 Stock Register of clothing arms and ammunition, etc.

- 11 Permanent/ Live Stock Register and Stores Ledger
- 12 Register of disposal of condemned articles.
- 13 Register of Service Stamps.
- 14 Stock Register of Furniture.
- 15 Stationery Register.
- 16 Register of Obsolete & Un-serviceable Stores
- 17 Stock register of Service Postage Stamps
- 18 Accession (purchase of books) Register.
- 19 Register of government receipts by IFMS/ Cheque/ Demand Draft etc.
- 20 Register of government payments made by IFMS/Cheque/Demand Draft etc.
- 21 Register of Service Book/Rolls
- 22 Register of Increments
- 23 Particulars of Accommodation allotted to government servant
- 24 TA Bill Register
- 25 Register of Detail Bill passed by Controlling Officer
- 26 Register of serious irregularities.
- 27 Sale of Tender Form Register
- 28 Tender Receipt Register
- 29 Register of Interest Bearing Securities
- 30 Register of destruction of Records
- 31 General Diary of Police station
- 32 Register of Community Liaison Group

13.03 Appropriation Register

The following checks should be exercised: -

- (1) Check the posting of the contingent expenditure from the contingent register as well as expenditure on pay and allowances into the Appropriation Register by each month.
- (2) See that the grants allotted to the office for each financial year have been recorded correctly with reference to the detailed head.
- (3) See that the grants as modified from time to time by re-appropriation on supplementary demands or savings have been properly shown with the number and date of sanction of the competent authority.
- (4) See that the grants so modified finally have not been exceeded or that the excess, if any has been regularised.
- (5) See that the yearly totals of such receipts and expenditure have been reconciled with the figures of the Treasury Officer and those booked in the office books.

13.04 Motor Vehicle Register

- (1) See that the entire purchase of Petrol is recorded in the charge of the Police Department of the District has been maintained with full details and that the entries have been attested by a Gazetted Officer.
- (2) See that the logbooks of the vehicles have been maintained.

13.05 Petrol Register and Log Book

- (1) See that a register showing the details of the vehicles in the stores register or in the logbook.
- (2) Verify the issue from the stores registers into log books of the vehicles concerned or with the acknowledgement of the officer concerned and requisition slips.
- (3) Checks the consumption of petrol shown in the log book with the journeys and see that the balance has been correctly shown.
- (4) See that entries in respect of oil and spare parts issued to the vehicle have been made in the logbooks.
- (5) See that all purchases of stores, whether locally purchased or obtained through the Inspector General of Police and of their issues and balances are correctly maintained. The receipts should be checked with the relevant vouchers, invoices etc., and as regards issues, it should be seen that they are supported by indents duly authorised by competent authority and that proper acknowledgements are forthcoming. In cases where a scale has been prescribed for the issue of articles, it should be verified that issues are made according to such a scale. The fact whether periodical physical verification of store is conducted by a responsible officer and that a certificate to that effect has been recorded in the Stock Register, should also be checked.

13.06 Scheme of modernisation of State Police Forces

The central Government scheme of Modernisation of State Police Forces, already in force, has been approved for continuance for a further period of 10 years with effect from the financial year 2000-01. The scheme is for rapid technological changes and new challenges that might emerge in the law and order and crime situations in the country.

The government of India has approved the continuation of the Scheme for Modernisation of State Police Forces (MPF Scheme) for a further period of five years with effect from the financial year 2012-13 to 2016-17 for providing Central assistance, partly under Plan and Non-Plan and partly under Plan to State Governments. Under the Scheme, the States are grouped into two categories, i.e., Category 'A' and Category 'B' for the purpose of funding both under Plan and Non-Plan budget of the scheme. Category 'A' States, namely, J&K and 8 Northern Eastern States including Sikkim, will be eligible to receive financial assistance on 90:10 (Central: State) sharing basis. The remaining States will be in Category 'B' and will be eligible for financial assistance on 60:40 Centre: State Sharing basis. The State Governments are not authorized to use MPF funds for procurement of general ammunition. However ammunition for practice/ training can be provided under the scheme under Non-Plan. The State Government would be required to prepare the draft Annual Action Plan proposals under both Non-Plan and Plan budget of the Scheme. The draft AAP should have been discussed and approved in the State Level Empowered Committee (SLEC) headed by the Chief Secretary before forwarding the same to the Ministry of Home Affairs (MHA). The mechanism

of Concurrent Audit of MPF Scheme funds introduced with effect from April, 2009 will continue and the State Governments would be required to furnish Action Taken Report (ATR) on the concurrent audit observations to MHA from time to time. In order to meet emergent requirements and contingent needs of States, there will be a Reserve Fund of 5% of the annual allocation, both under Non-Plan and Plan components of the Scheme. The State Governments are requested to utilize the amount earmarked for modernisation fully and fruitfully and a certificate to that effect may be submitted to the MHA at the end of each financial year by the Home Department of the State Government.

(Authority: G.O.I. Ministry of Home Affairs letter No. VI-21011/23/2013-PM-1/ dated 28.2.2013)

The Government of India has approved the continuation of the scheme for Modernisation of State Police Forces with the new name “Assistance to States for modernisation of police under umbrella scheme of “Modernisation of police Forces” for three years from the financial year 2017-18 to 2019-20. Under this scheme, the Central Government has providing central assistance to the Government of Rajasthan on 60:40 (Central: States) sharing basis. As per instructions of the Niti Aayog, the ratio of share will be modified from time to time. The items to be funded under the scheme will be for the following:

A. Items other than construction

- (i) Weapons
- (ii) Training aids/ equipment required for imparting training to police personnel.
- (iii) All equipment required for Police organisation including forensic equipment for forensic science lab, communication equipment, surveillance equipment, traffic control equipment, equipment related to SMART policing. For the purposes of this scheme, Vehicles such as Tractor, Vajra, Prison Van, Water Tanker, shall be treated as equipment and Higher Power Committee (HPC) will permit such equipment as proposed by the Government of Rajasthan.
- (iv) Equipment related to Cyber-crime detection, investigation etc.
- (v) Communication and other related equipment.
- (vi) Mobility: Procurement of vehicles only where operationally required. The types of vehicles will be heavy, medium, light and motor cycles. Further, the items under ‘mobility’ head would be used only for strengthening field level police offices and not state level police offices.

Note: The fund of the scheme is not authorised to use for procurement of ammunition for regular use.

B. Construction works

- (i) Construction of Police infrastructure, i.e. police station building, police outposts, police lines, Police Housing for lower subordinates

(Constables & Head Constables) and upper subordinates (ASI, SI and Inspectors).

- (ii) Construction of hi-tech forensic science laboratories/cyber forensic labs.
- (iii) Construction of police training institutions.

The State Action Plan (SAPs) of the scheme would be submit to the MHA before 31th December. The SAP would be appraisal/approval from the State Level Empowered Committee (SLEC).

(Authority: G.I.O. Ministry of Home Affairs letter No.21011/57/2017 PM-I dated 13th December 2017).

13.07 Stock Register of Clothing's

The following checks should be applied: -

- (1) Trace the receipts of clothing into the Stock Register from the invoices, contingent bill etc. and verify the correctness of issues with the indent slips of requisitions.
- (2) See that except in case of fresh issues to new recruits, issues are made only on the return of old articles and that the articles so returned are entered in the Condemned Article Register.
- (3) See that the articles have been issued according to the scales, periodicity of supply, etc., and that proper recovery has been ordered and effected in case of loss, etc.
- (4) See that part worn clothing blankets etc. if sold to Policemen, their prices are fixed by the District Superintendent of Police after personally examining the condition of the articles.

It should be seen in local audit that the kit of those personnel who quit the service on account of casualty dismissal, discharge, retirement, etc. have been duly returned to the Stores and that such articles have been re-issued and used up to the specified period, before they are condemned.

In the case of men who were invalided on account of or die of infectious diseases, audit should see that the entries in the register are supported by a certificate that their kit was burnt by the Station House Officer.

13.08 Register of arms and ammunition

- (1) See that the issues are made to the Police Stations according to the strength and that no articles have been condemned without the sanction of the competent authority.
- (2) Check that the ammunition etc. were actually utilised for practice, field firing etc.

13.09 Register of disposal of condemned Articles

Audit should see that unserviceable articles brought on to the "Register of condemned articles" are condemned by the Superintendent of Police after satisfying himself that they have lasted for the prescribed period and that in respect of articles which have not lasted for the full prescribed period necessary

sanction of competent authority has been obtained for condemning them. In regard to articles auctioned it should be seen that list of biddings are maintained and that the sale proceeds are duly credited into the Treasury.

13.10 Augmentation of strength/raising of Home Guards in State/Union Territories

In accordance with the Government of India, Ministry of Home Affairs order No. F.47/24/62-E.R.I., Dated 11.1.1963, the Home Guards Companies in Urban and Rural are in operation in Rajasthan. There are 279 companies of Home Guards under Government of India comprising of 30714 home guards and they were deployed as under:-

S.No.	No. of Companies	No. of Homeguards	Area of deployment
(1)	198	21770	Urban areas
(2)	57	6280	Rural areas
(3)	24	2664	Border area of Barmer Jaisalmer, Bikaner & Ganganagar.

S.No.	No. of Companies	No. of Home guards	Area of deployment
(1)	198	21770	Urban areas
(2)	57	6280	Rural areas
(3)	24	2664	Border area of Barmer Jaisalmer, Bikaner & Ganganagar.

(G.O.I. M.H.A. order 10/11/67 C D dated 4.9.67 & 1/17/75 DGCD (HG) dated 4.9.67 and Annual Report 2020-21 of Jail Department.)

The scale for reimbursement by Government of India will be as under: -

born	Reimbursement by		Expenditure
	<u>Government of India</u>	<u>by</u>	<u>State</u>
<u>Government</u>			
1.	Civil Defence	25 %	75%
2.	Civil Fire Services	-	100%
3.	Home Guard Urban/Rural	25 %	75%
4.	Border Home Guards	75 %	25 %
5.	Central Training Institute	25 %	75 %

The reimbursement claims will be submitted to Ministry of Home Affairs through Home Department at the end of financial year.

[Authority: Civil Defence and Home Guard Rajasthan, Jaipur letter No. 39797 dated 21.12.2000.]

13.11 Rajasthan Police uniform (Supply to Head Constables and Constables) Rules, 1964, are contained in Government of Rajasthan, Home Department

Order No. F.3/(28) H.E. Gr. II/60-Acctt. -I, dated 14.5.1964 which may be referred to.

13.12 The Rajasthan Police Band Rules, 1958 are contained in Government of Rajasthan, Home Department Notification No. D-6530/F.10 (109) H.E./51, dated 20.1.1959 which may be referred to.

13.13 Personal Deposit Account of Police Private Funds

It has been decided by the Government of Rajasthan that: -

- (i) There should be only one Personal Deposit Account and proforma accounts be maintained by the Police Department itself in respect of each fund.
- (ii) There is no objection to the nomenclature of the P.D. Account being changed from 'Police Welfare and Canteen Fund' to 'Police Private Fund Account' to avoid confusion.
- (iii) **Maintenance of interest free P.D. Account in Police Department: -**
In Police Department interest free P.D. Account comprising following fund is being maintained: -
 - (a) **Rajasthan Police Welfare Fund: -**
In order to provide assistance to police personnel and their families at the time of serious illness and other welfare activities, the aid will be provided to them. So far as the financial management is concerned, the grant in aid will be provided by State Government and out of canteen fund an annual income to an extent of 20% and 25% from the Band Fund and contribution from the employees will be taken into account in this fund.
 - (b) **Rajasthan Police Benevolent Fund:**
This fund comprises the State Government grant in aid and contribution from police personnel. Out of this fund the scholarship will be paid to dependent of police personnel and financial aid to deceased police personnel.
In local audit the above funds be examined in detail.
- (iv) The investment standing at present need not be distributed unless absolutely necessary to avoid losses and their cash proceeds may be taken on maturity and credited either under the Personal Deposit Accounts or placed under 'Deposit bearing interest' (4½ % per annum) with the Government as may be deemed advisable by the Department.

[I.G. Police, Rajasthan letter No. PHQ/Fin/Account 2(1-61) 2338, dated the 13th July 1964 and Government of Raj. F.D. Letter No. F.11(4) F.W.M./63, dated the 9th June 1964.]

NOTE – It has been clarified by the Comptroller and Auditor General of India vide his letter No. 249 T.A.I./138-73, dated 19.3.1976 that Rajasthan Police Sports Fund has been established by an executive order of the State Government and collections are received by Government Servants in their official capacity and that the fund has not been given any status, independent of the Government and the transaction in Public Account, the audit of the Fund

Account has to be done in terms of Section-13 (b) of Comptroller and Auditor General's (D.P.C.S.) Act, 1971.

The field parties are therefore, required to conduct the audit of the Rajasthan Police Sports Fund on the above lines while conducting the local audit of the accounts of the Superintendent of Police/Commandant of R.A.C. Battalions, Deputy Inspector General Police/Inspector General Police etc.

[Group Order No. 128 dated 11.5.1976.]

- (v) Whether individual deposit accounts and proforma accounts being maintained by the department.
- (vi) There is no objection to keeping excess balances of private funds in the deposit accounts of the interest earning department (Police private funds) under the government in order to avoid loss of interest. Yes, prior permission from the government will be required for withdrawal from these deposit accounts.
- (vii) Whether necessary permission was obtained from the State Government for withdrawal of funds? If not then comment.
- (viii) Special permission should be given to the RAC battalion posted outside Rajasthan to open the accounts there in the banks who does treasury work and the minimum amount required for immediate distribution should be kept.
- (ix) Whether the register of the receipt book maintained? Whether the entries of the issued and returned receipt book was done in it.
- (x) Whether the amount of GA-55 booklet was entered in the cash book and the amount received there in was deposited in the treasury/bank?
- (xi) Reasons for non-recovery of huge amounts of fees in respect of police force pending against the various departments/units should be found out from the department and efforts to be made for its recovery.
- (xii) Information should be collected and analysed in respect of minor head 101 & 102 and commented upon.
- (xiii) Receipts should to be collected under Arms Act and commented upon.

13.14 Reimbursement by the Government of India of Expenditure incurred by the State Government on R.A.C. Battalions Deputed to Government of India.

On receipt of instruction from the concerned departmental audit section, the Inspection Party should check and verify the correctness or otherwise of the expenditure with reference to the scales and conditions laid down by the Government of India. The findings should be reported in the Inspection Report to enable it to issue the Audit certificate section (FA Cell).

13.15 While conducting audit of the accounts of the offices of the Superintendents of Police the payment on account of the following allowances may invariably be checked to see that these are governed by the Government orders on the subject: -

- (1) Mess Allowance.
- (2) Compensatory Allowance.
- (3) Camel Allowance with fixed Travelling Allowances.

13.16 Home Guards

The expenditure on Home Guards in the districts is incurred by the Superintendents of Police in their capacity as Commandants of Home Guards. Since the Controlling Officer for this expenditure is the Commandant General, Home Guards, who is a separate authority from Inspector General of Police, the Audit of Home Guards will be conducted separately.

The main work of the home guard to help the state police maintain peace in the state. Its administrative control is at state level by the Director General, Home Guard and at the district level by the Commandant Home Guard, therefore reimbursement charges have to be collected for providing services.

13.17 (A) Maintenance of Record in Home Guard

The following record is being maintained in Home Guard Offices: -

- (1) Deployment File/Register.
- (2) Sanction orders for Deployment,
- (3) Attendance Register of Deployment.
- (4) Payment file of Deployment.
- (5) Receipt Register of Reimbursement.
- (6) Consolidated Claim Register of Reimbursement.
- (7) Files relating to Reimbursement.

13.17 (B) Empowerment of Home Guard in states/union territories

Central Government upto the target of rural schemes of home guard power reimburse the 50 percent expenditure after verification of audit, initially expenditure incurred by State Government.

- (i) Was such an amount demanded and received from the Central Government?
- (ii) Whether received the fixed amount as per rules from the police department and other departments/authorities to whom the guard services was given?
- (iii) Whether the amount was disbursed to the Home Guard as per the prescribed norms?
- (iv) Whether some percentage of the amount collected be deposited in the Government account? it has to be checked and verified.
- (v) Whether specific funds (welfare fund) were created and maintained properly ? Were rules made and followed in this regard?

13.18 Charging of fees for police arrangements from Banks, Central Government offices, State Government offices, others Institutions, cultural and other organisations :

1 Necessary charges are to be claimed on the prescribed rates in respect of guards being deployed by the police department with the Banks, Post Offices, Central Government Offices, State Government offices, other Private Institutions, Cultural and other organisations subject to the following conditions: -

- (i) No charges will be recovered for deploying guards to Reserve Bank of India.

- (ii) No charges will be recovered from the private parties for the guards deployed in connection with the social and religious functions as also for functions organized for charitable purpose.
[Authority: GOR Home (Gr II) Deptt. Letter No F28 (7) Home -II/87 dt, 19.11.88, dt.1.4.91, dt.8.7.96]
- (iii) Prescribed charges will be recovered from the private parties for police force being deployed in cultural and sports programmes/ functions being organized with a view of earning profits by charging tickets.
[Authority: IG Police Raj, Jaipur letter No M-6 (1) pol. Admn/A/95/3883-3925 dt 12.8.97]
- (iv) If the duration of duty of police force is more than 4 consecutive hours at the same time being deployed for search and survey activities organized by investigation units of Income Tax Department, a bill will be claimed from the indenting Income Tax Officers as per rules made by the State Government at the end of the month.
[Authority: IG Police Raj Jaipur Letter No B15 (56) police Admn. /A/95/2067-2127 dt. 28.5.97]
- (v) Proper billing and payments will have to be watched at the district level as well as at Police Head quarter level.
[Authority: GOR Hom(GrII) Deptt letter No F28(7) Home -II/ 87 dated 19.11.88]

Note: -

1. The rates are to be provisionally increased by 10 percent every year from January. In case of revision of Pay Scales fresh proposals be sent to Finance Department for further increase.
 2. Fees of Assistant Sub-Inspector and Sub -Inspector will be computed by adding the following.
 - i) Actual Pay and Allowances payable to these employees calculated on daily basis.
 - ii) 12 percent of the maximum of their pay scale as pension contribution calculated on daily basis.
 - iii) Other expenses incurred if any the sum of three amounts will be recovered from the concerned Institutions.
- (Government of Rajasthan Home Department (G.R-6) letter No.F-27(2) Home/Gr-6-84 dated 8.7.96 and Office of the IG Police HQ letter No.IG/Req./ (10)/91/86) dated 7.12.93)
3. Arrangements of residence and other general facilities viz. electricity, water etc. will be provided by Bank. Expenditure on these facilities will be borne by the Bank.
 4. T.A. & Medical claims will also be charged in addition to charges given above.
 5. Charges of three months will have to be deposited in advance by the concerned office, Bank or other Institution.
(I.G. Police Intelligence, Rajasthan Jaipur letter No.AAV/C-497-11/89/385-90 dated 30.12.89)

- 6 Every police man is entitled for 25 days Casual Leave and 30 days Privilege Leave in a year. If any policeman proceeds on leave, another policeman will be provided on the condition that charges of other policeman will also be born by the concerned institution in addition to the charges of policeman proceeded on leave.

13.19 Recovery of charges of Police and RAC Band :-

1 Constitution of the Band

A Police Band consisting of Brass or Pipe shall be maintained at the head quarter of (a) each district (b) each R.A.C Battalion (c) Mewar Bhil Corps (d) R.P.A Jaipur (e) any other unit approved by the Government. The personnel shall form part of the Armed Police strength of the unit. The senior most Head Constable in the Brass Band or the Pipe Band shall be designated as Band Major or Pipe Major respectively. Officer in charge of police Band means the head of office of the formation for which a police Band is sanctioned.

(Authority: Government of Rajasthan Home (Gr II) Department order No F-20 (Ka)(3) Home II/82 Jaipur dated 26.2.83)

2 Strength of the Band

(i) Half Band means a band having a strength of one Head constables and ten constables. A half Band shall be maintained at the head quarters of District Banswara, Barmer, Bundi, Churu, Dungarpur, Jaisalmer, Jalore, Jhalawar, Jhunjhunu, Nagaur, Sikar, Sirohi, Sawai Madhopur and Tonk.

(ii) Full Band means a band having a strength of Two Head Constables and Twenty Constables. A full band shall be maintained by all other units. A full band may also be maintained in the units specified in Para 2(i) above, if the need is felt and resources so permit.

1. Hiring out of Police Band

The police Band may be given on hire for any private function at the discretion of the officer in charge of the band. The officer in charge of the police band may cancel reservation made to the police band, if the police band is required for any function approved by the Government, but in such case timely information shall be given to the person hiring the band as far as practicable.

4. Hiring and Transportation charges of Police Band

(i) The officer in charge of the band shall recover in advance hiring charges for police band at the rates prescribed by the government from time to time. Provided that the officer in charge of the band, with the prior approval of D.I.G.P concerned, may reduce these rates for the whole district or for any particular area, if the local circumstances so warrant.

(ii) The rates of police and RAC band are revised by State Government from time to time and recovery is made from the concerned person or institution hiring the same at the applicable rates.

(iii) When a band is taken outside the district head quarters the hiring charges will be raised by 50% more than rates fixed in sub rule(given in sub para (ii)) above for a day of six hours which shall

include the time taken by the band in journey to and from the place it was required. for each additional hour, the hiring charges will be at the rate of Rs 100.

- (iv) No charges shall be levied for State functions or where in public interest the officer in charge of the band feels that no charges should be levied
- (v) Concessional Rates: If any employee of the Police Department wants to hire the Band for his own marriage or for that of his children, hiring charges at half rate of those mentioned in para 4(ii) and (iii) shall be levied.
- (vi) Transportation charges: A fixed transport charges of Rs 100 shall be recovered in advance from the hirers. Provided that the officer in charge of the Band with the prior approval of D.I.G.P concerned, may reduce the fixed transportation charges, if the local circumstances so warrant.

If the band is taken outside the city limits of the unit head quarters, the hirer shall make his own arrangements for transporting the band personal from and to the head quarters of the units.

5. Income from Hiring of the Police Band: -

All income derived from the hiring out of the Police Band shall be credited to Rajasthan Police Band Fund immediately on receipt by officer in charge of the Band and disbursement these from shall be made strictly in accordance with these rules and the rules governing the Rajasthan Police Band Fund.

6. Allowance to Band Personal: -

The personal of the Brass and Pipe band will be granted allowance per month in addition to their salary at the rate fixed by the Government from time to time.

7. Performance of Duty by Band Men: -

The Personal of Police Band shall be required to perform their normal duties on their turn and will not be exempted there from because of their participation in the police band.

13.20 Extra salary for one month to the employees of Rajasthan Police subordinate services: -

Governor of Rajasthan has sanctioned extra salary (Pay + DA) for one month in a financial year to the employees of Rajasthan Police Subordinate Service in lieu of their hard working conditions and working during public holidays subject to the following condition: -

(1) Extra pay and Allowances will not be payable in the following circumstances: -

- (i) For suspension period whether it has been treated as duty later on.
- (ii) For Break in Service whether it has been treated as duty later on
- (iii) For the period of leave except casual leave
- (iv) For Initial Training period, whether this training was given on full salary.

(2) This extra pay and D.A will be drawn with regular monthly pay bills. One twelvth part of Basic pay and D.A (excluding special pay) payable to an

employee in each month will be calculated and this amount will also be paid with the monthly salary showing extra pay & D.A separately.

(3) This extra salary will not be treated as salary for any other purpose.

(4) This extra salary will be chargeable to departmental salary head.

(Authority: Dy. Secretary Home (Ge 2) Department letter No PA-13 (KA) (4) Home 2-79 dated 28.7.1979.)

13.21 Deployment of Home Guards to different department, under taking, Institutions of Central/State Government and other Institutions.

The policy fixed for deployment of home guards to different departments, undertakings, institutions, of Central/State Government and other institutions are as follows: -

1. Commandant, Civil Defence will be competent to deploy home guards to any department, undertaking, institutions, etc on receipt of written indent to provide the home guards and written consent with the conditions given below in (Sub para No2)
2. Conditions for deployment of Home Guards are given below:-
 - (i) Duty allowance (Honorarium will be payable to the deployed home guards at the rate fixed/ revised by the State Government from time to time.
 - (ii) If home guards are deployed at a distance of more than 8 k.m from Training Centre, they will be entitled to get travelling and daily allowance as per rules of the State Government.
 - (iii) If the residence of a home guard is at a distance of more than 8 k.m. from the duty point, actual fare paid for the journey from his residence to the duty point and vice versa or Rs two, whichever is higher, will also be payable to home guards at the rate sanctioned by the State Government in addition to duty allowance.
 - (v) If the home guards get injured in an accident during duty period or in transit from residence to duty point or vice versa their compensation amount will be computed on the basis of principles given in Section 4 (B), 4(C) and 4(D) of work man compensation Act.
 - (vi) If any member of the home guards taken his treatment as indoor patient in the hospital, the period of hospitalisation will be treated as duty for the period of hospitalisation and duty allowance will be payable to him. But if injured home guard takes his treatment as outdoor patient, no duty allowance will be payable to him. Medical expenses during the period of treatment of home guard will be reimbursed by the indenting agency.

- (vii) Travelling/Daily Allowance of the permanent staff deployed on supervision work of home guards will also be paid by the indenting agency as per T.A rules of the State Government.
- (viii) Period of duty of home guards will not be more than 8 hours in a day in any circumstances.
- (ix) Home guards will be changed by rotation of two months.
- (x) Indenting agency will have to deposit 10% of amount of duty allowance (Honorarium) in Department welfare Fund.
- (xi) Indenting agency will have to deposit 50% of the allowances payable to home guards and amount of welfare fund in advance to the office of Commandant, advance amount will be adjusting during time of making final payments to home guards.

CHAPTER 14
AUDIT OF ESTABLISHMENT OF HIGH COURT
& JUDICIAL ACCOUNTS
Part –I AUDIT OF THE ESTABLISHMENT OF THE HIGH COURT

14.01 General

Audit of the establishments of the High Court may be conducted with reference to general principles and process of Audit as prescribed in Chapter 2 and 4 of Audit-I and M.S.O. (Audit).

All other records except the record of personal entitlement will be audited as per the procedure given in part II of this chapter.

14.02 The conditions of service of the High Court Judges are governed by the High Court Judges (Conditions of Service) Act. 1954 as amended from time to time and rules made there under. Specific emphasis on the following items may be given :

- (a) T.A. and L.T.C. claims/medical reimbursement.
- (b) House rent, Conveyance and entertainment allowances.
- (c) Perquisites as per G.O.I. decisions.
- (d) Furnishing etc. supplied in the residential offices of judges.
- (e) Office expenditure and contingency expenditure in respect of the judges.

14.03 (A) Process of Audit

(i) L.T.C. Facilities.

Judicial officers are entitled for LTC and HTA w.e.f. 01.11.1999 according to allowance payable to Central Government official.

- (a) LTC will be available/ payable once in four block years to all Judicial officers after completing 2 years continuous service.
- (b) HTA will be available/ payable once in every two years to visit home district (to pro) with family.

(Authority:- i-26(a12) न्याय/2009 दिनांक 24-02-2011)

(ii) Medical Facilities

As per Rajasthan Judicial officers (Medical Facilities) Rules 2008, Judicial officers are entitled to medical facilities equal to the members of Rajasthan Legislative Assembly from time to time. Presently, the members of Rajasthan Legislative Assembly are entitled to medical facilities equal to the officers of the State Government under the Rajasthan Civil Services (Medical Attendance) Rules, 1970.

Rajasthan Judicial officers (Medical Facilities) Rule 2008, provided list of empanelled hospital under the private authority.

Rajasthan Medical Reimbursement Rule 2013 fix the amount limit for the reimbursement in case of private hospitals, however, same limit not will applicable on Judicial officers but rate of treatment is symbolic in case of Judicial officers.

Judicial officers equivalent to state government officer entitled to avail medical facilities in 12 referral hospital outside Rajasthan.

(p 11(3) legal/2002 date 15.12.2009)

Medical facility to Retired Judicial Officers

Retired Judicial officers are entitled of medical facilities according to Rajasthan Judicial Officers (Medical Facility) Rule 2008. District Judicial officer after verification issue the sanction order and on that basis relevant treasury initiated the payment procedure.

(F 1(2) finance(rule) 2014 dated 13.10.2014)

Medical Advance

Judicial Officer entitled of 80 % of estimated amount of medical expenditure as a medical advance.

(p 11(3) legal/2002 date 23.9.2008)

Additional Medical Allowance

(i)	Working Judicial officer	1000/- pm.
(ii)	Retired Judicial officer	1500/-pm.
(iii)	Family pensioner of Judicial officer	750/-pm.

(F 26(12)ju/2009 date 16.3.2011)

(iii) House Rent

The officers will get free accommodation according to their status. In case of non-availability of free accommodation, they will get reimbursement of house rent up to the limit fixed for it in accordance with the orders issued from time to time.

(Authority: -GOR 1 (77) G.A./11/55 dated 5.9.2005)

(iv) Conveyance Facilities;

Following sanction in respect of conveyance facility to Judicial officer is as under:-

- Separate Vehicle for Principal district judge, addl. district judge (district H.Q.) and Chief Legal Magistrate.
- 1. Besides the above one pool car will be allotted amount the four officers.
- 2. In case, if less than four Legal officers at any particular place despite one pool car allotted to them.
- 3. State Government decided 125 ltr. petrol per month for every pool car.
- 4. Judicial officer who has own car right to obtain 50 ltr. petrol/diesel or equivalent amount.

5. Judicial officer who has own scooter/motor cycle right to obtain 25 ltr. petrol/diesel or equivalent amount.
6. Price of petrol/diesel on first date of the month is the basis of calculation of amount of petrol/diesel.
7. Judicial officer who owns car/scooter/motor cycle give option to select one of the facility i.e. pool car or reimbursement of amount of petrol/diesel.

(Authority: -GOR letter No.Pa4 (i) State /M.G./05 dated 5.9.2005)

(v) Dress Allowance:

In block of 3 years Rs. 6000/- will be sanctioned as a dress allowance to all Judicial officers.

(vi) Water and Electricity:

Notwithstanding anything contained in these rules, in the case of Judicial Officers, the State Government shall reimburse to every Judicial Officer, to the extent of 50% against the bills for electricity and water consumption at residence, at their place of posting, subject to the cap mentioned in table given below;

TABLE

S.No.	Designation	Maximum free units of electricity per month	Maximum quantum of free water in liters per month
1.	2.	3.	4.
1	District and Session Judge, Addl.District Judge & equivalent posts	333	116000
2	Chief Judicial Magistrate/Addl. Chief Judicial Magistrate and Civil Judge (S.D.) and equivalent posts	250	87000
3	Civil Judge (J.D.) and Judicial Magistrate and equivalent posts	165	58000

The controlling unit officer upon production of the receipt for having paid the bills shall make reimbursement to Judicial Officer on quarterly basis.

Explanation: Controlling Unit Officer for the purpose of this rule shall mean Principal District Judge or an Officer specified on this behalf by the High Court of Rajasthan.

(Authority: - GOR, GAD order No. 1(55)/GA/11/77 dated 5.9.2005)

(vii) Telephone facilities

According to the Rajasthan High Court free telephone facility of local call at the house of Judicial officer as well as Chief Legal magistrate and above officer provided under these rules.

(Order No. Gen. /XI/89/193/28.1.99)

(viii) Furniture decorations and library facility

Judicial Officers (from financial year 2015-16) are entitled furniture decorations and library facility upto Rs. 1.00 lakh or actual expenditure on these things, whichever is less, in block of 5 years. These facilities will be available after completion period of probation and remaining of two year service. In superannuation case, if its fall in next block year these facility are not available to them.

(Authority:- F. 11(3) Justice/2002 dated 10-11-2015)

(ix) Exemption from liability to pay income tax on certain perquisites or allowances: Section 22-D of the Act may be referred to.

(x) The Rajasthan Service Rules have been made applicable to the officers and servants of the High Court with effect from 1st April 1951. This has a reference to Article 229(2) read with Article 238 of the Constitution. (Government of Rajasthan's order under Rule 2 of Rajasthan Service Rules).

(xi) The cases of overpayment in respect of Judges are noticed in audit, the matter is to be brought to the notice of Judge through a D.O. Letter at Accountant General (Audit-I) level, (A Model draft D.O. letter is enclosed as Annexure "A"). On receipt of the reply a final view in this regard will be taken. In case the Judge agrees to audit viewpoint be treated as settled in Inspection Report and in the case of disagreement the matter be referred to Central Office.

(xii) (A) A Judge of the High court shall also be entitled to any one of the following special compensatory allowances, at the same rate as applicable to a member of the Indian Administrative Services holding the rank of Secretary to the Government of the state in which the principal seat of the High Court situate, with the condition that an option can be exercised to claim only one of the following special compensatory allowance, whichever is advantageous, namely:

- (i) Special compensatory (Remote Locality) Allowance
- (ii) Special Compensatory (Hill Area) Allowance
- (iii) Special Compensatory (Bad Climate) Allowance
- (iv) Special Compensatory (Schedules Tribal Area) allowance.

[Authority: The Gazette of India (Extra ordinary) Part II Section 3 sub Section (i) Ministry of Law and Justice (Deptt. Of Justice) Notification dated 1.7.04]

(B) While conducting the audit and settling the old outstanding objections the following aspects will have to be kept in view:

- (i) Whether there are any differences between the terms and conditions of service prescribed by the State Government and the provisions made in the Central Act,
- (ii) Whether there are any significant differences between the terms and conditions prescribed by the State Government and the benefits actually being availed of in the High Court.

Audit of establishment should be conducted as per the principles of establishment audit. At the time of planning the audit, the Accountant General (Audit-I) may ensure that audit of vouchers in central audit are completed in a coordinated manner along with the audit of field offices. The following points may be given special attention:

- (a) Accountant General (Audit-I) has to ensure that records are made available as required by the audit party.
- (b) Inspection Report is personally cleared by Accountant General (Audit-I) before issue.

The audit of High court must be properly planned and personally supervised by the Group Officer taking into account various aspects of the High Court establishment rules etc. wherever interpretation of Rules and regulations are involved these must be done with utmost care.

The draft inspection Report must be discussed by the Group officer with the Registrars of the High court and to that effect a certificate should be endorsed while forwarding the Inspection Report to Headquarters indicating as to who discussed the draft Inspection Report, with whom and on what date. The Inspection Report of High Courts should be personally checked and approved by the Accountant General (Audit-I).

[Authority: Head quarter letter No 276-Rep (S)/98-99 dated 18.3.2002]

The Draft Inspection Report on the audit of High court may be sent to C&AG office for vetting and clearance for issue. In no case Inspection report should be issued without prior approval/clearance of this office.

[Authority: Head Quarters office letters No 745-Rep(s) audit-plan /38-98 dated 29.6.1998]

The above noted instructions/points are only illustrative and not exhaustive. All other points and orders issued from time to time may be kept in view during audit.

Part – II JUDICIAL ACCOUNTS

14.04 GENERAL

The following registers and accounts, which are maintained in the Courts, should be examined.

- (1.) Cash Book;
- (2.) Permanent Advance Register;
- (3.) Register of fees, fines and penalties;
- (4.) Bill Register;
- (5.) Contingent Register;
- (6.) Register of Deposits;
- (7.) Register of lapsed deposits;
- (8.) Register of attendance of witnesses;
- (9.) Register of Miscellaneous Revenue;
- (10.) Register of application for copies;
- (11.) Treasury Pass Book;
- (12.) Register of subsistence money of prisoners and miscellaneous deposits;
- (13.) Register of repayments of Miscellaneous deposits;
- (14.) Account Book of Service Postage Stamps;
- (15.) Dead Stock Register and Library Register;
- (16.) Service Book and leave Accounts;

14.05 Scope of Audit

Besides the usual expenditure and contingent audit, the audit of;

- (i) accounts relating to payment of diet money and witness allowance;
- (ii) the accounts relating to the copyists' establishment;
- (iii) the accounts of deposits and fines; and
- (iv) the accounts of the Translation and printing department of the High Court, should be conducted.

[C.A.G's Letter No. 2175-Admn. I/450-55, dated the 21st October 1955.]

14.06 Process of Audit

The procedure for the scrutinizing of the various registers prescribed in Chapter 4 of this Manual should be generally followed by the audit staff. The instructions given in the succeeding paragraphs should be followed in addition.

14.07 Permanent Advance Register.

- (1) Compare the total payments of each day with the Cashbook and check the balance with the balance of permanent advance shown in the Cash Book.
- (2) Check of the total amount sanctioned from time to time.

14.08 Register of fees and forfeitures, etc.

Check the entries for a month in the Register of fees and fines maintained by the different courts with the actual receipts of fees, fines, etc.

shown in the different Receipt Books and the Cash Book. Any discrepancy noticed should be investigated from the records of the cases.

NOTE; - It should be seen that proper records as prescribed in the rules are maintained for the realisation of the funds for various purposes and that the amount's realised are promptly brought to account.

14.09 Bill Register

- (1) Check the bill drawn from the treasury with reference to the bill registers and see that all bills pass through the bill register.
- (2) See that the date of receipts of money from the treasury with the amount for which it has been passed are entered in the bill register and money credited in the Cash Book on the same day.
- (3) See that the bill register is initialed by the Officer in-charge at each stage, viz., at the time of signing the bills, at the time of sending it to the treasury and when the bill is passed and the money received from treasury.
- (4) See that no bill is remaining outstanding for long in the bill register without being credited in the Cash Book.

14.10 Register of Deposits

- (1) See that the register has been maintained according to rules.
- (2) Check the credits in this register, the entries in the Cash Book and counterfoils of receipt books.
- (3) Check the vouchers of repayment of deposits with the Register of payment Orders and see that all the items in those registers have been initiated by the Registrar or an Officer authorised for this purpose in token of check.
- (4) Check the repayments of deposits against original credits with reference to the entries in the Cash Book and acquaintance of the payees.
- (5) See that the repayment is covered by the amount of balance of deposits.

Note 1 – The accuracy of not less than 15% of the postings from the General Cash Book into the several deposit registers and of the daily totals, there from into the abstract or ledger should be checked. Entries regarding payments should be checked with reference to the amounts originally received. The Judicial acquaintance of the parties receiving payment should also be verified.

NOTE 2 – The deposit accounts should be completely checked for the selected month or months with the help of the paid cheques received from the AG.

[C.A.G.'s Letter No. 2214/Admn.I/271-59, dated the 23rd September, 1959.]

14.11 Register of Lapsed Deposits

The register should be checked with the connected registers and ledgers. The total amount credited according to this register should be verified with the treasury challans.

14.12 Register of Attendance of Witnesses

It should be checked as follows: -

- (a) see that the dates of attendance and discharge have been noted in it;
- (b) see that such daily entries have been attested by the presiding judges with their initials;
- (c) see that the column of the register showing the amounts paid to witnesses have been dully filled in;
- (d) see that the witnesses themselves have signed in the vouchers in acknowledgment of the receipt of their expenses; and
- (e) see that the payments do not exceed the amounts originally recovered.

NOTE - The payments on account of diet money and travelling allowances to the witnesses and complainants should be test-checked to see that the prescribed scales have not been generally exceeded.

[C.A.G's Letter No. 2175- Admn.I/450-55 dated 21st October, 1965.]

14.13 Register of Applications for Copies

- (1) Check the court fees paid for applications for copies as entered in the "Register of applications for copies" with the entries in the Register of court fees.
- (2) See whether searching fees have been realised for copies of papers contained in the record of cases, which are not pending.
- (3) See that the amount recoverable under different categories e.g. cost of paper, typing fees, comparing fees, etc., is worked out and specified in the relevant columns of the register.
- (4) Check the remuneration paid of copyists every month from the acquaintance rolls with the amount drawn in the contingent bill for remuneration to copyists.
- (5) See that the amount creditable to Government is adjusted to the relevant head by transfer adjustment and the amount so creditable is specified in the register.
- (6) Check the amount paid into the treasury with reference to the credits in the Cashbook and relevant items of the register of application.

14.14 Treasury Pass Book

Every item of remittance to the treasury as recorded in the Court's accounts should be supported by the treasury challan and traced into the treasury passbook. Withdrawals from the treasury should be compared with office copy of the bills, and the Pass Book. It should also be seen that the monthly closing balance as recorded in the Court's accounts agrees with the balances in the Pass Book, which should be certified by the treasury after effecting reconciliation, if any.

14.15 Register of subsistence money of prisoners and Miscellaneous Deposits.

- (1) Check the credits in this register with the entries in the Cash Book and counterfoils of receipt Books.
- (2) See that the each item of receipt in connection with different cases is credited separately and its repayment noted against original credits.

14.16 Register of repayments of Miscellaneous Deposits

- (a) See that the payment does not exceed the amount of original deposit or that it is covered by subsequent additions of deposits.
- (b) See that the payment of expenses etc. payable by the parties in a civil suit is recovered in advance before the payment is made.

14.17 Register of Furniture and Store

- (1) Check the receipts as shown in the register of furniture and stores with the purchases shown in the contingent Registers.
- (2) See that the issues of articles to Courts have been properly acknowledged by the presiding officers in the columns provided in the register.
- (3) If office furniture is taken by the Magistrate and Judges to their residences, see that only a reasonable quantity of such office furniture is issued to them.
- (4) Check the value of the article of furniture shown in the register as disposed of on account of their being unserviceable, with the credit in Cash Book.
- (5) See that the balance of stock has been verified at least once a year by a responsible officer.
- (6) See that the Stock account has been properly maintained and is in the prescribed form.

14.18 Register of Securities

It should be seen that the amount and nature of securities furnished by the various subordinates are in accordance with the rules of the court. In cases where fidelity bonds are accepted, it should be seen that the insurance policies are taken only from the authorised companies and that the Policies are kept alive.

14.19 The District Judges are Heads of Departments other than Class I and Controlling Officers for the Subordinate Courts in their judgeship and, therefore to facilitate speedy compliance of the Inspection Report copies of the Inspection Reports should also be sent to the District Judges concerned.

[Registrar, Rajasthan High Court, Jodhpur's letter No. XXVI/5/65-66/2544 dated the 27th July 1965 at page 86 of file No. OAD-II/Guard-File/64-65.]

14.20 Facilities and Allowances of Judicial Officers

I- Accommodation

(a) Free accommodation

The R.J.S. & R.J.H.S. officers will get free accommodation according to their status. In case of non-availability of free accommodation, they will get reimbursement of house rent up to the limit fixed for it, in accordance with the orders issued from time to time.

(Authority: - GOR Pa-1 (77) G.A./11/55 dated 5.9.2005)

(b) Payment of rent to Judicial Officers in occupation of rental accommodation-

(i) Payment of rent shall be made to judicial officers to whom Government accommodation/requisition accommodation has not been provided within a period of one month from the date of intimation.

(ii) The residential accommodation hired by judicial officers shall be assessed by P.W.D.

(iii) Plinth area of residence for Judicial officers shall be as follows:

A Assistant District Judge/ 2273 sq ft

District Session Judge

B Chief Judicial Magistrate 1734 sq ft

C Munsif and Judicial Magistrate 1278 sq ft

(iv) The payment of rent in excess of House Rent Allowance for hired accommodation will be born by the State government subject to the maximum limits indicated against each category as follows:

Category of House Entitlement	Maximum Rent assessed for rented accommodation		
	Jaipur city (in Rs) per month	Other Div. HQ (in Rs) per month	Other places (in Rs) per month
Type I	7030	6260	5500
Type II	5530	4805	4275
Type III	3630	3280	2925

The assessment of rent for hired accommodation will be subject to revision after every three years.

(v) thus the net amount of rent payable to a Judicial officer on hiring a private residential accommodation would be actual rent paid to land lord or assessed rent as mentioned above, whichever is lower, minus House rent allowance admissible + Rent fixed as per Rule 18 of Government Quarters Allotment rent fixation Rules 1958 for Government Accommodation.

II Telephone facilities at residence of Judicial officers:

The limit of number of local calls to judicial officers are as follows:

Serial No.	Designation / Class	Bimonthly free calls with STD facility		Payment as per order of General Administration dated 14.08.2013
		Office	Residence	
1.	District and Session judge or equivalent officer	3000	2000	5250/- per month
2.	Additional District and Sessions Judge or equivalent and Senior Civil Judge and Chief Judicial Magistrate or equivalent officer	2000	1000	3750/- per month
3.	Senior Civil Judge and Additional Chief Judicial Magistrate or equivalent officer and Civil Judge and Judicial Magistrate or equivalent officer	1500	750	2625/- per month

[Authority: न 5/(31) [साप्र/3/83/dated 10.08.2018](#)]

III Residential Library:

Law books up to Rs 3000 can be purchased for residential library of all Judicial Officers

IV News papers/magazines:

Head of Department - 3 Daily News papers or 2 Daily News papers and one magazine

Head of Office- 2 Daily News papers or One Daily Newspaper and one magazine

V Conveyance Facility: -

Following sanction in respect of conveyance facility to Judicial officers is as under:-

01. Separate Vehicle for Principal district judge, addl. district judge (district H.Q.) and chief legal magistrate.
02. Besides the above one pool car will be allotted amount the four officers.

03. In case, if less than four Judicial officers at any particular place despite one pool car allotted to them.
- 04- State Government decided 125 ltr. petrol per month for every pool car.
05. Judicial officer who has own car right to obtain 50 ltr. petrol/diesel or equivalent amount.
- 06- Judicial officer who has own scooter/motor cycle right to obtain 25 ltr. petrol/diesel or equivalent amount.
07. Price of petrol/diesel o first date of the month is the basis of calculation of amount of petrol/diesel.
08. Judicial officer who owns car/scooter/motor cycle give option to select one of the facility i.e. pool car or reimbursement of amount of petrol/diesel.

(Authority: -GOR letter No.Pa4 (i) State /M.G./05 dated 5.9.2005)

VI Dress Allowance:

In block of 3 years Rs. 6000/- will be sanctioned as a dress allowance to all Judicialofficers.

VII Facility of Cooler:

Coolers shall be provided to Judicial Officers at their office and residence as per orders of Supreme Court.

[Authority: Order published in Lekha Vigya of Jan 2002]

VIII Water & Electricity facilities.

Notwithstanding anything contained in these rules, in the case of Judicial Officers, the State Government shall reimburse to every Judicial Officer, to the extent of 50% against the bills for electricity and water consumption at residence, at their place of posting, subject to the cap mentioned in table given below;

TABLE

S.No.	Designation	Maximum free units of electricity per month	Maximum quantum of free water in liters per month
1	2	3	4
1	District and Session Judge, Addl. District Judge & equivalent posts	333	116000

2	Chief Judicial Magistrate/Addl. Chief Judicial Magistrate and Civil Judge (S.D.) and equivalent posts	250	87000
3	Civil Judge (J.D.) and Judicial Magistrate and equivalent posts	165	58000

The controlling unit officer upon production of the receipt for having paid the bills shall make reimbursement to Judicial Officer on quarterly basis.

Explanation: Controlling Unit Officer for the purpose of this rule shall mean Principal District Judge or an Officer specified on this behalf by the High Court of Rajasthan.

[Authority: GOR /GAD Order N0.1 (55)/GA/11/77 Date 5.9.2005]

IX Sumptuary/ Hospitality allowance

1. District and Sessions Judge or equivalent Rs. 3100 per month.
2. Civil Judge (Senior Division) and Chief Judicial Magistrate / Additional Chief Judicial Magistrate or equivalent officer Rs. 2300 per month.
3. Civil Judge (Junior Division) and Judicial Magistrate First Class or equivalent Rs. 1500 / - per month.

(Authority: Rajasthan Government Law and Judicial Affairs (Justice Cell) Order 03.05.2010)

X Disturbance allowance

The RJS and RJHS officers will get disturbance allowance equivalent to one months basic pay on their transfer w.e.f. 1.11.1999, and basic pay plus dearness pay w.e.f. 1.4.2004.

(Authority:- GOR विधि एवं विधिक कार्य (न्याय प्रकोष्ठ) letter No. 11(3) /2002 dated 5.7.2006)

XI Cash payment in lieu of earned leave

The RJS and RJHS officers will get cash payment for 30 days earned leave in a block of two years w.e.f. 1.4.2000.

(Authority:-GOR विधि एवं विधिक कार्य (न्याय प्रकोष्ठ) letter No i-11(3) /2002 dated 8.9.2005)

XII Medical Facilities

Judicial officers entitled to medical facilities equal to member of legislature (presently member of legislature medical facility is equal to officer of Government of Rajasthan).

Rajasthan Judicial officers (medical facility) Rule 2008, provided list of empanelled hospital under the private authority.

Rajasthan medical reimbursement rule 2013 fix the amount limit for the reimbursement in case of private hospitals, however, same limit not will applicable on Judicial officers but rate of treatment is symbolic in case of Judicial officer.

Judicial officer equivalent to state government officer entitled to avail medical facilities in 12 referral hospital outside Rajasthan.

(p 11(3) legal/2002 date 15.12.2009)

Medical facility to Retired Judicialofficers

Retired Judicial officers entitled of medical facilities according to Rajasthan Judicial officers (Medical Facility) rule 2008. District Judicial officer after verification issue the sanction order and on that basis relevant treasury initiated the payment procedure.

(F 1(2) finance(rule) 2014 dated 13.10.2014)

Medical Advance

Judicial officer entitled of 80 % of estimated amount of medical expenditure as a medical advance.

(p 11(3) legal/2002 date 23.9.2008)

Additional Medical Allowance

(i)	Working Judicial officer	1000/- pm.
(ii)	Retired Judicial officer	1500/-pm.
(iii)	Family pensioner of Judicial officer	750/-pm.

(F 26(12)ju/2009 date 16.3.2011)

Annexure “A”

(A model draft D.O. letter)

**Office of the Accountant General
(Audit-I)- Rajasthan, Jaipur.**

D.O. Letter No.....

Dear Shri

As part of our routine audit scrutiny of the expenditure incurred by the establishment of the High Court pertaining to the period,..... the following points (enclosed statement) pertaining to the personal claims on your behalf were noticed in audit. Since these points may relate to deviation from the rules and the prescribed procedure and may involve over payment, I am bringing these to your personal notice at this stage with the request that you may kindly go through the audit comments and wherever necessary, arrange to adjust the overpayments etc, as pointed out in audit. In case you are not in agreement with audit observations, I would request you to kindly let me have the benefit of your views in such matters before a final decision could be taken. The draft report is yet to be issued and this is to assure you that due regard will be paid to facts etc. which may be pointed out by you in response to these audit observations, while arriving at final conclusions. If you so consider the points can be discussed at your convenience.

Yours sincerely,

Accountant General
(Audit-I)

To

Justice High Court of....

CHAPTER 15

DIRECTOR, INSURANCE AND PROVIDENT FUND

15.01. The work relating to the Provident Fund accounts of State Government employees has been transferred from the Comptroller and Auditor General's organisation to the State Government with effect from April-1979 accounts. Consequent on this transfer the Director of Insurance & Provident Fund Rajasthan, Jaipur been made responsible for the maintenance of Provident Fund accounts of the State Government employees and of the All India service officers serving in connection with the affairs of the State.

[Authority: C.A.G's D.O. letter No. 258-T.A. II/116-78 dated 26th Feb. 1979 & Government of Rajasthan Fin. Deptt. Order No. F. 14(23), F. I(Gr. III) 76-I dated 24.8.1979 & G.I.F. 1(25)-B(AC)/79 dated 6th Aug. 1979, File PFI/SKL/Raj./75-76 Vol. I]

All Provident Fund Schemes pertaining to State/Central Government are in operation in terms of Government Provident Fund Act 1925. Certain changes in the rules have been made and from May 1980 the scheme become compulsory. As a result of amendment, Rajasthan Government servants GPF Rules 1997 also came into force w.e.f. 1.6.1997. These rules were framed under rule 21(B) of Rajasthan Service Rules.

15.02. The following types of accounts are maintained by the Director of Insurance and Provident Fund, Rajasthan, Jaipur.

- (1)(a) General Provident Fund Accounts; both Superior and Inferior (made compulsory with effect from 1.5.1980 in respect of all the State Government employees.)
- (b) Provident Fund Accounts (both G.P.F. and C.P.F.) of Class IV Government servants and other temporary staff of similar categories employed under the services of Rajasthan Government whose accounts were being maintained by him prior to 1.5.1980.
- (c) G.P.F. Accounts of Superior Government Servants over 50 years of age, who cannot subscribe towards State Life Insurance Fund already maintained before 1.5.1980.
- (2) Contributory Provident Fund Accounts (Jodhpur Unit and others, if any).
- (3) All India Service, Including:
 - (a) Indian Administrative Service.
 - (b) Indian Police Service.
 - (c) Indian Forest Service; and
 - (d) Other All India Services, if any.
- (4) Work-charged staff belonging to:
 - (a) Public Works Departments.
 - (b) Irrigation Departments; and
 - (c) Indira Gandhi Nahar Project.

- (5) Water Works Technical Employees (Both regular and Work-charged).
- (6) General Insurance Scheme (applicable on persons belonging to All India Services with effect from 1st January 1982).

15.03 (1) It has been decided that the funds accounts may be checked only in the local audit. For the purpose of extent of checks to be exercised in respect of various kind of accounts/transactions, the instructions as contained in the Memorandum of Secret Instruction, may be followed.

[Authority : CAG's D.O. letter No. 1117-TA/II/116-76, dated 26th August 1980]

(2) In the meeting of Audit Planning Group held on 2.3.2000, the following percentage for conducting the audit of Provident Fund Accounts was fixed insuperssion of Group Order No.432 & 468)

S.No.	Type of Transactions	Existing Percentage	Revised Percentage
1	Final Payment	Excess of 1,00,000 100% 50,000 – 1,00,000 50% less than 50,000 25%	Excess of 5,00,000 100% 2,00,000–5,00,000 50% less than 2,00,000 25%
2	Temporary withdrawal (Non-refundable withdrawals)	10%	10%
3	Entry, Adjustment, Closing of Accounts	General Review 2 days per Office	General Review 2 days per Office

Recovery Slip, List of Debit/Credit and Interest

Due to revision of percentage, the following changes in man-days have been approved :-

1. Audit of Final Payment vouchers 30 Minutes per case
2. Audit of partially Final payment and Temporary Advances vouchers 5 Minutes per voucher
3. Audit of vouchers of Final payment and those vouchers for which audit has been conducted along-with Final payment. 5 Minutes per voucher
4. Entry, Adjustment, Closing of Accounts, Recovery Slip & List of Debit/Credit General Review 2 days per office

[Group Order No. I.C.-I /N-21-11/77/2000-2001/500 dated 8.9.2000]

15.04 (A)The maintenance of Provident Fund Accounts involves the following items of work :-

- (i) Scrutiny of applications for admission from intending subscribers to the Funds;
- (ii) Assignment and communication of account numbers to the new subscribers;
- (iii) Posting in ledger cards and Broad-sheets;
- (iv) Calculation of interest due for the year and annual closing of accounts;
- (v) To attend and give reply to subscribers complaints;
- (vi) Issue of Annual Statement of Accounts;
- (vii) Temporary withdrawals (as also for payment of life Insurance Premium), part non-refundable withdrawals, final withdrawals and final payments;
- (viii) Residual payments;
- (ix) Nominations;
- (x) Clearance of unposted items and adjustments memos;
- (xi) Maintenance of General Index Register and Alphabetical Index Register;
- (xii) Receipt and check of Fund Schedules Vouchers and voucher-wise deduction statements from the Treasury/Accountant General Rajasthan;
- (xiii) Agreement of balances;
- (xiv) Receipt, Custody and disposal of the Insurance Policies which are financed from Provident Fund;
- (xv) Preparation of Budget Estimates;
- (xvi) Other Miscellaneous item of work;
- (xvii) Maintenance and upkeep of Broad-sheets;
- (xviii) Preparation of A.T.M. 77 in respect of suspense amount, receipt of deduction slips of suspense amount from Drawing and Disbursing officers and to reduce the suspense amount and preparation of A.T.M 78
- (xix) Covering list;
- (xx) Debit/Credit list;
- (xxi) Preparation of Index Register;
- (xxii) Issue of sanction authority of Permanent withdrawal
- (xxiii) Issue of Pass books to new subscribers
- (xxiv) Reconciliation, verification of Pass books and posting of interest in the pass book.
- (xxv) To check sanction of temporary with draws and posting of debit entries in pass book
- (xxvi) Preparation of reconciliation statement in respect of amount classified in wrong head of Account
- (xxvii) Transfer of Files and Accounts from one district to another district on transfer of subscriber and
- (xxviii) Transfer of Government contribution in contributory provident fund account of work charged employees, who become permanent, into receipt head of State Government and to got passed transfer entry for pension.

(Authority: Manual of State Insurance and Provident Fund Department
Ch 2 Page 3&4)

(B) Provident Fund Account of All India Services are being maintained in Directorate. Besides it the function of reconciliation of received amount with Accountant General, giving intimation thereof to district offices, to prescribe the procedure related to work and internal audit of work done by district offices are also being performed in Directorate. The following sections are constituted to perform these functions: -
(Authority: Manual of State Insurance and Provident Fund Deptt. Ch.2 page 5)

- (i) Maintenance and procedure Section of P.F.
- (ii) Compilation Section
- (iii) P.F. Section of All India Services
- (iv) Establishment and Account Section
- (v) Internal Audit Party

(Authority: -Provident procedure book 2000 and Director State Insurance Jaipur letter No. 2138 dated 11.12.2000.)

15.05 Maintenance of Record at District Offices

All works relating to Provident Fund Accounts are being performed in district offices. Maintenance of contributory Provident Fund are also transferred to district office w.e.f 1.4.1996. At District offices located at different districts, the following record may be reviewed at the time of local audit: -

- (i) Register of the Subscribers
- (ii) Preparation and Maintenance of File
- (iii) Sanction of option
- (iv) Entries in the Broad-sheet
- (v) Entries in the Ledger
- (vi) Entries of Debit/Credit
- (vii) Calculation of Interest
- (viii) Preparation of A.T.M.-77
- (ix) Adjustment of Suspense Accounts
- (x) Closing of Accounts

(Authority: - Directorate State Insurance letter No. 2138 dated 11.12.2000)

15.06 Eligibility of General Provident Fund

Rajasthan Government servants General Provident Funds Rules, 1997 made compulsory subscription to Provident Fund Scheme:

Every person appointed to a substantive post or temporary post likely to be made substantive, whether permanently or temporarily under the Government, or to a post in Zila Parishad, Panchayat Samiti or such organisation specified by the Government by an order issued to that effect shall subscribe to the P.F. Scheme of the Department.

Subscriber, who have been appointed after retirement for more than one year at a time, shall also subscribe to General Provident Fund.

The First deduction of Provident Fund shall be made from salary of the First month of service from all the subscribers, upon whom Rule 8 of Provident Fund Rules is applicable, whether they are employed in State Government

Service, Zila Parishads, Panchayat Samitees or specified Institutions. The deposit by the subscriber under the scheme shall cease upon his death, quittance of the service, proceeding on leave preparatory to retirement or three months from retirement.

(Authority:- Rule 12 of GPF Rules 1997)

The State Government has ordered from time to time that the amount of increase in Dearness Allowance and arrear on account of fixation of pay of employees in Rajasthan Civil Services (Revised Pay Scales) Rules 1987 & 1989 and New Pay Scales 1998 shall be credited to General Provident Fund Account. These credits shall be regulated and compared by the Provision contained as GPF Rules, 1997 as amended from time to time. The relevant provision of these rules and orders issued by the State Government from time to time may be referred to by local audit parties in checking the eligibility of the State Government employees to the GPF/CPF.

[Authority :- G.P.F. Rule 1997 Rule No. 3(1)(2) Rule 3 and 8 of Raj. State employees Provident Fund Rules 1997 Lekha Vigya Page 75]

15.07 Account holder to have the option of continuing with account after retirement

- (i) An account holder shall have the option of continuing his Provident Fund Account with the department for a maximum period of one year from the date the Scheme ceases to be applicable to him.
- (ii) No withdrawals shall be permitted from the Account during the extended period. The entire balance along with interest shall be paid to such account holder immediately upon expiry of extended period.

[Authority: - Rule No. 4 of G.P.F. Rule 1997.]

15.08 Fund Account and its Audit

- (i) All the deposits received from the subscribers shall be credited into a Fund called General Provident Fund and all withdrawals made from it shall be debited to it.
- (ii) The Government shall credit interest at the rate as specified from time to time every year on the balance standing to the credit of the fund account in the beginning of the financial year for one year and by months product basis on net receipts during the year. The rate of interest on Provident Fund specified by State Government from time to time are as follows:-

S.No	Effective from date	Rate of interest	order dated
1	01.05.1980	8.50%	-
2	01.04.1981	9.00%	-
3	01.04.1983	9.50% & 1% bonus	-
4	01.04.1984	10.00% & 1% bonus	-
5	01.04.1986	12.00%	-
6	01.04.2000	11.00%	12.07.2000
7	01.04.2001	9.50%	17.07.2001

8	01.04.2002	9.00%	09.09.2002
9	01.04.2003	8.00%	06.06.2003
10.	01.12.2011	8.6%	
11.	01.04.2012	8.8%	
12.	01.04.2013	8.7%	
13.	01.04.2016	8.1%	
14.	01.10.2016	8.0%	
15.	01.04.2017	7.9%	
16.	01.07.2017	7.8%	
17.	01.01.2018	7.6%	
18.	01.10.2018	8.0%	
19.	01.07.2019	7.9%	
20.	01.04.2020	7.1%	

(Authority: Lekha Vigye (page 30) of January 2018 and SIPF Website)

- (iii) The accounts of the Fund shall be closed by 30th September each year and shall be audited by the Accountant General Rajasthan.

[Authority: - Rule No. 6 of G.P.F. Rule 1997.]

15.09 Account Number and the Pass Book.

- (i) Every account holder shall be allotted his Account Number within 60 days of his first deposit by the Deputy/Assistant Director.
- (ii) Every Account holder shall be supplied with a Pass Book in the format prescribed by the Director along with intimation of his account number with the entry of first deposit duly verified by Deputy/Assistant Director of the Department.

(Authority:- Rule No. 10 of GPF Rule 1997)

- (iii) All deposits made by the account holder by way of deductions through salary bill or deposited in cash in treasury shall be verified in the passbook every three months by the head of office/drawing disbursing officer.
- (iv) The pass book shall be updated for interest entry and balance every year by the department upon presentation thereof by the account holder.

[Authority: - Rule No. 10 of G.P.F. Rule 1997.]

15.10 Transfer of balance from the Fund

- (i) If a person who is an account holder with a Provident Fund Scheme of any other Government is appointed on a civil post under the Government, the balance in his account with the other Provident Fund shall be deposited in his account with the Department.
- (ii) In the case of a transfer vice-versa, the amount deposited in his account shall be transferred to the Fund of the other Government.

[Authority: - Rule No. 23 of G.P.F. Rule 1997.]

15.11 Amount not to be attached by any Court

Money payable under General Provident Fund in pursuance of these rules are exempt from attachment and/or sale in execution of a decree and all

such money shall remain exempt from attachment notwithstanding the fact that owing to the death of a Government servant, it is payable to some other person. [Authority: - Rule No. 24 of G.P.F. Rule 1997.]

15.12 Provident Fund Schedules and Payment Vouchers

(i) The correctness of the Fund Accounts mainly depends upon the correctness of the Provident Fund Schedules and the payment Vouchers as they form an important initial records and bear the same importance as those attached to the ledger cards in which the Provident Fund Accounts of the individual subscribers are maintained. As the preparation of incomplete and incorrect schedules poses a major problem in the maintenance of correct G.P.F./C.P.F. Accounts the following essential points may be seen in local audit of the Provident Fund Accounts:

- (a) The Schedules are prepared in the prescribed form and in accordance with the relevant instructions issued in this regard.
- (b) Every Provident Fund Schedules contains the following information :
 - (i) Name of the subscriber;
 - (ii) Father's Name;
 - (iii) Account number of Provident Fund Account;
 - (iv) Pay of the subscriber;
 - (v) Name of the month of recovery;
 - (vi) Rate of subscription;

It may also be seen whether the subscription pertains to General Provident Fund or Contributory Provident Fund and in the case of pre-merger State employees name of the unit to which the subscriber belonged prior to formation of Rajasthan, is indicated.

- (c) The installment for repayment of advance, if any, and monthly subscription are shown in separate columns.
- (d) The Provident Fund deductions are strictly in accordance with the Provident Fund Rules of the State Government and orders of the State Government issued from time to time.
- (e) The reasons for discontinuous of subscription to the Fund and repayment of installment of advance taken from the fund and in case the discontinuance of subscription is on account of leave, the period of leave and date of commencement of leave have been indicated in the remarks column of the schedule. In case, the amount of the subscription differs from that of previous month or if the subscription is for the first time, the same is indicated in the remarks column.
- (f) The cases of incorrect preparation of schedules as well as payment vouchers involving inherent risk of overpayment, from have been specifically brought to the notice of Government by the Director.
- (g) No recovery appears in the schedule before an account number has been allotted to the subscriber. In cases, if it so happens, a note appears in the remarks column of the schedule to the effect that "New subscriber account number has been called for vide letter No. Dated, recoveries have been made without Account number". This will facilitate adjustment of all credit when account number is allotted.

- (h) The deductions on account of refund of advance are distinctly indicated in the schedules and have not been clubbed or merged with the amount of G.P.F. subscription. In such cases the number of installments i.e., 4th 5th 6th etc. and also the total number of installments in which the advance is recoverable have been indicated suitably.
 - (i) There is no P.F. recovery schedule wanting and prompt action has been taken for obtaining wanting schedules from the Drawing and Disbursing Officers.
 - (j) Provident Fund schedules should be examined thoroughly to ensure that erasures and over-writings (even corrections by fluid ink) in the individual deductions, if any have been duly attested by the D.D.O. of the concerned office. Cases otherwise should be informed to Headquarters with relevant key documents and commented suitably in the Inspection Report.
- (Authority: Group Order No.I.C.I/N-21012/77/2001-02/216 dated 26.6.2001)
- (k) There may be cases in which a sanction of temporary advance may be used for more than one time for withdrawal from treasury by different D.D.Os. In such cases the subscriber has been paid one time and amount of other withdrawals (forget) may embezzled by forged signature of the subscriber in acquaintance roll. The forged payment may also being debited to the subscribers account. Such double debit entries in subscriber's account should not be treated as routine or by-mistake of data entry without proper verification. Such cases should be verified properly and intimated to appropriate authority of the State Government for further investigation and suitably commented in the Inspection Report.

(Authority: Group order I.C.I/N-21012/77/2002-03/523 dated 30.4.2002)

15.13 Un-posted items and adjustment memo.

- (i) It should be seen that posting has been done correctly in the ledger cards and that no items are taken as unposted items, fresh accretion of unposted items is always avoided.
- (ii) The register of unposted items have been reviewed every month before closing of eliminate such items.
- (iii) No lump-sum posting in the register of “Un-posted items” are made and where they are inescapable, it may be seen that simultaneous references have been made to obtain the wanting details.
- (iv) When the unposted items have been traced and adjustment memos prepared, it may be seen that the posting of such Memos has been done correctly and without delay.

15.14 Audit of Debit Vouchers/paid vouchers

- (i) The amount drawn on account of General Provident Fund/Contributory Provident Fund through a voucher for temporary/final withdrawal should be duly supported by a copy of sanction of the competent authority. Sanctions received with the paid vouchers should inter-alia specify the following details:-

- (a) the name, designation and pay of the Government Servant;
 - (b) his Provident Fund Account number;
 - (c) the amount and the purpose of the advance (if the purpose is of confidential nature, it may be communicated to the Director of Provident Fund or Accountant General by name, or confidentially);
 - (d) the amount available at the credit of the subscriber in his Provident Fund Account;
 - (e) the number of installments or recovery, duly fixed in whole rupees and in equal amounts.
- (ii) In local audit of sanctions, it should be ensured: -
 - (a) that the purpose of the temporary withdrawal falls under one or more of the recognised objects for which advance can be granted under the rules;
 - (b) that in the case of an advance sanctioned as an ordinary case:-
 - (i) that amount does not exceed three months basic pay of the applicant or half the amount at his/her credit whichever is less, and
 - (ii) No advance shall be granted to any subscriber before repayment of last installment of previous advance as provided in note below Rule 15(i) of GPF Rules, 1997.
- (iii) In auditing vouchers relating to final withdrawals, it should be seen:-
 - (a) that the voucher is duly receipted with proper stamps affixed wherever necessary, in the case of bills drawn by other than Heads of Offices;
 - (b) that the amount paid agreed with that for which authority as issued;
 - (c) that the payment has been made to the proper payee;
 - (d) that the classification is in order; and
 - (e) that the disbursement certificate has been received in the case of final withdrawals if payment is made through the head of the office.

NOTE: - The money payable to a subscriber who has become insane has been paid to the Manager appointed under the Lunacy Act, 1912.
- (iv) Audit of vouchers for payment of Insurance Premia - In auditing vouchers for withdrawals from the fund for payment of premium it should be interalia ensured that :-
 - (a) the bill is in proper form and is receipted with proper stamps affixed;
 - (b) the policy has been duly assigned or delivered to the Director in accordance with the rules or that the details of policy have been submitted to the Directorate and accepted as suitable by it;
 - (c) the amount agrees with the amount of premium as noted in the ledger;

- (d) the amount has been drawn within the period permissible under the rules in force;
- (e) the premium receipt of interim policy has been furnished;
- (f) the disbursement certificate has been received and recorded properly.

15.15 Maintenance/Posting of the Ledger and Broad Sheets

The following points should be seen in local audit in the maintenance of the ledger and Broad Sheets of Provident Fund Accounts :-

- (a) The accounts of subscribers are maintained in ledgers in the proper prescribed forms. There is a separate ledger for each Department/Office. Each ledger should bear a label indicating a significant abbreviation of the departmental account to which it pertains.
- (b) On the top of each account (folio), the name of subscriber, his father's name, the account number assigned to him, his official designation together with name of department to which he belongs should be recorded. The dates of birth and superannuation date, rate of pay on 31st March of the preceding financial year, receipt and acceptance of nominations, the fact whether the subscription is compulsory or optional should be noted in the relevant columns under proper attestations.
- (c) The opening balance carried over in the beginning of the year has been duly attested, by the competent authority.
- (d) The posting in the ledger cards are invariably made from recovery schedules and not from broad-sheets. It should, therefore, be seen that broad-sheets are posted from the ledger cards only.
- (e) The ledger cards indicate the up-to-date position of all missing credits/debits and not merely those relating to particular year. The adjustments and lump-sum recoveries, if any, have been suitably explained.

NOTE – When the account of the subscriber is closed, the date of closure the reasons for the closure and amount authorised for payment should be noted in the ledger under proper attestations, the fact of closure of account should also be noted in Index Register.

- (f) All compulsory subscriptions are paid by the subscriber except when an exemption is permissible under the rules.
- (g) The amount of subscription in each case should agree with the rate adapted for the year as noted in the ledger except when a subscriber is on leave or under suspension or for other authorised reasons.
- (h) The amount of subscription and refunds are posted separately in their respective columns even though they may have been shown by mistake in lump in the schedules by the department.
- (i) In case of frequent withdrawals, and irregular credits on account of subscription or of recovery of advance the monthly balances have been

worked out in the ledger, after posting monthly subscription etc., for calculation of interest.

- (j) In cases where credits for subscription do not appear in the accounts of the ledger, and are in arrears, the reasons thereof, should be enquired into and the results of such enquiry noted in the ledger.
- (k) All the department-wise and district-wise Broad-sheets are compiled in consolidated Broad-sheets which should be reconciled at regular intervals.

15.16 Opening of New Ledgers

It may be seen in audit that when new ledgers are opened the old numbers allotted to the subscribers continue to be used in case of those subscribers whose accounts are current. The closing balances of each account in the old ledger have been brought over to the new ledger and attested after verifying them with those shown in the corresponding broad-sheets. Full details of policies, the premia of which are paid out of the Fund, the fact of receipt of declaration, the number of times discontinued, classification of subscriber viz., optional or compulsory, advances outstanding and any other information that have a bearing on the maintenance of the accounts of the particular subscribers have also been brought over to the new ledger.

15.17 Register of Missing Credits

- (i) It may be seen that a list of the cases in which subscription have not appeared is prepared and entered in a register called “the Missing Credit Register” in the prescribed form and that the register has been closed each month after recording the action taken against each item.
- (ii) That the missing debits and credits are adjusted on the basis of recorded evidence.

[Authority: - CAG’s letter No. 113/T.A.II/91-57 Vol. II dated 27.4.1963 PEI/Ex/ P-24/59-64 Pt. I]

NOTE – It may be seen that missing credits are adjusted on the basis of evidence received through the drawing and disbursing officers in respect of final payment cases only.

[Authority :- CAG’s letter No. 113/T.A.II/91-57 Vol. II dated 22.1.76 C.S. No. 170 issued by P.F.I Section in 1976]

15.18 Calculation of Interest

The following points may be seen in local audit regarding calculation of interest:

- (i) Interest on the balances at the credit of a subscriber at the close of each year has been calculated at prescribed rates and adjusted to his fund account in accordance with the rules and instructions contained in General Provident Fund (Rajasthan Services Rules, 1997) as amended from time to time.

- (ii) The date of deposit for purpose of calculating interest in the case of a recovery from emoluments has taken to be the first day of the month in which it has been recovered.
When any subscription has been paid in cash after the 15th of the month no interest is payable thereon for that month.
- (iii) In addition to any amount to be paid under Rule 15, 16, 17, or 18 of G.P.F. Rules, interest thereupon up to the end of the month preceding that in which the payment is made, or up to the end of six month after the month in which such amount become payable whichever of these periods be less, shall be payable to the person to whom such amounts is to be paid.
- (iv) The consolidated amount of interest allowed to the subscribers has been worked out correctly and that same has been reported by the Director of Insurance and Provident Fund to the Accountant General (A&E) for getting it adjusted in his books timely
- (v) The D.A. arrear from time to time will be credited to Provident Fund Accounts. The interest will be calculated on the amount for which the arrear has been allowed/ irrespective of the month for which the amount was credited.

[Authority: - Rule No. 16(B) 8 (4) of chapter 4(A) of G.P.F. procedure book 2000]

- (vi) Interest shall be calculated by months product basis taking the deposits and withdrawals made in the month of receipt or withdrawal as the case may be irrespective of the date. However, interest on amount ordered to be impounded by State Government under rule 11 (i)(ii) shall be given from the date of impounding order irrespective of the date on which it was received in the department.

[Authority: - Rule No. 14(3) of G.P.F. Rule 1997.]

15.19 Delegation of Powers

In the cases of final payment: -

- (i) Deputy/Assistant Directors of the Department will be authorised to sanction the interest on the payable amount upto a period of two years.
- (ii) Director/Additional Director of the Department will be authorised to sanction the interest on payable amount upto the actual date of issuing the authority.
- (iii) Deputy/Assistant Directors of the Department shall be authorised to return the contribution received from a person not eligible under these rules to be a subscriber with interest specified in rule 14(2) for the period for which amount remained deposited with the Department.

[Authority: - Rule No. 26 of G.P.F. Rule 1997.]

15.20 Issue of Annual Statement of Accounts

After the annual accounts have been closed and agreed it may be seen that :-

- (a) The Annual Statement of Accounts have been dispatched and the acknowledgement of receipts of accounts slips/statements are available in the Fund Department.
- (b) The discrepancies/variations, if any, pointed out by the subscriber have been settled promptly.

15.21 Advances – Temporary withdrawals and part Non-refundable withdrawals

- (i) *General* –The grant of advances from Fund Account and its recovery are covered by Rules 15 & 16 of the G.P.F. (Rajasthan Services) Rules, 1997 as amended from time to time.
- (ii) During audit of temporary and part non-refundable advances it should be seen that:-
 - (a) The advances, whether temporary or final withdrawals of part of the accumulations for specific purpose are sanctioned by competent authorities in accordance with the Provident Fund Rules and that the amount of withdrawal is covered by the balance available in the account.
 - (b) The particulars of sanctions have been noted in the respective columns of the ledger cards indicating interalia, the amount of advance sanctioned, and the number of installments in which recovery is to be made, under proper attestation.
 - (c) The recoveries on account of principal have been made regularly at uniform rate.
 - (d) There is no tendency on the part of the subscriber to treat the fund account as a cheap loan account.

NOTE :- General principles governing the grant of advances – It should be remembered that the General Provident Fund is designed solely for the protection of subscriber's family against his sudden death or, if he survives till retirement, to provide both him and his family with additional resources in his old age. Anything which interferes with a subscriber's normal accumulations detracts from these purpose and tends to defeat the true object of the fund.

- (e) In the case of part-non-refundable withdrawals it may be seen that certificate of disbursement is available on record and that it has been noted in the subscribers account. A register has been maintained by the department to watch the debit.
- (f) The vouchers relating to non-refundable advances are filed/kept separately and they posted on the ledger card after the currency of the card is over.
- (g) After the last and final installment of G.P.F./C.P.F. advances is recovered the amount of interest is also recovered from the subscriber.

15.22 Final withdrawal(s)/ Residual Payments

(A) In checking of final withdrawal from the Fund Accounts, the following essential points may be seen: -

- (1) Eligibility;
- (2) Payment made is as per authority issued;
- (3) Arrear authorised is as per ledger balance;
- (4) Interest has been correctly calculated;
- (5) Dates of death, resignation etc. are as noted in the enforcement for closing the ledger;
- (6) Payment voucher has been correctly posted in ledger accounts;
- (7) While issuing authority for the available balance the particulars of missing credits and probable/suspected missing credits and debits have been called for from the Drawing and Disbursing Officers to ensure early full settlement;
- (8) In cases where the amount of missing credits/residual balance has been authorised on the affidavit of the subscriber it may be seen that such payments are covered by ex-post-facto sanction of the competent authority.
- (9) If fresh authorities are issued after canceling the original the fact has been noted in the ledger in addition to note of the cancelled authorities.

(B) When final payment is made through the head of the office, a disbursement certificate in the same form as that furnished for withdrawals on account of temporary advances is required to be furnished by the Head of the Office. Its receipt should be watched by the Director separately.

NOTE: - Disbursement certificate should be watched in the case of advance/final drawls drawn on behalf of non-gazetted subscribers, if necessary its receipts should be watched separately by the Director.

15.23 Nominations

The nominations are important documents and should therefore, be scrutinised to ensure that :-

- (a) The nomination has been correctly executed in the proper form and it meets the requirement of a valid nomination.

NOTE: A subscriber who has no family can nominate anyone he pleases such subscriber shall provide in the nomination that it shall become invalid in the event of his subsequent acquiring a family.

[Authority : Letter No. F. 13(3)E. V(B)/73 dated 15.1.1974 from the Government of India Ministry of Finance Department of Expenditure received with CAG's letter No. 252-Audit/128-73 dated 19.2.1974 C.S. No. 158 issued by P.F. Section in the year 1974-75.]

- (b) The nomination has been accepted over the signatures of competent authority by giving a note in the ledger card and the General Index Register and a stamp of acceptance of nomination of the nomination

form itself. When a revised nomination is received it may be seen that the old nomination form is cancelled under proper attestations and returned to the subscriber after the revised nomination is accepted.

- (c) The nominations are kept in safe custody of the officer. A Register called “Register of Receipts and issue of Nominations” is duly maintained.
- (d) The nominations in the custody of officer have been got reviewed to see that they are properly maintained and physically available.
- (e) The instructions for nominations contained in rule-5 of General Provident Fund (Rajasthan Services) Rules, 1997 have been followed properly.

NOTE – (1) – Nomination form and also the acknowledgements and other correspondence connected therewith must be treated as confidential.

NOTE - (2) - The names of nominees and share of deposit allotted to each as given in the nominations for Provident Fund should not be indicated in the acknowledgements of receipts of nomination.

- (f) All the nominations are verified periodically by a Gazetted Officer. The nominations found to be missing or wanting have been called from the subscribers concerned.

15.24 It may be seen in audit that General Index Register and Alphabetical Index Registers are maintained in prescribed form with all details.

15.25 Closing of Broad Sheets

Posting of Debits/Credits in Broad Sheets, may be test checked and it may be seen that closing of Broad Sheets is with details of differences. It may also be seen that consolidated Broad Sheet(s) is/are properly maintained and closed regularly. Differences, if any, are timely reconciled and settled at regular intervals.

15.26 New contributory pension scheme has been introduced for State Government employees appointed in the Government on or after 1.1.2004.

Accordingly, the details of the new contributory pension scheme are prescribed as under:

1. It would be mandatory for new recruits to become member of the scheme and the monthly contributions to their pension account shall be @ 10 percent of the basic pay and D.A. paid from the salary of the employee and a matching amount shall be contributed by the State Government. This matching contribution from the State Government shall be charged to the respective salary head of account.
2. The contributions would be deposited in a non-withdrawable pension account.
3. The amount of contributions towards the pension account shall be retained in an interest bearing P.D. A/c to be opened in each treasury for this purpose.
4. This order shall come into force w.e.f 1st January, 2004.

5. A government servant can exit from the scheme on attaining the age of superannuation i.e. on or after the age of 58 or 60 years, as the case may be. At exit it would be mandatory for him to invest 40 percent of pension wealth to purchase an annuity (from an IRDA regulated Life Insurance Company), which will provide for pension for the lifetime of the employee and his dependent parents/spouse. Instructions will be issued later as to the operation of the fund, in the case of Government servant who leave the scheme before attaining the age of 58 or 60 years, as the case may be. In the event of untimely death of the employee immediate payment will be made to the lawful nominee(s).
6. It has been decided that pending regular final arrangements, regarding record keeping, the Director of State Insurance and Provident Fund will maintain the records for the above scheme.
7. Immediately on joining Government service, the government servant shall be required to provide particulars such as his name, designation, scale of pay, date of birth, nominee(s) for the fund, relationship of the nominee etc. in the format S-I (Application for Allotment of PRAN) as prescribed by the State Government. The Head of Office concerned shall be responsible for obtaining this information from all government servants covered under the new Pension Scheme. Consolidated information for all those who have joined service during the month shall be submitted by the Head of Office concerned in the prescribed format to the Unit Office of State Insurance & Provident Fund Department by 7th of the following month.
8. On receipt of filled format S-I (Application for Allotment of PRAN) from the Heads of Office, the unit Office of State Insurance & Provident Fund will allot a unique 12 digit Permanent Pension Account Number - PPAN- to each employee appointed in the State Government on or after 1.1.2004. The first four digit of this number will indicate the calendar year of joining government service by the employees, the next digit "1" indicates that it is a Civil Pensioner, the next two digits would represent the Code for Unit Office of the State Insurance and Provident Fund Department and the last five digits will be the running serial number of the individual government servant allotted by the Unit Office of State Insurance & Provident Fund.

The Format of PPAN is as under: -

Calendar Year	Civil	Code of Unit Office of State Insurance & P.F	Serial Number

9. The Heads of Office shall prepare separate pay bill in respect of the Government servants joining government service on or after 1.1.2004 and attach a schedule of government servants contribution in prescribed form. The Heads of Office shall prepare a separate pay bill register in respect of government servants.

10. Along-with the salary bill for the government servants who join service on or after 1.1.2004, the Heads of Office shall also prepare a separate bill for drawl of matching contribution to be paid by the government for credit to respective Pension Account.
11. The bill for drawl of matching contribution should also be supported by schedules of recoveries in form.
12. On receipt of the salary bills in respect of government servants joining service on or after 1.1.2004, the Treasury Officer will exercise usual checks and pass the bills for payment. The schedules relating to Pension contribution will be detached from the bills as done in the case of other schedules such as GPF. The schedules will then be furnished to the Unit Office of State Insurance and Provident Fund for posting the credits of contribution in the detailed ledger account of the individual employee.
13. The Unit Office of State Insurance and Provident Fund on receipt of schedules from the Treasury Officer will update its database and generate exception reports for missing credits, mismatches etc. which will be sent back to the Head of Office concerned for further action.
14. The District Office of State Insurance and Provident Fund shall send the compiled information of contribution recovered from the employee's salary towards Pension Fund as well as the matching contribution from government every month by 15th of the next month to the Director, State Insurance and Provident Fund for maintaining record of all the employees appointed on or after 1.1.2004.
15. At the end of each financial year, the Director, State Insurance and Provident Fund shall prepare annual account statements for each employee showing the opening balance, details of monthly deductions and governments matching contributions, interest earned, if any, and the closing balance. The Director, State Insurance and Provident fund shall send these statements to the respective government servants and obtain receipt from them.
16. After the close of each financial year, the Director, State Insurance and Provident fund will reconcile the figures of contribution posted in the ledger account of the individual as per their ledger with balance in the P.D. Account.
17. No withdrawal of any amount will be allowed during the interim arrangement i.e., till such time as final arrangement for fund management & record keeping are made. Provisions regarding fund management and record keeping shall be notified in due course.
18. Detailed instructions or the interest payable on P.D. Account balance shall be issued in due course.
19. After the availability of regular final arrangement regarding record keeping and fund Mangers, detailed instructions for transfer of balances shall be issued.

(Authority: Govt. of Raj. finance Department Ruler Division memorandum No F-13 (1)FD/Rules/2003dated 27.3.2004)

CHAPTER 16

PRINTIG AND STATIONERY DEPARTMENT

16.01 General

In addition to the General checks prescribed in Chapter-2 and 4 of this Manual, the instructions given in the succeeding paragraphs should also be observed.

16.02 Accounts, Registers etc

The following are the more important accounts, registers etc. maintained in the Government Printing presses which should be examined in local audit:

- (1) Cash Book.
- (2) Bill Register.
- (3) Bill Transit Register.
- (4) Contingent Register.
- (5) Appropriation Register.
- (6) Permanent-Advance Register.
- (7) Overtime Allowance Register.
- (8) Pay Maintenance Register.
- (9) Establishment Register.
- (10) Annual Increment Register.
- (11) Casual Leave Register.
- (12) Stock Registers.
- (13) Machinery Registers.
- (14) Form Store Stock Registers.
- (15) Office Stationery Registers.
- (16) Work Order Register.
- (17) Work Order Progress Register (P & S-11)
- (18) Printing Machinery wise Progress Register
- (19) Workers Work Register
- (20) Workers Work Supervisory Register
- (21) Daily Production Register
- (22) Work Handing over Register.
- (23) Railway Receipt and Goods Transport Receipt Register.
- (24) Unserviceable Machinery Spare Part, Instrument Register.
- (25) Furniture Stock Register.
- (26) Service Postage Stamps Register.
- (27) Liabilities/Assets Register.
- (28) Outstanding Revenue Register (Department-wise)
- (29) Costing Register.(Annexure-III)
- (30) Manufacture Work Register.
- (31) Raw Material Stock Ledger.
- (32) Invoice Register.
- (33) Register of Gazette Branch.

- (34) Cash Receipt Register.
- (35) Telephone Register.
- (36) Medical / T.A. Register.
- (37) Loan/Advance Register.
- (38) Receipt/Dispatch.
- (39) Material Challan/ Bill Receipt Register.
- (40) Gate Pass Register.

The following are the more important accounts, registers etc. maintained at Directorate level should be examined in local audit:

- (1.) Cash Book.
- (2.) Cash Receipt Register.
- (3.) Reimbursement Medical Allowance Register.
- (4.) Countersigned T.A. Bill Register.
- (5.) D.D./I.V.P./M.O. Register.
- (6.) D.D./Banker's Cheques Dispatch Register.
- (7.) Imprest Register.
- (8.) Advance Imprest Drawing and Adjustment Register.
- (9.) Unpaid Amount Register.
- (10.) Securities/Imprest Register.
- (11.) Postage Receipt Register.
- (12.) Encashment Register.
- (13.) Bill Register.
- (14.) Budget Maintenance Register.
- (15.) Bill Transit Register.
- (16.) Challan Register.
- (17.) Pay Maintenance Register.
- (18.) Loan Register.
- (19.) Incidental Register.
- (20.) Attendance Register.
- (21.) Annual Increment Register.
- (22.) Department Enquiry Register.
- (23.) Receipt/Dispatch Register.
- (24.) Government Postage Register.
- (25.) Office Stationery Stock Register.
- (26.) Telephone Register.
- (27.) Log Book.

(Authority – Director Printing & Stationery letter No. 7035/Insp./Misc./58/93 Dated 4.12.2000)

16.03 Control Register in Government Presses

In order to watch the progress of the various jobs, delivery of the completed jobs to the departments concerned, the progress in the preparations of bills for the completed jobs, acceptance of bills by the departments and their adjustments, etc. the Director of Printing & Stationery has issued instructions to all the Government Presses in Rajasthan for the maintenance of “Control Register” or “Work Order Register” (Form P & S-11) in addition to the

“General Progress Register” the Proforma of which are given in the **Annexure – I & II** to this Chapter.

At Present works pertaining to Election Department, Rajasthan Vidhan Sabha, Finance Department, Governor’s Secretariat and Chief Minister’s Secretariat is also being done by the Department. This work is being done on the basis of amount deposited in advance, which is based on proforma invoice. A register for watching the outstanding recoveries is also maintained for this purpose and time to time recovery is also being watched.

During the course of audit of outstanding of Government presses it should be specifically seen that the Register is complete in all respects. Irregularities, if any, noticed with regard to the maintenance of the Register of delays in preparation of bills and consequently, recovery of amounts due to Government should be specifically pointed out in the Draft Inspection Report. (Authority – Director Printing & Stationery letter No. 7035/Insp./Misc./58/93 Dated 4.12.2000)

16.04 The field parties should also examine in detail the following aspects of working in the Government presses and irregularities, if any, noticed with regard to them should specifically be incorporated in Draft Inspection Report in the form of self contained paragraphs:

- (i) Working of Government Press is mainly divided into five sections viz. Printing Section, Composing Section, Binding Section, Computer Section and Plate Making Section. The output in respect of offices branch should be compared with the installed capacity (norms) fixed for each of them and in case of slow output the reasons for such as low output may be worked out and commented in the draft Inspection Reports.
- (ii) Sometimes, due to rush of work in the Government Press, the no objection certificate is being issued to the Departments. In exceptional Cases the work is being done by co-operative presses or under the provision of G.F.& A.R./RTTP Rules 2013. The extent of such work got executed by the Private Presses and cost paid for such work should be mentioned in the draft Inspection Report together with reasons for getting the work done from the private presses. It may also be seen that the rates compare favourably with unit cost in Government Presses for similar type of work and these were arrived at on the basis of open tenders.
- (iii) It has been intimated by the Director of Stationery and Printing, Rajasthan Jaipur that the purchase of papers by the Government Printing Presses is made through the Director General Supplies and Disposals, New Delhi. According to the allocation of paper made by him (Director General, Supplies and Disposal, New Delhi) on the respective paper mills the orders are placed by the Director of Printing & Stationery, Rajasthan, Jaipur for the supply of papers to Rajasthan. Sometimes, due to non-supply of papers by the Mills, paper is also purchased directly from the open market. In such cases, the quantity of paper purchases its cost, excess payment if any made on this account in

comparison to the rates as given by the D.G.S.&D., New Delhi for such quality of paper, and whether any clause has been inserted in the agreement with regard to risk purchase and action has been taken by the department for the fulfilment of the clause may suitably be commented upon in the draft Inspection Report.

- (iv) It may be examined whether the work of printing was held up owing to non-supply or insufficient supply of paper. Cases of non-supply of paper and losses, if any, owing to damage to paper by white ants or otherwise should be looked into.
- (v) It should also be seen during the course of audit that the printing & binding material is not purchased in excess of requirements. It may further be seen that unserviceable/obsolete material is timely disposed of as per provision of rules.
- (vi) The field parties should be on the look out for cases of machinery purchased and lying idle or not fully utilised.
- (vii) It should be seen whether any printed material, such as forms etc. are lying in the Press over long periods, and if so, the reasons therefore, be investigated.
- (viii) The Printing work relating to Election and for purchase of material and its reimbursement the following procedure is being followed :
 - (a) The Election Department transferred the budget and printing material is being made under the provisions of G.F.& A.R./RTPP Rules 2013.
 - (b) The reimbursement of printing bills is being made on specified rates and payment of bills is being made according to the directions of the Government.

(Authority – Director, Printing & Stationery letter No. 7035/Insp./Misc./58/93 Dated 4.12.2000)

ANNEXURE – I

Form P & S- 11

(Refer to para 16.03)
Work Order Register

Date of receipt	Work order No.	Indenters' No. & Date	Customer's Name	Description of job	Size of Publication
1.	2.	3.	4.	5.	6.

Quantity to be printed	Supplied on D.V. No.	<i>Date</i>	Signature of Foreman
7.	8.	9.	10.

C.R. No./Date (If work executed on Cash)	<i>Cost</i> Rs.	Signature of Foreman	Remarks
11.	12.	13.	14.

ANNEXURE – II

Form P & S-2
(Refer to Para 16.03)

General Progress Register

Work order No. & Date of receipt	Customer's Name & Signature	Description of Job	Size of Publication	No. of M.S.S. Read on	Quantity to be printed
1.	2.	3.	4.	5.	6.

Composing Section		Proofs for Approval I, II, and III as the Case may be		Printing Section		Binding Section	
Received on	Completed on	Received on	Completed on	Received on	Completed on	Received on	Completed on
7.	8.	9.	10.	11.	12.	13.	14.

Supplied on		Signature of General Foreman	Sent to Bill Clerk for Costing	Remarks
15.	16.	17.	18.	19.

ANNEXURE – III

Day Book of Printing (Costing Register)

Serial No.	Bill No. & Date	Work Order No. & Date	Name of Department & Address	Particular of printed matter
1.	2.	3.	4.	5.

Indenters' reference with date	Number Block Making of forms	Composing of lithography writing	Printing Lithography composing	Binding	Total
6.	7.	8.	9.	10.	11.

Under Charge	Cost of paper	Grant Total	D.V. No. & Date
12.	13.	14.	15.

CHAPTER 17 COLLECTOR

(INCLUDING DISASTER MANAGEMENT RELIEF, LOANS AND GRANTS, CONTINGENCIES AND ELECTION DEPARTMENT ETC. BRANCHES)

17.01 General

In the Collector's Office, the audit of the following accounts and expenditure is provided separately: -

- (i) Contingencies (including pension payments, District Pool of Vehicles, Panchayat & Development accounts, Land Records, Civil Defence Accounts)

(Based on O.A.D.II/F-10/72-73 G.O. 14 dated 9.6.1972)

- (ii) Disaster Management Relief Accounts.
- (iii) Rehabilitation Accounts.
- (iv) Elections (District Election Officer)

While the general principles mentioned in Chapter 4 would be observed in the local audit of various accounts and expenditure, the important points laid down in this chapter concerning each audit shall be specifically examined.

NOTE: - (1) Field parties should conduct the audit of expenditure incurred in connection with census operations along with the regular expenditure of the Offices concerned and invariably attempt a separate para on census expenditure. A copy of the para so drafted will be forwarded by the Headquarters Section concerned to the Director of Census Operations, Rajasthan, Jaipur and Government of Rajasthan (Cabinet Secretariate) Jaipur for necessary action at their end.

[G.O. No. OAD. I/G.S./G.O./K. 329/240 dated 18.4.81.]

NOTE: - (2) During Local Audit of the Office of the Collector, Sub Divisional Officers, Tehsil etc. field parties should examine the closed cases under PDR Act and Land Revenue Act in these offices to ensure that necessary action for write –off has been taken by the concerned Department.

AMG Headquarters Section will watch in such cases that final action for write off etc. has been taken by the concerned Departmental authorities by putting such cases as Index –Sheet points.

(O.A.D./G.S./Group Order/K-208/G.O. 172 dated 8/78)

I CONTINGENCIES

17.02 Rajasthan Old Age Pension; widow/ parityakta pension/ disability pension

(A) Audit Procedure

The State Government issued instructions regarding Rajasthan Old Age Pension, Widow/Parityakta Pension and Disability Pensions vide order No.F9(05)(12-II)/सासुपे नियम/खा.न्या.अवि/2013&14/13476 dated 02.01.2019. These instructions are given in Annexure 'I' to this chapter.

The following points, inter alia, should be specially looked into by the local audit parties while conducting audit of payments of pension under this scheme in Collector's and Sub Divisional Offices: -

(a) The Pension has been sanctioned by the authority competent to sanction it under the rules viz. Collector or Sub Divisional Officer or Block Development officer in rural areas/Executive officer in urban areas under the supervision of District Collector.

(Authority: Rajasthan Government, Rural Development and Panchayati Raj Department letter No F 184(15) ys-/u/d`-is-/95-96/1993 dated 26.9.1995)

(b) The pensioner satisfies all the conditions for the grant of Old Age Pension/ widow /Parityakta Pension/Disability Pension issued by the Government of Rajasthan vide letter No F 9(5)(9) cq-ias-/ldfo/03/1086-1156 dated 21.6.2003. These condition are given in Annexure I to this chapter

(Authority: Government of Rajasthan vide letter No F 9(5)(9) cq-ias-/ldfo/03/1086-1156 dated 21.6.2003.)

(c) The old age pension and pension to widow/ parityakta/ divorcee is payable as under:

Old Age Pension

Age below 75 years Rs 750/- per month;

Age below 75 years and above Rs 1000/- per month;

Pension to widow/ parityakta/ divorcee

Age 18 years or above but below 60 years Rs 750/- per month;

Age 60 years or above but below 75 years Rs 1000/- per month;

Age 75 years or above Rs 1500/- per month;

(Authority: SJED order No.F9(05)(12-II)/so.su.pen.rules/SJED/2013-14/13476 dated 02.01.2019)

(d) The application is in proper form (O.A.P.I.) containing all the necessary details and that the report of the Sub Treasury /Treasury officer (O.A.P.III) is enclosed therewith.

(e) The pension has been made payable from the date of application and that date has been given in the sanction itself.

(f) Where the pension is not payable beyond the happening of an event viz. the relatives attaining the age of 20 years or starting earning, whichever is earlier, the fact has been correctly mentioned in the sanction.

(g) That to the account No. allotted to the pensioner, the guide letter 'P' in case of Life Pension and 'L' in case for "Limited Term Pension" has been affixed correctly.

(h) The register in form O.A.P. VI has been properly maintained and every entry therein attested by a responsible officer, the verification report in respect of every pensioner has been received by the due dates viz. 15th May and 15th October every year and the fact noted in the relevant column of the Register.

The procedure observed by the sanctioning authority for satisfying himself about the correctness of age and fulfillment of other conditions for entitlement to pension under the rules should also be examined.

A copy of the Inspection Report should be sent to the Secretary to the Government of Rajasthan, Social Welfare Department as well as to the Collector concerned. Serious Financial irregularities noticed should be brought to the notice of the Finance (Expenditure-Rule) Department of the State Government Authority No.(T.M./65-C/96 dated 19.4.1965).

17.02(B) Quantum of Local Audit

The Asstt. Audit Officer may select such number of sanctions as prescribed in the Manual of Subsidiary Instructions regarding the Extent of Audit in such a way that the cases are spread over all the months. They should also enclose a list of sanctions scrutinised by the party together with a certificate in the following form:

"Certified that the sanctions to Old Age Pension in the cases detailed above have been scrutinised by me to the prescribed extent and in accordance with the rules and other instructions on the subject".

17.02(C) The Rajasthan Disabled and Blind Pension Rules, 1965.

The State Government have introduced a scheme regarding the payment of pension to disabled and blind persons with effect from 29th November 1965 vide F.D. (Exp. Rules) Notification No. FI/(24) FD/Exp. Rules /65, dated 29.11.1965. The State Government has issued instructions regarding disabled and blind pension vide order No F 9(5)(9)cq-ias-/ldfo/03/1086-1156 dated 21.6.2003. These instructions are given in annexure "I" to this chapter.

The checks prescribed in paragraph 18.02(A) above should mutatis mutandis, be applied also in the case of payments of pension to the disabled and blind persons while conducting the audit on the accounts of the Collector viz. the sanctioning authority.

(No. T.M./66-C/262, dated 25.11.1966)

17.02(D) While conducting the audit of Collector (contingency) the following points also be examined in detail and incorporated in the respective Inspection Reports: -

- 1) The detailed audit of the following sections may be conducted:
 - i) Accounts
 - ii) Najarat
 - iii) Residence
 - iv) Justice
 - v) Relief
 - vi) Revenue
 - vii) General
 - viii) Inspector
 - ix) Revenue Accounts
 - x) P.D.R.
 - xi) Development etc.
- 2) The following records maintained by Collector (contingency) may be scrutinised in details:
 - i) Travelling Allowance Register
 - ii) Medical Bill Registers
 - iii) Salary Posting Register
 - iv) Encashment Register
 - v) Receipt (General)-GA 55
 - vi) Loans
 - vii) Accounts and Recovery Register
 - viii) Cash Book
 - ix) Budget Control Register
 - x) Service Postage Register
 - xi) Log Books of Vehicles
 - xii) Staff Books
 - xiii) Telephone Register etc.
- 3) The old age pension and blind pension is being sanctioned by Sub-Divisional Officer/Development Officer and paid by treasury officer.
- 4) At present the records relating to pension payment is being maintained by Treasury Officer and District Pool work/records is being maintained by Accounts section of Collectorate. Panchayat and Development Accounts is being maintained by the Zila- Parishad.

II Collector Elections (District Election Officers)

17.03 (A) ELECTION DEPARTMENT

While conducting the audit of Election expenses accounts, the following points may be kept in view and comments be incorporated in the Inspection Report: -

- (1). During the course of Lok Sabha election/Assembly Election, the employees are being deputed on Election duty and vehicles are deployed for election duty. In order to make an advance through A.C.Bill is drawn and D.C.Bills are rendered as per provision to G.F.and A.R. Rule 219. The up-to-date position on account of this be examined in local audit.
- (ii) In order to exercise effective control on election duty the expenses should bear the approval of high power purchase committee. Further while exercising effective control, the different cells are being constituted for smooth working of election department and after verification the payment is to be made. It should be examined that payment has been made in accordance with the rules and proper sanction has also been obtained.
- (iii) It should be examined that printing work was done through Government press or through some selected private presses and in the event of shortage of time limit, one limited tenders has been obtained under the provisions of Rule 39 (i) (ii) and 42 (1) (2) of G.F. & A.R.
- (iv) The election material will be purchased on the recommendations of high power purchase committee and after inviting open tenders. The rates will be approved by the District Election Officer and provisions of G.F. and A.R. will be adhered to.

(1)(2) Of GF&AR Pt-II/order No.Pa.1 (3) Fin. GF&AR/2004 Dated 10.12.2004.

Note : GSR-96 In exercise of the Power conferred by Section 55 of the Rajasthan Transparency in Public Procurement Act, 2012 (Act No 21 of 2012) the State Government hereby makes the Raj Transparency in Public Procurement (RTPP) Rules, 2013 for different classes or categories of procurement of procuring entities (Notification of GoR, Finance Department, No. F1(8) FD/GF&AR/2011 dated 24.01.2013 and amended from time to time)

17.03 (B). Issue of IR in separate parts:

In the offices of Election officers (Collector) expenditure regarding elections are incurred in the following heads:

(Authority: group orders No 548 issued by DAG/IC II vide ICII/Nirvachan/2002-03/TR-I/200 dated 10.6.2014.

1. **2015 Election:** The Budget under this head is controlled by Chief Election Officer, State Election Department Rajasthan and expenditure on election of Parliament and State legislature are incurred under this head.

2. **(i) 2217 Town Local Bodies Elections (ii) 2515 Panchayats Election :** The budget under these heads are controlled by State Election Commission Rajasthan and expenditure on election of Town Local Bodies and Panchayati Raj Institutions are incurred under this head.

Previously separate records of expenditure on different budget heads were not maintained by District Election officers. So separate IR for different heads of Distt. Election Officers were not issued. But now Chief Election Officer, Election Department Rajasthan jaipur has ensured that accounts records of different 'Budget Heads' will be maintained separately by the District Election Officer from the year 2003-04 objection so it has been decided that from year 2003-2004 regarding the Both Budget controlling officers will be shown as separate part of part II in the Inspection officers as follows: -

Part II A	-	Part (A) State Election Department
		Part (B) State Election Commission
Part II B	-	Part (A) State Election Department
		Part (B) State Election Commission

(Authority:- Group Order No. 548 issued by DAG/ I.C.II vide IC II-Nirvachan/2002-2003 T R -1/200 dated 10.6.04.)

17.03(C) Election Expenditure on Lok Sabha, Vidhan Sabha, Panchayat and other Election

1. Procedure of maintenance of Accounts of Collector (Election Officer)

The Election Department get executed the works relating to General or Bye election of Lok sabha/ Vidhansabha, printing and publication of voter lists, works of Voter Identity cards under 'Budget Head' 2015 Election through the Collector Election officers. Generally a lump sum amount required for different expenses of elections viz T.A to election/counting parties, fair payable to vehicles, P.O.L another requisite material for elections, are drawn through A.C Bills in advance. Mostly payments are made on the day of return of election/counting

parties. Outstanding payments are made upto one month through different cells.

Thereafter D.C Bills are submitted against the amount drawn through A.C Bill. If there are any outstanding payments left unpaid, payments are made to election parties or vehicle fair on appearance of concerned parties up to two months thereafter. Other expenditures are incurred through FVC Bills. Their Account are maintained as per provision of GF&AR and in the form prescribed by the Election Department.

2. Procedure for control of Election Expenditure

Election Department get approved the State Level Committee of State level and District Level High Power purchase committee at district level from the Finance Department for effective control on election expenditure. At district level election expenditures are incurred under the effective supervision of the District Election officer. Various cells are constituted to complete the election works properly and timely. Payment of expenses on works done under these cells are made after verification of expenses by the incharge of the concerned cell and approval of the District Election Officers (Collector)

3. Printing/ publication work relating to elections

Printing/ publication works relating to election get done in Government presses and Rajasthan State co-operative press. Thereafter election materials are distributed to collector election offices. Purchase of stationery, papers etc and printing of other materials are done at District Election officer level publication and printing of voter lists and publication and printing works relating to voter Identity Cards get done by the Collector Election officer as per provisions of GF&AR./RTPP Rules, 2013

4. Procedure for purchase of Election materials

District level High Power Purchase Committee are constituted with the concurrence of the Finance Department. Generally elections materials are purchased on the minimum rates given by tender or received through short-term open tender. These rates are approved by The District Election Officer on the basis of recommendations of High Power Purchase Committee. But during election period relaxation to compliance of the provisions of GF&AR/RTPP Rules, 2013 is also given to the High Power Purchase Committee' with the concurrence of the Finance Department Rajasthan, Jaipur for arrangements of emergent election materials/services. In emergent conditions arrangement of emergent election material/ services may be made without compliance of the provisions of GF&AR. During election period Election Department issues such orders after getting approval of the Finance Department on the files.

5. Procedure of maintenance of Accounts

Accounts are maintenance as per provisions of GF&AR

6. Procedure of payment

Payments are made as per the provisions of GF&AR.

7. Procedure of reimbursement of election expenses

Election expenses get reimbursed through Head quarter office of the election Department. An audit note is sent to Accountant General (Audit-I) Rajasthan, Jaipur on the basis of actual expenditure incurred in various subheads of Budget Head 2015- Election/ Election expenses are reimbursed to the state government by the Law, Justice and Company Affairs Ministry Government of India, New Delhi on the bases of Audit Certificates issued by the Accountant General (Audit-I) Rajasthan, Jaipur

Expenditure on Election officer under subhead 102, preparation and printing of electorate lists under sub head 103, charges for combined elections process for Lok Sabha and Vidhan Sabha under sub head 104, issue of voter Identity cards under sub head 108 are to beared by the Central Government and the State Government in the ratio of 50:50 percent.

All expenditure on charge for the election process of Lok Sabha under sub head 105 is to be beared by the Central Government.

All expenditure on charge for election process of Vidhan Sabha under head 106 are to be beared by the State Government.

8. Reimbursement of partly payment of pay and allowances of part time Gazetted Officer.

One eighth part of expenses incurred by the state government on pay and allowance of part time officer viz election officers, Election Registration officers and Assistant Election Registration officers of election other than election under budget head 2015-Elections, are reimbursed by the Government of India. These expenses are reimbursed on the basis of Audit Certificates issued by the Accountant General (Audit-I) Rajasthan, Jaipur.

9. Proportionate payment of Telephone/electric bill and POL bill of pool vehicles from 'Election Head

During election period, temporary telephone and electric connection are got sanctioned by the Election Department and vehicles are also acquired. These expenses are paid from Election Head'. Other works relating to election viz review and printing of voter lists and work of Voter Identity Cards are also get executed all round the year. Telephones and vehicles are required for these other works also. District Election Officer has also not got separate telephone and electric

connection in his own name and own vehicle, so election officer use telephone and electric connection of collectorate office for other works of election. Proportionate payment of these expenses are made by collector Election Office from Election sub head and for payment of POL bills of District pool vehicles, Election Department allot the specific budget in the concerned head.

III DISASTER MANAGEMENT

RELIEF ACCOUNTS

17.04 Special Points to be examined

In order to give comprehensive comments on the State of Disaster Management Relief Accounts, the local audit parties should comply with the following instructions strictly so that the important points are not omitted to be looked into and the financial effect of the objections are correctly brought out in the Inspection Reports

The main programme of famine operation falls under the following categories of works: -

- (i) Purchase of Fodder and its transportation.
- (ii) Subsidy for running cattle camps and grazing camps.
- (iii) Water arrangement
- (iv) Subsidy for animals of registered Gaushalas.
- (v) Civil works through Revenue Agency.

(i) Purchase of Fodder and its transportation

In order to supply fodder in the scarcity areas, the fodder be transported from outside area and fodder depot be started. The State Government approval may also be taken before starting the fodder depot. The subsidy on transporting the fodder will be payable as:-

(A) Transporting fodder from one District to another within the State	
51 Kms to 100 Kms.	Rs.120.00 per quintal
101 Kms to 200 Kms.	Rs.130.00 per quintal
201 Kms to 350 Kms.	Rs.150.00 per quintal
351 Kms to 500 Kms.	Rs.180.00 per quintal
In excess of 500 Kms.	Rs.200.00 per quintal
Green Fodder	Rs.80.00 per quintal
(B) Transportation of fodder from outside of State	The rate given above but not less than Rs.150.00 per Kms
These rates are applicable with effect from 16.03.2010	

(Authority : Disaster Management & Relief Department circular No. F5(9)आ.प्र.

एवं स.आ/चारा/2009-10/5926&40 dated 16.03.2010)

(A) Conditions of subsidy on transportation:-

- (1) The subsidy will be payable on transporting the fodder/green fodder from outside District or outside state and the distance should be 50 Kms in excess of the limit.
- (2) The fodder/green fodder transported from outside, will be sold through the Fodder camps authorised by the District Collector.
- (3) Subsidy will be payable to Institutions approved by the District Collector only.
- (4) Sanction may be given by the District Collector to those Swayamsevi panchayati Raj or Co-operative Institutions only who follow all the conditions of the subsidy

(B) Fixation of sale price: -

- (1) The committee, comprising sarpanch, Revenue Inspector and Patwari, will decide the sale price of fodder after inspection of documents of purchase price and deduction of transport subsidy from purchase price.
- (2) The sale price will be determined on no profit and no loss basis and in fodder price Rs 10/-per quintal will be taken into account on account of distribution and pilferage.
- (3) The committee will inform the sale price of fodder District Collector as soon as its fixation. The District collector will make entry of fixed sale price in the register.

(C) Verification: -

- (1) District Collector or his authorised representative will investigate and ensure the places where from the fodder have been transported and places to where the fodder have been distributed.
- (2) Production of receipt of Dharamkanta of State or District from which the fodder are purchased, shall be compulsory for the fodder purchased. Instructions are also given for sudden inspection on random sampling basis and if there is any doubt, District Collector should get inspected at the place of purchase through his representative.
- (3) The fodder will be weighed at Dharam kanta at the district or any other place directed by the District Collector and the receipt of the Dharamkanta will be treated as final basis of weight, which will also be verified by Patwari, Sarpanch/ Upsarpanch/or Gram Sevak present there.

(D) Determination and Inspection of Fodder camps:-

- (1) Fodder camps will be sanctioned by the District Collector or official authorised by his. The authorised officer should be rank of Additional Collector or above.

(2) Inspection of the Fodder Camp should be done by representative of District Collector at least once in every fifteen days and the reports of Inspection should be sent to Relief Department.

(3) Distribution of fodder will be verified by Patwari or Sarpanch/Up-sarpanch or Gram sevak.

(E) Payment of subsidy: -

(1) All documents pertaining to payment of subsidy will be submitted by the Institution to the District Collector within seven days of receipt of fodder. On receipt of original documents the District Collector will get verify the distribution of fodder and will arrange the payment to the Institution within seven days from the receipt of bill. If any institution fails to submit the bill within 7 days, reasons for delay must be given by the Institution in writing. In this case the District Collector will order for payment if he is satisfied with the reasons.

(2) Payment of the subsidy should not be made on carbon copy or photo copy of bill to avoid double payment. Payment must be made on the basis of original bill only.

(3) Transport subsidy will be paid on actual quantity of fodder transported, which will be verified from the receipt of the Dharam kanta of District head quarter or other prescribed place of the District. The fact of receipt of fodder at the Fodder camps shall be verified by Patwari or Sarpanch/ Upsarpanch or Gram Sevak.

(Authority: - GOR, Relief Deptt No. F5 (5) sa .a. (Chara)/2002/17454-89 dated 16.8.2002)

The following points need special attention of the field parties: -

(a) If the fodder is purchased locally or from private parties of other States, the normal procedure for the purchase regarding the reasonableness of the price, etc. should be carefully examined.

(b) In all cases it should be verified that the accounts of the receipt, sale and the disposal of the balance have been kept. In the case of loss by fire it should be seen whether the reports were made immediately to the police and results of the police investigations should be gone through to see whether for the loss, storage, etc. were in any way responsible for the loss. The value of fodder lost by fire should be indicated.

(c) Rates for the supply of fodder are generally not received for the fodder supplied by the Forest Department its weight is not indicated by them.

Fodder is taken in stock Register as received in the absence of weight information from the Forest Department shortages cannot be ascertained. This aspect should be pointed out and

Department asked to obtain the rate and weight of fodder supplied so that loss sustained in transit may be worked out.

- (d) Separate arrangements are generally made by the State Government for the supply of fodder to migrating cattle. It is to be verified that issue of grass at the transit depots to the migrating cattle for outgoing /return journey is made either in accordance with scale prescribed in the rules or in accordance with the standards specially prescribed by the State Government on the basis of permits issued, to the migrants by the Tehsildars. The stock accounts of the grass kept at the depots should also be carefully scrutinised.
- (e) According to Provisions of Draught Management Manual, the sale of fodder at the depots in scarcity-affected areas is to be made on ' No Profit No Loss Basis.' It should be seen during local audit of the office of the Relief Commissioner, Rajasthan that the sale price has been fixed correctly after taking into account the overall cost of procurement, transportation and cost of sale of grass in the State. The correctness of the rate should be commented upon suitably in the draft Inspection Report.
- (f) In the case wharf age paid the circumstances for the delayed unloading of the fodder should be looked into.
- (g) Sometimes, freight is paid for taking the delivery of fodder due to late receipt of R.R. etc. In such cases it should be seen that Railway freight already paid is claimed from Railway.
- (h) Unloading of fodder is generally done by the contractors, transportation of fodder is either by rail or trucks and the work is also done by the contractors. In these cases, no open tender as required under Rule 40 (I) of G.F. & A. R. are invited in the name of urgency even when the expenditure exceed Rs.50000. Only limited tenders are invited or open bids are taken. This is considered irregular and should be suitably commented upon in the draft Inspection Report indicating the amount of contract specially to substantiate the audit point regarding the non-adoption of open tenders.

(Finance Department Circular no. 25/2004 dated 10.12.2004)

(ii) Subsidy for cattle camps: -

- (1) The State Government will sanction subsidy for those cattle camps only, which will be organised by Government Institutions panchayati Raj Institutions or Non Government Institutions and prior approval from the concerned collector was obtained before organising the camps.

(Authority: Govt. Of Rajasthan Relief Deptt. Circular No F 5(6)/SAA/fodder 2002/174090-535 dated 16.8.02)

- (2) The total number of animal to be benefited in the cattle camps will be determined by the district Collector within the limit of animals fixed by the Relief Department.
- (3) The District Collector will maintain a register regarding cattle camps in which necessary information regarding cattle camps will be kept.
- (4) There will be maximum 200 animals in a cattle camp and the number of animals in these camps should not be less than 100 during any day of the month.
- (5) The cattle camps shall be organised only for unabled/Awara animals. Animals of such unable owners of animals may also be taken in these camps who leave the ownership on their animals and hand over to animals to cattle camps.
- (6) Government subsidy will be payable from the date of approval of the District collector to open the camp.
- (7) The District Collector will nominate a representative member in local operational management committee of cattle camp date of every meeting of this committee will be informed to representative member in time. Important decision regarding financial matters will be taken in the meeting in which the representative member is present.
- (8) Accounts of Cattle camp will be maintained properly. The following registers will be maintained by Cattle Camps:-
- (a) Purchase and Stock Register
 - (b) Registers of Animals
 - (c) Daily Distribution Register
 - (d) Accounts of daily expenditure.
- (9) These camps and their accounts may be inspected at any time by officer authorised by District animal husbandry officer and the District Collector or his representative.
- (10) The Institutions organising these cattle camps will submit accounts of camp fortnightly and the payment of subsidy will be made within seven days from receipt of bill on satisfaction of the District Collector.
- (11) Medical facilities will be provided by Animal husbandry officer in these camps.
- (12) the subsidy is however, paid at the rate of Rs.70.00 per day per big animal per day and Rs 35.00 per small animal per day or actual expenditure incurred, whichever is less while

calculating the expenditure, expenses on account of fodder and wages or salary paid to Gwala, Chowkidar, sweeper will be taken into account but management and supervision charges will be excluded.

(13) Fodder, available on subsidised rate through the Fodder camps near the cattle camps may be purchased for animals of these cattle camps.

(14) It will be duty of the District Collector or his representative to inspect every cattle camps from time to time and ensure that animals are feeded as per fixed standards and the number of animals shown by the Institutions actually exist in the camp.

(15) If arrangements of any cattle camp do not found satisfactory by the Collector, arrangements of the camp will be handed over to the District Collector.

(Authority : Government of Rajasthan, Relief Department circular No. F 5(1) आ.प्र.एवं स.आ/गौशाला/2017/4804-29 dated 01.05.2017)

(iii) Water arrangement

The villages where drinking water resources due to heavy rains or famine became unfruitful and also no drinking water resources are available within the radius of 1.6 Km. then the drinking water be transported at the time distress. In order to arrange drinking water Tankers/Tractor Trolley/Camel cart and Bullock carts be hired and a committee be constituted for determining the rates.

(Authority : F4(2)Relief/water/2000/27973-28072 dated 05.12.2000)

(iv) Subsidy for Cattles of Registered Gaushalas: -

(1) Subsidy will be provided for Animals of Registered Gaushalas on the basis of proposals forwarded through the District Collector.

(2) The District Collector will maintain a register in which the requisite information regarding Gaushala, such as its management Bank accounts, financial condition, No. of animals etc, will be kept.

(3) The district Collector will nominate a representative as member in operational committee of Gaushala. Date of every meeting of Gaushala operational Committee will be informed to such representative member in time. Important decision regarding financial matters will be taken in the meeting, in which representative of collector in present.

(4) Accounts of Gaushalla will be maintained properly. The following registers will be maintained by Gaushala

(a) Purchase and Stock register

(b) Registers of Animals

(c) Daily distribution Register

(d) Accounts of Daily expenditure

(5) Accounts maintained by Gaushala may be inspected by the officer authorised by Relief Department and District Collector or his representative at any time.

(6) The subsidy is however paid at the rate of Rs.70 per big animal per day and Rs. 35 per small animal per day. While calculating the expenditure, expense on accounts of fodder and salary or wages paid to Gawala, Chokidar, Sweeper will be included but supervision and management charges will be excluded.

(7) Fodder available on subsidised rates through fodder camp established near the Gaushala, may be purchased for animals of Gaushala.

(8) Medical facilities will be provided by Animal husbandry offices to these Gaushalas.

(9) The subsidy will be paid after verification of number of animals maintained by Gaushala by concerned Tehsildar and on the basis of monthly bill submitted by Gaushala.

(10) The subsidy will be paid to animals of rural as urban Gaushala established in security areas only.

V. Norms fixed for subsidy for Cattle camps/ Registered Gaushalas/ Bulls: -

Sr. no	Name of Officer	Norms
1.	By Tehsildar, Development Officer	25% of the total centres in a month in their
2.	By S.D.O	10% of the total centres functioning in sub-division in a month
3.	Addl. Collector/ CEO, Addl.CEO	5% of the total centres in a month
4.	District Collector	Maximum centres as possible
5.	Animal Husbandry/Health officer	Every Gaushala inspected 2 times in a month in their areas

While conducting the audit of Relief Works, the following provisions as made in Chapters XVI to XVIII of Drought Management Manual, may be kept in view: -

A - Accounts

Budget allotment & Expenditure

(a) Allotment and Sub-Allotment of Funds

When the grants have been communicated by the Finance Department, the Disaster Management & Relief Department will take steps to distribute the funds, at its discretion to the Departments/ the Agencies/ the collectors concerned, keeping certain reserve with it to meet any unforeseen demand. Intimation of this allotment will also be sent to the Accountant General. The Collectors will likewise make sub-allotments of funds placed at their disposal to the Tehsildars or other executing authorities including PWD, Irrigation, Forest, Agriculture and Soil Conservation departments etc. keeping certain reserve with them to meet any unforeseen demand. So far as funds required for the works executed through various agencies are concerned, these will be placed at the disposal of the concerned heads of departments who will intimate to the Disaster Management & Relief Department, the allotments will be made by them to their respective district/divisional officers,

(b) Supplementary estimates and re-appropriation for allotment.

If additional funds are required by the Collectors, requirement for supplementary funds should be sent to the relief department, which will either be met from the reserve amount kept with the department or arranged for re-appropriation from savings in the minor or subordinate and detailed heads in accordance with provisions of the budget manual.

(c) Register of grants and appropriation

- (i)** The procedure laid down in Chapter V of Budget Manual regarding preparation of departmental estimates, chapter XVII regarding communication and distribution of grants and chapter XIX control of expenditure should be ipso facto followed. With a view to exercise a check over allotments, the Disaster Management & Relief Commissioner, the Collectors and other disbursing officers will maintain a register of grants and appropriation in form G.A.11 (See Proforma XX) prescribed in the Budget Manual, in which the original grant and its distribution among subordinate officers and modifications made therein from time to time will be noted.
- (ii)** The collectors are responsible for drawl of funds for expenditure on relief works executed through revenue agency as well as for other relief operations, against allotments placed at their disposal. The disbursement of funds in connection with relief measures would be done by the Tehsildars and such other officials as might be authorised by the Collectors.

- (iii) In case of emergency, the collector may draw funds as per rule 27 of the treasury manual, under intimation to the relief department.

Rule 27 of Treasury manual is as under:

"A collector may in circumstances of urgency, by an order, in writing, authorise and require a treasury officer to make a payment, not being payment of pension without complying with the provisions of these rules. In any such case, the collector shall at once forward a copy of this order and statement of the circumstances requiring it, and the treasury officer shall at once, report the payment to the Accountant General and the director, treasuries and accounts."

(d) Drawl of funds for relief works through other agencies

The divisional/district officers of the executing agencies (except the revenue agency) would be drawing officers for the expenditure on the works to be executed through them, against the allotments placed at their disposal. The disbursement of funds (except wages to labour) would be made through the subordinate officers, according to the rules laid down in P.W.F & A.R./ G.F.&A.R. Except for the dovetailed works where the payment would be made by the executing agency for all other relief works, the disbursement of wages to labour would be made through the revenue agency on the basis of muster rolls duly passed by the executing agency. The revenue agency would furnish account of each advance within 20 days from the receipt of such advances, supported by paid muster rolls to the drawing officer along with list and amount of undisbursed wages in the following proforma:

- (i) Name of work and period
- (ii) Reference of muster rolls/and receipt
- (iii) Name and payee with particulars
- (iv) Amount

For the dovetailed works, the Executing Agency would send the above information to the Collector.

(e) Drawl of funds on A.C. bills for relief measures

I The Collector can draw funds placed at his disposal by presentation of Advance Contingent bills (G.A.-109) (**See Proforma XX**) in accordance with the rule 219 and 220 of general financial and accounts rules and annexure-A thereto for the under mentioned purposes.

- (i) payment to labourers on muster rolls;
- (ii) gratuitous relief;
- (iii) purchases of stores for use on works;

- (iv) purchase of fodder, transportation charges,
- (v) purchase of P.O.L.;
- (vi) purchase of grass and fodder for depots, established in connection with emigration of cattle;
- (vii) repairs of tankers, subject to specific budget provisions.

II The number assigned to the sub-voucher pertaining to each entry in the A.C.bill shall be detailed against the entry concerned, the amount being given only in those cases when the sub-voucher is for more than Rs. 1000/-. Certificate to the effect, that the monthly detailed bill for the abstract contingent bills drawn in the previous month have been submitted to the Accountant General, will be endorsed on the A.C. bill, vide Rule 220 of G.F.& Accounts Rules. The aforesaid period may be relaxed by Finance Department.

(f) General principle for withdrawal of funds

The following general principles shall always be kept in view:-

- (i) Funds can be withdrawn only if required for immediate disbursement. The practice of withdrawing funds with a view to avoiding lapse of budget grant and placing such money in deposit in the public account or with a bank is forbidden.
- (ii) No authority may incur any expenditure or enter into any liability involving expenditure from public funds until the expenditure has been sanctioned and provided for in the authorised grants and appropriation for the year.
- (iii) All charges actually incurred must be paid and withdrawn at once and under no circumstances they may be allowed to remain outstanding to be paid from the grant of another year.

B- Maintenance of Accounts in Collectorate and Tehsils

(a) Submission of detailed contingent bill for A.C. bill drawn
The procedure for the preparation of the monthly detailed bills by the disbursing officers and their submission to Collectors for countersignature and onward transmission to the Accountant General is laid down in rules- 219 to 221 of G.F.&A.R. which should be closely followed. The detailed bill be prepared in Form G.A. 110 (**See Proforma XXI**) from the entries in the Cash Book and contingent register, giving full description of the charges involved. This will be accompanied with all sub-vouchers for than Rs.1000/- duly endorsed with the requisite certificates. Paid up muster rolls will not be appended as vouchers to the D.C.bill but a certificate will be given on it to the effect that all the muster rolls indicated in the bill have been duly defaced as 'paid up' and have been safely kept in the office with the Tehsildar or the authority concerned. On receipt of the D.C. bill, the

Collector will review the sub-vouchers before countersigning it and then forward it to the Accountant General within 15 days of receipt of bill in his office, as per procedure mentioned in rule 224, of G.F.&A.R.

(b) Forms on which the bills should be drawn

The forms for drawing various kind of bills are already indicated in the G.F.&A.R. Vol.II are as under:

- (i) Advance Contingent Bill Form GA-109.
- (ii) Detailed Contingent Bill Form GA-110.

(c) Type of accounts to be maintained

The Accounts of all expenditure incurred against the funds placed at the disposal of the collector and the executive agencies, should be maintained on the prescribed forms and according to the provisions laid down in PWF & AR/GF&AR. Besides these, following further instructions are also given for guidance.

(i) As already mentioned above, the register of grants, appropriation and re-appropriation will be maintained in Form GA-11 in accordance with the procedure laid down in Chapter XVII of the budget manual.

(ii) A register should be maintained in a format (**Proforma XXII**) for Collectorate and Tehsil/PWD/Irrigation/Panchayat Samities etc). Collectors will ensure quick submission of D.C. Bills by Tehsildar and other agencies receiving the amount of AC bills. The disallowance made on these bills by the collector will be kept in Form GA 105 prescribed in the GF&AR. Volume-II (See **Proforma XXIII**)

(iii) Form G.A.-21 (See **Proforma XXIV**) mentioned in GF&AR Volume-II should be used to watch expenditure under each sub-head or detailed head under any sub-head.

(iv) A separate cashbook for all expenditure incurred on account of relief measures should invariably be maintained in the Collector's office. However, an account of progress expenditure incurred on the staff will separate be maintained in the Form G.A.-19 (see **Proforma XXV**) G.F.&A.R. Volume -II. The provision of rule 48 of G.F.&A.R. Part-I will be strictly followed in this respect. A separate cashbook will also be maintained for all transactions relating to private funds contributed for relief purposes in accordance with the provisions in Rule 50 of G.F.&A.R. Part-I.

(v) A register should be maintained in **Proforma XXVI** for Advance & Adjustments.

(vi) The account of expenditure should be kept in the same way in executing officer as in the Collector's Office or as specified in the G.F.&A.R./PWF & AR.

(vii) The progress reports / returns should invariably be sent by the collectors or concerned authorities on due dates as required & directed by the Disaster Management & Relief Department or the State Govt. or the GOI

(viii) All the rules, regulations, norms, circulars and orders etc. issued by the Government shall comply in force in the context of expenditures & audits.

C- Works Accounts

(a) Accounts of relief works through PWD/Irrigation/Panchayat Samities etc. Agencies

The Cash Book and accounts of relief works should be maintained separate from the ordinary accounts by the executing agencies and must be maintained in accordance with the provisions of PWF & AR/GF & AR. Vouchers of relief works should be kept in separate files should not be mixed with other works vouchers.

(b) Muster Roll

The daily attendance and absence should be recorded on muster rolls issued by the Collector or an officer authorized by him. Muster roll should never be prepared in duplicate. Rule No. 406 and 407 of PWF & A rules be followed strictly. Stock register of muster rolls forms will be maintained in Form RPWA 21 A of PWF & AR Part-III as per **Proforma XXVII**

(c) Measurement Book

All measurements should be neatly taken down in a measurement book and payment for all works done be recorded in measurement Book in Form RPWA 23 & 23A of PWF&A Rules Part-III (See **Proforma XXVIII & XXIX**). All the books belonging to relief works should be numbered serially and a register of them should be maintained in Form RPWA 40,41 & 92 of PWF & AR-III (See **Proforma XXX, XXXI & XXII**). In recording detailed measurement, provisions of Rule 412 of PWF & AR-1 should be carefully followed. A payment order should be recorded for every payment of measurement by head of office in consultation with the concerned accountant/ junior accountant/ divisional accountant

(d) Works Register

Works accounts will be maintained in the Form **RPWA 40 & 41** as per Proforma No. **XXX & XXXI**. This register will serve as an index to the programme of works sanctioned for each Tehsil/Panchayat Samiti/executing agency. This will show the estimated cost of each works, amount of technical sanction, actual expenditure, date of completion of work etc. A copy of the completion report as prepared for each work will be sent by Tehsildar/ executing agency to the collector and on this basis, the work should be treated as closed. Stock registers of material purchases, General Purchases and accounts of material at the site of works should be maintained in accordance with the provisions of PWF&AR/GF&AR.

ANNEXTURE - I

(Refers to in Para 17.02)

New Instructions regarding Rajasthan Old Age Pension, widow/Parityakta Pension and Disability Pension.

1. Revised conditions for eligibility of old age and widow/parityakta pension are as follows: -
 - (a) A male of the age of 58 years or above or a female of the age of 55 years and above or a widow/parityakta of any age, who are destitute, is eligible for pension.
 - (b) A Bonafide resident of Rajasthan (as defined in rules) who is residing in Rajasthan for the last three years on date of submission of application is eligible for pension.
 - (c) A person who does not have any regular income from his known sources viz. Rent, Interest, Dividend, Profit, Subsidy, Profession, Business industries etc. is eligible for pension. But for marginal farmers (holder of the following land) income from agriculture land less than half of the prescribed limit will not be considered as regular income: -

S.No.	Districts	Irrigated Land	Un-irrigated Land
1.	Jaisalmer and Barmer	0.75 Hectare	5.00 Hectare
2.	Bikaner, Nagaur, Jalore Pali, Churu and Jodhpur	3.50 Hectare	0.75 Hectare
3.	Jhunjhunu, Ajmer Dungarpur, Udaipur and Banswara	0.75 Hectare	1.50 Hectare
4.	Other Districts	1.25 Acres	2.50 Acres

- (d) A person, any member of whom family (husband/wife/son/adopted son/grand son) is not the age of 20 years and above or if there is any such members exist in the family, he is disabled and incompetent to earn money (as defined in rules) shall be eligible for pension.
 - (e) But a male /female of age of above 65 years or widow/paratactic of any age who is from a family, which are recognized as BPL

family during survey under IRDP/Antyodaya scheme and included in the list published by DRDA will be eligible for pension irrespective of conditions given in (a) to (d) above.

2. Revised condition for eligibility of disability pension are as follows:

- (a) A person who resides permanently in Rajasthan and is of the age of 8 years and above is eligible for pension.
- (b) A person, who is disable or blind and due to this handicap ness he is unable to earn his livelihood or he has no source of income for his livelihood.
- (c) Any relative of a handicapped person (son/ son's son/ wife/ husband/ father/ mother/ brother/ grand father) is of the age of 20 years and above and is competent to earn his livelihood or has any source of income then such handicapped person shall not be eligible for disability pension.
- (d) But a handicapped person of the gage of 8 years or above, who is from a family which are recognized as BPL family during survey under IRDP (Antyodaya Scheme and included in the list published by DRDA, will be eligible for disability pension irrespective of condition given in 2(a) to 2(c) above.
- (e) Beggars or such persons, whose profession is begging to earn his livelihood, will not be eligible for pension.

3.If applicant of old age/widow/parityakta, or disability pension feels difficulty to get her photograph then photocopy of voters, Identity Card may be affixed on application in place of photograph of the applicant.

4. (A) The rates of Old age, widow, parityakta and disability pension will be as follows as per State Government order No.F-1 (6)/Fin/Rules/98 dated 14.6.1999: -

Eligibility

Amounts Rs

Female above the age of 55 years	200/- per month;
Widow of any age	200/- per month;
Male above the age of 58 years but upto 65 years	100/- per month;
Male above the age of 65 years	200/- per month;
Husband and wife joint pension	300/- per month;

(B) The rates of old age pension and pension to widow/ parityakta/ divorcee is revised and payable with effect from February 2019 as under:

Eligibility

Amounts Rs

Age below 75 years	750/- per month;
Age below 75 years and above	1000/- per month;
Pension to widow/ parityakta/ divorcee	
Age 18 years or above but below 60 years	750/- per month;
Age 60 years or above but below 75 years	1000/- per month;
Age 75 years or above 1	500/- per month;

(Authority: SJED order No.F9 (05)(12-II)/so.su.pen.rules/SJED/2013-14/13476 dated 02.01.2019)

5. Due to these instructions, the pension of persons, who are getting these pension previously, will not be cancelled and the persons, whose pension have been cancelled due to any reason, are now eligible for old age pension as per above instructions. Their pension may be sanctioned again as per rules. At present applications, which are pending, for disposal in various offices with the sanctioning authorities will be disposed of as per above instructions and all sanction of pension will be issued as per above instructions.

(Authority: -Government of Rajasthan, Finance Department letter No.F-9 (5)(9) old age pension/skv/03/1086-1156 dated 21.6.2003 as published in leka vigya Jan. 2005 page 122-23)

CHAPTER 18

OTHER STATE GOVERNMENT DEPARTMENTS

18.01 CO-OPERATIVE DEPARTMENT

18.01.01 The Co-operative Department plays a pivotal role in implementation of co-operative movement in the State. The main functions of the Department are to promote co-operative sector and exercise control over the working of the Co-operative Societies in the State of Rajasthan. The Department is responsible for budgetary control, release of funds and overall administration of the schemes implemented through Co-operative Societies. The main objective of the Department is to ensure the socio-economic and cultural development of people engaged in productive activities by encouraging mass economic activities based on mutual co-operation at various levels; provide fair value for their labour and product; provide quality goods at reasonable price to the consumer and make an exploitation free, self-reliant and powerful economic and social system to ensure the holistic progress of the State.

18.01.02 Acts/ Rules under which the functions of the Co-operative Department are governed:

- (i) The Rajasthan Societies Registration Act, 1958.
- (ii) The Rajasthan Co-operative Societies Act, 2001 and rules framed under Act as
 - a. Rajasthan Co-operative Societies Rules, 2003 and
 - b. Rajasthan Co-operative Societies (Amendment) Rules, 2011
- (iii) The Rajasthan Sports (Registration, Recognition and Regulation of Associations) Act, 2005

18.01.03 Organisational Set up

The administrative control of Co-operative Department vests with the Principal Secretary (PS) to the Government and the executive functions are performed by the Registrar, Co-operative Societies who is assisted by Additional Registrars, Joint Registrars (JR)/ Deputy Registrars (DR)/ Assistant Registrars (ARs). Chief Auditor and Director of Inspection, who report their findings to the Registrar and Finance Department respectively, conduct audit and inspection of the Co-operative Societies and the Department.

18.01.04 Functions of the Department

- ◆ Formation and registration of new Co-operative Societies according to provisions of the Act;
- ◆ To help in operation of the Co-operative societies/ Registered Institutions;

- ◆ To give proper guidance to the Co-operative societies/ Registered Institutions;
- ◆ To develop business plans for development and expansion of Co-operative societies/ Registered Institutions;
- ◆ Implementation of schemes through Co-operative societies/ Banks/ Registered Institutions;
- ◆ Review of the works of Co-operative societies/ Banks/ Registered Institutions.
- ◆ To simplify the loan distribution procedure of Co-operative Banks, Land Development Banks and other Co-operative Institutions and Societies and improve recovery system of loan;
- ◆ To provide more work area for expansion of the Kraya Vikraya Sahkari Samities and Consumers' Institutions;
- ◆ To issue technical guidance and guidelines to overcome obstacles in the operation of the Co-operative societies/ Banks/ Registered Institutions;
- ◆ To arrange training programmes of Officers/ Employees working in Co-operative Societies/ Banks/ Registered Institutions and members of Self help groups.

18.01.05 Important and typical irregularity

The following irregularities are generally noticed in the audit of the offices of the Assistant Registrars, Co-operative Societies:-

1. Appreciable amounts of loans are advanced to Co-operative Marketing Societies for construction of Godowns. Even after several years, the works are not completed and in some cases the loan are utilised for purposes not specified in the sanction.
2. State Government have prescribed a formula for the distribution of dividends under which 50% of the profits are to be credited to the various funds of the society while the remaining 50% is to be distributed amongst the shareholders subject to a maximum of 4 ½ % of the total share/value held by them. Though share values is held by Government in various Co-operative Societies, it is noticed that the department does not maintain any register of year-wise profits declared by each society and no watch is kept over profits and to see whether the distribution is done by the societies according to the formula prescribed by the State Government. In many cases, though the working of the Societies should profit, they had not formally declared the profits due to which Government was not able to get the benefit of dividend on its share capital contribution.

3. The Co-operative Department is itself checking the accounts of the various Co-operative Societies and many cases involving embezzlements of heavy amounts had been detected and were pending in the courts of law, with the police and under departmental enquiry.
4. The Registrar, Co-operative Societies had issued instructions that the contribution to be made by the State Government towards the share capital of a Society should not be more than the contribution made by its members, i.e., the Co-operative Societies should contribute matching share equal to that in some cases, the Government share was not matched by contribution from the members.

(Authority- O.A.D.I./G.S./G.O./129 dated 20.5.76)

5. Whether all provisions of the Act and Rules are being followed while registration of the Co-operative Societies?
6. Whether audit and inspection of the Co-operative Societies is being conducted within six month from the closing date of financial year of the accounts of the registered Co-operative Societies under the provisions of the Act, 2001?
7. Whether there was proper monitoring and control on activities of all registered Co-operative Societies as per provisions of the Act 2001 and Rules 2003/ 2011?

18.02 Agriculture Department

18.02.01 Rajasthan is the largest state of India covering nearly 10.4 per cent of total geographical area of the country. Nearly 65 per cent of its population (56.5 million) is dependent on agriculture. The State is presently divided in 33 administrative districts and has 10 agro-climatic zones. Agriculture in Rajasthan is primarily rain fed covering country's 13.27 per cent of available land. Ground water is getting depleted as well as polluted. In general, every third year is a drought year. Despite these, the State has attained self-sufficiency in food-grains, both cereals and pulses.

18.02.02 Organisational Set up

The administrative control of Agriculture Department vests with the Additional Chief Secretary to the Government and the executive functions are performed by the Commissioner of Agriculture who is assisted by Additional Directors, Joint Directors, Deputy Directors and Assistant Directors.

18.02.03 Objects & Functions of the Department

- (1) To achieve self-sufficiency in food production.
- (2) To increase agriculture production and income of farmers/farm labours.
- (3) To promote sustainable use of natural recourses such as land and water.

- (4) To promote Soil Health Management and Integrated Nutrient Management.
- (5) Promote crop diversification.
- (6) Promote use of agriculture inputs based on recommendation of soil and water testing.
- (7) To ensure availability and quality of agricultural inputs.
- (8) Promote organic farming.
- (9) To promote integrated Pest-Disease Management system.
- (10) To transfer modern agriculture technique developed by technical institutes and scientists.
- (11) To promote agricultural mechanization to carry out agriculture operation timely.
- (12) To promote mixed intensive farming for increased employment opportunities and income per unit area.
- (13) To developed scientific farming techniques for making agriculture more remunerative for farmers.
- (14) To increase the production in certain agricultural commodities so that raw material for industries is available for increased exports.
- (15) To reduce cost of cultivation strive for holistic development of farmers.
- (16) Crop insurance to protect farmer against natural disasters and monsoon failure
- (17) To initiate programme that help to increase per capita income of farmers in backward areas as well as for SC/ST.
- (18) To promote women empowerment in agriculture.
- (19) Organize training on various aspects of agro techniques for their mass dissemination.
- (20) Quick and effective solutions of day to day problems of farmers.

18.02.04 Divisions and Sections of Department

Directorate has following 7 divisions and various sections there under: -

- (1) Project Formulation, Statistics and Forest Division

This division co-ordinates the available information from various sources for formulation of various projects and collects the figures of various functions. Preparation of reports on points highlighted for study of effectiveness of various schemes of agriculture development is also done.

Division has sections project formulation, and working groups, statistics and crops estimates. Computer, Monitoring and evaluation, Agriculture economics and cost, co-ordination and GOR/GOI review.

(2) Administration Division

This Division controls Rajasthan Agriculture Service, Rajasthan Agriculture Subordinate Service Part-I (AAO, JEN's and AARO's) Rajasthan Agriculture Subordinate Service Part-II (Ministerial Staff and IV class employee cadre) Confidential Rolls Section, Care Taker Section, Departmental Enquiry and Grievances Redressal Cell, Headquarter Section, Coordination Section relating to Vidhan Sabha and Parliament.

(3) Finance & Account Divisions

This division prepares Plan/Non-plan Budget, makes purchases, reconciles the accounts with A.G. (A&E) & deals with miscellaneous matters (including PAC, Internal Audit and Personnel Claims)

(4) Research and Laboratory Division

This division has sections of soil and water laboratory, seed examination laboratory, Quality Control Laboratory, Pathology & Biology Control Labs and IPM Centers, Coordination with research of University and IPM Research center Water Utilization Cell and fodder production units.

(5) Adan. Supply Division

This division has sections of Seed and Agriculture Farm, Fertilizers, plant production and Agriculture Tools section.

(6) Advertisement Division

This division implements all-planning arrange training programme and ensure communication of agriculture information. The division also does maintenance and construction of building.

This division has sections Agriculture Information, Exhibition, Minikit, Training, Cluster Plan and KSK & Mandal Section.

(7) Centrally sponsored schemes and planning division

This division is responsible for all centrally sponsored, A.D.P., State Schemes and sponsored projects of other agencies.

The division has sections N.P.D.P., N.O.D.P., (O.P.P.), I.C.D.P. (Millets), I.C.D.P. (Cotton), C.S.S. (others), A.D.P. and State Scheme and sponsored schemes and various sections.

18.02.05 Special points requiring detailed scrutiny

The field parties should examine the following points more intensively while conducting audit on the accounts of the District Agriculture offices in addition to usual audit checks and comment upon them suitably in the draft Inspection Report: -

- (i) Stock accounts of chemicals meant for treatment of seeds or crops and their utilisation, whether there have been any surplus holdings, etc. (Chemicals like pesticides also lose effectiveness with passage of time).
- (ii) Case of shortage, overstocking etc., if any, will have to be brought to the notice.
- (iii) Recovery of old loans and cost of seeds and fertilizers supplied to cultivators and Panchayat Samities in the past.
- (iv) Scheme Audit about the achievements of targets laid down vis-à-vis expenditure incurred on Agricultural programme through the medium of Panchayat Samities.

(O.A.D.-II/G.O.-10/69-70/85, dated 22.7.1969)

The field parties should also assess the following points that :

- (v) To what extent the audit entity was ensuring compliance with the provisions of General Financial & Accounts Rules and the scheme guidelines for effective financial management?
- (vi) To what extent the audit entity was ensuring compliance with the provisions of scheme guidelines and circulars/ orders issued by the Government while implementation of the schemes?
- (vii) To what extent the audit entity was ensuring effective utilisation of subsidy amount for the intended purpose?
- (viii) To what extent the audit entity has ensured adequate Quality control/ Soil Testing Labs and manpower to check the samples of fertilizers/ soil and whether these are functioning efficiently?
- (ix) To what extent the audit entity has made effective efforts to distribute agriculture inputs such as Seed and fertilizers to farmers under RKVY, NFSM, NMOOP schemes etc.
- (x) To what extent the audit entity has ensured for efficient and effective implementation of the schemes?
- (xi) To what extent the audit entity has ensured for effective Store and Inventory Management System?
- (xii) To what extent the audit entity has ensured periodical inspection of works carried out under various schemes?
- (xiii) To what extent the department was monitoring the implementation of various schemes under its control?

18.03 Labour and Employment Department

(A) Labour Department

18.03.01 Labour Department is one of the oldest and important department of the Government of Rajasthan. The main responsibility and objective of the department is to protect and safeguard interests of workers in general and to create a healthy work environment for higher production and

productivity. Government's attention is also focused on promotion of welfare and providing social security to the labour force both in organized and unorganized sectors, in tandem with the process of liberalization. These objectives are sought to be achieved through implementation of various labour laws, which regulate the terms and conditions of service and employment of workers.

The Labour Commissioner is the head of the department who is assisted by 7 Joint Labour Commissioners at Zonal level. The activities of the Department of Labour are carried out through the Head office located at Jaipur and 34 Regional/ District offices located across the state. The state level activities are taken up by the Head Office, which also monitors the functioning of the Regional/ District offices.

It should be examined during audit:

1. Whether the interest of workers of organized and unorganized sector are safeguarded.
2. Whether provisions of various labour laws are complied with by concern department.
3. Whether minimum wage is paid to workers.
4. To see that workers are not engaged in excess working hours and exploited by their employers.
5. Under provisions of the Child Labour (Prohibition and Regulation) Act, 1986, child labour (below age of 14 years) is prohibited. Hence audit should ensure that child labour is not engaged and such children are rehabilitated.
6. It should be ensured that whether grievances/ complaints received from labour through electronic or non-electronic mode are timely and properly readdressed.
7. To address inhuman working conditions, poor health and safety standards in the real estate industry, the Government of India enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act). The BOCW Act is a social welfare legislation that aims to provide benefit to workers engaged in building and construction activities across the country. Audit should see whether Workers Welfare Cess is paid and used for welfare of workers engaged in building and other construction works.

(B) Department of Skills, Employment & Entrepreneurship

18.03.02 The various skill-development trainings, employment and entrepreneurship related schemes/ programmes/ missions are being implemented through Employment Department, Technical Education (Training) Department and Rajasthan Skill & Livelihood Development Corporation (RSLDC) under the Department of Skills, Employment &

Entrepreneurship which was established vide Govt. Order No. 107/2015 Dated 23.05.2015

(B-1) Technical Education (Training)

18.03.03 Industrial Training Institute (ITI) -Correlation of number of trainees recruited with the expenditure incurred on training

To provide technical education, Directorate of Technical Education was established in August, 1956. As per Annual Progress Report of the Skills, Employment and Entrepreneurship Department, total number of sanctioned ITIs are 260 having admission capacity of 91620 trainees to provide *dastkar* training in the state. Besides above, 1715 ITIs in private sector are functioning with admission capacity of 302730 trainees.

The field parties should examine the following points during audit :-

- (i) Whether the expenditure on pay & allowances of the Instructors and other staff and overhead expenses on training could have been reduced consequent upon the fall in number of trainees.
- (ii) How the actual cost of training (per trainee) compared to the estimated cost of training as per sanctioned scale/budget.
- (iii) Reasons for recruitment of lesser number of trainees.

The observations on probable wasteful expenditure, if facts so warrant, may be suitably incorporated in the draft Inspection Reports.

[O.A.D.- III/58, dated 3.12.1968.]

- (iv) It should thoroughly be reviewed that the number of trainees enrolled in the Institute is much less than the sanctioned strength for these institutes but the expenditure on training is not proportionately reduced resulting in excessive cost per trainee.
- (v) Whether proper facilities of building, laboratories and other essential requirements are available for trainees. If not, then sufficient efforts are done or not, should also be seen during the course of audit.
- (vi) Whether sufficient efforts are done to encourage youth for training.
- (vii) Scrutiny of the redressal progress in disposal of applications/ grievances registered on *sampark portal* and *web portal* should also be scrutinized.

(B-2) Employment Department

18.03.04 The Directorate of Employment was established on 1st November 1956 for monitoring and administrative control over district employment offices in the State. The Commissioner/ Director is administrative head of the department. There are 44 district employment officers are in the state to provide opportunities of employment to the needy candidates. The

Regional and Sub-Regional employment offices register the unemployed candidates and communicate it with employers according to their demands. The main duties in the field of employment are performed by employment offices as mentioned below:

- Collection of information regarding employment available in market.
- To motivate and encourage the unemployed candidates for self employment and vocational guidance and make aware them about financial and technical facilities of the government.
- The implementation of *Mukhyamantri Yuva Sambal Yojana (Berojgari Bhatta Yojana)* in which Rs. 3000/- and 3500/- is given monthly to graduate unemployed male and female candidates respectively.
- To conduct *Rojgar Fairs* for availability of easy opportunities of jobs to the candidates.
- To publish *Rajasthan Rojgar Sandesh (fortnightly newspaper)*.
- Providing suitable candidates for Public and Private Enterprises.
- To provide vocational guidance to schools, colleges and group of students.

Following points should be seen during the course of audit:-

- (i) It should be reviewed during review of records of employment offices that all above duties are performed and prescribed targets were achieved.
- (ii) It should also be seen that the department is playing sufficient role to overcome the unemployment.
- (iii) It should be ensured that all information regarding employment schemes, exams, scholarships etc. are duly published in the Rajasthan Rojgar Sandesh.
- (iv) Whether effective efforts are done for campus placements in the employment fairs.
- (v) Government Programmes and schemes for employment are implemented properly.

(B-3) Rajasthan Skill & Livelihood Development Corporation

18.03.05 Rajasthan is the first State in India to establish a mission on Livelihoods. In order to address the challenges of unemployment and ensuring gainful and sustainable employment to the youth of the state, Hon'ble Chief Minister created Rajasthan Mission on Livelihood (RMoL) in September 2004. The objective of creation of RMoL was to formulate appropriate and innovative strategies to promote and facilitate large scale livelihoods for the poor and vulnerable people of the state. Understanding the importance of skill development as a vehicle for enhancing employability of working population, RMoL was rechristened as Rajasthan Mission on Skill and Livelihoods in 2009-10 which was converted as Rajasthan Skill & Livelihood Development Corporation (RSLDC) in May, 2012.

The main objective of the RSLDC are mentioned below:

- To empower and enable youth to achieve employment and livelihood by developing skills of work.

- To making policy for skill development and livelihood and perform as a Nodal Agency for skill development programmes.
- Special schemes for youths belongs to Poor, Rural, SC, ST & OBC categories.
- Special focus on skilling women in order to enable them for wages/ self-employment.
- Join hands with the Tribal Area Development Department (TADD), Rajasthan to provide training to the youth of the tribal areas of the state under its convergence initiative.
- Establishment of Skill Development Centres (SDCs) with the help of Government and private agencies and financial help to organize skill development programmes.
- To encourage training provider agencies for coordination with private companies to make available occasion of employment to the successful trainees.

Following main programmes/schemes are being implemented under RSLDC:

- a) Employment Linked Skill Training Programme;
- b) Regular Skill Training Programme;
- c) Mukhyamantri Youth Kaushal Yojna;
- d) Rojgar based Jan Kaushal Vikas Karyakram;
- e) Pradhanmatri Kaushal Vikas Yojna;
- f) Deendayal Upadhyay Gramin Kaushal Yojna;
- g) Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP).

During the course of audit it should be scrutinized that:

- (i) All skill development and livelihood programmes/ schemes are implemented properly as per guidelines/ provisions/ objectives of such schemes and necessary comments should be incorporated in the Draft Inspection Report.
- (ii) The youth of the state are encouraged and motivated by wide publicity.
- (iii) Whether allotted targets are achieved.

(B-4) Employees State Insurance (ESI) Scheme

18.03.06 The ESI Scheme is a social security scheme. It was implemented in the State of Rajasthan with effect from 02.12.1956 under section 58 of the ESI Act 1948. The main objective of the scheme is to provide health care facilities to the employees of various industrial, commercial organization, private educational, medical and other organization which have 10 or more employees and whose salary is Rs 21000/- per month or less.

Following points should be reviewed during the course of audit and necessary comments may be inserted in Inspection Report :

- (i) It should be examined that all employees are provided benefit of the scheme.
- (ii) Whether all medical facilities are provided to employees by ESI Hospital/ Dispensaries and grievances of employees are readdressed properly.
- (iii) Whether proper facilities of laboratory and other essential equipment are available in ESI hospitals.
- (iv) Whether employees are encouraged and make familiar about provisions of the Employees State Insurance Scheme.
- (v) To see that State Insurance deductions are properly made from ESI employees and employees are not imposed charges for providing benefits of health schemes.

18.04 Fisheries Department

18.04.01 With a view to give impetus to fisheries development in the available water resources in the state, the Fisheries Department was established by the State government. Earlier, fisheries development works were under the Animal Husbandry Department of the state. About 15556 reservoirs are available in the State, out of which 2169 reservoirs of Irrigation Department are being used for fisheries by Fisheries Department. The reservoirs are divided into four categories on the basis of revenue:

1. Category A: 182 Reservoirs with revenue of Rs. 5.00 lakh and above per annum.
2. Category B: 278 Reservoirs with revenue of Rs 0.50 lakh and less than Rs. 5.00 lakh per annum.
3. Category C: 795 Reservoirs with revenue of Rs 0.10 lakh and less than Rs. 0.50 lakh per annum.
4. Category D: 914 Reservoirs with revenue less than Rs. 0.10 lakh per annum.

18.04.02 Main objectives

- Development and conservation of Fisheries resources;
- Ensure production, collection and promotion of quality fish seeds;
- Increase fish production;
- To earn revenue for the State Government by leasing the reservoirs for fish production;
- Employment generation by providing water reservoirs to trained/ interested persons in fisheries technique;
- Providing cheap protein-rich food in the form of fish to the public as a result of fish habitat.

18.04.03 Following schemes running in the Department:

The field parties should examine the following schemes while conducting audit of the Department: -

- Integrated Development of Fisheries Reservoir;
- Fisheries Extension Education and Training;
- Development of Fish Farms;
- Group Accident Insurance Scheme for Active Fishermen;
- National Scheme for welfare of Fishermen;
- Training and skill development to Fishermen through National Fisheries Development Board, Hyderabad;
- Strengthening the Data Base and Information Network for Fisheries Sector;
- Centrally Sponsored Scheme 'Blue Revolution - Integrated Development and Management of Fisheries Project'.

18.04.04 The field parties should examine the following points while conducting audit of the Department and comment upon them suitably in the draft Inspection Report: -

- Lack of infrastructure and deficiencies in the implementation of schemes;
- Non-maintenance of ponds in usable condition;
- Poor fish production from reservoirs;
- Non-achievement of target of houses to be constructed for free distribution to fishermen;
- Cases of excess expenditure in the last quarters of the years;
- Working of Government Fish Seed Farms was not economically viable;
- Survival of fish seed not as per prescribed norms;
- Shortfall in imparting training to staff and fish farmers.

18.04.05 Procedure for Tender/Auction of Water

(A) Prior to inviting tender/auction in respect of water classified under different categories the reserve price shall be estimated by the following committee: -

For category "A"

- 1) Administrative Secretary to the Government Fisheries Department-
Chairman
- 2) Director, Fisheries Department- Member
- 3) Deputy Secretary, Fisheries Department Member

4)Senior most Accounts Officer, Directorate of Fisheries Member Secretary

For category “B”

1)Director, Fisheries Department-Chairman

2)Deputy Secretary, Fisheries Department-Member

3)Regional/Deputy Director, Fisheries Department-Member

4)Senior most Accounts Officer Directorate of Fisheries -Member Secretary.

For category “C” and “D”

1)Director, Fisheries Department-Chairman

2)Regional/Deputy Director Fisheries -Member

3)Senior most Accounts Officer, Directorate of Fisheries -Member

4)Fisheries Officer of the Concerned DistrictMember Secretary.

- (B) The reserve price shall be made available to the public. If the highest tender/bid is lower up to 10 percent than the reserve price, the Director, Fisheries may accept it. If the offered highest tender/bid is 10 percent to 25 percent lower than the reserve price the same may be accepted with the approval of Administrative Department in the case of “A” and “B” category of water. In case of C&D category of waters such tender or bid may be accepted by District Fisheries Officer with the approval of District Collector. If the offered tender/bid is more than 25 percent lesser than the reserve price, the same may be accepted after approval of finance Department in case of “A” and “B” category waters while in case of “C” and “D” category waters such tender/bid may be accepted with approval of District Collector.
- (C) Director, Fisheries in the case of “A” and “B” category waters and Fisheries Officer of concerned district in the case of “C” and “D” category water, should complete all the procedure for inviting tender/auction for fishing sights as far as possible before expiry of previous lease period. Highest tender/bidder shall have right of fishing only after confirmation of acceptance of his tender/bid. Provided that: -
- (a) In some special circumstances tender procedure can be adopted after 31st March.
- (b) Registered Fisheries Cooperative Societies shall be eligible for 5 percent price preference.
- (D) Specified water of all the categories may be, by inviting tender/open auction leased out for a period of 5 years. The lessee will have to pay cumulative increasing amount of lease money each year, such increase

will be 12 percent of the previous years lease money. Accordingly 1/4th of the increased lease amount upto 31st January of the current year and rest 3/4th shall be deposited upto 15th March. If the lessee fails to deposit the lease amount in the above prescribed period or within the period extended under Rule 6 (3) the fishing license for the subsequent year shall be cancelled and the water shall be re-auctioned.

- (E) The committees for tender/auction shall be constituted consisting follows minimum two members in each case.

For “A” and “B” category waters

- 1) Deputy Secretary, Fisheries Department
- 2) Nominee of Director, Fisheries (not below the rank of Dy. Director)
- 3) Senior most Accounts Officer in Fisheries Department

For “C” and “D” category water

- 1) Assistant Director, Fisheries/Fisheries Department Officer/Fisheries Project Officer as the case may be in the district.
- 2) Nominee of District Collector, Nominee of Director, Fisheries

- (F) In case the lessee fails to deposit 1/4th lease amount in the prescribed period i.e. 31st January, the Director Fisheries can extend the period for 7 days with the condition that the lessee will pay interest @ 18 percent per annum. In case the lessee fails to deposit the 3/4th lease amount in the prescribed time i.e. before 15th March, Director Fisheries can extend the period upto 15 days with interest at the rate of 18 percent on remaining amount and for further 15 days with an interest rate of 24 percent.

The licensee shall catch any fish less than 500 grams in weight after obtaining by permission from the competent authority as mentioned in Rule 10 (4) (ii).

(Authority: - Rules 5.6 to the Rajasthan Fisheries Rules 1958 and subsequent modification/changes in Rajasthan Fisheries Act 1958 published in Rajasthan Gazette vide dated 23.02.2000, 01.03.2001, 21.07.2001 and 20.01.2003 and onwards should also seen in local audit)

18.05 Art, Literature, Culture and Archaeology Department

18.05.01 Rajasthan Art, Literature, Culture and Archaeology Department has the primary objective to develop and promote Art, Literature and Culture and to preserve, protect and maintain the historical monuments, archaeological sites and antiquities of the State. Rajasthan being the largest State of India has a vast collections of Songs, Music, Dance, Theatre, Folk Tradition, Performing Arts, Rites and Rituals, Paintings and writings that are known as the “Intangible

Culture Heritage” (ICH) of humanity. In order to preserve these elements, the Ministry of Art, Literature, Culture and Archaeology implements a number of Schemes and Programmes aimed at providing financial support to Individuals, Groups and Cultural Organisations engaged in performing visual and literary arts etc. The above objectives of the department are being achieved by department/ units.

The administrative control of Department of Art, Literature, Culture and Archaeology vests with the Principal Secretary to the Government and the executive functions are performed by the Dy. Secretary and following 19 office authorities/ autonomous bodies:

Directorate

- Archaeology and Museum Department, Jaipur
- Rajasthan State Archives Department, Bikaner
- Maulana Abul Kalam Azad Arabic Persian Research Institute, Tonk
- Rajasthan Oriental Research Institute, Jodhpur

Authorities

- Amer Development and Management Authority, Jaipur
- Rajasthan Heritage Protection and Promotion Authority, Jaipur

Institutions

- Jawahar Kala Kendra, Jaipur
- Ravindra Manch, Jaipur
- Jaipur Kathak Kendra, Jaipur
- Bhartiya Lok Kala Mandal, Udaipur
- Rajasthan Sangeet Natak Academy, Jodhpur
- Rajasthan Lalit Kala Academy, Jaipur

Academies

- Rajasthan Sahitya Academy, Udaipur
- Rajasthani Bhasha, Sahitya, Sanskriti Academy, Bikaner
- Rajasthan Sanskrit Academy, Jaipur
- Rajasthan Urdu Academy, Jaipur
- Rajasthan Sindhi Academy, Jaipur
- Rajasthan Brij Bhasha Academy, Jaipur
- Rajasthan Panjabi Bhasha Academy, Sri Ganganagar

18.05.02 Acts/ Rules under which the functions of the Department are governed:

1. The Rajasthan Art & Culture Grant in aid Rules, 1985
2. The Rajasthan Monuments, Archaeological sites and Antiquities Act, 1961.

3. The Rajasthan Monuments, Archaeological sites and Antiquities Rules, 1968.

4. Manual of Rajasthan State Archives.

18.05.03 The field parties should assess the following points that :

- (i) To what extent the audit entity was ensuring compliance with the provisions of General Financial & Accounts Rules and the scheme guidelines for effective financial management?
- (ii) To what extent the audit entity was ensuring compliance with the provisions of scheme guidelines and circulars/orders issued by the Government while implementation of the schemes?
- (iii) To what extent the audit entity was ensuring effective utilisation of funds allotted for the intended purpose?
- (iv) To what extent the audit entity has ensured periodical inspection of works carried out under various schemes?
- (v) To what extent the department was monitoring the implementation of various schemes under its control?
- (vi) Whether timely UC and CC received by department against funds allotted for various works/schemes?
- (vii) Whether Annual Action Plan prepared on time to achieve goals and proper utilisation of available funds, human resources and other resources?
- (viii) Whether allotted physical targets were achieved or not?

18.06 Animal Husbandry Department

18.06.01 Animal husbandry and livestock is highly potential sector contributing a lot in state economy, especially of rural economy. Animal Husbandry is a major economic activity of the rural peoples, especially in the arid and semi-arid regions of the Rajasthan. Development of livestock sector has a significant beneficial impact in generating employment and reducing poverty in rural areas. Livestock contributes a large portion of draft power for agriculture, with approximately half the cattle population and 25 percent of the buffalo population being used for cultivation. About 10 percent of G.D.P. of the State is contributed by Livestock sector alone. This sector has great potential for rural self-employment at the lowest possible investment per unit. Therefore, livestock development is a critical pathway to rural prosperity.

As per the livestock census 2012, there are 577.32 lacs livestock (which include Cattle, buffalo, Sheep, Goat, Pig, Camel, Horse and donkey) and Poultry 80.24 lacs in the State. Rajasthan has about 7 percent of country's cattle population

and contributes over 12.72 percent of total milk production, 2.46 percent of meat and 34.46 percent wool produced in the country.

18.06.02 Main objectives

- 1) To increase the productivity of animals;
- 2) To control Animal Diseases;
- 3) To conserve and promote specific indigenous breeds;
- 4) To increase business activities of livestock;
- 5) To increase employment opportunities in rural areas;
- 6) Genetic Improvement of Sheep & Goat;
- 7) Strengthening and expanding the improvement;
- 8) Improvement in milk production and available resources to achieve good results of artificial insemination;
- 9) Maintenance of improved bulls and calves;
- 10) Increased production and reproductive power by adopting selected breeding policy in advanced breeds for genetic improvement;
- 11) Improvement in milk production and tillage capacity through improved and hybrid breeding in animals;
- 12) Progressively increase the production per animal.

18.06.03 Following schemes running in the Department:

The field parties should examine the following activities and programmes while conducting audit of the department: -

- (1) Breed improvement programme using superior germplasm, castration of non-descript bulls/ calves & infertility camps
 - a) Indigenous Cattle & Buffalo Breed Improvement Programme
 - b) Goat Development Programme
 - c) Sheep/ Pig Breeding Programme
- (2) Veterinary health care & Disease Control Programme includes Assistance to States for Control of Animal Diseases
- (3) Extension Activities
 - a) Poultry Development Programme
 - b) Livestock Marketing
 - d) Fodder Development
 - e) Goshala Development Programme
 - f) Training Programme:-
 - g) Sheep Migration

18.06.04 The field parties should examine the following points while conducting audit of the Department: -

- (i) The Government of Rajasthan in their order No. P8 (27) Animal Hus/97 dated 9.7.99 had clarified that tenders for supply of medicines and instruments be invited only from the manufacturers/ producers and in no case from the agencies and agents. The payment of such purchased medicines be made to the manufacturers/ producers.

The above orders be suitably examined and comments incorporated in the Inspection Report.

- (ii) Under centrally sponsored schemes i.e. Rural Development Programme, Urban and Rural Employment Schemes the assets register should be maintained in view of guidelines issued in this regard. Besides the register will be required to be maintained by Animal Husbandry Department.

In compliance to the Comptroller and Auditor General of India letter No. 13 of 2000, 1445-Rope (5) 102-2000 dated 12.11.2000, it was desired that during audit it may be ensured that assets register is being maintained properly and cases of non-maintenance be highlighted in the Inspection Report. A certificate in this regard will be given by Sr. A. O./ In-charge of the party.

(G.O. 509 dated 25.1.2001)

The field parties should also assess the following points that :

- (iii) To what extent the audit entity was ensuring compliance with the provisions of General Financial & Accounts Rules and the scheme guidelines for effective financial management?
- (iv) To what extent the audit entity was ensuring compliance with the provisions of scheme guidelines and circulars/ orders issued by the Government while implementation of the schemes?
- (v) To what extent the audit entity was ensuring effective utilisation of subsidy/assistance for the intended purpose?
- (vi) To what extent the audit entity has ensured for efficient and effective implementation of the schemes?
- (vii) To what extent the audit entity has ensured for effective Store and Inventory Management System?
- (viii) To what extent the audit entity has ensured to organise periodical training programmes under various schemes?
- (ix) To what extent the department was monitoring the implementation of various schemes under its control?

18.07 Women and Child Development Department, Govt. of Rajasthan

The Department of Women and Child Development, Government of Rajasthan, came into existence with effect from 1985 and is continuously working with the objective of ensuring the overall development of women and child through implementing Integrated Child Development Services (ICDS) Scheme and Women Empowerment. Since June 2007, to bring women with mainstream of development and improve the position of women in state separate Directorate of Women Empowerment was constituted while existing directorate was continued to hold the work related to Integrated Child Development Services (ICDS) Scheme.

Director, Integrated Child Development Services (ICDS) Scheme

Director, Integrated Child Development Services (ICDS) Scheme works with vision of **Mission – Children** which ensures for development, care and protection of children through cross-cutting policies and programmes, spreading awareness about their rights and facilitating access for learning, nutrition, institutional and legislative support etc. for enabling them to grow and develop to their full potential. Under the mission, the scheme of ICDS is being implemented with funding from GOI assistance and proportionate sharing by State Government. Director, ICDS monitors the implementation of Integrated Child Development Services being done by his staff in the State.

The Integrated Child Development Services (ICDS) Scheme is one of the flagship programmes of the Government of India. The beneficiaries under the Scheme are children in the age group of 0-6 years, pregnant women and lactating mothers. For implementation of the scheme **Anganwadi centres** at village level are functional. Selection of Anganwadi worker, Helper and Sathin and operation of Anganwadi Centres, storage of nutrition etc. is being done in the supervision of related Panchayats.

➤ Functions of Integrated Child Development Services

The services provided through this programme to the children below age of 6 years, pregnant women, lactating women and adolescent girls are as follows:-

S.No.	Service	Beneficiary
1	Supplementary nutrition	Children of 6 months - 6 years, pregnant-lactating women and adolescent girls
2	Pre-school non-formal education	Children of age group of 3 - 6 years
3	Nutrition and Health education	Women of age group 15 – 45 years and adolescent girls
4	Immunization	Children age group of 0-6 years and pregnant women

5	Health check up and growth monitoring	Children age group of 0-6 years pregnant-lactating women and adolescent girls
6	Referral services	Children age group of 0-6 years, pregnant and lactating women

Out of above six services three services (Sl No. 4 to 6) are provided with the cooperation of Medical and Health Department at Anganwadi centres.

➤ Ministry of Women and Child Development, GoI, in July 2014 further taken initiatives for strengthening to ICDS under ISSNIP. Under the ISSNIP, the GoI arranged funds from World Bank which is being made available to the state department.

In 2012, the Ministry of Women and Child Development (MWCD) restructured the scheme introducing a number of programmatic, management and institutional reforms aimed at transforming the Anganwadi into a “vibrant ECD centre” through a revised package of services. To support this transformation, additional support is being provided to ICDS Scheme through a specific project with World Bank assistance called ‘ICDS Systems Strengthening and Nutrition Improvement Project (ISSNIP)’.

The specific objectives of organizing the community based events are to:

- sensitize and create awareness among the community on key health, nutrition and child care practices in order to enhance community participation for the achievement of health and nutrition outcomes;
- strengthen positive practices related to survival, growth and development of children; and
- facilitate mobilization and involvement of the community at large in promoting good nutrition and health behaviours.

Women Empowerment Department

Empowerment of women is the corner stone for the development of the society as a whole. The real empowerment of women depends upon creation of enabling social and economic- environment that may help women to participate on equal terms in the decision make process at all levels. Keeping this in view the Government, from time to time, has framed and implemented various programmes for women empowerment and development in various sectors and also for their safety, protection and rehabilitation etc. The Directorate, Women Empowerment has the following vision and mission:-

Vision

Empowered women living with dignity and contributing as equal partners in development of an environment free from violence and discrimination.

Mission

Promoting social and economic empowerment of women through crosscutting policies and programmes, mainstreaming gender concerns, creating awareness about their rights and facilitating institutional and legislative support for enabling them to realise their human rights and develop to their full potential.

Functions & Subjects allocated to the Women Empowerment Department

- Women Self Help Group Programme.
- Execution of State Women Policy.
- Implementation various women training programme.
- Implementation of related Acts and Schemes for women.
- Implementation for Women Empowerment programmes.
- Work related to National/State Commission for Women.

Ongoing Schemes for Women Empowerment Department

- Interest Subsidy on Loan for Women Self Help Group.
- Beti Bachao, Beti Padhao Scheme.
- Basic Computer Course.
- WE-RS-CIT training
- Kishori Shakti Yojana.
- Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG)- SABLA
- Mukyamantri Rajshri Yojana.
- One Stop Centre Scheme.
- Dhan Laxmi Mahila Samradhi Kendra Nirman Yojana.
- Garima Balika Sanrakshan & Samman Yojana.
- Community Marriage Regulation and Subsidy Scheme.
- Swavlamban (NORAD) Yojana.
- Mission Pooran Shakti Yojana.
- Mission Gramya Shakti Yojana.
- Amrata SHG Puruskar Yojana.

Constitutional and Legal Provision

- National Policy for the Empowerment of Women, 2001
- National Commission for Women Act, 1990
- State Policy of Women announced in 1996
- State Women Commission Act 1999
- The Dowry Prohibition Act, 1961
- The Indecent Representation of Women Act, 1986
- Pre-Conception and Pre-natal Diagnostic Techniques (PC-PNDT) Act, 1994
- The Protection of Women from Domestic Violence Act (PWDVA), 2005

- Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

18.08 Department of Minority Affairs and Waqf

In compliance of budget announcement for the year 2009-10 (item number 85) Department of Minority Affairs and Waqf was newly established on 19 December 2009 for uplifting, promoting, assisting, providing financial assistance through loan and upgrading technical and entrepreneurial skills of minorities with their development through Government policies and various programmes including **Prime Minister's New 15 Points Programme**.

Vision

To create a favorable environment for empowering minority communities and for strengthens our country's multi-racial, multi-ethnic, multi-cultural, multi-lingual and multi-religious character.

Mission

Every citizen has an equal opportunity to participate actively in creation of a vibrant nation to improve the socio - economic status of minority communities through such positive action and inclusive development. Ensure a common stake for minority communities in education, employment, economic activities and for their up-liftment.

18.08.01 Minority Communities

Notification No S.O. 816(E) dated 23.10.1993 of Ministry of welfare Government of India notified. Muslim, Christians, Sikhs, Buddhists and Zorpustrahs (parsi) as minority communities. Subsequently the Jain community was also inserted by GOI Extra ordinary Gazette notification no F. No 1-1/2009-NCM dated 27.01.2014 under the National commission for minority Act 1992.

All these communities have been acknowledged by the Government of Rajasthan vide no. P-19(5) Mino/Waqf/2014 dated 14.03-14.

18.08.02 Prime Minister's new 15 point programme for the welfare of Minorities

A. Enhancing opportunities for Education

- (1) Equitable availability of ICDS Services
- (2) Improving access to School Education
- (3) Greater resources for teaching Urdu
- (4) Modernizing Madarsa Education
- (5) Scholarships for meritorious students of minority communities

- (6) Improving educational infrastructure through the Maulana Azad Education Foundation
- (7) Self-Employment and Wage Employment for the poor
- (8) Up-gradation of skills through technical training
- (9) Enhanced credit support for economic activities
- (10) Recruitment to State and Central Services
- (11) Equitable share in rural housing scheme
- (12) Improvement in condition of slums inhabited by minority communities
- (13) Prevention of communal incidents
- (14) Prosecution for communal offences
- (15) Rehabilitation of victims of communal riots

18.08.03 Functional Institutions/bodies

The following State institutions/bodies are functional for implementing the following welfare schemes/activities for minority communities:

- **Rajasthan State Minorities Finance and Development Co-Operative Corporation.**

- Term Loan Scheme
- Educational Loan Scheme
- Micro Financing Scheme
- Mahila Samridhi Yojana
- Scheme of Micro Credit through NGOs

- **Rajasthan Minority Commission**
- **Rajasthan Madarsa Board**
- **Rajasthan Haj Committee**
- **Rajasthan Waqf Development Parishad**
- **Rajasthan Board of Muslim Waqf**
- **Rajasthan Waqf Tribunal**

Ongoing Schemes

GoI Schemes

- Multi- sectoral Development Programme (MsDP)
- Syber Gram Yojana
- Scholarship Yojana
- Anuprati Yojana
- Leadership development plan for Minority women.

State Government's Schemes

- Minority Hostel Yojana
- Skill development Training

18.09 Social Justice and Empowerment Department

The Government is committed for uplifting the weaker sections according to the principles and directions laid down in State policies of the Indian Constitution. "The Backward Classes Department" was established by State Government in 1951-52 for all over development of weaker sections and later on the department was renamed as "Social Welfare Department" in 1956-57. Further in order to cover various aspects of social welfare under a single roof the department rechristened as "Social Justice & Empowerment Department" by a notification dated 21.02.2007

The Social Justice & Empowerment Department (SJED), Rajasthan is primarily focused and dedicated towards educational and socio-economic development of the Scheduled Caste, Scheduled Tribes, Economical Backward Classes, Other Backward Classes, Special Backward Classes, along with welfare of specially abled, destitute and economically weaker children, women and aged citizens. The Additional Chief Secretary SJED has three directorates viz (i) SJED, (ii) Child Empowerment and (iii) Special Abled Person which are functional at Jaipur. Audit of Directorate of Special Abled Person along with some field units was earlier taken up during 2016-17.

18.09.01 Mission / Vision Statement of Department

The department functions as a nodal agency for implementing programmes for upliftment of SCs, STs, OBCs, specially disabled, widows, destitute and other socially & economically weaker sections of the Society. The Department is entrusted with welfare of these segments of the society.

The main activities of the department are:-

- Socio-economic development of targeted group.
- Educational enhancement of targeted group by way of scholarships and hostel facilities.
- Schemes for social security to old, especially abled and widow/destitute etc.
- Programmes for rehabilitation of drug addicted persons, bootleggers, unclaimed women etc.

18.09.02 Policies/ Act /Rules

State Old Age Policy

The State Government announced State Old Age Policy Dated 08 Dec, 2004 with aim to provide social security to old age persons.

- Scheduled Castes and Scheduled Tribes Prevention Atrocities Act 1989 and amendment 2015
- Prevention and Rehabilitation of the workers for Handling of Scavengers Act 2013
- Implementation of Civil Rights Security Act 1955
- Probation of Offenders Act 1958
- Dowry Prohibition Act, 1961
- Government and aided hostels operating rules 2012
- Scheduled-Castes-and-Scheduled-Tribes-Prevention-Atrocities-Rules 1995
- Guidelines for Paperless Post Metric Scholarship Scheme 2015
- Bhakt Shrawan Kumar Kalyan Seva Ashram Niyam, 2004

18.09.03 Schemes and Programmes being implemented by SJED **Educational Development**

- Hostel Scheme
- Post Metric Scholarship Scheme
 - Post Metric Scholarship for SC/ST, OBC/EBC.
 - Post Metric Scholarship for De-notified, Nomadic and Semi Nomadic Tribes (DNT's).
 - Chief Minister *Sarvjan* higher education scholarship.
 - Central Sponsored Book Bank.
 - Computerization work of post metric scholarship.

Economic Development

- Schedule Caste Sub Plan
- Sambal Gram Scheme
- Prime Minister Model Village Scheme
- Gadia Luhar Scheme
- Social Up-liftment and Protection
- Grant Aid Scheme for Victims under Schedule Castes and Scheduled Tribes Prevention-Atrocities Act
- Inter Caste Marriage Scheme

Social Welfare Activities

Women Welfare

- Mahila Sadan Scheme
- Mahila Sadan Widow Re Marriage Reward Scheme
- Widow's Daughter Marriage Scheme
- Sahyog Scheme

- Sahyog & Uphar Scheme
- Mahila Swayam Siddha Scheme
- Swayam siddha

Child Welfare

- Palanhaar Scheme
- Social Security Scheme
- Old Age Home and Day Care Center
- Nav-Jeevan Scheme
- State / Central Pension Schemes

Rajasthan Social Security Pension rules 2013 for Old age, Widow, Divorcee and *Parityakta* were formulated to provide social security, pension given to Old age, Widow, Divorcee and *Parityakta* of the State under Old age, Widow, Divorcee and *Parityakta* Scheme

- Indra Gandhi National Old Age Pension Scheme, IGN Widow Pension Scheme.
- Indra Gandhi National Disable Pension Scheme.
- Chief Minister Old Age Respect Pension Scheme.
- Chief Minister Single Lady Respect Pension Scheme.
- Chief Minister Specially Abled Person Respect Pension Scheme.
- Pannadhay Jeevan Amrit Scheme
- Chirayu Yojana
- Chief Minister Destitute Rehabilitation Scheme

➤ *“Nirashrit Sambal Yojana*

- Devnarayan Scheme
- Drug De-Addiction Scheme
- Bhamashah Yojana
 - Social Security Pension Scheme
 - Post Metric Scholarship Scheme
 - De Addiction Scheme
 - Sahyog Yojana
 - Inter Caste Marriage Scheme
 - Widow Daughter Marriage Scheme
 - Widow Re Marriage Reward Scheme
 - Pannadhay Jeevan Amrit Scheme
 - Chief Minister Destitute Rehabilitation Scheme
 - Anuprati Scheme
 - Operational Loan and Subsidy Schemes by Other Backward Corporation Ltd

- Operational Loan and Subsidy Schemes by SC Corporation Ltd
- Grant Aid Scheme for Victims under Scheduled-Castes-and-Scheduled-Tribes-Prevention-Atrocities Act
- Palanhar Scheme

Bodies/Authorities/institutions functional

- Rajasthan State Backward Class Commission
- Rajasthan Schedule Caste Commission
- Rajasthan State Economically Backward Class Commission
- Rajasthan Rajya Pashu Palak Kalyan Board
- Rajasthan State De notified, Nomadic and Semi Nomadic Tribes Welfare Board
- Kesh Kala Board
- Rajasthan State Social Welfare Board
- Old Age Welfare Board
- Rajasthan Schedule Caste / Schedule Tribe Finance and Development Co-operative Corporation Ltd.
- Rajasthan Other Backward Classes Finance and Development Co-operative Corporation Ltd.

18.10 Family Welfare Department

Main functions of Family Welfare Department: -

1. Stability of population.
2. Child death control.
3. Mother death control.

Following programmes/schemes are being implemented by Family Welfare Department: -

1. National Maternity Benefit Scheme.
2. Social Security Scheme.
3. Jan Mangal Programme.
4. Revamping Scheme.
5. Award Scheme and Tubectomy Operation Compensation Scheme (under Rajiv Gandhi Population Mission).
6. National Vaccination Programme.
7. Pulsel Polio Programme.
8. Border District Group Planning Project (Aided by UNICEF).
9. Health & Family Welfare Programme (aided by European Commission).

10. RCH Project (with assistance from World Bank (IPD)).

These programmes/schemes should be examined with reference to guidelines/instructions issued by Government of India from time to time and suitable comments may be incorporated in the Inspection Report.

18.11 Prosecution Department

Administration Branch, M.P.R. Branch and Statistic Branch etc. are working in the Department for improvement in prosecution work of these branches monthly progress report, Inspection reports and Statement are compiled and half yearly, annual progress report are submitted to State Government a separate legal branch is working for disposal of litigation against officers/officials of prosecution department.

Prosecution Department established at the level of secretariat under the Home Department as Home (Group-10) Department.

Some of the main duties of prosecution and Home (Group-10) department are as under: -

1. Consultation in the legal matters related to Home Department and decided matters of N.S.A. and Cofe-posa etc.
2. All legal cases and appeals will be submitted to Additional Chief Secretary, Home relating to withdrawals of criminal cases from courts under section 321 of I.P.C. act and illegal Activities Prevention Act.
3. Administrative Control on officials of secretariat services posted in Home (Group-10) Department.
4. In view of district accounts Assistant Director, Prosecution shall be drawing and disbursing officer and responsible for store articles records of Government property.

All Assistant Public Prosecutors first and second grade are basically field officers of the department. Their work is to present in court and do the prosecution him self.

The following Register/forms/records are maintained in Prosecution Department in addition to registers/forms prescribed in R.S.R. and G.F. & A.R.

1. Prosecution Register No. 1 to 8
2. Prosecution forms 1 to 3 and 3 (KA)

(Authority: -Government of Rajasthan Prosecution Directorate's No. P.A./Audit/2/1 (23)/Pro. /95/13543 dated 22.8.2003)

Transaction of any type of contribution and demand of money for increase of any type of funds are against the Rajasthan Civil Service Conduct Rules 1971.

(Authority: -Directorate of Prosecution's Circular No. Comp (2) (229) Law/Prose.85/17447-851 dated 24.12.1986)

As per rule 317 of G.F. & A.R. amount of the fidelity Bond from ministerial staff who is working as cashier in the department will be fixed as under:

Office of the Directorate, Prosecution	Rs. 50,000/-
Office of the Dy. Director, Prosecution	Rs. 20,000/-
Office of the Asstt. Director, Prosecution	Rs. 35,000/-

(Authority: -Directorate of Prosecution's order No. P.L./Acctt.-1 (12) Cashier/Pro./2000/2127-68 dated 12.02.2002)

18.12 Information and Public Relation Department.

Information and Public Relation Department is coordinator between Government and public. Main functions of the department are to communicate and broadcast the policies, development programmes and public welfare decisions of the Government by the various mediums of communication. In addition presentation of public prosecutions and public reaction raised in newspapers and other mediums is done to the State Government by the department. The department also communicates/broadcasts through press note, special articles, publications, exhibitions, films, dialogues with press reporters, travel of reporters radio and televisions.

Three more departments also working under Information and Public Relations Department

1. Social media section
2. Archive Section
3. Journalist Welfare Department

Organization Set up

Information and Public Relations Directorate is functioning from Rajasthan Secretariat and its agencies are functioning in all the 33 districts of the State and in Delhi, Mumbai and Kolkata. For smooth operation of broadcasting and communication work the directorate has been divided in following sections: -

1. Establishment Section
2. Accounts Section
3. News Section (including E.N.G.)
4. Literature Section
5. Research, Reference and Library Section
6. Press Registration and Inspection Section
7. Regional Communication Section
8. Advertisement Section
9. Computer Section

10. Photo film Section.

Special communication cells are in operation under the control of the department in the Governor House and in the office of the Chief Minister of the state.

Theatre and film library is also operated at the state level information center in Jaipur.

18.13 Water Resources Department, Indira Gandhi Nahar Project, Ground Water Department and Command Area Development

18.13.01 General

In addition to the general checks prescribed in chapter 2 and 4 of this Manual, the instructions given in the succeeding paragraphs should also be observed.

18.13.02 Salient important points to be kept in mind during and after audit.

In the direction of conducting successful audit and bringing out fine results, one should keep in his mind during and after audit following salient important points and make himself well equipped :-

1. (A) He should maintain his own set of books – GF&AR & PWF & AR if the auditee office is a State Govt. Organization, GFR in case of Govt. of India office and Audit-I manual etc.
(B) All group orders/circulars should be kept in a general guard file which should be carried by him in the field audit parties.
(C) Department-wise files should also be maintained wherein there should be department-wise collection of their important orders/circulars/copies of schemes launched by them from time to time and only that relevant file should be carried in field, audit of which have been provided.
2. So far as possible, collect relevant old Inspection Report file from concerned AMG group as it is helpful in many ways like old paras droppers, availability of old TAN etc.
3. In case old IR file has not been taken from AMG concerned section, first take it from auditee institution. The Sr.AO/AAO should just go through **Part III i.e.** old paras irrespective of whether settled or not. Current paras included in **Pt. II (A) & (B)** should also be seen with a view to get an idea of the functioning of the office/department, activities being done/schemes being run, number of paras outstanding etc. He should note from it as to whether the officer-in-charge has taken any pain to settle them.

4. Only after doing exercise as given/suggested in sub-para (3), he should meet the Head of Office and after general introduction, bring out points in his notice and express his concern in the matter and tackle the situation accordingly. He should discuss implementation of schemes/projects also keeping in mind previous position as brought out in the old paras. The Head of Office must get the message that the audit party is comprised of learned auditors.
5. The Sr.AO/AAO should ask for cash book and keep it with him and ask the departmental cashier to count the cash and submit currency note/currency wise details with total duly signed by the authority i.e. DDO etc. Cash needs not be handled by the Audit Party and tally the cash balance as per cash book and details of available cash in chest.
6. First of all, the audit party should take details of annual budget and expenditure from expenditure control register or from monthly expenditure statement being sent every month by the auditee office to its controlling officer/department. From this document the party should select the priority areas/subjects/schemes and have a complete view of the activities taken up in the previous years/still continuing or stopped. Audit strategy should then be prepared to audit the accounts accordingly.
7. Sr.AO/AAO and even all the members of audit party must take round of the premises of the office/laboratories/stores/workshops/Executed work sites etc and discuss with the departmental officer/employee helping the audit party in taking round of the office premises. Many audit observations may come up from this exercise.
8. Then, the core activities/schemes of the department should be analyzed with reference to funds made available, manpower sanctioned/in position and utilized and results derived.
9. Audit party members should sit together after office hours and discuss the points finalized or in pipeline during the day for each others knowledge.
10. The audit memos and the IR finalized by the Sr. AO must be gone through by all party members so as to improve drafting ability. It is in the interest of the individual and the office.
11. The Inspection Reports, after having been issued at AMG group level, must be seen by every member contributing the para in the

IR to see the fate of the para as to whether retained in Pt.II (A) or (B) so that, that particular type of para, if seen in next audit, is not taken in IR. This would help in improving quality audit work.

12. The audit party may be allowed to club – up paras of Pay and allowances/TA/Medical wherein individual recovery is less than Rs.10000/-.
13. Activities/schemes displayed in the auditee office on notice boards for general masses must be seen.
14. The Audit Team may conduct a comprehensive study of the inquiry reports of the inquiry held by the State Government before commencement of the Audit.
15. The copies of the rate contract executed may be sought from the O/o the SE (MM) and it may be looked into whether there was any requirement of the purchased items or not with the Division. If it is found that the items were sought unnecessarily or in excess, the same may be pointed out. The expenditure of audit period incurred against the rate contracts executed by the Department may be analyzed and looked into.
16. The works executed without sanction or excess expenditure against the sanctioned amount may also be pointed out and all the expenditure incurred against the agreements may also be analyzed.
17. The copies of Administrative, Financial and Technical Sanctions issued from time to time may be collected from the concerned office and the executed works may be examined accordingly.
18. A joint physical verification of the selected major/minor works may be conducted with competent authorities of the Department.
19. The Index Sheet Point in respect of the auditee units may be collected from the Headquarters and the same may be looked into accordingly.
20. The Financial Advisor of the WRD, IGNP CAD and GWD has been nominated Convener by the State Government in order to provide requisite assistance to the Audit. Hence his assistance may be sought in obtaining records/information. Despite it, if any hurdle occurs in seeking the requisite records, the same may be brought to the notice of higher authorities immediately.
21. The Audit may be honestly and promptly conducted maintaining quality and integrity and there should not be any deed of the personnel that might bring defame to our office.

22. If any obstacle, interferer and interruption is created in the Audit, the same may be brought to the notice of the local administration and Headquarters without any delay.
23. If the concerned official of the department does not produce any requisite record to the Audit, the same may be brought to the notice of the higher authorities of the department as well as of our office on phone or any means, without any delay.
24. Cashbook should be reviewed and cases of abnormal expenditure may be noted and examined thoroughly.
25. Time extension case register/Hindrance register may be examined to ascertain the delay in execution of work.
26. Cases of price escalation may be examined.
27. Cross checking of expenditure of detailed month with relevant records may be done.
28. Cross verification of supply of material and its utilization on works may be done.
29. Analysis of outcome budget and performance budget.
30. Quantum of test check may be enhanced as per position of expenditure.
31. Review of outstanding paras of old IRs may be conducted and vigorous efforts should be made to settle them after obtaining proper compliance.

18.13.03 Details of Central and State Government instructions issued on various activities, through circulars, notifications and office orders etc. These instructions may be kept in view during audit of the department. These instructions are available in portfolio file of the section.

18.14 Rajasthan State Information Commission (RIC)

RTI stands for Right to Information and has been given the status of a fundamental right under Article 19 (1) of the Constitution. Article 19 (1) under which every citizen has freedom of speech and expression and have the right to know how the government works, what role does it play, what are its functions and so on.

The Right to Information Act, 2005 was came into force on 21st June, 2005. This an Act to provide for setting out the practical regime of right to information for citizens to secure access to information under the control of public authorities in order to promote transparency and accountability in the working of every public authority, the constitution of a Central Information Commission, State Information Commission, for matters connected therewith

and incidental thereto. The revelation of information is actual practice is likely to conflict with other public interests including efficient operations of the Governments, optimum use of limited fiscal resources and preservation of confidentiality of sensitive information.

Right to Information Act empowers every citizen to seek any information, take notes, extracts or certified copies of documents or records and take certified samples of material. The RTI Act extends to the whole of India, all bodies, which come under government notification including NGOs, which are owned, controlled or are substantially financed by the Government.

The Rajasthan State Information Commission (RIC) was constituted on April 18, 2006 under the provisions of section 15 of RTI Act, 2005. The commission is a legal and autonomous body who do not need to get directions from any authority for performing its functions. The State Chief Information Commissioner and as per requirement (maximum 10) State Information Commissioners can be appointed in the commission.

RIC is the final appellate authority with regard to the matters mentioned in RTI Act, 2005. Its decisions shall be final and binding. RIC has also being empowered to receive and enquire into a complaint from a person who has been unable to obtain information from a Public Information Officer (PIO) or no such PIO has been appointed or PIO/Appellate Authority has refused to accept his or her application for information or appeal under this Act. The Rajasthan Information Commission (Management) Regulation, 2007 was framed for management of judicial functions of Regulation Rajasthan State Information Commission. The budget for the commission is issued as Grant in Aid.

The powers and functions are mentioned in section 18, 19, 20 and 25 of the RTI Act, 2005. The commission has powers regarding grievances/complaints, appeal, imposition of penalty, implementation of the RTI Act etc. The main function of the state commission is to dispose off complaints/grievances received from citizens and ensure proper implementation of the Act.

The following points can be reviewed during the course of audit:-

1. Complaints/ grievances received from citizens are readdressed properly and within prescribed period.
2. Penalty is imposed as per provisions of the RTI Act, 2005.
3. Penalties are got deposited after imposition by the commission.
4. To ensure that nobody is given incomplete, misleading or false information under this Act.

5. The implementation of RTI Act is being done and provisions of such act followed properly by concerned public information authorities/officers.

18.15 Sainik Kalyan Vibhag

18.15.01 The Sainik Kalyan Vibhag came into existence in the year 1950 with name of Rajasthan Soliders, Sailors and Airmen Board and renamed as Sainik Kalyan Vibhag with effect from 1994.

18.15.02 Main activities/ functions

The department of Sainik Kalyan in the state is an Apex body concerned with all matters pertaining to the welfare and resettlement of ex-servicemen and make an effective role in liaisoning with between the centre and State Government for implementing various policy of the Ministry of Defence. The responsibilities of the Department encompasses all matters pertaining to employment, self-employment training and welfare of ex-servicemen and their dependents.

➤ Employment and Self Employment

- (a) To maintain close and effective liaison for the purpose of resettlement and maximizing employment of ex-servicemen with the department of Industries and Commerce, Employment Exchange, Bureau of Public Enterprises, Banking Organisations, Government establishments and private bodies.
- (b) To formation of ex-servicemen corporations and assistance of ex-servicemen co-operatives and associations in their self-employment ventures.
- (c) To review the implementation of reservations of jobs for ex-servicemen in Central and State Government/ UTs and their undertakings and take necessary steps to advise them to make up the short fall.
- (d) To monitor implementations of various resettlement schemes for self-employment.

➤ Training

- (a) To formulate policies for training of ex-servicemen and monitor the training activities conducted through State sponsored training courses.
- (b) To liaison with various entrepreneurial development agencies and departments for conducting programmes of ex-servicemen and their dependents and drawing up annual schedules thereof.
- (c) To provide budgetary support for conduct of training and periodically review of progress.

➤ Welfare

Liaison with various department of central and state government /UTs as well as local services HQs on all matters concerning welfare of ex-servicemen and families of serving/ deceased personnel of the Armed Forces including co-ordination of all welfare activities conducted by various agencies.

18.15.03 The field parties should assess the following points that :

- (i) Whether Budget/ grants were received timely and all grants are distributed as per the terms and conditions laid down in the sanctions issued by the Central and State Government.
- (ii) Whether funds received for various construction works were utilised for intended purposes and utilisation certificates were received.
- (iii) Whether targets were achieved and any deficiencies noticed in implementation of grants.
- (iv) Whether there was an effective system of financial management, internal control and monitoring.
- (v) Whether procurement was done as per the Rajasthan Transparency and procurement Act, 2012 and Rule, 2013.

18.16 Tribal Area Development Department

18.16.01 The Tribal Area Development (TAD) Department was established in the year 1975 for the overall development of the tribal community in Rajasthan. The administrative control of Department vests with the Additional Chief Secretary and the formulation, implementation and monitoring of tribal development plans are executed by Commissioner, Tribal Regional Development Department, Udaipur.

18.16.02 Objectives:

- (i) All over development of scheduled area;
- (ii) Economic, Social, Cultural and Intellectual Development of population of the scheduled tribes of the Tribal Area;
- (iii) Formulation, implementation and monitoring of various schemes of tribal development;
- (iv) To bring the level of administration in tribal dominated areas at par with other areas and to upgrade the standard of living of the tribal class.

18.16.03 Following schemes are running in the department:

- (i) Sports Instructor/ Yoga/ Sports Management Course from reputed institute for scheduled area tribe boys/ girls;
- (ii) Operation of Ashram Hostels;
- (iii) Residential school operation plan;
- (iv) Eklavya model residential public school operation plan;
- (v) Operation of sports hostels and sports academies;
- (vi) Special coaching scheme in Ashram Hostels;
- (vii) Running college hostels;
- (viii) Operation of multipurpose hostels;
- (ix) Educational tour plan for the students of Ashram hostels;
- (x) Student house rent scheme (only for government college/ university students);

- (xi) Scholarship to meritorious students who have passed first class in board and university exams;
- (xii) Financial assistance to tribal girl students for higher education (for girl students of private and government college level);
- (xiii) Financial assistance to tribal girl students for higher secondary education;
- (xiv) Study plan for the selected students from class 6 to 12 of the tribe through reputed schools/ institutions;
- (xv) Free scooty distribution scheme;
- (xvi) Drinking water scheme;
- (xvii) Construction of additional rooms in government educational institutions;
- (xviii) Development of sports facilities;
- (xix) Renovation and development of important historical, cultural and religious places of tribal people;
- (xx) Construction and restoration of water storage structures (anicuts) and
- (xxi) Solar energy powered pumps and providing assistance for EPS and agriculture electric connections

18.16.04 The field parties should assess the following points that :

- (i) To what extent the audit entity was ensuring compliance with the provisions of scheme guidelines and circulars/ orders issued by the Government while implementation of the schemes?
- (ii) To what extent the audit entity was ensuring compliance with the provisions of General Financial & Accounts Rules and the scheme guidelines for effective financial management?
- (iii) To what extent the audit entity was ensuring effective utilisation of financial assistance for the intended purpose?
- (iv) To what extent the audit entity has ensured about operation of multipurpose hostels, special coaching schemes in Ashram hostels and running college hostels?
- (v) To what extent the audit entity has made effective efforts to distribute of financial assistance to tribal girl students for higher education etc.?
- (vi) To what extent the audit entity has ensured for effective Store and Inventory Management System?
- (vii) To what extent the audit entity has ensured periodical inspection of works carried out under various schemes?
- (viii) To what extent the department was monitoring the implementation of various schemes under its control?

SECTION-III
Local audit of Pension Payments, Direct and Indirect Taxes & Other
Transactions
(Including Banks etc.)

CHAPTER 19
Local audit of pension payments, Direct and Indirect Taxes and other
transaction including specified transaction in the State Bank of India, its
subsidiary Banks and other Public Sector Banks

19.01 General

The local audit inspection of the State Bank of India/its subsidiaries and public sector Banks covers the check/audit of the following items/transactions:

-
- (i) Checking of Direct or Indirect taxes relating to Income Tax, Central Excise, Customs etc. in the branches of State Bank of India, its subsidiaries and other Public Sector Banks.
- (ii) Pension Payments Central/ Defence, Railway & State at the State Bank of India/its subsidiaries and public Sector Banks.
- (iii) Annuity Deposits Scheme, 1964
- (iv) Public Provident Fund Accounts.
- (v) Self Employment Scheme for educated Unemployed Youth (P.M. Rojgar Yojna)
- (vi) Deposit Scheme for Retiring Government Employees, 1989.
- (vii) Parliamentary Pension to Ex. M.P's.

The description of the transaction as also the kind and quantum of audit in each case are dealt with in paragraphs following: -

19.02 Audit of Receipts of Direct and Indirect Taxes at the Branches of the State Bank of India, its subsidiaries and other Banks in the Public Sector

The Government of India, introduced a scheme for receipt of income tax & other taxes (with effect from 1.4.1976) and a scheme for receipt of central excise and other direct indirect taxes (with effect from 1.4.1979) by nominated Public Sector Banks in addition to the Reserve Bank of India/State Bank of India. Extracts from copies of the Memorandum of instructions issued by the Reserve Bank of India in this regards are given in Annexure I and II to this chapter.

Following procedure may be followed for audit of these transactions in the link branches of the Public Sector Banks: -

- (i) The Revenue Audit parties will continue to conduct the test check of collection of revenues, refunds and classification of taxes etc, in accordance with the instructions issued from time to time. The Inspection Audit parties will conduct test check of the records maintained by the designated main branches of the banks mentioned in

para 19 of the Memorandum of Instructions (Direct Taxes) and in para 40 of the Memorandum of Instructions (Indirect Taxes) issued by the Reserve Bank of India, to ensure that the taxes received by the banks have, according to the scrolls maintained in the designated main branches been actually remitted to the Reserve Bank of India for credit to Government account. It is not necessary to audit the records of the receiving branches of the banks but if any suspicion arises in any case, the credit may be traced in the records by reference to the Reserve Bank of India/State Bank of India concerned.

- (ii) Transaction (as per percentage prescribed for each month) may be checked during audit of the designated branches of the Public Sector Banks.

[Central Office letter No. 2039/T.A. II/73-76, dated 4.1.1978 and No. 2508/T.A. II/194-78 dated 27.12.1978]

NOTE: - The Inspection parties visiting the branches of the Public Sector Banks (including State Bank of India and its subsidiaries) in connection with the audit of Public Provident Fund Accounts, Special Deposit Accounts and Pension payments should also be entrusted, as far as possible, with audit of the accounts of these banks transacting Government business so as to avoid multiple visits to the bank.

[Authority: CAG's letter No. 349-T.A. I/222-78 dated 24.4.1979.]

19.03 Audit of pension payment in the Public Sector Banks

(I) The audit of pension payments made by the branches of Public Sector Banks is required to be conducted once in three year. At the time of visit of audit parties to the various branches/link branches, the following items of work as may have been dealt with by the branches concerned are to be subjected to audit scrutiny and separate parts of Inspection Reports are to be drafted for each items of work.

Presently payment of pension are being done through the following seven nationalized Banks in the Rajasthan: -

1. State Bank of India
2. Punjab National Bank
3. United Commercial Bank
4. Bank of Baroda
5. Central Bank of India
6. Union Bank of India

[Authority: Director Treasury and Accounts letter No. A 5(Tha-18) Try/Pen/9190 dt. 15.9.03]

The Inspection Report is now divisible in the following five parts

(A) Defence Pension	(B) Railway Pension
(C) Central Pension	(E) Tele-communication
(F) State Pension	Pension

(II) While conducting the local audit of pension payment the parties may examine the accounts procedure which is being followed by Banks and following points be examined specifically and to ensure that: -

- (1) Pension is credited to the accounts held individually by pensioner and not any Joint account/survivors accounts.
- (2) Amount of pension credited is in accordance with rate and other instructions prescribed in pension payment order and further communication received from time to time regarding increase/revision of pension.
- (3) Relief on pension/dearness allowance on pension is correctly paid in accordance with orders issued from time to time.
- (4) In the case of State pensioners, relief on pension/dearness allowance was not paid on pension in case of pensioners re-employed in State Government/Central Government undertaking of State or Central Government/Autonomous body.
- (5) In the case of Defence pensioners, OTI has been paid to reemployed pension in accordance with the instruction issued in this regard. No OTI has been paid during the period of re-employment.
- (6) Dearness allowance and Adhoc relief has been paid on total of two pensions drawing by the pensioners instead of payment of DA and AR on each pension separately.
- (7) In the case of pensioners, who has got commuted a part of their pension; reduced amount of pension has been given effect as per instructions given in the pension payment order/commutation payment order.
- (8) Fixation of pension/family pension has been done properly during revision of pension in 1986, 1996, 2006 and 2016 in the case of Defense/Central and Railway pensioners.
- (9) Fixation of pension/family pension has been done properly during revision of pension in 9/86, 11/89 and 1/97 in the case of Rajasthan State Pensioners.
- (10) Family pension is paid after the receipt of certificate of death of the pensioner and identification of the spouse on the basis of joint photograph etc.
- (11) A higher rate of family pension is admissible if the deceased employee/pensioner had rendered not less than seven years continuous service. It is payable from the date following the date of employee's/pensioner's death for a period of seven years or for a period up to the date on which he/she would have attained 65 years (67 years if his age of superannuation is 60 years) had he/she survived, whichever is less. It should be ensured that reduced rate of family pension is given effect from the date as given in P.P.O. correctly.
- (12) In the case of Defence pensioners disability element has not been paid after specified period as given in P.P.O as extension orders issued in this regard.
- (13) Cases of OTI from 1/92 in respect of Defence pensioners be examined that fixation has been done properly.

- (14) The pension payment has not continued to Ex MP and Ex MLA after reelection.
- (15) Income tax wherever due is recovered from the pension and remitted to the Income Tax Department.

[Authority: Head Office letter No 466 dt. 3.5.05]

As a result of above reasons the excess payment is being made by Banks. Necessary recovery of excess payment if any be made after being incorporated such cases in the Inspection Report. Information on following points may also be collected by party in- charge: -

- (1) how the recovery is being made by banks in respect of excess payment;
- (2) in the inspection report the procedure for exhibition of net pension payment after being adjustment of previous excess payment of pension may be highlighted. How the recovery is being exhibited in the Government Accounts;
- (3) how the bank accounted for the cases of excess recovery and exhibited its deposit in Government accounts. The party should collect the copies of such documents so that proper review of the position be done;
- (4) party may also mention separately in the Inspection Report the cases of recovery pending in the Bank;
- (5) the party should also mention in the Inspection Report the manner by which the payment of banks verified by the Treasury Officer;
- (6) comments in regard to the pension payment made by the public sector banks and its certification by Treasury Officers be highlighted in the Inspection Report;
- (7) the detailed reasons for non-effecting the complete recovery of excess payment may be exhibited separately;
- (8) a register in the prescribed form will be maintained by the Treasury for entries of pension payments made by the banks and entries in the Register will be verified on receipt of bank scroll but it was observed that this register is not being maintained. As a result of this the Treasury Officer is not in a position to exercise its control;
- (9) as per pension payment scheme every pensioner should produce a life certificate in month of November but it was observed that this certificate is not being obtained by the Banks and as a result of this, pension is being regularly credited in the Bank Accounts of deceased pensioners. The audit party will have to give the suitable comments in this regard;
- (10) every Bank while making payment of pension should invariably make entry in the Pension payment Register, but it was noticed that as a result of preparation of Bank scroll from 1990 and onwards the relevant entry is not being made. Consequently it is difficult to ascertain the fact that how much amount has been paid to the pensioner. Suitable comment to be made in this regard;

- (11) fixation/revised statement of pay commission should be attached in respect of Central/ Railway and Defence pensioners and entry of revised pension should be certified by the Bank Manager. The party should examine and comments given in the Inspection Report;
- (12) it was observed that two pensions are being drawn by two banks and as a result of this difficulties are being experienced in pension fixation and also cases of excess payment of DA/ADA has been noticed. It should be ensured that both pensions should be drawn by one bank;
- (13) on receipt of PPO in the Bank an entry in the Register should be made and thereafter should be forwarded for payment in the concerned branch. The branch should make an entry in the register maintained for this purpose and on this basis the Pension scroll should be prepared. It was observed that bank scroll of every month was prepared on the basis of bank scroll of previous month and not compared with original PPO. Similarly the scroll for payment received by link branch are not compared with PPO Register maintained for this purpose. Suitable comments be given in the I.R.

(Authority: - G.O. I.C. I /470 dated 22.8.97)

19.04 Annuity Deposit Scheme, 1964

- (1) Details of Scheme-Under this Scheme annuities are purchased by Income Tax assesses from any branch of the State Bank of India, whether conducting Government business or not or from the Reserve Bank of India, and are repaid in ten equal installments. Receipts arising in branches not transacting Government business are transferred to the authorised branch.
- (2) Branches to be visited-It would be sufficient if the audit is conducted in the Branches of State Bank of India/its subsidiaries, which are selected for the check as the Public Sector Bank.
- (3) Scope and quantum of audit-The receipts in form 4 should be traced into the daily cash scroll and into the register of deposits received (form ADC 2). All payments of annuities as entered in the register of daily payments (Form ADC-13) should be traced into the Register of Annuity Deposit Certificates to ensure that double payments are not made.

The extent of transactions to be checked is given in the Manual of subsidiary instructions regarding the extent of audit.

- (4) Inspections Report-The irregularities should be shown separately in the Inspection Report on the check of return relating to the cost of conducting Government business. The I.R. for the scheme is to be issued to the Agent of the Bank concerned with copy to the Ministry of Finance (Deptt. of Economic Affairs).

19.05 The Public Provident Fund Scheme

The Public Provident Fund Scheme is a statutory scheme of the Central Government framed under the provisions of the Public Provident Fund Act, 1968. The account can be opened in any branch of the State Bank of India and its subsidiaries or in any Head Post Office or any Selection Grade sub post office. An individual can open a Public Provident Fund Account in his own name. He can subscribe any amount in multiples of Rs.5 of not less than Rs.100 and not more than Rs. 70,000 in a year in his account. Those having General Provident Fund or Employee's Provident Fund account can also open a Public Provident Fund account. Only one account be opened by an individual in one name either in the Head Post Office or in the state Bank or in the nationalised bank. The subscriptions can be deposited in lump sum or in convenient installments. Not more than 12 installments can be deposited in a year. The account can be transferred at the request of the subscriber from one post office to another. The account can be closed on maturity i.e. after the expiry of 15 years from the close of the financial year in which the initial subscription was made. A subscriber can take a loan from the fund in case of need. A subscriber can make one withdrawal after the expiry of five years from the end of the year, in which the initial subscription was made. A subscriber can take a loan any time after the expiry of one year from the end of the year in which the initial subscription was made. A subscriber may nominate one or more persons to receive the amount standing to his credit in the event of his death. The interest credited to the fund is totally exempt from income tax. The PPF account is not transferable from one person to another.

Amendment

The Public Provident Fund Scheme 2019 (Government Notification dated 12.12.2019)

The Government recently notified new rules for public provident or PPF accounts for the benefit of account holders. PPF is one of the most popular small savings schemes and it offers a guaranteed return. PPF accounts have a maturity period of 15 years and the Government announces interest rates for each quarter. For the current quarter, PPF fetches interest rate of 7.9% per annum. Interest is calculated for a calendar month on the lowest balance at the credit of an account between the close of the fifth day and the end of the month. Interest is credited to the account at the end of each year.

New PPF rules explained in 5 points:

(1) According to new PPF deposit rules, an account holder can make deposits in multiples of 50 any number of times in a financial year, with a maximum of a combined deposit of Rs.1.5 lakh a year. Earlier, a maximum of 12 deposits were permitted in a period of 1 year.

(2) The Government allows premature closure of PPF account only under specific circumstances only after five years after account opening. Under current rules, premature closure is allowed for (i) treatment of life threatening disease of the account holder, his spouse or dependent children or parents, on production of supporting documents and medical reports confirming such disease from treating medical authority and (ii) higher education of the account holder, or dependent children on production of documents and fee bills in confirmation of admission in a recognized institute of higher education in India or abroad. Now, the Government has added one more criteria for premature closure of PPF account: On change in residency status of the account holder on production of copy of passport and visa or income tax return.

It is to be noted that in case of premature closure of PPF accounts, the account holder gets 1% lower interest than the rate at which interest has been credited to the account.

(3) An account holder can take loans from PPF accounts. Under the new rules, the rates at which the account holder can borrow from his account has been reduced to 1% above the prevailing PPF interest rate, from 2% earlier. In case of death of the account holder, the nominee or legal heir shall be liable to pay interest on the loan availed by the account holder but not repaid before his death. Such amount of due interest shall be adjusted at the time of final closure of the account.

(4) In addition, the Department of Post, through a notification dated December 2, has allowed deposit of post office savings account cheque of any amount into your PPF account, subject to overall limit, at any non-home post office branch. The earlier limit was Rs.25000. The same rule applies for post office recurring deposit, PPF and Sukanya Samriddhi accounts.

(5) “All POSB cheques issued by any CBS Post Office, if presented at any CBS Post Office should be treated as at par cheques and should not be sent for clearing. POSB cheque can be accepted at other SOLs or service outlets (Without restriction of amount, for credit in POSB/RD/PPF/SSA accounts, subject to the limits, if any, prescribed in the scheme,” says the notification.

19.06 Deposit scheme for Retiring Government Employees, 1989

Saving Scheme for the benefit of retired/retiring Central or State Government employees will be launched by Government of India with effect from 1st July 1989. The retired/retiring Central or State Government employees who wish to join the scheme will open an account with selected branch of State Bank of India/Associate bank/Nationalised banks specially designated under the scheme. The following funds will be eligible for depositing into the account: -

- (1) Balance at the credit in any of the Government Provident Funds;
- (2) Retirement/Superannuation Funds;
- (3) Retirement/Superannuation Gratuity;
- (4) Commuted value of Pension;
- (5) Cash equivalent of leave;
- (6) Savings element of Government Insurance Scheme payable to the employee on retirement.

Any depositor may open an account with any designated accounts office within 6 months from the date of receiving the retirement benefits or upto 31st December 1989 depositing the amount not exceeding the total retirement benefits. Where the amount of deposit does not exceed Rs. 5 lakhs, an affidavit on stamped paper signed by the depositor indicating the amount of retirement benefits received by him shall be accepted in lieu of a certificate from the employer.

All deposits made in accordance with this scheme shall carry interest at the rate of 9% per annum from the date of the respective deposit. No withdrawal can be made by the depositor during the first year from the date of the last deposit. Where depositor makes a withdrawal of any amount after expiry of one year but before expiry of three years from the date of last deposit, the interest on amount withdraw will be payable at the rate of 4% from date (s) of deposit upto the date of withdrawal, interest at 9% if already paid being adjusted at the time of withdrawal. The account may be closed by the depositor on or after the expiry of three years from the date of initial deposit or last deposit.

19.07 (A) Parliamentary Pension to Ex-M. P.'s

1. In section 8A of the principal Act, for sub-sections (1) and (1A), the following sub-sections shall be substituted, namely: -
 - (1) With effect from the commencement of the Salary, Allowances and Pension of Members of Parliament (Amendment) Act, 2003, there shall be paid a pension of three thousand rupees per mensem to every person who served for any period, as a member of the Provisional Parliament or either House of Parliament:

Provided that where any person has served as a member of the Provisional Parliament or either House of Parliament for a period exceeding five years, there shall be paid to him an additional pension of six hundred rupees per mensem for every year in excess of five years.

Explanation: - For the purpose of this sub-section, "Provisional Parliament" shall include the body which function as the Constituent Assembly of the Dominion of India immediately before the commencement of the Constitution

(1A) With effect from the commencement of the Salary, Allowances and Pension of Members of Parliament (Amendment) Act, 2003, there shall be paid a pension of rupees one thousand and five hundred per mensem, to spouse, if

any, or dependent of any member who dies during his term of office as such member, for a period of five years from the date of his death.

*Explanation :-*For the removal of doubts, it is hereby declared that the spouse or the dependent of the member referred to in this sub-section shall be entitled to receive the family pension even if the member has died on or before the commencement of the Salary, Allowances and Pension of Members of Parliament (Amendment) Act,2003.

(2) Where any person entitled to pension under sub-section (1): -

(i) is elected to the office of the President or Vice-President or is appointed to the office of the Governor of any State or the Administrator of any Union Territory; or

(ii) becomes a member of the Council of States or the House of the People or any Legislative Assembly of a State or Union Territory or any Legislative Council of a State or the Metropolitan Council of Delhi constituted under section 3 of the Delhi Administration Act,1966; or

(iii) is employed on a salary under the Central Government or any State Government or any corporation owned or controlled by the Central Government or any State Government, or any local authority or becomes otherwise entitled to any remuneration from such Government, corporation or local authority;

such person shall not be entitled to any pension under sub-section (1) for the period during which he continues to hold such office or as such member, or is so employed or continued to be entitled to such remuneration.

Provided that where the salary payable to such person for holding such office or being such member or so employed, or where the remuneration referred to in clause (iii) payable to such person, is, in either case, less than the pension payable to him under sub-section (1), such person shall be entitled only to receive the balance as pension under that sub-section.

18b[(3) Where any person entitled to pension under sub-section (i) is also entitled to any other pension, such person shall be entitled to receive the pension under sub-section (1) in addition to such other pension.]

(4) In computing the number of years, for the purpose of sub-section (1), the period during which a person has served as a Minister as defined in Salaries and Allowances of Minister Act, 1952 or as an Officer of Parliament as defined in the Salaries and Allowances of Officers of Parliament act, 1953, (other than the Chairman of the Council of States), or 19[as a leader of the opposition as defined in the Salary and Allowances of leader of opposition in

Parliament Act, 1977, or has served in all or any two of such capacities] by virtue of his membership in the House of the People or in the Council of States, shall also be taken into account.

(5) Rounding off period of pension--Where the period for which the pension is payable under this Act contain part of a year, then, if such part is nine months or more, it shall be reckoned equivalent to complete one year for purpose of payment of additional pension under sub-section (1) of section 8A and if such part is less than nine months it shall be ignored.

Revision of Pension of ex-members of Lok Sabha

LOK SABHA SECRETARIAT

NOTICE OF INFORMATION

Dated : 7.8.2018

REVISION OF PENSION OF EX-MEMBERS OF LOK SABHA

The Ministry of Law & Justice (Legislative Department) vide Notification No.17 of 2018 have notified the Finance Act, 2018 wherein Part V at Sl.No.141 to 145 (page No.48) carried out amendments to the Salary, Allowances and Pension of Members of Parliament Act, 1954.

2 The following amendments have been made with regard to pension provided to Ex-Members of Parliament; with effect from 1 April, 2018:-

144. In the principal Act, in section 8A, in sub-section (1), -

- a) for the words “twenty thousand rupees” the words “twenty five thousand rupees” shall be substituted;
- b) in the proviso, for the words “fifteen hundred rupees”, the words “two thousand rupees” shall be substituted;
- c) after the proviso, the following sub-section shall be inserted, namely :-

“(1A) The pension and additional pension to every person shall be increased after every five years commencing from 1st April, 2023 on

the basis of Cost Inflation Index provided under clause (v) of Explanation to section 48 of the Income –tax Act,1961”

145. In the principal Act, in section 8AC, in sub-section (2), the words, brackets and figures “before the commencement of the Salary, Allowances and Pension of Members of Parliament (Amendment) Act, 2006” shall be omitted and shall be deemed to have been omitted with effect from the 15th day of September, 2006.

3. Accordingly, Ex-Members of Lok Sabha are hereby informed that pension of Ex-MPs has been enhanced w.e.f. 1st April, 2018 from Rs.20,000/- to Rs.25,000/- per mensem and for a period exceeding five years, there shall be paid to an Ex-MP an additional pension of Rs.2000/- per mensem for every year served in excess of five years. To get the revised pension, Ex-MPs are required to fill-in application for revision of pension and a declaration form in accordance with the recent amendment in the Salary, Allowances and Pension of Members of Parliament Act, 1954 (also uploaded on Lok Sabha Website).

ANNEXURE-I

(Referred in para 19.02)

Extract of paras No. 17 & 19 Memorandum of instructions issued by the Reserve Bank of India regarding the receipts of income and other direct taxes from citizens at branches of the State Bank of India, its subsidiaries and other banks in the Public Sector on behalf of the Central Government.

Para No.17 The cash, cheque or draft will be accounted for as follows: -

- (a) On the receipt of cash or after the realisation of the proceeds of the cheque or draft, all the part of the challans will be branded with a suitable receipt stamp showing the names of the bank and the branch and the centre and will also be signed in full by an authorised official in token of having received the amount. Care must be taken to insure that impression of the receipt stamp containing the name of the bank and its branch is legible. Otherwise, there may be problems, particularly in the Income Tax Department later on in linking the receipts on cash by a particular branch of the bank. Running serial number will be given for all the challans on each day. So far as any individual challan is concerned, all parts of the challans will simultaneously be numbered on the right hand top corner.
- (b) The receiving branch will issue a metal token, if possible, or at least a paper token to the assessee on surrender of which one receipted part of the challan will be issued to the assessee. Where the challan has four parts, the assessee will be supplied two receipted parts instead of one.
- (c) The receiving branch will prepare a scroll in quadruplicate in the form a separate scroll being prepared for each type of direct tax indicated in paragraph-13. There will, however, be only one scroll for each type of direct taxes for each branch even though there may be more scroll for purposes of identification will be the same as number noted on the copies of the challan. The scroll will be totaled after the close of the business every day by the receiving branch concerned and the books of the branch will be balanced for the day, with reference to the totals of the day's scroll and the other transactions of the branch. A running serial number extending to a financial year should be given on each scroll separate running number being given for every type of direct tax. The numerical serial number should be prefixed by the following abbreviations of each type of Direct Tax.

Name of Direct Tax	Abbreviations to be pre-fixed to the numerical No. On the scrolls
Corporation tax	C.T.
Income Tax	I.T.
Interest Tax	Int. T.

Estate Duty	E.D.
Wealth Tax	W.T.
Gift Tax	G.T.

A similar running serial number should also be given on the forwarding letter.

- (d) At the beginning of the next working day, the receiving branch will forward three copies of the scroll, one without accompanying challans and the other two with one set out of the remaining parts of each challan attached to each of the two scrolls in the serial order in which they appear on the scrolls, to the designated main branch of its bank at the same centre. The receiving branch will also transfer total amount indicated in the scroll through the usual inter-branch account procedure of the bank concerned. The fourth copy of the scroll will be retained by the branch for its own record. If the receiving branch is itself the main branch or the only branch at the Centre, the provisions of sub paragraph(s) below will apply.
- (e) On receipt from the other branches of the three copies of the scroll and the two sets of copies of the challans attached to two copies of the scrolls the designated main branch of the concerned bank shall:-
 - (i) ascertain whether the amount of the remittance sent to and received by it tallies with the deposits made by the assesseees as per the challans,
 - (ii) consolidate one copy of the scrolls for the day received from all the branches including the main branch, without the challans by stitched copy for its record,
 - (iii) consolidate and stitch the two remaining copies of the scrolls and challans received from all the branches including the main branch, ensure that they are in serial order and forward the stitched copies to the office of the Reserve Bank of India, or the State Bank of India or its subsidiary conducting Government treasury business as the case may be at that centre, together with a forwarding letter in triplicate in the form set out in Annexure (II) and a cheque or draft for the total amounts collected as indicated is to relevant scrolls.
- (f) The Reserve Bank or State Bank branch or its subsidiary conducting Government treasury business at the centre concerned shall on receipt of such scrolls along with the forwarding letter in triplicate: -
 - (i) acknowledge receipt on the triplicate copy of the forwarding letter;
 - (ii) scrutinise the scrolls with the challans and verify that the total amount remitted by concerned branches of the Public Sector bank tallies with the sum total of the amounts entered in the scrolls and challans;

- (iii) stamp each of the two parts of the challans credited to Government account with its date stamp;
- (iv) include the transaction in its daily main scroll and forward one set of scrolls (including a copy of the main scroll) together with the challans to the Pay and Accounts Officer or the treasury or sub treasury officer or any other officer performing the duties of treasury and sub treasury officer and another set of the scrolls (including a copy of the main scroll) together with the challans marked 'Original' and intended for the Income Tax Department and copies of the forwarding letters of public sector banks to the designated officer in the income tax department.
- (g) It should ensure that at the various stages by the branches of the public sector banks, their link branches and the Reserve Bank/ State Bank branches conducting Government business that no challans is misplaced because under Rules 92 and 431 of the Central Government Compilation of the Treasury Rules. Vol. I challan with Bank's acknowledgement of the receipt of money is the primary evidence of payment of tax.
- (h) In the matter of receiving Government moneys the banks should generally follow the relevant provisions of the Central Government Compilation of the Treasury Rules.

Para No.18 Copies of the stitched scrolls without the challans, but together with the third copy of the forwarding letters under which the two remaining copies of scrolls and challans are sent to the agency bank will be preserved by the designated main branches of all receiving banks, for scrutiny by the officers of the Income Tax department and the Comptroller and Auditor General of India, until the expiry of such a period as may be indicated by the Reserve Bank, in consultation with the Central Government.

ANNEXURE-II

(Referred in para 19.02)

Extract of para No. 40 and 41 Memorandum of instructions issued by Reserve Bank of India for collection of Central Excise, Customs and other dues and payment of refunds etc. in the formations under the Central Board of Excise and Customs.

Para No. (40) Copies of the stitched scrolls without challans, but together with the copies of the forwarding letters under which the remaining copies of scrolls and challans are sent to the Focal point bank will be preserved by the link branches of all receiving banks, for scrutiny by the officers of the Central Board of Excise and Customs and the Comptroller and Auditor General of India, until the expiry of such period as may be indicated by the Reserve Bank, in consultation with the Central Government.

Para No. (41) With a view to ensure that the amounts received on account of payments of taxes are promptly passed on to the Central Government accounts the officers of the Reserve Bank will from time to time inspect the records of the public sector banks. This inspection of the branches concerned in the usual course by the Department of Banking Operations and Development.

SECTION IV - OTHER INSTITUTIONS

CHAPTER 20

LOCAL AUDIT OF PENSION ETC. IN THE OFFICE OF DIRECTOR PENSION, RAJASTHAN

20.01 Introductory

The work relating to certification/report/issue of Pension Payment Order/Gratuity Payment Order to the State Government employees (including All India Services Officer seconded to Rajasthan Cadre) and High Court Judges, etc. has been taken over by the State Government with effect from 1st December 1979. This work is now being dealt with in the office of the Director Pension, Rajasthan, Jaipur with effect from the aforesaid date.

(Authority: Government of Rajasthan, Finance Department Order No. F. 14(23) F. D. Gr.III/76 dated 17.9.1979)

Rajasthan Civil Services (Pension) Rules 1996 have been made Inapplicable on government servants appointed in civil services of the State on or after 1.1.2004. In compliance with the government's decision, a contributory pension scheme is being introduced for those State Government employees who are appointed in civil services of the state on or after 1.1.2004.

It has been decided by the State Government that pending regular final arrangements, regarding record keeping the Director of State Insurance and Provident Fund will maintain the records for the above scheme.

(Authority: Government of Rajasthan, Finance Department (Rules Division's Memo No F13 (1) FD/Rules/2003 dated 28.1.2004)

Authority: Government of Rajasthan, Finance Department (Rules Division's Memo No F13 (1) FD/Rules/2003 dated 27.3.2004)

20.02 (A) The work done by the Director Pension of the State Government mainly consists of: -

- (i) Certification of service of the applicants for Pension.
- (ii) Scrutiny of claim for Pension, Family Pension, Death-cum-Retirement Gratuity and commutation of Pension claims.
- (iii) Issue of Pension Payment orders/Gratuity Payment Orders and correspondence relating to pension cases and authorisation for commutation value of pension.
- (iv) Authorisation of political pensions.
- (v) Authorisation of Medal Allowances etc.
- (vi) Authorisation of Jagir and erstwhile State Pensions.
- (vii) Authorisation of Tonk Khandan Pensions.
- (viii) Disposal of complaint received from Public Grievance Department.
- (ix) Disposal of Court cases.
- (x) Receipt of leave salary and Pension of State employees posted on deputation in Boards, Autonomous Bodies, Private institutions.

- (xi) Constitution of pension court in Directorate for disputed pension cases.
- (xii) Constitution of pension authorisation cell in respect of work done manually.
- (xiii) Pension cases and other related matters of officers of All India Services of Rajasthan State Cadre
- (xiv) Authorisation of Pension to Freedom Fighters
- (xv) Pension cases of Chairman and members of Rajasthan Public Service Commission.
- (xvi) Pension cases of employees retired from Nagar Palikas/Nagar Parishads, Zila Parishad Sewa and Department of Town Planning.
- (xvii) Revalidation of time barred cases of Gratuity and Pension.
- (xviii) Cases of recovery of Pension contribution.
- (xix) Other matters relating to Pension.

(Authority: Director of Pension, Rajasthan, Jaipur letter No. P.5. (224) Director of Pension/Rules/99/Part/15-H dated 4.1.2001)

(B) In the process of decentralisation of the department, Zonal offices have been established in different phases. Zonal offices have been established in Jodhpur and Udaipur (1993-94), Kota and Bikaner (1994-95) Ajmer (1995-96) and in Bharatpur (2014-15). Disposal of pension cases of Gazetted officers have also been started w.e.f 1.5.95. All works relating to pension are being done in Zonal offices.

(Authority: Progress report/Administrative report of Director Pension and pensioners welfare Deptt. for the year 2002-03)

20.03 Extent and scope of Audit

20.03.01 General Principles and Process of audit as contained in chapter 6 of Section III of M.S.O. (Audit) and chapter 4 of this Manual and other rules and orders as contained in relevant service rules, codes and manual will apply.

20.03.02 The audit of pension consists in verifying that the qualifying conditions governing the grant of pension are fulfilled and that the amount of pension sanctioned and drawn is correct. The term 'Pension' used in this chapter includes gratuity.

(Para 3.6.1 and 3.6.2 of chapter 6 section III of MSO, Audit) Para 3.6.4 (V) of C&AG's MSO (Audit) II Ed. 2002)

20.03.03 The qualifying service and amount of pension, death-cum-retirement gratuity family pension and commutation of pension may be checked as per service rules applicable on the date of retirement of pensioners. The qualifying/non-qualifying service rendered in particular office for pension is determined by the rules which were in force at the time when such services were rendered.

Note 1: - The rules and orders relating to the retirement benefits to the persons belonging to the all India Services viz., the I.A.S., I.P.S., I.F.S. etc. are contained in the All India Services (Death-cum-Retirement Benefits) Rules,

1958 as amended from time to time and should be observed in verifying the qualifying service and amount of pension etc.

Note 2: - The cases of High Court Judges are governed by the High Court Judges (Conditions of Service) Act, 1954 as amended from time to time and should be observed in verifying the qualifying service and for determination of pension/gratuity etc.

20.04 Quantum of Audit

20.04.01 It has been decided that check of pension verification cases including commutation of pension cases should be conducted annually 10% in the office of the Director/Deputy Director of pension.

Time for checking of selected pension cases has been allowed as 45 minute per pension case.

(Authority: - I.C.I/N-21011/77/2000-01/ G.O. No. 502 dated 8.9.2000.

20.04.02 Each member of the party should completely verify and check the pension verification and commutation of pension cases including the check of the amounts notified in P. P.O. /G. P.O.

20.04.03 The Audit Officer supervising the audit may review the following: -

- (a) Old cases relating to the All India Services Officers viz. I.A.S., I.P.S., I.F.S., Officers/Head of Departments, High Court Judges and other High dignatories, viz. Chairman and Member of Public Service Commission/Revenue Board and Lokayukt etc.
- (b) In addition he should review the pension cases checked by the A.A.O.(s), Sr. Auditors(s) and Auditors to the extent required as per Local Memorandum of Secret Instructions. He should also check the cases not checked by the A.A.O.(s) as required in the Local Memorandum of Secret Instructions. In all, the quantum of review should include prescribed percentage of cases checked by the field party excluding pension cases checked in respect of Officers of All India Services and High Court Judges.

Note 1: - Lists of Pension/Gratuity/Family Pension/commutation of pension cases checked /reviewed by the Sr. Auditors/Auditors/A.A.O.(s)/Audit Officer (Inspection) should be attached with the draft Inspection Reports.

Note 2: - Selection of pension cases should be made in such a way that all types and categories of pension and gratuity cases are selected for the test check for different departments.

20.05 Registers/Records to be reviewed

The following important registers and records maintained by the Director Pension should be checked /reviewed properly and the irregularities noticed should be suitably commented in the Inspection Reports: -

1. Register of Pension/Gratuity application.
2. Leave Salary & Pension contribution Register.

3. Condonation of deficiency of notice period in case of persons retiring under rule 244 (i) Rajasthan Service Rules.
4. Pension Payment Order Registers.
5. Gratuity Payment Order Registers.
6. Family Pension cases Registers.
7. Commutation of Pension cases Registers.
8. Medal Allowances Register.
9. Political Pension Registers.
10. Register of court cases.
11. Register of payment of legal charges.
12. Register of Pension arrear life time and pension arrear cases exceeding Rs.25000/-.
13. Register of revalidated and revised pension payment orders.
14. Register of pension cases in respect of employees, retired from Municipal Corporation.
15. Key Register in respect of work done manually.
16. Movement Register.
17. Register of Anticipatory/ Provisional Pension Payment order.

(Authority: Director of Pension, Rajasthan, Jaipur letter No. P.5 (224) Director of Pension/Rules/99/Part/15-H dated 4-1-2001, Para 3.6.4 (V) of C&AG's MSO (Audit) II Ed. 2002)

20.06 Process of Audit/ General Checks

The general checks to be applied and the points to be seen in the course of audit of pension cases are given in Para No 3.6.12 of C&AG's Manual of standing order (Audit) II Edition 2002. These may be referred to before audit.

Other checks are as under: -

20.06.1 Checking of Service Books - The Service Books form is the basic documents for the verification of service qualifying for the determination of amount of Pension. Adequate attention should therefore, be paid during local audit to check the Service Books. In case the Service Book is not available, the check will be conducted with reference to other records available in the pension file. If any doubt is felt or any complication is noticed during the check and the connected service or other records is not available in the pension file for verification, the departmental officer should be asked to obtain and make available these records to enable further examination of the case. The Service Books/Rolls should inter-alia be examined to see following the essential points:

-

- (i) Service Books/Service Rolls (in original are duly completed in all respects, up to the date of retirement/death and that all the entries bear proper attestations of the Head of Office.

- (ii) No alteration is made in the date of birth without sanction of the competent authority, and if made, it is done under proper attestation of the Head of Office; copy of order is pasted in the Service Book.
- (iii) Retirement order confirms to the date of birth, which should be duly attested.
- (iv) Date of entry into Government Service, the establishments under which the employee served from time to time, details of pay and allowances etc. and the designation held from time to time, the period of interruptions (absence without leave, suspension, reductions etc.) if any, leave without pay, temporary service and non-qualifying periods of service, confirmation, promotions, reversions etc. are correctly recorded under proper attestations and the entire service stands verified. The source of verification is also recorded. Where the service verification is wanting the unverified period is covered by collateral /contemporary evidence or affidavit in form 9 under Rule 81 (1) (ka) (vi) of Rajasthan Civil Service Pension Rules 1996 under the 285(2) or 288(c) of Rajasthan Service Rules, as the case may be.

Note 1: - If certain period of service remains unverified but all entries regarding increment, promotion and pay fixation have been properly made in the Service Book, the service verification for the particular period may not be stressed upon.

(Authority: F.D. Memo No. F.1 (26) F.D. (Gr. 2)/76 dated 30-6-76)

Note 2:- In terms of Government of Rajasthan, Finance Department Order No. F.1(52) F.D. (Gr.2)/76 dated 22.11.76 entire service of Jodhpur State counts for pension irrespective of the fact whether an employee has contributed towards Contributory Provident Fund, or not.

- (v) C.P.F. account number is noted in the Service Book under proper attestation. In case of employees of erstwhile Jodhpur State/Unit, option for pension in lieu of Contributory Provident Fund benefits is duly pasted in the Service Book.
- (vi) The options regarding Pension Rules/Family Pension as also nominations for Pension/Death-cum-Retirement Gratuity, Family Pension etc. exercised by the Government Servant are recorded/pasted in the Service Books.
- (vii) The interruptions in service, where condoned, are under the orders of the competent authority. The number and date of order of the competent authority are also recorded in the Service Books under proper attestation.
- (viii) Specific orders regarding suspension, reinstatements are available in the Service Books.

Note 1: -From 31.1.79 the extra ordinary leave-(i) with Medical certificate, (ii) for prosecuting higher scientific and technical education and (iii) taken because he was unable to resume duties on account of civil disturbance or natural

calamities-counts for pension in all cases and no specific orders to count the same are required.

(Authority: F.1 (B) FD (Gr.2)/79 dated 13.2.79 and Rule 204(i) and (ii) of RSRs.)

Note 2: -Where orders of reinstatement are silent as to whether period of suspension will count or not then same will count for pension from 1.4.76 and onwards.

(Authority: F.D.O.M. No. F. 1(52) F.D./Gr.2/76 dated 22.11.76)

(ix) In respect of periods spent on foreign service/ deputation entries regarding recovery of leave salary/pension contribution are recorded. In absence of these entries in the Service Book the case may not be kept pending and finalised the recovery of leave salary pension contribution may be watched subsequently.

(x) In the case of Jagir employees absorbed as a result of taking over of Thikanas by the Government it has to be seen that the Thikana Service is verified from available records of Thikana by competent authority and a certificate is pasted in the Service Book.

In case of employees of covenanting State relevant extract from Pension Rules of various covenanting states may be referred to for verification of services of that period. Attention may also be paid to the Government of Rajasthan, Decisions no. 10 and 25 below rule 180 of Rajasthan Service Rules enforce counting service of an employee in Jagir /Thikana.

20.06.2 Pension Applications-It should be ensured that the application(s) for Pensions/Gratuity/Family Pension/Commutation of Pension is accompanied by the following documents: -

- (i) Declaration for not-receipt of pension or Gratuity.
- (ii) Service Books/Service Rolls (in original) duly completed from the first date of appointment in Government Service to the date of retirement, entries duly attested by the Head of Office, in case of non-gazetted Government Servant. In the case of Gazetted Government Servants, their Service Books duly completed for the period from 1.1.75/1.4.76 as the case may be, should be attached with the pension case by the Head of Department or other officer nominated by him for this purpose.
- (iii) In case of retirement on account of abolition of post held, a copy of the order of abolition of the post held and a certificate to the effect that no other suitable job could be provided to the official should be attached.
- (iv) A photo of the Pensioner alongwith his/her wife/ husband in passport size in duplicate duly attested, (the designation of the attesting officer to be specified) name of the Pensioner clearly written on the photograph itself should be appended with the Pension application papers.
- (v) Two slips, bearing specimen signatures of literate pensioner and two slips bearing the left hand thumb impression or finger impression of the illiterate pensioner (both to be furnished on separate sheets of papers

duly attested by the Head of Office) and showing the name of the Pensioner at the top should be furnished with the Pension papers (cases).

(Appendix under Rule 173 of R.S.R. (Proforma-II) E.S.R. 1980 by Hari Singh)

- (vi) A copy of retirement order indicating the rules or order under which retired is attached. In case of retirement on invalid pension, original Medical Certificate of incapacity from the competent authority in support of his claim for invalid pension is attached with the pension papers, as required under Rajasthan Services Rules. In case a pensioner has not been actually retired from the date of invalidation, a copy of the Government order for his Retention in Government Service, beyond the date of invalidation should be attached to the pension application papers.
- (vii) A certificate required under Rules 250 of Rajasthan Service Rules is invariably given in case of those holding the post immediately before retirement in an officiating capacity (Rule 250(c)(2) of Rajasthan Service Rules may also be referred to).
- (viii) A copy of sanction of the Pension sanctioning authority in respect of grant of Provisional Pension or Gratuity to Government Servant as in case of death in Annexure-III of Pension application form should be attached.
- (ix) Last Pay Certificate in the prescribed form clearly specifying the date upto which salary has been paid and also the rate of salary, allowances, etc. paid towards final payment and Government dues, if any, outstanding against the pensioner should be attached. However, in case of grant of Gratuity /Death-cum-Retirement Gratuity /Family Pension, no such last pay Certificate is required to be appended with Pension papers. It may be seen that the recoveries shown on the back of the Last Pay Certificate have been made from the Pension/Gratuity/Family Pension.
- (x) Details of family members of the Pensioner in the prescribed form given as Annexure II to the Application form should be given.
- (xi) No dues certificate(s) from the following has been obtained and attached with the pension case: -
 - (a) From the Head of the Office from whom he got his last salary (general).
 - (b) House Building/Conveyance Advances from the concerned deptt. of State Government, in case of Government Servant, whether Gazetted or non-Gazetted who has taken such advances otherwise from the department(s) that no such loan has been taken by the Government servant during his entire period of service.

- (c) For house rent, in case where Government servant residing Government owned quarters and for furniture rent, etc. from the Public Works Department.
- (d) Of pool Section-From the respective collectorate and in Jaipur from State Motor Garage Department if Government Servant is entitled to use pool vehicle.
- (xii) Form P-3 contained sanction to grant of Pension/Gratuity to the Government servant duly signed by the competent authority and in case of death Annexure-III, containing sanction of grant of family pension and Annexure-II containing details of family members.
- (xiii) In case of Family Pension, a declaration in white paper from the person eligible for family pension that his/her regular monthly income is not more than Rs 2550 should also be attached with pension application.
(Authority: Raj Govt. finance Deptt. (Rules Dn) letter No P-15 (3) finance rule/97/Jaipur dated 26.4.01)

20.06.3.1 Verification of net qualifying Service- (a) After the verification of services is completed, the qualifying service of a Government Servant should be worked out keeping in view the following points.

- (i) The date of birth should always be checked from the Service Book(s)/ Rolls and age at the entry in Government service should be calculated on the basis of date of appointment in Government Service.

Note: In case of overage appointments it should be ensured that sanction is obtained or action initiated with the competent authority.

- (ii) Total Service of a Government servant commences from the date of appointment in Government Service to date of retirement or death, as the case may be. Date of death counts as day of duty. The total service should be worked out in years, six months (on each completed six months service) months and days.

Note: To find out the correctness of calculations it should be checked that the total service plus the age at entry tally with the age at retirement/death. There may be difference of one day only on account of rounding of days in months.

- (iii)(a)(i) Notwithstanding anything contained in Rules 203 and 204 of Rajasthan Service Rules time passed on leave with allowances (other than extra-ordinary leave) will count as service in respect of Government servants on or after 25.1.62.

- (iii)(a)(ii) The service rendered as a pensioner or on probation shall qualify for the purpose of pension.

- (iii)(a)(iii) On absorption/appointment of work charged employees on regular post, the period of service rendered by them as work employee while drawing pay in the pay scales prescribed for them including continuous period of muster roll service i.e. on daily wages/casual labour be counted as service qualifying for pension irrespective of

whether deduction towards Contributory Provident Fund was made from their salaries or not.

(Authority: Rule 12 to 14 of R.C.S. Pension Rules, 1996, of Govt. of Raj.)

- (b) After the total service has been worked out, all non-qualifying spells of service should be calculated. Boy service rendered before attaining the age of 18 years should also be deducted.
- (c) The main-non-qualifying spells of service deductible from service are the following:-
 - (i) Service before attaining the age of 18 years.
 - (ii) Extra-ordinary leave without allowances which is not specifically allowed to count for pension and Death-cum-Retirement Gratuity by the competent authority.

(Authority: Government of Rajasthan F.D. (Rules) Order No. F.1 (48) F.D. (Rules) 70 dated 27.4.70 & 9.3.73)

- (iii) Periods of leave irregularly granted.
- (iv) Absence prolonged after end of leave.
- (v) Absence without leave. It may be checked that absence is condoned by competent authority otherwise past service are liable to be forfeited.
- (vi) Service after date of medical certificate.
- (vii) Period of suspension adjusted as penalty, no full pay and allowances allowed or not allowed to count for Pension.
- (viii) Period out of employment.
- (ix) Period of service as an Apprentice.
- (x) Service of an establishment paid from a contract establishment allowance with the detailed distribution of which the Government does not interfere.
- (xi) Service paid from Local Funds, Trust Funds, Fees and Commission etc.

(Authority: Rule 13(2), 15 and 17 of R.C.S. (Pension) Rules, 1996)

Note: Government may, however, declare that any specified kind of service or service rendered by a Government servant shall qualify for pension subject to such conditions as Government may think fit to purpose impose.

(Authority: Rule 14 of R.C.S. (Pension) Rules, 1996)

- (d) After the different non-qualifying spells of service have been summed up and deducted from the total qualifying service, the remainder will be net qualifying service.

The net qualifying service will be taken in completed years only and the months and days will be ignored in respect of Government Servants retiring prior to 18.12.61. In respect of Government servants retiring on or after 18.12.61 completed half-yearly periods will be taken into account.

20.06.3.2 Counting of pre-retirement civil service in the case of re-employed Government servants.

(1) A Government servant who, having retired on compensation pension or invalid pension or compensation gratuity or invalid gratuity, is re-employed and appointed substantively to a service or post to which these rules apply, may exercise option either-

- (a) to continue to draw the pension or retain the gratuity sanctioned for his earlier service, in which case his former service shall not count as qualifying service, or
- (b) to cease to draw his pension drawn and refund: -
 - (i) the pension already drawn,
 - (ii) the value received for the commutation of a part of pension, and
 - (iii) the amount of retirement gratuity including service gratuity, if any, and count the previous service as qualifying service:

Provided that-

- (i) the pension drawn prior to the date of re-employment shall not be required to be refunded,
- (ii) the element of pension which was ignored for fixation of his pay including the element of pension which was not taken into account for fixation of pay shall be refunded by him,
- (iii) the element of commuted part of pension, if any, which was taken into account for fixation of his pay shall be set off against the amount for retirement gratuity and the commuted value of pension and the balance, if any, shall be refunded by him.

EXPLANATION- In this clause, the expression 'which was taken into account' means the amount of pension by which pay of the Government servant was reduced on initial re-employment and the expression 'which was not taken into account' shall be construed accordingly.

(2)(a) The authority issuing the order of substantive appointment to a service or post as is referred to in sub-rule (1) shall alongwith such order require in writing the Government servant to exercise the option under that sub-rule within three months of the date of issue of such order, or if he is on leave on that day, within three months of his return from leave, whichever is later and also bring to his notice the provisions of clause (b).

(b) (i) If no option is exercised within the period referred to in clause (a), the Government servant shall be deemed to have opted for clause (a) of sub-rule (1).

(3) In the case of a Government servant who opts for clause (a) of sub-rule (1), the pension or gratuity admissible for his subsequent service is subject to the limitation, that service gratuity, or the capital value of pension and retirement gratuity, if any, shall not be greater than the difference between the value of pension and retirement gratuity, if any, that would be admissible at the time of the Government servant's final retirement if the two periods of service

were combined and the value of retirement benefits already granted to him for the previous service.

NOTE :The Capital value of pension shall be calculated in accordance with the table prescribed by the Government under the Rajasthan Civil Services Pension (commutation) Rules applicable at the time of second or final retirement.

(C)(i) A Government servant who opts for clause (b) of sub-rule (1) shall be required to refund the gratuity received in respect of his earlier service, in monthly installments not exceeding thirty six in number, the first installment beginning from the month following the month in which he exercised the option. The right to count previous service as qualifying service shall not revive until the whole amount has been refunded.

(ii) In the case of a Government servant, who, having elected to refund the gratuity, dies before the entire amount is refunded, the amount of un-refunded gratuity shall be adjusted against the death gratuity which may become payable to his family.

Government of Rajasthan have decided that the provisions of above rule shall also be applicable in case of-

- (a) Persons appointed as probationers against permanent posts,
- (b) Persons recruited through Rajasthan Public Service Commission for appointment on temporary posts within their purview,
- (c) Persons recruited strictly in accordance with Service Rules in case of temporary posts outside the purview of the Rajasthan Public Service Commission.

Action under sub-rule (2) (a) shall be taken by the appointing authority simultaneously with the appointment order.

(Authority: Rule 18 of R.C.S. (Pension) Rules, 1996).

20.06.3.3 Counting of military service rendered before civil employment

- (1) (i) A Government servant who is re-employed in a civil service or post before attaining the age of superannuation and who, before such re-employment had rendered military service after the age of eighteen years which is pensionable under military rules but which terminates before a pension has been earned in respect of it, may count such previous military service as qualifying service, at his option to be exercised within three months of date of joining civil service or post, subject to the condition that-
 - (a) He shall be required to refund the bonus and/or gratuity received in respect of his earlier military service, in monthly installments not exceeding thirty six in number, alongwith interest @ 6% per annum from the date of his joining service under the State Government, the first installment beginning from the month in which he exercised the option.

- (b) The right to count previous service as qualifying service shall not revive until the whole amount has been refunded.
- (ii) In the case of a Government servant, who, having elected to refund the bonus and/or gratuity, dies before the entire amount is refunded, the un-refunded amount of bonus and/or gratuity shall be adjusted against the death gratuity which may become payable to the family.
- (iii) When an order is passed under this rule allowing previous military service to count as part of the service qualifying for civil pension, the order shall be deemed to include the condonation of interruption in service, if any, in the military service and between the military and civil service provided it does not exceed two years.

(2) Service pensionable under military rules, which does not terminate before a pension has been earned in respect of it, shall not be allowed to count for pension under Civil Rules.

Government of Rajasthan have decided that the Concerned appointment authority would be competent to allow counting of previous military service subject to the conditions laid down in Rule 19.

(3) The provisions of Rule 19 of Rajasthan Civil Services (Pension) Rules 1996 shall also be applicable to a Government Servant, who has initially re-employed as work charged employee and subsequently taken/appointed in civil services or post and who before such re-employment had rendered military service, which is pensionable under military rules but which terminated before a pension has been earned in respect of it.

Such existing Government Servant shall be required to exercise their option for counting of military service with civil service as envisaged in the aforesaid rules, within a period of three months from the date of publication of this order in Rajasthan Rajpatra.

(Authority: Govt. of Raj. Finance Deptt. Rules Division order No F-15 (7) FD (Rules)/97 date 24.1.2001)

Audit Instruction

The charges on account of the pensionary liability in respect of the qualifying service that may be added under the above order shall be debited to the Rajasthan State in accordance with the general principles of allocation laid down in Accounts Code Volume I.

(Authority: Rules 19 of R.C.S.(Pension) Rules, 1996).

20.06.3.4 Counting of periods spent on leave

- (1) All leave during service for which leave salary is payable shall count as qualifying service.
- (2) Extra ordinary leave i.e. leave without pay and allowances, shall count as qualifying service only if taken in any of the circumstances mentioned below-

- (i) on medical certificate granted by the Authorised Medical Attendant;
- (ii) for prosecuting higher scientific and technical studies;
- (iii) due to the inability of the Government servant concerned to join or rejoin duty due to civil commotion or a natural calamity.

Government of Rajasthan have decided that every order for grant of extra ordinary leave to a Government servant should specify the purpose for which leave has been taken and as to whether the period would qualify for pension under this rule. An entry to this effect should also be made in the Service Book, alongwith the issue of the order.

(Authority: Rule 20 of R.C.S.(Pension) Rules, 1996)

20.06.3.5 Counting of periods spent on training

- (1) The Government may, by order, decide whether the time spent by a Government servant (including a person in training for, but not actually appointed to Government service) under training shall count as qualifying service.
- (2) When a Government servant is deputed out of India on duty, the whole period of his absence from India counts. When a Government servant on leave out of India is employed or is detained after termination of his leave on duty, the period of such employment or detention counts.

Government of Rajasthan have decided that training period of the following category of employees who are required to undergo departmental training relating to jobs before they are put on regular employment, may be treated as qualifying service for pension, if the training is followed immediately by an appointment. This benefit will be admissible even if the employees concerned are not given the scale of pay of the post but only a nominal allowance during training:

- 1. Patwaries of Revenue, Settlement and Irrigation Departments.
- 2. Rangers of Forest Department.

(Authority: Rule 21 of R.C.S.(Pension) Rules, 1996)

20.06.3.6 Counting of periods of suspension

The period of suspension shall count as service qualifying for pension if no specific order otherwise has been passed by the disciplinary authority in the order of penalty. If in the order of penalty specific order to the treatment of period of suspension regarding counting of qualifying service for pension has been passed by the disciplinary authority provisions of that order shall be operative for this purpose.

Government of Rajasthan have decided that:

- 1. **Need for making proper entries for counting of periods of suspension:** - Rule 22 of R.C.S. (Pension) Rules, 1996, requires that in cases other than those in which suspension has been held to be wholly unjustified the competent authority should at the appropriate time

declare whether and to what extent the period of suspension will count towards the qualifying service. Specific entries in this regard in the service book/records will be taken note of at the time of reckoning qualifying service.

2. **Suspension should be held wholly unjustified when the proceedings end with minor penalty:-** Where departmental proceedings against a suspended employee for the imposition of a major penalty finally end with the imposition of minor penalty, the suspension can be said to be wholly unjustified in terms of Rule 54 of R.S.R. and the period of suspension should be counted as qualifying service by passing a suitable order under Rule 54 of Rajasthan Service Rules.

(Authority: Rule 22 of R.C.S.(Pension) Rules, 1996)

20.06.3.7 Forfeiture of service on dismissal or removal

Dismissal or removal of a Government servant from a Service or post entails forfeiture of his past service.

Government of Rajasthan have decided that the termination of service under the terms of appointment for failure to pass a prescribed examination will not amount to dismissal or removal within the meaning of this rule. A Government servant whose services are terminated for failure to pass a prescribed examination and who is appointed to another post without any break will count his previous service towards pension.

(Authority: Rule 23 of Rajasthan Civil Services (Pension) Rules, 1996)

20.06.3.8 Counting of past service on reinstatement

- (1) A Government servant who is dismissed, removed or compulsorily retired from service, but is reinstated on appeal or review, is entitled to count his past service as qualifying service.
- (2) The period of interruption in service between the date of dismissal, removal or compulsory retirement, as the case may be, and the date of reinstatement, and the period of suspension, if any, shall not count as qualifying service unless regularised as duty or leave by a specific order of the authority which passed the order of reinstatement.

(Authority: Rule 24 of Rajasthan Civil Services (Pension) Rules, 1996)

20.06.3.9 Forfeiture of service on resignation

- (1) Resignation from a service or a post entails forfeiture of past service.
- (2) A resignation shall not entail forfeiture of past service if it has been submitted to take up, with proper permission, another appointment, whether temporary or permanent, under the Government where service qualifies.
- (3) Interruption in service in a case falling under sub-rule (2), due to the two appointments being at different stations, not exceeding the joining time admissible under the rules of transfer, shall be covered by grant of leave of any kind due to the Government servant on the date of relieve

or by formal condonation to the extent to which the period is not covered by leave due to him..

Government of Rajasthan have decided that:

- 1 Release of Government servants for appointment in Public Sector Enterprises etc.:** - A Government servant who has been selected for a post in a Public Sector Enterprise/Autonomous Body or other institutions as are referred to in rule 33 and Appendix IX of R. C. S. (Pension) Rules, 1996 may be released only after obtaining and accepting his resignation from the Government service. Resignation from Government service with a view to secure employment in any of those organisations with proper permission will not entail forfeiture of the service for the purpose of retirement/terminal benefits. In such cases, the Government servant concerned shall be deemed to have retired from service from the date of such resignation and shall be eligible to receive all retirement/terminal benefits as are admissible under the rules 33, 34 and Appendix IX of R. C. S. (Pension) Rules, 1996.
- 2 Procedure to be followed when benefit of past service is allowed:** - Under Rule 25 (2) of Rajasthan Civil Services (Pension) Rules, 1996, resignation of an appointment to take up, with proper permission, another appointment, whether permanent or temporary, service in which counts in full or in part, is not resignation from public service. In such cases, the order accepting the resignation should clearly indicate that the employee is resigning to join another appointment with proper permission and that the benefits under Rule 25 (2) will be admissible to him. The contents of the above order should also be noted in the service books of the individuals concerned under proper attestation. The issue of any separate sanction is not necessary.

(Authority: Rule 25 of R. C. S. (Pension) Rules, 1996)

20.06.3.10 Condonation of interruption in service

- 1.** In no case the total break beyond the period of two years shall be condoned.
- 2.** In each case of interruption in service the appointing authority shall issue show cause notice of 15 days duration to the respective employee and take into consideration his representation, if any. There after, the appointing authority shall take decision on merit of the case whether the period of service rendered prior to interruption shall qualify for pension or not. In case the appointing authority decides that the period of service prior to the interruption shall not be counted as qualifying service for pension, then he shall be required to make an entry in the Service Book. Otherwise the period of service rendered prior to interruption shall be automatically counted as service qualifying for pension.
- 3.** In case of participation in strike by a Government Servant, the appointing authority shall issue show cause notice of 15 days to the

respective employee. If after considering the representation or otherwise it is proved that the respective employee has actually participated in the strike, the entry for the period of strike shall be made in Service Book of the employee.

- 4(a)** In the absence of a specific indication to the contrary in the service book, an interruption between two spells of civil service rendered by a Government servant under Government shall be treated as automatically condoned and the pre interruption service treated as qualifying service.
- (b)** Nothing in clause (a) shall apply to interruption caused by resignation, dismissal or removal from service or for participation in a strike.
- (c)** The period of interruption referred to in clause (a) shall not count as qualifying service.
- (5)** Notwithstanding anything contained under sub-rule (1), the Government may condone interruption in service of a Government servant, upon such conditions as it may think fit in each case to impose, in such a manner as may appear to it to be just and equitable.
- (6)** If the interruption in Service is caused by reasons beyond the control of the Government servant concerned, the interruption between two spells of civil Services rendered by a Government Servant shall be treated as automatically condoned and pre-interception service shall be treated as qualifying service.

NOTES:

- (1)** The powers of condonation under this rule carry with them the power of reviving service rendered prior to interruptions but forfeited.
- (2)** In case past service is allowed to be counted for pension, the Government servant will be required to refund the amount of retirement benefits obtained together with interest @ 12% per annum at simple rates from the date of receipt of such benefits till the date on which the refund is made.
- (1)** Government of Rajasthan have decided that: the Government have delegated full powers of condone the interruption in service either between two spells of permanent service or between permanent/temporary or two spells of temporary services, caused on account of resignation, to the Administrative Departments of the Government, subject to the following conditions-
 - (i)** The interruption should have been caused by reasons beyond the control of the Government servant concerned,
 - (ii)** Service preceding the interruption should not be less than 5 years duration and in cases where there are two or more interruptions the total service pensionary benefits in respect of which will be lost if the interruptions are not condoned, should not be less than five years; and

- (iii) The interruption should not be more than one year's duration. In case where there are two or more interruptions, the total of the periods of all interruptions that are condoned should not exceed one year.

(Authority: Rule 27 of R. C. S. (Pension) Rules, 1996 as amended vide Govt. notification No.15 (7) F D (Rules)/97 dated 28.10.2002 w.e.f. 1.10.1996)

20.06.4 Checking of calculations of admissible amount of pensions.

20.6.4(1) Amount of Pensions to be regulated- The amount of Pension is determined by length of Service as set forth in Rules 256 and 257 of Rajasthan Service Rules, as amended from time to time.

Provided that in respect of Government servants retiring from service on or after 18-12-1961 fractions of a year equal six months and above shall be treated as completed six monthly period for the purpose of calculation of any pension admissible to such a Government servant.

20.06.4(2) Emoluments

(a) The expression "emoluments" used for the purposes of Pension, Service Gratuity and Retirement/Death Gratuity means sum of pay in Level in the pay Matrix of the post, NPA/NCA and special pay, if any, which a Government servant was receiving/or to which he was entitled to immediately before his retirement or on the date of his death:

Provided that inclusion of special pay drawn by a Government servant shall be treated as part of pay on the basis of average of last ten months immediately before the date of retirement, whichever is beneficial.

(Provided further that inclusion of NPA of Medical officers and Teachers of Medical Colleges for computation of emoluments for pension the minimum period of 2 years out of last three years immediately before the date of retirement, drawl of NPA shall be necessary. In case where the period of drawl of NPA is less than 2 years it shall be included in the emoluments for computation of pension on pro-rata basis. The provision of this proviso shall be applicable respect of those Medical officers and Teachers of Medical Colleges who retires after the date of issue of this Notification.

Provided further also that the amount of Dearness Allowance admissible on sum of pay in Level in the pay Matrix and NPA/NCA, if any, at the time of retirement/ death of a Government servant, as the case may be, shall be treated as part of emoluments for the purpose of grant of retirement gratuity/death gratuity.

Government of Rajasthan decided that for the purposes of computing average emoluments in the case of Government servants who have opted for fixation of pay in the revised pay and retire within 10 months from the date of coming over to the revised pay, basis pay for 10 months period preceding retirement shall be calculated by taking into account pay as follow: (a) For the period during which pay is drawn in revised pay – pay drawn in the prescribed Level in the Pay Matrix.

(b) For the remaining period during which pay is drawn in running pay band and grade pay and actual D.A. appropriate to the basic pay at the rates in force on 1.10.2017 drawn during the relevant period.

(Authority: Govt. of Raj Finance Deptt. rules Division Notification No F-12 (6) FD (Rules) 2017 dated 30.10.2017)

Provided further that w.e.f 1.7.2004 D.A equal to 50% of the existing basic pay shall be merged with the basic pay and shown distinctly as Dearness pay, which will be counted for retirement benefits.

NOTES

1 If a Government servant immediately before his retirement or death while in service had been absent from duty on leave for which leave salary is payable or having been suspended had been reinstated without forfeiture of service, the emoluments which he would have drawn had he not been absent from duty or suspended shall be the emoluments for the purposes of this rule:

Provided that any increase in pay (other than the increment referred to in Note 15) which is not actually drawn shall not form part of his emoluments.

2 If a Government servant had been under suspension immediately before his retirement or otherwise and the departmental or judicial proceedings have not been concluded and final orders passed thereon, the emoluments which he drew immediately before his being placed under suspension, shall be taken into account for the purpose of grant of provisional pension under rule 90 of these rules.

3 The officiating pay drawn by a Government servant immediately before the date of his/her retirement shall be taken into account for the purpose of emoluments under this rule provided that the appointment to the higher post on an officiating basis while holding the lower post in substantive or officiating or temporary capacity was not made in leave vacancy or to hold charge of the higher post temporarily in addition to the duties of his own post.

Certificate on the pension papers under this note for counting officiating pay, will not be necessary where a Government servant has been granted one of the selection grades as provided in Finance Department Order No. F.20(1)FD(Gr.2)/92, dated 25-1-1992 as amended from time to time.

4 The benefit of counting officiating pay under this rule shall not be allowed to a Government servant when a person senior to him would have been posted on the higher post unless the senior person was specifically superseded by the Government servant who retires.

5 All pension sanctioning authorities are required to ensure that the certificate necessary under Note 3 of this rule is invariably given in the pension application form itself. Besides, the substantive pay of a Government servant should also be indicated in the pension application

form so that in the absence of completion of the formalities under Note 3 of this Rule, the pension could be released on the basis of the substantive pay pending its revision on receipt of the required certificate referred to above.

- 6 One of the main causes of delay in disposal of pension cases is non-submission of the required certificate under Note 3 alongwith the pension papers. Where a Government servant has drawn the officiating pay for a period of one year or more immediately before his retirement, his pension may be reckoned on the basis of his officiating pay even though the required certificate under Note 3 has not been recorded or sent by the pension sanctioning authority alongwith his pension papers to the Director, Pension Department, Rajasthan. The Director, Pension Department would, however, while releasing pension in such cases, simultaneously address a communication to the concerned pension sanctioning authority to furnish the required certificate within a period of one month and would also make it clear to the pension sanctioning authority that in the event of any overpayment of pension due to non-submission of the certificate as required under Note 3, it will be solely his personal responsibility and the resultant excess amount so paid, if any, would be recoverable from him.

All pension sanctioning authorities should ensure that the certificate required under Note 3 is invariably sent alongwith the pension papers as far as possible and where for certain inexplicable reasons the certificate is not given in the type of cases referred to above, the required certificate will be invariably sent within a period of one month after the release of pension on receipt of communication from the Director, Pension Department, Rajasthan, in this behalf.

- 7 Where a Government servant was appointed to officiate in a leave vacancy, the question which post should be considered as the substantive/temporary post (where some of the cadre post carry special pay) in which the Government servant would have remained if he had not been appointed to officiate in leave vacancy is one which can only be decided by the competent appointing authority with reference to actual facts, irrespective of the specified post actually held immediately before the officiating appointment and irrespective whether the Government servant is actually allowed a lien on a particular post or on a post in the cadre.
- 8 The Special Pay, if any, granted for performance of additional duties of a post in addition to duties of his own post shall not be taken into account for the purposes of this rule.
- 9 The special pay drawn on an ex-cadre post shall count as part of pay under this rule in respect of a Government servant who while holding the ex-cadre post draws it in addition to his cadre pay:

Provided that the appointment to the ex-cadre post was not made in a leave vacancy or to hold charge of the post temporarily in addition to the duties of own post.

- 10 The literacy allowance drawn by Police Constables and other staff is of the nature of Special Pay and shall count as part of emoluments for pension and gratuity.
- 11 Special pay granted to a State Government servant by the Central Government for part time service shall not count as emoluments for pension, as the liability which the Government of India agreed to bear was limited to special pay and they do not agree to allow the special pay to be taken into account for calculating emoluments.
- 12 Where a Government servant immediately before his retirement or death while in service had proceeded on leave for which leave salary is payable after having held a higher appointment whether in an officiating or temporary capacity, the benefit of emoluments drawn in such higher appointment shall be given only if it is certified that the Government servant would have continued to hold the higher appointment but for his proceeding on leave.
- 13 If a Government servant immediately before his retirement or death while in service had been absent from duty on extraordinary leave or had been under suspension, the period whereof does not count as service, the emoluments which he drew immediately before proceeding on such leave or being placed under suspension shall be the emoluments for the purpose of this rule.
- 14 A Government servant promoted from lower to higher pay while on leave, on which he would not receive the benefit of enhanced pay till he returned to duty, cannot, if he retires without rejoining his appointment, claim the benefit of pension and gratuity calculated on the pay to which he was promoted while on leave.
- 15 If a Government servant immediately before his retirement or death while in service, was on privilege leave, and earned an increment, which was not withheld, such increment, though not actually drawn, shall form part of his emoluments:

Provided that the increment was earned during the currency of the privilege leave not exceeding one hundred and twenty days, or during the first one hundred and twenty days of privilege leave where such leave was for more than one hundred and twenty days.
- 16 Pay drawn by a Government servant while on deputation to Government of India/Other State Governments shall not be treated as emoluments, but the pay which he would have drawn under the Government had he not been on deputation to Government of India/other State Government shall alone be treated as emoluments.
- 17 Pay drawn by a Government servant while on foreign service shall not be treated as emoluments, but the pay which he would have drawn

under the Government had he not been on foreign service shall alone be treated as emoluments.

- 18** Pay drawn by a Government servant while on ex-cadre post shall not be treated as emoluments but the pay which he would have drawn in the cadre had he not been on ex-cadre post shall alone be treated as emoluments.

- 19** Where a pensioner who is re-employed in Government service elects in terms of clause (a) of sub-rule (1) of rule 18 of R. C. S. (Pension) Rules, 1996 or who is governed under sub-rule (2) of rule 19 of R. C. S. (Pension) Rules, 1996 to retain his pension for earlier service and whose pay on re-employment has been reduced by an amount not exceeding his pension, the element of pension by which his pay is reduced shall be treated as emoluments.

- 20** Where a Government servant has been transferred to an autonomous body consequent on the conversion of Department of the Government into such a body and the Government servant so transferred opts to retain the pensionary benefits under the rules of the Government, the emoluments drawn under the autonomous body shall be treated as emoluments for the purpose of this rule.

- 21** If a Government servant has been on leave with or without allowances or under suspension immediately before retirement, the provisions of Notes 1 and 13 shall apply mutatis mutandis in such cases also.

(Authority: Rule 45 of R. C. S. (Pension) Rules, 1996)

- (b) Allowances which do not count-** The following allowances do not count as “emoluments” for pension.

- 1 Allowances granted in consideration of the expensiveness of the locality.
- 2 Messing or sumptuary allowance.
- 3 House rent allowance or estimated value of free-quarters.
- 4 Travelling allowances or allowances granted to meet the cost of the tour or travel which a Government servant has to undertake.
- 5 Compensation for dearness of provisions (vide rule 252 of R.S.R's).

- (c) Net Emoluments taken**

Any part of a Government servant's pay or emoluments, which is specially intended to provide for expenses incidental to his duty, must be excluded.

The following are examples of the operation of this rule-

- (1)** When a Government servant's pay is intended partly to cover the expenses of his providing or keeping a horse, his pay must be taken only at what it would be if it was not intended to cover such expenses. When water-carrier's pay includes provision for a bullock his pay must be taken at what it would be if he was not required to keep a bullock.

- (2) When a consolidated pay specially includes Travelling Allowance, or House-Allowance these must be deducted.
- (3) When a Government servant's pay is fixed at two rates, a smaller rate during stationary duty and a higher rate during periods passed on tour or travelling, the former rate alone should be the basis of the calculation.
(Authority: Rule 47 of R. C. S. (Pension) Rules, 1996)
- (d) **Regulation of pension on holding more than one appointment**
If an officer has held more than one appointment in respect of each of which, if he had it separately and alone, pension would have been admissible to him, the pension admissible to him is the sum of the several pensions, which would have been admissible to him if he had held each office separately and alone. The consolidated pension thus admissible is subject to the limitations prescribed in Rules 54 and 55 of the Rajasthan Civil Service (Pension) Rules, 1996.
(Authority: Rule 48 of R. C. S. (Pension) Rules, 1996)
- (e) **No Increase in pension for holding more than one officer conjointly**
A Government servant is not entitled, for service in an office conjointly with another office, to any pension, which would not have been admissible to him if he had held the office separately and alone.
(Authority: Rule 49 of R. C. S. (Pension) Rules, 1996)

20.06.5 Amount of pension

The amount of superannuation, retiring, invalid and compensation pension and service gratuity shall be as follows-

- (1) In the case of a Government servant retiring in accordance with the provisions of these rules before completing qualifying service of ten years, the amount of service gratuity shall be calculated at the rate of half month's emoluments for every completed six monthly period of qualifying service.
- (2) (a) In the case of a Government servant retiring in accordance with the provisions of these rules after completing qualifying service of not less than twenty eight years, the amount of pension shall be calculated at fifty per cent of the emoluments subject to maximum upto fifty per cent of highest pay in the Government (the highest pay in the Government is Rs 2,18,600/- since 1.10.2017), as defined under Rule 45 of R.C.S. (Pension) Rules, 1996, which the Government servant was receiving immediately before the date of retirement.
(b) In the case of a Government servant retiring in accordance with the provisions of these rules before completing qualifying service of twenty eight years, but after completing qualifying service of ten years, the amount of pension shall be proportionate to the amount of pension admissible under clause (a) and in no case the amount of pension shall not be less than Rupees eight thousand eight hundred fifty per mensem since 01.10.2017.

(Authority: Rule 54 of R. C. S. (Pension) Rules, 1996 & Government of Rajasthan, Finance Department (Rules Division's Notification No F12 (3) FD/Rules/08-1 dated 06.4.2013 w.e.f. 1.4.13)

(c) Notwithstanding anything contained in clause (a) and clause (b), the amount of invalid pension shall not be less than the amount of family pension admissible under sub-rule (1) to Rule 62 of R. C. S. (Pension) Rules, 1996.

- 3 In calculating the length of qualifying service, fraction of a year equal to three months and above shall be treated as a completed one half year and reckoned as qualifying service.
- 4 The amount of pension finally determined under clause (a) or clause (b) of sub-rule (2), shall be expressed in whole rupees and where the pension contains a fraction of a rupee it shall be rounded off to the next rupee.
- 5 Provisional Pension upto 100% may be sanctioned by Head of the office in ordinary cases under rule 86. But in the cases where, departmental/judicial enquiry is in progress, Appointing Authority can sanction the Provisional Pension under Rule 90 of Pension rules. Payment of Provisional Pension shall be made on the basis of pension payment order issued by the Director pension.

NOTES:

- 1 The gratuities which may be sanctioned under rule 54 (1) and 55 (1) of R. C. S. (Pension) Rules, 1996 will constitute the assets of the Government servant and in the event of his death before receiving payment of the amounts, they can be paid to his legal heirs under the ordinary law of succession. Rules 56 (1) and 56 (2) of R. C. S. (Pension) Rules, 1996, however, create a benefit directly in favour of the nominee or the specific member of the family of the Government servants as the case may be, and a gratuity sanctioned under these paragraphs will form the assets of the persons in whose favour the sanction is accorded and not the deceased Government servant.
- 2 For the purpose of commutation of pension, the amount of original invalid pension will only be taken into account. However, the dearness relief on pension will be determined on the basis of stepped up amount of pension as per sub-rule 2(c) above.

(Authority: Rule 54 of R. C. S. (Pension) Rules, 1996)

20.06.6 (a) Dearness Relief on Pension/Family Pension

Relief against price rise may be granted to the pensioners and family pensioners in the form of Dearness Relief at such rates as the Government may specify from time to time and subject to such following conditions:

- 1 The term 'pension' for the aforesaid purpose shall mean: -
 - (a) in respect of employees retired/retiring on or after 1.9.1986, the original pension (inclusive of commuted portion of pension);

- (b) in respect of employees who retired on or after 31.3.1986 but prior to 1.9.1986, original pension/revised pension (inclusive of commuted portion of pension) plus increase in pension admissible thereon in terms of Finance Department Order No. F. 1(44) FD (Gr.2)/82, dated 1.4.1986;
- (c) in respect of employees who retired prior to 31.3.1986, 'Consolidated pension' as defined in paragraph 7 of Finance Department Order No. F.1 (47) FD (Gr.2)/88, dated 2.12.1989;
- (d) in respect of pensioners getting minimum pension/family pension, the minimum pension/family pension i.e. Rs 8850/- per month;
- (e) in case of existing pensioners w.e.f 1.7.2004 50% dearness relief will be converted to dearness pension. The amount of existing dearness relief over and above 50%, will be calculated only against basic pension and shall not be calculated against basic pension + dearness pension. Any increase in existing dearness relief beyond 61% shall be calculated against basic pension+ dearness pension.

(Authority: - F 6 () F D (Rules) 2004 dated 24.5.2004).

The amount of Dearness Relief involving fraction of a rupee shall be rounded off to the next higher rupee.

- 2 A ready reckoner showing the dearness relief payable from 1.1.1996 onwards in terms of these orders is available under Appendix-III of R.C.S. (Pension) Rules, 1996.
- 3 Provisions contained in this Department Memorandum No. F.1 (36)FD(Gr.2)/87, dated 10.8.1988 and 23.12.1992 will remain unchanged.
- 4 Order G.O.R order No F1 (25) F.D. Group (2) 93 dated 7.5.96 referred to in Appendix III of R.C.S. Pension Rules, 1996, shall also apply to following categories of Pensioners:
 - (i) Pensioners in receipt of family pension under Chapter XXIII, XXIII A and Extraordinary pension under Chapter XXIV of the Rajasthan Service Rules.
 - (ii) Pensioners who were employees of the former State Ajmer, Bombay & Madhya Bharat and opted for pension rules applicable to them immediately before 1.11.1956 in terms of Rule 11 of the Rajasthan Service (Protection of service conditions) Rules, 1957 and are in receipt of superannuation, retiring, invalid, compensation, injury and family pension under the aforesaid rules.
 - (iii) Pensioners who are in receipt of pension sanctioned under the Ajmer Abolition of Intermediaries and Land Reforms (Pension to Intermediaries Employees) Rules, 1962.
 - (iv) Jagir Pensioners who are drawing pension under Section 28 of the Rajasthan Land Reforms and Resumption of Jagirs Act,

1952 read with Revenue Department Order No. F. 4(361) Revenue/A/54, dated 31.3.1955 and rule 10 of the Rajasthan Land Reforms and Jagirs Resumption (Absorption of Jagir Employees) Rules, 1954.

- 5 This order shall also apply to the widows getting ex-gratia payment in accordance with the provisions contained in Finance Department Order No. F.1(35)FD(Gr.2)/87, dated 2.7.1991 and 2.7.1992.
- 6 This order shall not be applicable to the Old Age Pensions, Political Pensions or any other kind of similar pensions, which are not related to the service rendered under Government.
- 7 Dearness Relief as applicable from time to time above would also be admissible to Pensioners who retired from service of Panchayat Samiti or Zila Parishad and whose Pension Payment Orders have been issued by the Director, Local Fund Audit or Director, Pension Department, Rajasthan, Jaipur.
 - (i) The payment of Dearness Relief will remain suspended when the pensioner (including family pensioner) is employed/re-employed in a Central/State Government Department or employed/re-employed/permanently absorbed in a Central or a State Government Company, Corporation, Undertaking or autonomous body/statutory body, local body, co-operative society, institution etc. if it is wholly or substantially owned or controlled by the Central/State Government or in which the Government has substantial financial interest or receiving grant-in-aid from the Government to meet its administrative expenditure or in Reserve Bank of India or in a Public Sector Bank or in GIC/LIC etc.
 - (ii) Dearness Relief on family pension shall remain suspended during the period of re-employment or employment of the pensioner, either before grant of pension or after grant of pension.
 - (iii) The State Government employees who get permanently absorbed in terms of Rule 33 of R.C.S. (Pension) Rules, 1996 and opt for lump sum payment in lieu of pro rata monthly pension in terms of Rule 34 of R.C.S. (Pension) Rules, 1996, shall not be eligible for dearness relief.
 - (iv) In the case of pensioners who are in receipt of more than one pension, (including family pension) the Dearness Relief will be calculated on the total of all pensions taken together.

Operative portion of judgment pronounced on 8.12.94 in Civil Appeal No. 3542-46/90 by Supreme Court of India in Union of India & Others versus G. Vasudavan Pillai & Others is reproduced below-

“Denial of Dearness Relief on Pension/family pension in case of those ex-servicemen who got re-employment or whose dependents got employment is legal and just. The decision to reduce enhance pension from pay of those ex-

servicemen who were holding civil post on 1.1.1986 following their re-employment is unconstitutional”

(Authority: Rule 77 and Appendix-III of R.C.S. (Pension) Rules, 1996)

(b) Interim Relief on pension/family pension

Interim Relief on pension/family pension admissible @ Rs.50/- per month and, in addition, 10% of the basic Pension/family pension subject to a minimum of Rs.50/- per month w.e.f. 1.4.1995. and subject to the following terms & conditions:

- 1 If a pensioner/family pensioner is re-employed/employed under the State Government/Central Government or a Corporation/ Company/Body/Bank under them in India or abroad including permanent absorption in such Corporation/Company/Body/ Bank, he/she shall not be eligible to draw Interim Relief on pension/ family pension during the period of such re-employment/ employment.
- 2 Interim Relief may be shown as a separate element. No Dearness Relief on this element will be admissible. Interim Relief involving a fraction of a rupee may be rounded off to the next higher rupee.
- 3 In case of persons in receipt of more than one pension, the Interim Relief will be calculated on the total of all pensions taken together.
- 4 Accountant General and authorised Public Sector Banks making payment of Pension on behalf of the State Government are requested to arrange payment of Interim Relief to the Pensioners on the basis of above instructions without waiting for any further communication from Finance Department.
- 5 In continuation of Finance Department Order No. F-1 (14) FD Rules 95 dated 17.8.1995 it is clarified that the term basic pension/family pension used in the aforesaid order shall mean: -
 - (a) in respect of employees retired/retiring on or after 1.9.1986, the original pension (inclusive of commuted portion of pension);
 - (b) in respect of employees who retired on or after 31.3.1986 but prior to 1.9.1986, original pension/revised pension (inclusive of commuted portion of pension) plus increase in pension admissible thereon in terms of Finance Department Order No. F.1 (44) FD (Gr.2)/82, dated 1.4.1986;
 - (c) in respect of employees who retired prior to 31.3.1986, ‘consolidated pension’ as defined in paragraph 7 of Finance Department Order No. f.1(47)FD(Gr.2)/88, dated 2.12.1989;
 - (d) in respect of pensioners getting minimum pension/family pension, the minimum pension/family pension i.e. Rs.8850/- per month (w.e.f. 1.10.2017).

It is also clarified that the aforesaid orders shall be applicable to the widows getting ex-gratia payment in accordance with the provisions contained in Finance Department Order No. F.1 (35) FD (Gr.2)/87 dated 2.7.1991 and 2.7.1992.

(Authority: Rule 77 A and Appendix-XII of R.C.S. (Pension) Rules, 1996)

(c) Revision of Pension of Pre 1.10.2017 State Pensioners/Family Pensioner:-

(1) The Governor is pleased to order that the Pension/Family pension of all pre- 1-10-2017 state pensioners/family pensioners be revised with effect from 1.10.2017 in the manner indicate in the succeeding paragraphs except otherwise provided.

(2) Applicability:

These order shall apply to all service pensioners/family pensioners who were in receipt pension/family pension on 1.10.2017 under the Rajasthan Civil Services (Pension) Rules, 1996

(3) In this order :

- a. “Existing pensioner” or “Existing family pensioner” means a pensioner who was drawing /entitled to pension /family pension as on 30.09.2017.
- b. “Existing pension” means the basic pension/ consolidated pension inclusive of commuted portion, if any due on 30.09.17
- c. “Existing family pension” means the basic family pension /consolidated family pension drawn on 30.09.2017.
- d. “Bank means the branch of the Bank from which the pensioner is getting his pension.

(4) (i) The existing pensioners who have retired before 01.10.2017, the revised pension/family pension wef 01.10.2017 shall be determined by the multiplying the existing pension/existing family pension by 2.57. The amount of revised pension/family pension so arrived at shall be rounded off to next higher rupee.

(ii) The revised pension /family pension wef 01.10.2017 in respect of pensioner/ family pensioner who retired/ died prior to 01.10.2017 will be revised by notionally fixing their pay in level in the pay Matrix corresponding to the pay in the pay scale /running pay band / grade pay at which they retired /died. In this regard detailed order /instruction will be issued separately.

(5) For this purpose, the existing pension/ family pension will be the basic pension/family pension only without the element of additional pension available to the old pensioner/family pensioners of the age of 80 years and above. The additional pension /family pension payable to the old pensioners/ family pensioners will be worked out in accordance with para 8 of this order.

(6) Since the revise pension will be inclusive of commuted portion of pension, if any, the commuted portion will be deducted from the said amount while making monthly disbursements.

- (7) The minimum pension with effect from 01.10.2017 will be Rs. 8850/- per month (excluding the element of additional pension to old pensioners). The upper ceiling of pension/family pension will be 50 % and 30% respectively of the highest pay in the Government. (The highest pay in the Government is Rs. 2,18,600 with effect from 01.10.2017).
- (8) The quantum of age related additional pension /family pension available to the old pensioners/family pensioners shall continue to be as follows:-

Age of pensioner/family pensioner	Additional quantum of pension
From 80 years to less than 85 years	20% of revised basic pension /family pension
From 85 years to less than 90 years	30% of revised basic pension /family pension
From 90 years to less than 95 years	40% of revised basic pension /family pension
From 95 years to less than 100 years	50% of revised basic pension /family pension
100 years or more	100% of revised basic pension /family pension

The amount of additional pension will be shown distinctly in the pension payment order. For example, in case where a pensioner is more than 80 years of age and his/her revised pension in terms of para 4 above is Rs. 10,000 pm., the pension will be shown as (i) Basic pension =Rs. 10,000 and (ii) additional pension = Rs.2000 pm. The pension on his /her attaining the age of 85 years will be shown as (i) Basic pension =Rs. 10000 and (ii) additional pension =Rs 3000 pm. Dearness relief will be admissible on the additional pension available to the old pensioners also.

- (9) The revised pension /family pension arrived at as per paragraph 4 includes dearness relief sanctioned from 01.10.2017. The revised pension /family pension as worked out in accordance with provisions of para 4 above shall be treated as final “Basic pension” /Basic family pension w.e.f 01.10.2017 and shall qualify for grant of Dearness relief sanctioned thereafter.
- (10) Where the revised pension /family pension in terms of paragraph 4 above works out to an amount less than Rs 8850/-, the same shall be stepped up to Rs. 8850/-. This will be regarded as pension/family pension with effect from 01.10.2017.
- (11) The existing instruction regarding regulation of dearness relief to employed /re-employed pensioner /family pensioner, as contained in

Rule 77 of Rajasthan Civil Services (Pension) Rules 1996 as amended from time to time shall continue to apply .

- (12) The cases of Government employee who have been permanently absorbed in public sector undertaking /autonomous bodies will be regulated as follows:-

(a) **Pension**

Where the government servants on permanent absorption in central public sector undertaking /autonomous bodies continue to draw pension separately from the Government, the pension of such absorbees will be updated in terms of these orders. In cases where the Government servants have drawn one time lump sum terminal benefits equal to 100% of their pensions and have become entitled to the restoration of full pension as per the instructions issued or sanctioned by this Department from time to time. They will also be entitle for revision of pension under this order including para 8 of this order.

(b) **Family Pension**

In cases where on permanent absorption in central public sector undertakings /autonomous bodies, the term of absorption and /or the rules permit grant of family pension under the RCS(pension) Rules 1996, the family pension being drawn by family pensioners will be updated in accordance with these orders.

(13) The procedure for revision of pension and payment of arrear:

- (i) The Pensioner / Family pensioner shall surrender his /her half of pension payment order to the pension disbursing authority i.e. the branch of the Bank /Treasury officer as the case may be requesting for revision of his /her pension /and family pension in the proforma enclosed with this order.
- (ii) The pension paying branch of the Bank will forward both the halves of pension payment order indicating the amount of pension / family pension and dearness relief paid so far to the concerned Treasury Officer / Treasury Officer Pension. The Bank shall, however even after sending the pension payment order to Treasury Officer pension / Treasury Officer to continue to make disbursing of pension/ family pension at the last rate for a period of six months or receipt of the revised pension payment order , whichever is earlier.
- (iii) The Treasury Officer pension / Treasury Officer shall revised pension and /or family pension on 01.10.2017 as per provision of this order.
- (iv) The Treasury Officer pension / Treasury Officer shall calculate the amount of arrear payable to pensioner.
- (v) Where the pensioner is getting pension from a bank, the authority for payment of arrear as well as the revised pension payment order shall be forwarded to the same branch of the Bank from which the pensioner was earlier getting pension by the Treasury Officer pension /Treasury Officer. While authorising the monthly disbursement of revised

pension, the amount of commuted portion if any, shall be deducted from the revised pension.

- (vi) In case of death of a pensioner, the balance amount shall be payable to his nominee or legal heir, as the case may be as per rule 143 and 145 of Rajasthan Civil Services (Pension) Rules, 1996.

14. In the case of pensioners receiving pension outside the State the concerned Treasury Officer of that state shall revise the pension and /or family pension with effect from 01.10.2017 as per provision of this order. The Treasury Officer shall authorise payment of arrear amount on account of revision of pension. The Treasury Officer shall follow the same procedure as has been indicated at paragraph 13 of this order.

(Authority: Government of Rajasthan Finance Department (Rules Division) Memorandum No. F 12(6) FD (Rules)/2017Jaipur, dated: 30 October 2017)

20.07.1 Retirement/Death Gratuity

- (1) (a) A Government servant, who has completed five years qualifying service and has become eligible for service gratuity or pension under Rule 54 of R.C.S. (Pension) Rules, 1996 shall, on his retirement, be granted retirement gratuity equal to one-fourth of his emoluments for each completed six monthly period of qualifying service, subject to a maximum of 16½ times the emoluments.

(b) If a Government servant dies while in service, the death gratuity shall be paid to his family in the manner indicated in sub-rule (1) of Rule 56 of R.C.S. (Pension) Rules, 1996 at the rates given in the Table below, namely-

Length of qualifying service	Rate of death gratuity
(i) Less than 1 year	2 times of monthly emoluments
(ii) One year or more but less than 5 years	6 times of monthly emoluments
(iii) 5 years or more but less than 11 years	12 times of monthly emoluments
(iv) 11 years or more but less than 20 years	20 times of monthly emoluments
(v) 20 years or more	Half of monthly emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times of emoluments

Provided that the amount of retirement gratuity or death gratuity payable under this rule shall in no case exceed Rs. 20.00 lacs

Provided further that where the amount of retirement or death gratuity as finally calculated contains a fraction of a rupee, it shall be rounded off to the next higher rupee.

(2) If a Government servant, who has become eligible for a service gratuity or pension, dies within five years from the date of his retirement from service including compulsory retirement as a penalty and the sums actually received by him at the time of his death on account of such gratuity or pension, together with the retirement gratuity admissible under sub-rule (1) and the commuted value of any portion of pension commuted by him are less than the amount equal to 12 times of his emoluments, a residuary gratuity equal to the deficiency may be granted to his family in the manner indicated in sub-rule (1) of Rule 56 of R.C.S. (Pension) Rules, 1996.

(3) The emoluments for the purpose of gratuity admissible under this rule shall be reckoned in accordance with Rule 45 of R.C.S. (Pension) Rules, 1996.

(4) For the purpose of this Rule and Rules 56, 58 and 59 of R.C.S. (Pension) Rules, 1996 'family' in relation to a Government servant, means-

- (i) wife or wives including judicially separated wife or wives in the case of a male Government servant,
- (ii) husband, including judicially separated husband in the case of a female Government servant,
- (iii) sons including step sons and adopted sons,
- (iv) unmarried daughters including step daughters and adopted daughters,
- (v) widowed daughters including step daughters and adopted daughters,
- (vi) father, | including adoptive parents in the case of individuals
- (vii) mother | whose personal law permits adoption,
- (viii) brothers below the age of eighteen years including step brothers,
- (ix) unmarried sisters & widowed sisters including step sisters,
- (x) married daughters, and
- (xi) children of a predeceased son.

Government of Rajasthan have decided that:

- 1 **Benefits admissible in cases of suicide also:** - The Pension Rules do not prohibited the grant of family pension/death gratuity to the family of a Government servant who commits suicide.
- 2 The entire service rendered by a Government servant, which qualifies for pension, also qualifies for Death/Retirement Gratuity. Thus the benefit of rounding off qualifying service of three months and above into a completed six monthly period is applicable in the case of Retirement/Death Gratuity also.
3. **Determination of Death Gratuity when service records are incomplete:** -

(I) If the deceased Government servant had, at the time of death, rendered more than five years qualifying service but less than twenty years qualifying service, and the spell of last five years service has been verified and accepted by the Head of Office, the amount of death gratuity shall be equal to 12 times of deceased Government servant's emoluments, as indicated in clause (b) of sub-rule (1) of Rule 55 of R.C.S. (Pension) Rules, 1996. Where the verified and accepted service is less than five years of qualifying service, the amount of death gratuity shall be equal to twice or six times of his emoluments, as indicated in clause (b) of sub-rule (1) of Rule 55 of R.C.S. (Pension) Rules, 1996.

(ii) If the deceased Government servant had rendered more than twenty years of service and the entire service is not capable of being verified and accepted, but the service for the last five years has been verified and accepted under sub-clause (1), the family of the deceased Government servant shall be allowed on provisional basis the death gratuity equal to 12 times of emoluments. Final amount of the gratuity shall be determined by the Head of Office on the basis of the entire spell of service which may be verified and accepted by the Head of Office within a period of six months from the date on which the authority for the payment of provisional gratuity was issued. The balance, if any, becoming payable as a result of determination of the final amount of death cum retirement gratuity shall then be authorised to the beneficiary or beneficiaries.

4. **Retirement/death gratuity may be paid to the family after one year, in case an official's where about are not known:** Where family pension has been sanctioned in case of a missing Government servant, after observing the formalities, as mentioned in 2nd proviso to Rule 61 of R.C.S. (Pension) Rules, 1996, the family may also be paid/granted-

(i) Death gratuity not exceeding the amount which would have been payable as Retirement gratuity if the person has retired. The difference between retirement gratuity and death gratuity shall be, subsequently, payable after the death is conclusively established or on the expiry of seven years period from the date of missing.

(ii) Amount of-

(a) salary due,

(b) leave encashment due,

(c) G.P.F. having regard to the nomination made by the employee.

The Head of Office will assess all Government dues outstanding against the Government servant and ensure recovery in accordance with Rule 92 of R.C.S. (Pension) Rules, 1996, and other instructions in force for effecting recovery of Government dues. The head of office will record details of all payments made to the family in the service book to avoid double payment in case Government servant reappears.

(Authority: Rule 55 of R.C.S. (Pension) Rules, 1996)

20.07.2 Persons to whom gratuity is payable

- (1) (a)** The gratuity payable under Rule 55 of R.C.S. (Pension) Rules, 1996 shall be paid to the person or persons on whom the right to receive the gratuity is conferred by means of a nomination under Rule 59 of R.C.S. (Pension) Rules, 1996.
- (b)** If there is no such nomination or if the nomination made does not subsist, the gratuity shall be paid in the manner indicated below-
 - (i)** if there are one or more surviving members of the family as in clause (1), (ii), (iii) and (iv) of sub-rule (4) of Rule 55 of R.C.S. (Pension) Rules, 1996, to all such members in equal shares;
 - (ii)** if there are no such surviving members of the family as in sub-clause (I) above, but there are one or more members as in clauses (v), (vi), (vii), (viii), (ix), (x) and (xi) of sub-rule (4) of Rule 55 of R.C.S. (Pension) Rules, 1996 to all such members in equal shares.
- (2)** If a Government servant dies after retirement without receiving the gratuity admissible under sub-rule (1) of Rule 55 of R.C.S. (Pension) Rules, 1996, the gratuity shall be disbursed to the family in the manner indicated in sub-rule (1).
- (3)** The right of a female member of the family, or that of a brother, of a Government servant who dies while in service or after retirement, to receive the share of gratuity shall not be affected if the female member marries or remarries, or the brother attains the age of eighteen years, after the death of the Government servant and before receiving her or his share of the gratuity.
- (4)** Where gratuity is granted under Rule 55 of R.C.S. (Pension) Rules, 1996 to a minor member of the family of the deceased Government servant, it shall be payable to the guardian on behalf of the minor.

Government of Rajasthan have decided that:

1 Payment of minor's share of death/retirement gratuity to guardian:

- (1)** Payment of the minors' share of death/retirement gratuity is to be made to the natural guardian of the minors', and in the absence of a natural guardian, to the person who furnishes a guardianship certificate.
- (2)** In a case where payment of the minors' share of death/retirement gratuity is to be made to the natural/legal guardian, in order to issue the necessary payment authority in his/her favour, the Director, Pension Department must know this fact, as well as the name of the natural/legal guardian. If the above information is not given in the sanction letter, the Director, Pension Department has to make enquiry on this point from the sanctioning authority, resulting in-avoidable delay in the payment of death/retirement gratuity. To obviate such delays, the sanctioning authority should in future in all cases of this nature intimate the aforesaid particulars in the sanction letter itself.

(3) The legal position as to whom the share of a minor in the capacity of minor's natural/legal guardian would be payable is explained as under-

(I) Where no valid nomination subsists:

- (a) When a share is payable to minor sons or minor unmarried daughters, it should be paid to the surviving parent except in the case when the surviving parent happens to be a Muslim lady. Where, however, there is no surviving parent, or the surviving parent is a Muslim lady, payment will have to be made to the person producing the guardianship certificate.
- (b) When a share is payable to widowed minor daughter(s), production of a guardianship certificate would be necessary.
- (c) If in a rare case the wife herself happens to be a minor, the death/retirement gratuity payable to her shall be paid to the person producing the guardianship certificate.
- (d) When the death/retirement gratuity becomes payable to a minor brother or a minor unmarried sister, the payment should be made to the father or, in his absence the mother of the beneficiary except in a case where the mother happens to be a Muslim lady. In this case too, if there is no surviving parent or the surviving parent happens to be a Muslim lady, the payment will have to be made to the person producing the guardianship certificate. If any share is payable to a widowed minor sister the production of guardianship certificate would be necessary.

(II) Where a valid nomination subsists:

- (a) Where the nomination is in respect of one or more of the members of the family, the position stated against para (3) (1) would apply.
- (b) Where there is no family, the nomination in favour of an illegitimate child or married sister would also be valid. The position would, therefore, be as follows-
 - (i) If the nominee is an illegitimate child, the share will be payable to the mother, and in her absence, the production of a guardianship certificate would be necessary.
 - (ii) If the share is payable to a married girl, the share will be payable to the husband.

Note: A surviving stepmother is not a natural guardian of the minor child, and is not, therefore, covered by the term 'surviving parent' used in para (3)(1)(a) above.

2 Special relaxation for payment of minor's share without guardianship certificate, upto the extent of Rs.10,000/-

(1) Decision No. 1 lays down that the payment of a minor's share of death/retirement gratuity is to be made to the person producing a guardianship certificate when there is no surviving parent or the surviving parent is a Muslim lady. It has been represented that in many

cases, the production of guardianship certificate causes great inconvenience and entails delays in the settlement of the claims.

(2) It has been decided in modification of the above decision that payment of death/retirement gratuity to the extent of Rs.10,000/- (or the first Rs.10,000/- where the amount payable exceeds Rs.10,000/-) in favour of a minor may be made to his/her guardian, in the absence of a natural guardian, without the production of a formal guardianship certificate but subject to the production of an indemnity bond with suitable sureties to the satisfaction of the sanctioning authority. The balance in excess of Rs.10,000/-, if any, would become payable on the production of a certificate of guardianship.

(3) It is essential, however, that there should be adequate prima facie grounds for making payment as in paragraph (2) above, to the person claiming it. Such ground can exist only if he is shown by a sworn declaration to be a de- facto guardian and his bonafides have been ascertained. Even if a guardian has not yet been appointed by the Court, if the minor and his property are in the custody of some person, such person is in law a de- facto guardian. The authorities making the payment should, therefore, require the person who comes forward to claim payment on behalf of the minor, to satisfy them by an affidavit that he is in charge of the property of the minor and is looking after it or that, if the minor has no property other than the gratuity, the minor is in his custody and care. The affidavit so to be produced is in addition to the indemnity bond with suitable sureties.

(4) The indemnity bond which is to be required to be produced by a de- facto guardian of minors' for payment of death/retirement gratuity to the extent of Rs.10,000/- should be executed in the specific form.

(5) It has been decided that the stamp duty payable on the indemnity bond will be borne by the Government. The indemnity bond should, therefore, be executed on any durable plain paper.

(6) The indemnity bond should be signed by the obligor and the surety / sureties or their respective attorneys appointed by power(s) of attorney. The indemnity bond on behalf of the Governor should be accepted by an officer duly authorised under Article 299(1) of the Constitution.

(Authority: Rule 56 of R.C.S. (Pension) Rules, 1996)

20.07.3 Interest on delayed payment of retiral benefits

- (1) Except in exceptional circumstances, if the payment of retiral benefits has been authorised after 60 days from the date when its payment became due, and it is clearly established that the delay in payment was not on account of failure on the part of the Government servant to comply with the procedure laid down in Rajasthan Civil Services (Pension) Rules 1996, interest @ 9 % per annum for the period beyond 60 days after retiral benefits became due would be payable till the end

of the months preceding the month in which the retiral benefits are authorised.

- (2) Every case of delayed payment of retiral benefits shall, suo moto, be examined by the Head of Office and shall be forwarded to the Administrative Department through the Head of the Department, and where the Administrative Department is satisfied that the delay in payment of retiral benefits was caused on account of administrative lapse or inaction, the Administrative Department concerned shall issue sanction for the payment of interest to the Director, Pension Department.
- (3) In all case, where the payment of interest has been authorised, the Administrative Department concerned shall fix responsibility and take disciplinary action under the Rajasthan Civil Services (CCA) Rules, 1958 against the Government servant(s) who is/are found responsible for the delay in the payment of retiral benefits and shall recover the loss caused to the government due to payment of interest to pensioner from the Government Servant(s) held responsible. In the order for payment of interest, the Administrative Department shall also mention the name (s) of officer (s)/ official (s) responsible for delay and the amount of interest recovered from him/them.
- (4) If as a result of Government's decision taken subsequent to the retirement of a Government servant, the amount of retiral benefits already paid on his retirement is enhanced on account of: -
 - (a) grant of emoluments higher than the emoluments on which retiral benefits, already paid, were determined, or
 - (b) liberalisation in the provisions of these Rules from a date prior, to the date of retirement of the Government servant concerned.No interest on the arrears of retiral benefits shall be paid.
- (5) In case any delay is caused in the pension department, responsibility shall be fixed for such delay and suitable action taken against such erring official(s) to recover the interest paid to the pensioner.

Notes

- (i) The payment of retiral benefits becomes due immediately on retirement and in case of death while in service from the date of application for grant of for payment of respective retiral benefits.
- (ii) In case of Government servants against whom disciplinary/judicial proceedings are pending on the date of retirement, no retiral benefits be paid except provisional pension until the conclusion of the proceedings and the issue of the final orders thereon. The retiral benefits if allowed to be drawn by the competent authority on the conclusion of the proceedings will be deemed to have fallen due on the date of issue of orders by the competent authority.

(Authority: Rule 89 of R.C.S. (Pension) Rules, 1996)

20.08 FAMILY PENSION RULES

20.08.1 Applicability

The provisions of these rules shall apply to all Government servants on pensionable establishment, whether temporary or permanent, who are in service on the 1st day of October, 1996, or who enter service on or after that date, but shall not apply to-

- (a) Persons paid from contingencies;
- (b) Work charged staff;
- (c) Casual labour; and
- (d) Persons appointed on contract.

(Authority: Rule 60 of R.C.S. (Pension) Rules, 1996)

20.08.2 Admissibility of pension

Family pension on the rates specified in Rule 62 of R.C.S. (Pension) Rules, 1996 shall be granted, under these rules, to the family of a Government servant who dies on or after the 1st Oct. 1996.

- (a) While in service, after completion of one year of continuous service, provided that in the following cases, the condition of one year's service will not be applicable:-
 - (i) persons appointed as probationers against permanent posts,
 - (ii) persons recruited, through Rajasthan Public Service Commission for appointment on temporary posts within their purview,
 - (iii) persons recruited strictly in accordance with service rules in case of temporary posts outside the purview of the Rajasthan Public Service Commission.

Note: 'Continuous service' for the purpose of these Rules, means service rendered in a temporary or permanent capacity in a pensionable establishment but does not include:

- (i) The period of service, if any, rendered before attaining the age of eighteen years, and
- (ii) The period of suspension, if any.

The continuous service will not include broken periods of service.

- (b) After retirement from service, if he was in receipt of pension on the date of death, other than pension referred to in Rule 33 of R.C.S. (Pension) Rules, 1996:

Provided that if a pensioner after retirement from service, is unheard of for more than a period of one year and the service pension has also remained undrawn by the pensioner, the family pension at the rate prescribed under Rule 62 of R.C.S. (Pension) Rules, 1996 subject to the maximum limit of service pension sanctioned to the Government servant shall be sanctioned and authorised to the member of his/her family as defined under Rule 66 (1) of R.C.S. (Pension) Rules, 1996 on

submission of an application alongwith indemnity Bond and Affidavit in the prescribed forms 15, 15A and 15B alongwith a copy of F.I.R. lodged with the police about the disappearance of the pensioner. If in any case, the pensioner subsequently reappears, the family pension shall immediately cease to be admissible and payable and the amount so paid shall be adjusted out of arrears of service pension, if paid to the pensioner:

NOTE: - With regard to payment of arrears of service pension on reappearance of pensioner or otherwise, refer to Rule 144 and 146 of R.C.S. (Pension) Rules, 1996 respectively:

Provided further that if a Government servant is unheard of for more than a period of one year, the family pension at the rate prescribed under Rule 62 of R.C.S. (Pension) Rules, 1996 shall be sanctioned and authorised to the member of his/her family as defined under Rule 66 (1) of R.C.S. (Pension) Rules, 1996 on submission of an application alongwith Indemnity Bond and Affidavit in the prescribed forms 16, 16A and 16B of R.C.S. (Pension) Rules, 1996 and also a copy of the F.I.R. lodged with the police about the disappearance of the Government servant. If in any case, the Government servant subsequently reappears the family pension shall immediately cease to be admissible and payable. The amount of family pension already paid to the family, shall be recoverable from the salary of the Government servant. The cases in which officials disappear after committing frauds, the family pension needs to be sanctioned only on the Government employee being acquitted by the Court of Law or after conclusion of disciplinary proceedings etc. as the case may be.

Notes (1) The family pension granted under first and second provisos to rule 61 of R.C.S. (Pension) Rules, 1996, shall be payable from the date of expiry of one year period of a missing pensioner/Government servant or from the date of lodging of F.I.R., whichever is later.

- (2) Regarding arrears of family pension, see Rule 146 and 147 of R.C.S. (Pension) Rules, 1996.
- (3) Regarding payment of other retirement benefits or dues of a missing Govt. servant, see Government of Rajasthan's Decision below rule 55 of R.C.S. (Pension) Rules, 1996.

(Authority: Rule 61 of R.C.S. (Pension) Rules, 1996)

20.08.3 Amount of family pension

- (i) Family pension shall be admissible @ 30% of (emoluments) subject to a minimum of Rs 8850/- per month and maximum of 30% of the highest pay in Government (the highest pay in the Government is Rs 2,18,600/- since 1.10.2017).
- (ii) (a) Where a Government servant who is not governed by the Workmen's Compensation Act, 1923 as amended from time to time

dies while in service after having rendered not less than 7 years continuous service prior to his death, the family pension payable shall be at 50% of the emoluments last drawn or twice the amount of family pension admissible under sub-rule (I) whichever is less.

(b) Where a Government servant who is governed by the Workmen's Compensation Act, 1923 as amended from time to time dies while in service after having rendered not less than 7 years continuous service prior to his death, the family of such a Government servant shall also be entitled to the family pension equal to 50% of the pay last drawn or one and a half times the family pension admissible under sub-rule (i), whichever is less:

Provided that where compensation is not payable to a Government servant under the aforesaid Act, the pension sanctioning authority shall send a certificate to the Director, Pension Department, Rajasthan to the effect that the family of the deceased Government servant is not eligible for any compensation under the aforesaid Act and in such a case the family of such a Government servant shall be entitled to family pension as admissible in sub-rule (ii) (a).

(iii) The amount of family pension at enhanced rates under sub-rule (ii) in respect of Government servants who retired/retire on or after 1st Oct., 1996 or died/die while in service on or after 1st Oct., 1996, shall be payable-

- (a) in the event of death of a Government servant while in service for a period of seven years following the date of death or till the date on which the deceased Government servant would have attained the age of 67 years had he survived, whichever period is shorter;
- (b) in the event of death after retirement, the family pension at the enhanced rates indicated in clause (ii) shall be payable till the date on which the deceased Government servant would have attained the age of 67 years, had he survived, or for seven years, whichever period is shorter, but in no case the amount of family pension shall exceed the pension sanctioned to the Government servant at the time of retirement. However, in cases where the amount of family pension as admissible under sub-rule (I) exceeds the pension sanctioned at the time of retirement, the amount of family pension sanctioned under this clause shall be the amount of family pension admissible under sub-rule (I). The pension sanctioned at the time of retirement shall be the pension inclusive of the part of pension which the retired Government servant may have commuted before death; and
- (c) after the expiry of the period referred to in clause (a) and (b) above, the pension payable will be at rates laid down in sub-rule (i).

- (iv) Notwithstanding anything contained in clause (ii) and (iii), the amount of family pension in the case of parent shall be as admissible in clause (i).

Notes

- (1) In the case of a Government servant who dies while on extension of service, the date upto which the extension of service had been sanctioned to him before his death, will be deemed to be the normal date of superannuation.
- (2) The amount of Family Pension shall be fixed at monthly rates and be expressed in whole rupees and where the family pension contains a fraction of a rupee, it shall be rounded off to the next higher rupee.
- (3) The commutation of pension by a pensioner has no effect on the quantum of family pension.

(Authority: Rule 62 of R.C.S. (Pension) Rules, 1996 and Government of Rajasthan, Finance Department, Notification No. F.12 (6) FD (Rules)/2017 dated 30.10.2017)

20.08.4 Family Pension not admissible on award of extra ordinary pension

Where an award under the extra ordinary pension rules is admissible, no family pension under these rules shall be authorised.

(Authority: Rule 63 of R.C.S. (Pension) Rules, 1996)

20.08.5 Regulation of family pension to the family of a re-employed military pensioner

A military pensioner, who on retirement from military service, on retiring pension, service pension or invalid pension is governed for the grant of ordinary family pension by Army Instruction 2/S/64 or corresponding Navy or Air Force instructions and is re-employed in a civil service or civil post before attaining the age of superannuation, shall for the purpose of eligibility for the family pension already authorised under the aforesaid Army/Navy/Air Force instruction, be governed as follows-

- (i) if he dies while holding a civil post, his family shall be allowed family pension under these rules or the family pension authorised at the time of retirement or discharge from the Military service, whichever is more advantageous to the family;
- (ii) if he retires from the civil re-employment without earning any pension therefor, his family shall be entitled to family pension as authorised at the time of his retirement/discharge from military service;
- (iii) If he retires from civil re-employment after becoming eligible for pension therefor, he shall exercise an option at the time of applying for pension for civil service either to be governed by family pension under these rules or to avail of family pension benefits as authorised at the

time of his retirement/discharge from military service and the said option once exercised shall be final, and irrevocable.

(Authority: Rule 64 of R.C.S. (Pension) Rules, 1996)

20.08.6 Family pension not to be granted to a person in receipt of or eligible for the same from other sources

Family pension admissible under these rules shall not be granted to a person who is already in receipt of Family Pension or is eligible therefore under any other rules of the Central Government or a State Government and/or Public Sector Undertaking/ Autonomous Body/ Local Fund under the Central or/and State Government.

Provided that a person who is otherwise eligible for family pension under these rules may opt to receive family pension under these rules if he forgoes family pension admissible from any other source.

(Authority: Rule 65 of R.C.S. (Pension) Rules, 1996)

20.08.7 Definitions

- (1) 'Family' for the purpose of these rules will include the following relations of the Government servant: -
 - (a) wife, in the case of a male Government servant and husband, in the case of a female Government servant;
 - (b) a judicially separated wife or husband, such separation not being granted on the ground of adultery;
 - (c) son/daughter including widows/divorced daughter till he/she attained the age of 25 years or on earning a monthly income exceeding Rs.6000/- or upto the date of his/her marriage/re-marriage, whichever is earlier. The term son/daughter shall also include son/daughter adopted legally and posthumous child of a Government servant.
 - (d) Parents who were wholly dependant upon the Government servant when he/she was alive provided the deceased employee had left behind neither a widow nor a child and the income of parent is not more than Rs.6000/- per month.
- (2) 'Emoluments' means emoluments as defined in Rule 45 of Rajasthan Civil Services (Pension) Rules, 1996, which the deceased Government servant was drawing on the date of his death while in service or immediately before his retirement if no date of his death while in service or immediately before his retirement such Government servant has been absent from duty on leave (including extraordinary leave) or suspension, emoluments means the emoluments which he drew immediately before proceeding on such leave or suspension.

(Authority: Rule 66 of R.C.S. (Pension) Rules, 1996 and Government of Rajasthan Finance Department Notification No. F-15 (3) F.D. (Rules)/97 dated 8.8.2000)

20.08.8 Condition of grant

The family pension shall be admissible to-

- (a) A widow/widower, upto the date of death or remarriage, whichever is earlier;
- (b) Unmarried son till he attains the age of twenty-five years or on earning a monthly income exceeding Rs.6000/-.
- (c) Daughter including widowed/divorced daughter till she attains the age of 25 years or on earning a monthly income exceeding Rs.6000 /- per month or upto the date of her marriage/ remarriage, whichever is earlier.
- (d) Parents who were wholly dependent upon the Government servant when he/she was alive provided the deceased employee had left behind neither a widow nor a child and the income of parent is not more than Rs.6000/-.

Provided that if the son or daughter of a Government servant is suffering from any disorder or disability of mind or is physically crippled or disabled so as to render him or her unable to earn a living even after attaining the age of twenty five years, the family pension shall be payable to such son or daughter for life, subject to the following conditions, namely, -

- (i) If there are more than one such children suffering from disorder or disability of mind or who are physically crippled or disabled, the family pension shall be paid in the order of their birth and the younger of them will get the family pension only after the elder next above him/her ceases to be eligible;
- (ii) Before allowing the family pension for life to any such son or daughter, the sanctioning authority shall satisfy that the handicap is of such a nature so as to prevent him or her from earning livelihood evidenced by a certificate obtained from a medical officer not below the rank of Chief Medical & Health Officer/Medical Jurist setting out, as far as possible, the exact mental or physical incapacity; and
- (iii) The person receiving the family pension as natural/legal guardian of such son or daughter or such son or daughter not receiving the family pension through the guardian, shall produce every three years a certificate from a medical officer not below the rank of Chief Medical & Health Officer/Medical Jurist to the effect that he or she continues to suffer from disorder or disability of mind or continues to be physically crippled or disable.

EXPLANATIONS:

- (1) A son/daughter shall become ineligible for family pension from the date he/she gets married or on earning a monthly income exceeding Rs.6000/- per month. He/ She will be required to produce six monthly a certificate regarding marital status and an annual certificate regarding monthly income.

- (2) In such a case, it shall be the duty of the natural/legal guardian or daughter, to furnish a certificate to the Treasury or Bank, as the case may be, every year that she has not yet married.
- (3) Family pension to an eligible Government servant/pensioner is payable in addition to his/her pay or pension, in cases where both husband and wife are Government servants.

(Authority: Rule 67 of R.C.S. (Pension) Rules, 1996 and Government of Rajasthan Finance Department Notification No. F-15 (3) F.D. (Rules)/97 dated 8.8.2000)

20.08.9 Order of Allotment

- (a) (i) Where the family pension is payable to more widows than one, the family pension shall be paid to the widows in equal shares.
(ii) On the death of a widow, her share of the family pension shall become payable to her eligible child:
Provided that if the widow is not survived by any child, her share of the family pension shall not lapse but shall be payable to the other widows in equal shares, or if there is only one such other widow, in full, to her.
- (b) Where the deceased Government servant or pensioner is survived by a widow but has left behind eligible child or children from another wife who is not alive, the eligible child or children shall be entitled to the share of family pension which the mother would have received if she has been alive at the time of the death of the Government servant or pensioner:
Provided that on the share or shares of family pension payable to such a child or children or to a widow or widows ceasing to be payable, such share or shares shall not lapse, but shall be payable to the other widow or widows and/or to other child or children otherwise eligible, in equal shares, or if there is only one widow or child, in full, to such widow or child.
- (c) Where the deceased Government servant or pensioner is survived by a widow but has left behind eligible child or children from a divorced wife or wives the eligible child or children shall be entitled to the share of family pension which the mother would have received at the time of the death of the Government servant or pensioner had she not been so divorced.
Provided that on the share or shares of family pension payable to such a child or children or to a widow or widows ceasing to be payable, such share or shares, shall not lapse, but shall be payable to the other widow or widows and/or to the other child or children otherwise eligible, in equal shares, or if there if only one widow or child, in full, to such widow or child.
- (d) Where the family pension is payable to twin children it shall be paid to such children in equal shares.

Provided that when one such child ceases to be eligible his/her share shall revert to the other child and when both of them cease to be eligible the family pension shall be payable to the next eligible single child/twin children.

- (e) Where the family pension is payable to parent it shall be first to the mother and after her death it shall be payable to the father.

Government of Rajasthan have decided that second wife not entitled to the family pension as a legally wedded wife under the Hindu Marriage Act: - It is clarified that the second wife will not be entitled to family pension as legally wedded wife. The issue was examined by the Govt. of India and similar decision has been incorporated in C.C.S. (Pension) Rules, 1972 and an extract of the opinion of Law Ministry recorded therein is reproduced below-

Extract

“It is specifically a question arising under the Hindu Marriage Act, 1955. Under Rule 54(7) of the C.C.S. (Pension) Rules, 1972, in case a deceased Government servant leaves behind more than one widow or a widow and eligible offspring from another widow, they are entitled to family pension in respect of that deceased Government servant. Section 11 of the Act provides that any marriage solemnized after the commencement of the Act shall be null and void and can be annulled against the other party by a decree of nullity if the same contravenes any of the conditions specified in clause (i), (iv) and (v) of Section 5 of the Act. Section 5(1) stipulates that the marriage cannot be legally solemnized when either party has a spouse living at the time of such marriage. Therefore, any second marriage by a Hindu male after the commencement of 1955 Act during the lifetime of his first wife will be a nullity and have no legal effect. Such marriage cannot be valid on the ground of any custom. In fact, a custom opposed to an expressed provision of law is of no legal effect. So under these circumstances, the second wife will not be entitled to the family pension as a legally wedded wife”.

(Authority: Rule 68 of R.C.S. (Pension) Rules, 1996, and Government of Rajasthan finance Department Notification No. F. -15(3) F.D. (Rules)/97 dated 8.8.2000.)

20.08.10 Family pension not payable to more than one member of the family at the same time

- (i) Except as provided in Rule 68 of R.C.S. (Pension) Rules, 1996, the family pension shall not be payable to more than one member of the family at the same time.
- (ii) If a deceased Government servant or pensioner leaves behind a widow or widower, the family pension shall become payable to the widow or widower, failing which to the eligible child.
- (iii) Family pension to the children shall be payable in the order of their birth and the younger of them will not be eligible for family pension unless the elder next above him/her has become ineligible for the grant of family pension.

(Authority: Rule 69 of R.C.S. (Pension) Rules, 1996)

20.08.11 Family pension to be given to the eldest eligible child

Where a deceased Government servant or pensioner leaves behind more children than one, the eldest eligible child shall be entitled to the family pension for the period mentioned in clause (b) or clause (c) of Rule 67 of R.C.S. (Pension) Rules, 1996, as the case may be, and after the expiry of that period the next child shall become eligible for the grant of family pension.

(Authority: Rule 70 of R.C.S. (Pension) Rules, 1996)

20.08.12 Payment of family pension to the guardian on behalf of minor

Where family pension is granted under these rules to a minor, it shall be payable to the guardian on behalf of the minor.

(Authority: Rule 71 of R.C.S. (Pension) Rules, 1996)

20.08.13 Regulation of pension in case both wife and husband are Government Servants

In case both wife and husband are Government servants and are governed by the provisions of these rules and one of them dies while in service or after retirement, the family pension in respect of the deceased shall become payable to the surviving husband or wife and in the event of the death of the husband or wife, the surviving child or children shall be granted the two family pensions in respect of the deceased parents, subject to the limits specified below, namely-

- (a) (i) If the surviving child or children is or are eligible to draw two family pensions at the rate mentioned in rule 62 (ii) of R.C.S. (Pension) Rules, 1996 the amount of both the pensions shall be limited to one lakh nine thousand three hundred rupees per mensem;
- (ii) If one the family pensions ceases to be payable at the rate mentioned in rule 62(ii) of R.C.S. (Pension) Rules, 1996 and in lieu thereof the pension at the rate mentioned in rule 62(i) of R.C.S. (Pension) Rules, 1996 becomes payable, the amount of both the pensions shall also be limited to one lakh nine thousand three hundred rupees per mensem;
- (b) If both the family pensions are payable at the rates mentioned in rule 62 (i) of R.C.S. (Pension) Rules, 1996 the amount of two pensions shall be limited to sixty five thousand five hundred and eighty rupees per mensem.

(Authority: Rule 72 of R.C.S. (Pension) Rules, 1996)

20.08.14 Suspension of family pension if the recipient is charged with the offence of murdering the Government servant, etc.

- (a) If a person, who in the event of death of a Government servant while in service, is eligible to receive family pension under this rule, is charged with the offence of murdering the Government servant or for abetting

in the commission of such an offence, the claim of such a person, including other eligible member or members of the family to receive the family pension, shall remain suspended till the conclusion of the criminal proceedings instituted against him.

- (b) If on the conclusion of the criminal proceedings referred to in clause (a) the person concerned-
 - (i) is convicted for the murder or abetting in the murder of the Government servant, such a person shall be debarred from receiving the family pension which shall be payable to other eligible member of the family, from the date of death of the Government servant,
 - (ii) is acquitted of the charge of murder or abetting in the murder of the Government servant, the family pension shall be payable to such a person from the date of death of the Government servant.
- (c) The provisions of clause (a) and clause (b) shall also apply to the family pension becoming payable on the death of a Government servant after his retirement.

(Authority: Rule 73 of R.C.S. (Pension) Rules, 1996)

20.08.15 Communication of Details of family by the Government servant.

- (a)
 - (i) As soon as a Government servant enters Government service, he shall give details of his family in Form 3 to the Head of Office.
 - (ii) If the Government servant has no family, he shall furnish the details in Form 3 as soon as he acquires a family.
- (b) The Government servant shall communicate to the Head of Office about any subsequent change in the size of his family, including the fact of marriage of his female child.
- (c) As and when the disability referred to in proviso to Rule 67 of R.C.S. (Pension) Rules, 1996 manifests itself in a child which makes him/her unable to earn his/her living, the fact should be brought to the notice of the Head of Office duly supported by a Medical Certificate from a Medical Officer, not below the rank of a Civil Surgeon. This may be indicated in Form 3 by the Head of Office. As and when the claim for family pension arises, the legal guardian of the child should make an application supported by a fresh medical certificate from a Medical Officer, not below the rank of Civil Surgeon that the child still suffers from the disability.
- (d)
 - (i) The Head of Office shall, on receipt of the said Form 3, countersign the same and get it pasted on the service book of the Government servant concerned and acknowledge receipt of the said Form 3 and all further communications received from the Government servant in this behalf.

- (ii) The Head of Office on receipt of communication from the Government servant regarding any change in the size of family shall have such a change incorporated in Form 3.

(Authority: Rule 74 of R.C.S. (Pension) Rules, 1996)

20.08.16 Ex-gratia grant to the family of a Government servant who dies while on duty in certain circumstances

(1) Subject to the provisions of Chapter V of RCS (Pension) Rules 1996 except as otherwise provided, an 'ex-gratia grant' shall be admissible under sub-rule (2) to the family of a Government servant who dies while on duty in one of the following circumstances:

- (a) outside his normal headquarter,
- (b) in an accident,
- (c) due to injury intentionally inflicted or caused in consequence of the due performance of his official duties,
- (d) due to injury intentionally inflicted or caused in consequence of his official position, and
- (e) by violence attributable to causes relative to his service,
- (f) while on duty, at own headquarter or outside headquarter, in connection with special assignments like "Election duty", "Census work" and/or such other assignments which do not fall within normal duties of the post held.

(2)(a) The amount of ex-gratia grant, when the Government servant dies under the circumstances mentioned in clause (a) of sub-rule (1) shall be as follows:

Sum of Running pay Band plus Grade pay	Amount of ex-gratia grant
(i) Upto Rs 10000/-	Rs 50,000/-
(ii) Above Rs 10000/- but below Rs 20000/-	Rs 80,000/-
(iii) Rs 20000/- and above	Rs 1,00,000

- (b) The amount of ex-gratia grant, when the Government servant dies under any of the circumstance mentioned in clause (b) to (f) of sub-rule (1) shall be Rs. 20 lakhs.

Provided that families of deceased Government servants, who are also granted relief from sundry Government sources, such as, the prime minister's relief fund, chief minister's relief fund, etc. In such cases, it should be ensured that the aggregate of the relief/ex-gratia paid from different sources does not exceed Rs. 20 lakhs in each individual case.

(3) The amount of ex-gratia grant under sub-rule (2) shall be granted by the Head of Department to the member of the family who has been granted family pension under these rules after satisfying the following conditions:

- (i) It is clearly established on record and certified in the sanction that the death of the Government servant has taken place while on duty and this fact is not subject to any dispute.
- (ii) In the case of death in accident while on duty, the death has either taken place on the spot of the accident or during the course of treatment of injuries caused in such an accident prior to being declared fit by the authorised medical attendant for resumption of duty.

Note: Accident means sudden and unavoidable mishap or a mishap due to an act of devotion to duty.

- (iii) “In the case of death of a Government servant on duty by violence attributable to service.” Means death as a result of encounter with criminals or in the course of confrontation with mob or crowds of an unlawful assembly during agitation, riot or civil commotion or communal disturbances etc.
- (iv) The death of Government servant in other than the circumstances mentioned in sub-rule (1) shall not be treated as death on duty for this purpose.
- (4) An application for ex-gratia grant under this rule shall be made by the member of his/her family who is entitled for grant of family pension in Form 17 within a period of one year from the date of death failing which the same shall not be entertained by the Head of Department.
- (5) Notwithstanding anything contained in sub-rule (3) and subject to the provisions of sub-rule (4) in the case of death of a Government servant, while on “election duty”, the Collector of the District shall also be competent to grant ex-gratia.

Government of Rajasthan have decided that:

- 1 The provisions of this rule relating to special assignment of “Election duty” shall also be applicable to the employees of the Central Government, Undertakings of Center or State, Statutory Corporations, Local Bodies, Autonomous Bodies, Cooperative Societies, R.B.I., Nationalised Banks etc. and Home Guard personnel who die while on election duty, at own headquarter or outside headquarter and would be granted an ex-gratia of Rs. 20 lakhs. The amount of ex-gratia grant shall be granted by the Collector of the concerned district to the member of the family of the deceased who is entitled to receive the Death Gratuity as per relevant rules, on receipt of application in the prescribed Form 17.
- 2 Family of a Volunteer Home Guard who dies while on duty in the Circumstances mentioned in clauses (b) to (e) of sub-rule (1) shall be granted ex-gratia of Rs.10 lakhs only subject to fulfilment of the conditions mentioned in sub-rule (3). The amount of ex-gratia shall be granted by the Director General, Home Guard & Civil Defence to the widow/minor children of the deceased on receipt of application in the prescribed form.

(Authority: Rule 75 of R.C.S. (Pension) Rules, 1996)

In accordance with the provisions contained in “Government of Rajasthan’s Decision No. 2” appearing below rule 75 of the Rajasthan Civil Services (Pension) Rules 1996, Family of a Volunteer Home Guard who dies while on duty in the circumstances mentioned in clauses (b) to (e) of sub rule (1) is granted Ex gratia grant of Rs10 lacs only subject to fulfillment of the conditions mentioned in sub rule (3) of the Rajasthan Civil Services (Pension) Rules 1996.

The matter has been considered and the Governor is pleased to order that in the aforesaid cases the existing amount of Ex- gratia grant of Rs 10 lacs is revised to Rs 20 lacs.

The amount of Ex gratia grant shall be granted by the Director General, Home Guard & Civil Defense to the widow /minor children of the deceased on receipt of application in the prescribed form except in the case of death while on Election Duty, the amount of Ex gratia grant shall be granted by the District Election Officer to the family of a volunteer Home Guard.

(Authority :- Rule 75 of RCS (Pensions) Rules, 1996 and Govt. of Rajasthan, Finance Department letter No.F.12(3)finance (Rules)/2014 dated 15.03.2017)

20.08.17 Ex-gratia grant to the family of a Police/Civil Defence & Home Guard personnel who die due to injury intentionally inflicted while on duty by a terrorist.

- (1) Subject to the provisions of this Chapter of RCS (Pension) Rules 1996, except as otherwise provided, an ‘ex-gratia grant’ of (Rs.20 lakhs) shall be admissible to the family of Police/Civil Defence & Home Guard personnel of any rank who dies due to injury intentionally inflicted while on duty by a “terrorist”. The expression ‘terrorist’ shall have meaning as defined in Section 2(1)(h) of the Terrorist and Disruptive-Activities (Prevention) Act, 1987. The ex-gratia grant shall be admissible in addition to other death-cum-retirement benefits available under these rules. However, in a case where ex-gratia is granted under this rule, no ex-gratia shall be admissible under Rule 75 of R.C.S. (Pension) Rules, 1996.

(Authority : F.12(3)finance(Rules)/2014 dated 15.03.2017)

- (2) For the purpose of this rule, injury intentionally inflicted in consequence of official position of the Police/Civil Defence & Home Guard personnel shall be treated as injury intentionally inflicted while on duty.
- (3) The amount of ex-gratia grant under sub-rule (1) shall be granted by the Secretary to the Government of Rajasthan, Home Department to the member of the family who has been granted Family Pension under these rules, after satisfying the following conditions-
 - (i) It is clearly established on record and certified in the sanction that the death of this Police/Civil Defence & Home Guard

Personnel has taken place due to injury intentionally inflicted while on duty and this fact is not subject to any dispute.

- (ii) No ex-gratia has been granted under Rule –75 of R.C.S. (Pension) Rules, 1996.
- (4) An application for ex-gratia grant shall be made by the member of his/her family who is entitled for grant of family pension in the prescribed Form 17 within a period of one year from the date of death to the Director General of Police/the Director, Civil Defence & Commandant General, Home Guard, as the case may be, failing which the same shall not be entertained.
- (5) The provisions of this rule shall also be applicable subject to the conditions laid therein to Forestry Personnel, who dies while on duty in attack by the poachers, and shall be sanctioned by the Secretary to Government, Forest Department, on application made to the Principal Chief/Conservator of Forest.

Government of Rajasthan have decided that the provisions of this rule shall also be applicable to a volunteer of Civil Defence and Home Guard subject to the conditions laid down in Rule 76 of R.C.S. (Pension) Rules, 1996, who dies due to injury intentionally inflicted while on duty by a terrorist and the family of such a volunteer shall be granted ex-gratia. The amount of ex-gratia shall be drawn by the Director, Civil Defence & Commandant General Home Guards.

(Authority: Rule 76 of R.C.S. (Pension) Rules, 1996)

20.08.18 Grant of ex-gratia Compensation to the polling personnel who sustain permanent disability while on Election duty :

The amount of ex-gratia grant, when a Government servant sustains permanent disability, like loss of limb, eye sight etc. in connection with election related duty shall be as follows:

Kind of mishap	Amount of ex-gratia amount
permanent disability, like loss of limb, eye sight etc. in normal condition while performing election related duty	Rs. 5 lakhs
permanent disability, like loss of limb, eye sight etc. while performing election related duty, if caused by Extremist or unsocial elements	Rs. 10 lakhs

Note: A Government servant shall be treated on election duty as soon as he leaves his residence/office to report for any election related duty including training and until he reaches back his residence/office after performance of his election related duty. If any mishap takes place during this period, it should be treated as having occurred on election duty subject to condition that there should be a causal connection between occurrence of injury and the election duty.

(Authority: Rule 76A of R.C.S. (Pension) Rules, 1996 and Rajasthan Government, Finance Department (Rules Division) letter No. f.12(3)finance (Rules)2014 dated 15.3.2017)

20.09 Nominations

- (1)** A Government servant shall, on his initial appointment in a service or post, make a nomination in Form 2 as the case may be, conferring on one or more persons the right to receive the retirement gratuity/death gratuity payable under Rule 55 of R.C.S. (Pension) Rules, 1996:
Provided that if at the time of making the nomination-

 - (i) the Government servant has a family, the nomination shall not be in favour of any person or persons other than the members of his family; or
 - (ii) the Government servant has no family, the nomination may be made in favour of a person or persons, or a body of individuals, whether incorporated or not.
- (2)** If a Government servant nominates more than one person under sub-rule (1), he shall specify in the nomination the amount of share payable to each of the nominees, in such manner as to cover the entire amount of gratuity.
- (3)** A Government servant may provide in the nomination-

 - (i) that in respect of any specified nominee who predeceases the Government servant, or who dies after the death of the Government servant but before receiving the payment of gratuity, the right conferred on that nominee shall pass to such other person as may be specified in the nomination:
Provided that if at the time of making the nomination the Government servant has a family consisting of more than one member, the person so specified shall not be a person other than a member of his family:
Provided further that where a Government servant has only one member in his family, and a nomination has been made in his favour, it is open to the Government servant to nominate alternate nominee or nominees in favour of any person or a body of individuals, whether incorporated or not;
 - (ii) that the nomination shall become invalid in the event of the happening of the contingency provided therein.
- (4)** The nomination made by a Government servant who has no family at the time of making it, or the nomination made by a Government servant under the second proviso to clause (i) of sub-rule (3) where he has only one member in his family shall become invalid in the event of the Government servant subsequently acquiring a family, or an additional member in the family, as the case may be.

- (5) A Government servant may, at any time, cancel a nomination by sending a notice in writing to Head of Office:
Provided that he shall, along with such notice, send a fresh nomination made in accordance with these rules.
- (6) Immediately on the death of a nominee in respect of whom no special provision has been made in the nomination under clause (I) of sub-rule (3) or on the occurrence of any event by reason of which the nomination becomes invalid in pursuance of clause (ii) of that sub-rule, the Government servant shall send to the Head of Office a notice in writing cancelling the nomination together with a fresh nomination made in accordance with this rule.
- (7) (a) Every nomination made including every notice of cancellation, if any, given by a Government servant under this rule, shall be sent to the Head of Office.
(b) The Head of Office shall, immediately on receipt of such nomination countersign it indicating the date of receipt and keep it under his custody:
Provided that the Head of Office may authorise his subordinate Gazetted Officers to countersign nomination forms of non-gazetted Government servants.
(c) Suitable entry regarding receipt of nomination shall be made in the service book of the Government servant concerned.
- (8) Every nomination made, and every notice of cancellation given, by a Government servant shall, to the extent that it is valid, take effect from the date on which it is received by the Head of Office.

Government of Rajasthan have decided that:

- 1 **Importance of nomination and their safe custody:-** Nomination for death/retirement gratuity etc. and related notices are important documents on the basis of which the claims of the beneficiaries have to be established and settled. Instance of cases have come to notice where nominations made by deceased officers and related papers were not traceable in the official records of the Head of the Office and were treated as lost. This defeats the very purpose underlying nominations and causes inconveniences and delay all round. To obviate the possibility of such losses in future, it has been decided that the nomination papers should after countersignature, be kept in separate confidential file which should be lodged for safe keeping with the Head of the Office or other responsible officer nominated by him for this purpose, and a clear note made in the service book of the officer as to what nominations and related notices have been received from him and where they have been lodged for safe custody, so that there should be no difficulty in locating the documents when the occasion for making a reference to them arises.

- 2 All Government servants are advised that it would be in the interest of their nominees if they would preserve copies of the nominations made by them and of the related notices and acknowledgements, either in their personal custody or in safe deposit alongwith their other important personal documents, etc. where they may be expected to come into the possession of the beneficiaries in the event of their death.
- 3 Where a Will is made by a Government servant and it expressly authorises a person in the absence of the members of his family to receive Retirement/Death Gratuity and is filed by the Government servant concerned in the department during his life time, then such a Will amounts to nomination for purpose of payment of Retirement/Death Gratuity and accordingly Retirement/Death Gratuity is payable to such a person.
- 4 In order to avoid any legal complications that might arise it is hereby notified for information of all concerned that only the certified copies of nominations for Retirement/Death Gratuity may be sent to the Director, Pension Department, Rajasthan, with the pension papers, the original being retained in the office of issue.
- 5 According to Rule 59 of R.C.S. (Pension) Rules, 1996, a Government servant shall make nomination for retirement/death gratuity on his initial confirmation in service and not necessarily on completion of five years qualifying service making him eligible for retirement/death gratuity. It is clear that the nomination must be made by the Government servant while he is holding an office and is in service. As a pensioner cannot after his retirement be said to be holding an office, any nomination made by him after retirement is not valid. The payment of retirement/death gratuity in such cases should, therefore, be made to the surviving members of the family of the deceased Government servant in the manner provided in Rule 56 (1) (b) of R.C.S. (Pension) Rules, 1996 and not to the nominee or nominees.

(Authority: Rule 59 of R.C.S. (Pension) Rules, 1996)

20.10 Commutation of Pension

20.10.1 Short title and commencement

- (1) These rules may be called the Rajasthan Civil Services (Commutation of Pension) Rules, 1996.
- (2) They shall come into force with effect from 1.10.1996.

20.10.2 Application

These rules shall apply to Government servants who may be entitled to or have been authorised any class of pension referred to in Chapter III of the Rajasthan Civil Services (Pension) Rules, 1996.

20.10.3 Definitions

- (1) In these rules unless the context otherwise requires: -

- (a) “Director, Pension” means the Director, Pension and Pensioners’ Welfare Department Rajasthan, Jaipur
- (b) “applicant” means a Government servant, including a retired Government servant, who applies for commutation of fraction of pension in the prescribed form.
- (c) “death/retirement gratuity” means the gratuity payable under Rule 55 of Rajasthan Civil Services (Pension) Rules, 1996.
- (d) “disbursing authority” means:-
 - (i) treasury including sub-treasury, or
 - (ii) Pension Payment Officer, or
 - (iii) Branch of a nationalised bank, from where the applicant is receiving pension authorised under the Pension Rules;
- (e) “Form” means a Form appended to these rules;
- (f) “Government” means the Government of Rajasthan.
- (g) “Head of Office” means a gazetted officer declared as such by a Head of Department under Rule 3 of General Financial & Accounts Rules.
- (h) “Medical authority” means medical authority referred to in Rule 20 of R.C.S. (Pension) Rules, 1996.
- (i) “pension” means any class of pension referred to in Chapter III of Rajasthan Civil Services (Pension) Rules, 1996.
- (j) “Pension Rules” means the Rajasthan Civil Services (Pension) Rules, 1996.
- (k) “Table” means a table appended to these rules.
- (2) The words and expressions used in these rules but not defined shall have the meaning respectively assigned to them in the Rajasthan Civil Services (Pension) Rules, 1996.

20.10.4 Restriction on commutation of pension

- (1) No Government servant against whom departmental or judicial proceedings as referred to in Rule 7 of the Pension Rules, have been instituted before the date of his retirement, or the pensioner against whom such proceedings are instituted after the date of his retirement, shall be eligible to commute a fraction of his provisional pension authorised under Rule 90 of the Pension Rules or the pension, as the case may be, during the pendency of such proceedings.
- (2) No Government servant who has been granted provisional pension pending determination of final pension shall be eligible to commute a fraction of his provisional pension.

20.10.5 Limit on commutation of pension

- (1) A Government servant shall be entitled to commute for a lump sum payment a fraction not exceeding one-third of his pension.

- (2) In an application for commutation in Form 1 or Form 2, as the case may be, an applicant shall indicate the fraction of pension which he desires to commute and may either indicate the maximum limit of one-third of pension or such lower limit as he may desire to commute.
- (3) If fraction of pension to be commuted results in fraction of rupee, such fraction of a rupee shall be ignored for the purpose of commutation.

Government of Rajasthan have decided that:

- (1) **Permissible limit of commutation when part of pension is withheld:-** Under the Commutation Rules, a pensioner can commute one-third of the pension that has been granted under the rules. When a part of pension is withheld or withdrawn under Rule 6 of R.C.S. (Pension) Rules, 1996 the residual amount is the amount that has been granted under the rules from the date of withholding or withdrawal of a part of the pension. As such, if commutation is applied for after this date, the admissible amount that can be commuted will have to be calculated with reference to the pension payable to the person after that date. Commutation rules do not state that the commutable amount is to be calculated with reference to the pension originally granted to the person.
- (2) **Commutation on invalid pension allowed only on original amount before enhancement:-** According to clause (c) of sub-rule (2) of Rule 54 of R.C.S. (Pension) Rules, 1996 the amount of invalid pension shall not be less than the amount of family pension admissible under sub-rule (I) of Rule 62 *ibid*. It is clarified that where the amount of invalid pension calculated with reference to the qualifying service and the average emoluments is less than the family pension determined under sub-rule (I) of Rule 62 of R.C.S. (Pension) Rules, 1996, the invalid pension should be enhanced to the level of family pension. For the purpose of commutation of pension, the amount of original invalid pension will only be taken into account.
- (3) Commutation shall be allowed on the minimum pension of Rs.8850/- if the actual pension is less than Rs.8850/-. This is effective from 01.10.2017.

(Authority : Government of Rajasthan, Finance Department (Rules Division)
Notification No. F 12(7)FD(Rules/2017 dated 30.10.2017)

20.10.6 Commutation of pension to become absolute

- (1) The commutation of pension shall become absolute in the case of an applicant referred to: -
 - (i) in sub-rule (1) of Rule 12 of R.C.S. (Pension) Rules, 1996 on the date on which the application in Form 1 is received by the Head of Office;
 - (ii) in chapter IV on the date on which the medical authority signs the medical report in Part III of Form 4;

- (iii) in sub-rule (3) of Rule 12 of R.C.S. (Pension) Rules, 1996, on the date following the date of his retirement.

Provided that: -

- (a) in the case of an applicant who is drawing his pension from a treasury, the reduction in the amount of pension on account of commutation shall be operative from the date of receipt of the commuted value of pension or at the end of three months after issue of authority by the Director Pension for the payment of commuted value of pension, whichever is earlier, and
 - (b) in the case of an applicant who is drawing pension from a branch of a nationalised bank, the reduction in the amount of pension on account of commutation shall be operative from the date on which the commuted value of pension is credited by the bank to the applicant's account to which pension is being credited.
 - (c) In the case of an applicant governed by sub-rule (3) of Rule 12 of R.C.S. (Pension) Rules, 1996 in whose case the commuted value of pension becomes payable on the day following the date of his retirement, the reduction in the amount of pension on account of commutation shall be operative from its inception. Where, however, payment of commuted value of pension could not be made within the first month after the date of retirement, the reduction in the amount of pension on account of commutation shall be operative in accordance with proviso (a) or (b), as the case may be.
- (2) In the case of an applicant referred to in Rule 9 of R.C.S. (Pension) Rules, 1996, the commuted value is paid in two stages. The reduction in the amount of pension shall be made from the respective dates of the payments as laid down in clause (a) or clause (b) of the Proviso to sub-rule (1).
 - (3) The date on which the payment of the commuted value of pension was made to the applicant or the commuted value was credited to the applicant's account shall be entered in both halves of the Pension Payment Order by the disbursing authority under intimation to the Director Pension who authorised the payment of commuted value of pension.

20.10.7 Nominations

- (1) An applicant shall make a nomination in Form 5 alongwith the application referred to in Rule 12 or Rule 17 of R.C.S. (Pension) Rules, 1996, as the case may be, conferring on one or more persons the right to receive the commuted value of pension in case the applicant dies without receiving the commuted value on or after the date on which commutation became absolute.

- (2) If there is no such nomination, or if the nomination made does not subsist, the commuted value shall be paid to the family in the manner indicated in sub-rule (1)(b) of Rule 56 of the Pension Rules.
- (3) If in any case the commuted value cannot be paid in the manner indicated in sub-rule (1) and (2), the same shall be paid to his heirs.

20.10.8 Calculation of commuted value of pension

The lump sum payable to an applicant shall be calculated in accordance with the Table of the values prescribed from time to time and applicable to the applicant on the date on which the commutation becomes absolute.

20.10.9 Retrospective revision of final pension

An applicant who has commuted a fraction of his final pension and after commutation his pension has been revised and enhanced retrospectively as a result of Government's decision, the applicant shall be paid the difference between the commuted value determined with reference to enhanced pension and the commuted value already authorised. For the payment of difference the applicant shall not be required to apply afresh.

(Authority: Chapter I and II of Appendix I of R.C.S. (Pension) Rules, 1996)

20.10.10 Restoration of Commutation of Pension

- (1) A pensioner who retired from Government service and commuted a part of his pension subject to a maximum of 1/3rd of his original pension under Commutation of Pension Rules, and on the date of promulgation of these rules or thereafter has completed or will complete 14 years from the respective dates of commutation, the commuted portion shall be restored from the first of the month following the month in which the period of 14 years has elapsed from the date of such commutation and shall be allowed full pension which he would have drawn but for commutation of a portion of pension. The restored portion of pension shall not be permitted to be commuted again.
- (2) In cases where period of 14 years of commutation is already over before the date of promulgation of these rules, the commuted portion shall be restored from the date of promulgation of these rules.
- (3) Government employees who got themselves absorbed under Public Sector Undertaking/ Autonomous Bodies and have opted to receive payment of lump sum amount under Rule 34 of Pension Rules, shall not be entitled to the benefits of sub-rule (1) as they cease to be Government Pensioners.
- (4) The concerned Treasury Officer / Pension payment Officer shall indicate the date of restoration of commuted pension as per provisions contained in sub rule (1) at the time of commutation of pension in the both halves of Pension Payment Order in the following format :
 “ The amount of pension of Rs commuted on..... shall be restored from the first of the month following the month in which the

period of 14 years will elapsed i.e. on Provided that the pensioner himself is alive on that date”.

(Authority: Rule 29 of Rajasthan Civil Services (Commutation of Pension), Rules, 1996)

20.11 PAYMENT OF PENSION

20.11.1 Date from which pension becomes payable

- (1) Except in the case of a Government servant to whom the provisions of Rule 33 of R.C.S. (Pension) Rules, 1996 apply and subject to the provisions, of Rule 7 and 90 of R.C.S. (Pension) Rules, 1996, a pension other than extraordinary pension under Chapter VIII of R.C.S. (Pension) Rules, 1996 and family pension shall become payable from the date on which a Government servant ceases to be borne on the establishment.
- (2) Pension including family pension shall be payable for the day on which its recipient dies.

(Authority: Rule 128 of R.C.S. (Pension) Rules, 1996)

20.11.2 Currency in which pension is payable

All pensions including gratuities admissible under these rules shall be payable in rupees in India only.

(Authority: Rule 129 of R.C.S. (Pension) Rules, 1996)

20.11.3 Manner of payment of gratuity and pension

- (1) Except as otherwise provided in these rules, a gratuity shall be paid in lump sum.
- (2) A pension fixed at monthly rates shall be payable monthly on or after the first day of the following month.

NOTES

1. On receipt of the Pension Payment Order, the disbursing officer will deliver one half to the pensioner and keep the other half carefully in such manner that the pensioner shall not have access thereto.
2. Each payment made is to be entered on the reverse of both of the pensioner's half and of the Disbursing Officer's half of the Pension Payment Order.

(Authority: Rule 130 of R.C.S. (Pension) Rules, 1996)

20.11.4 Date of payment of extraordinary pension

In cases where considerable delay has occurred in making application for an extraordinary pension it will be granted only from the date of the report by the Medical Board and no application for gratuity or pension will be entertained unless submitted within 5 years of the wound or injury.

(Authority: Rule 131 of R.C.S. (Pension) Rules, 1996)

20.11.5 Application of Treasury Rules

Save as otherwise provided in these rules, the Treasury Rules of Rajasthan Government shall apply in regard to the procedure of payment:-

- (i) of gratuity, and
- (ii) of pension.

(Authority: Rule 132 of R.C.S. (Pension) Rules, 1996)

20.11.6 Personal appearance for identification

As a rule pensioner must take payment in person after identification by comparison with the Pension Payment Order.

NOTE

A pensioner of rank may be privately identified by the Disbursing Officer and need not be required to appear at a Public Office.

(Authority: Rule 133 of R.C.S. (Pension) Rules, 1996)

20.11.7 Authorities for signing a life certificate

- (1) A pensioner of any description, who produces a life certificate signed by any person specified hereunder is exempted from personal appearance:-
 - (i) a person exercising the powers of a Magistrate under Criminal Procedure Code;
 - (ii) a Registrar or Sub Registrar appointed under the Indian Registration Act;
 - (iii) Gazetted Officer;
 - (iv) a Police Officer not below the rank of Sub-Inspector incharge of a Police Station;
 - (v) a Post Master, a Departmental Sub-Post Master or an Inspector of Post Offices;
 - (vi) a Class I Officer of the Reserve Bank of India or an officer of the State Bank of India or Sub Accountant appointed as an agent or an Accountant at a branch of the State Bank of India or by a Bank included in the second schedule to the Reserve Bank of India Act, 1934;
 - (vii) a Block Development Officer or Niab Tehsildar;
 - (viii) a Member of Parliament or State Legislative Assembly or Sarpanch of Village Panchayat; or
 - (ix) a Pensioned Officer who before retirement exercised the powers of a Magistrate.
- (2) A Pensioner not resident in India in respect of whom his duly authorised Agent produces a life certificate signed by a Magistrate, a Notary, a Banker or a diplomatic Representative of India is exempted from personal appearance.

Government of Rajasthan have decided that except in the cases of payment of pensions through the Authorised Agents under Rule 137, the life certificate shall be obtained once in six months where the payment is desired to be made to an agent or representative of the pensioner under Rule 135 of R.C.S. (Pension) Rules, 1996 and is not received by him in person in terms of Rule 134.

(Authority: Rule 134 of R.C.S. (Pension) Rules, 1996)

20.11.8 Drawing of pension through an Agent

When a Pensioner draws his pension through an Agent or Representative, the claim the Agent or the Representative nominated by him to receive payment on his behalf. In such cases, the endorsement "Received payment" must be signed by the pensioner and a separate receipt, which need not be stamped, shall be endorsed by the Agent or the nominee, as the case may be, in token of having actually received the payment.

(Authority: Rule 135 of R.C.S. (Pension) Rules, 1996)

20.11.9 Verification of continued existence of a pensioner once a year

- (1) In all case referred to in Rule 134 of R.C.S. (Pension) Rules, 1996, the Disbursing Officer must take precautions to prevent impositions, and must at least once a year, require proof independent of that furnished by the life certificate of the continued existence of the pensioner;
- (2)(i) For this purpose he should require the personal attendance and due identification of all pensioners except:-
 - (a) those exempted from personal appearance granted by the Government or Collector of the concerned District;
 - (b) those women pensioners who are not accustomed to appear in public;
 - (c) these pensioners who are incapacitated by bodily illness or infirmity from so attending.
- (ii) In regard to the procedure to be followed for pensioners covered in the exceptions mentioned in clause (i) above, the Disbursing Officer shall follow the provisions laid down in the Treasury Manual.
- (2) If the usual life certificate, which accompanies the first bill, presented on or after April 1 is countersigned by a second responsible Government Officer or by any one of the other persons authorised under Rule 134 of R.C.S. (Pension) Rules, 1996, the pensioner need not be required to appear in person for identification. The Disbursing Officer, however, in all cases of doubt, will be competent to obtain proof of the existence of the pensioner independent of that furnished by the life certificate and may ask the pensioner to appear in person for due identification.

NOTE

The Disbursing Officer is personally responsible for any payment wrongly made. In case of doubt, he should consult the Director, Pension Department.

(Authority: Rule 136 of R.C.S. (Pension) Rules, 1996)

20.11.10 Transfer of Payment to another State

- (a) The Director, Pension Department, Rajasthan, may on an application (through the Treasury Officer concerned) received from a pensioner drawing pension in Rajasthan and who is desirous of drawing pension

in another State, permit transfer of payment to that Treasury in another State.

- (b) The Treasury Officer while forwarding the request for transfer shall enclose therewith both halves of Pension Payment Order recording thereon the last payment made upto that date.
- (c) The Director, pension Department will then either issue a new Payment Order or enface the payment order for payment at the new Treasury and move the Accountant General of the State concerned to do so through the Accountant General, Rajasthan.

(Authority: Rule 138 of R.C.S. (Pension) Rules, 1996)

20.12.1 Payment of difference of pension to the missing pensioner on his reappearance

If missing pensioner reappears at any time after grant of family pension as per proviso to Rule 61 of R.C.S. (Pension) Rules, 1996, he shall be allowed the difference, if any, between the amount of service pension and the amount of family pension already paid.

(Authority: Rule 144 of R.C.S. (Pension) Rules, 1996)

20.12.2 Payment of arrears of pension of deceased pensioner without producing of usual legal authority

- (1) The arrears of pension of a deceased pensioner may be paid to the heirs of the deceased, without the production of the usual legal authority to the extent of Rs. 100000 under the orders of the Treasury Officer/ Pension Payment Officer after such enquiry into the rights and title of the claimant as may be deemed sufficient. The amount of arrears exceeding Rs. 100000 but upto Rs. 500000 may be paid under the previous orders of the Joint Director, Pension and pensioners Welfare Department, Regional office and the amount of arrears exceeding Rs. 5,00,000 may similarly be paid under the previous order of the Director, Pension and pensioners Welfare Department, Rajasthan, as the case may be, on execution of an indemnity bond, with such sureties as he may require, if he is satisfied of the right and the title of the claimant. In any case of doubt, payment should be made only to the person producing legal authority.
- (2) After payment of the arrears of pension, the Pension Payment Order should be returned to the Director, Pension Department, Rajasthan, with a report of date of death of the pensioner, in case no family pension has been authorised in the Pension Payment Order.

(Authority: Rule 145 of R.C.S. (Pension) Rules, 1996 and Government of Rajasthan circular No.F15(2)finance (Rules)/97 dated 23.2.2012)

20.13.1 Adjustment and recovery of dues pertaining to Government accommodation

- (1) The Director of Estates/concerned Executive Engineer on receipt of intimation from the Head of Office under sub-rule (1) of Rule 79 of

R.C.S. (Pension) Rules, 1996 regarding the issue of No Demand Certificate shall scrutinise its records and inform the Head of Office eight months before the date of retirement of the allottee, if any rent was recoverable from him in respect of the period prior to eight months of his retirement. If no intimation in regard to recovery of outstanding rent is received by the Head of Office by the stipulated date, it shall be presumed that no rent was recoverable from the allottee in respect of the period preceding eight months of his retirement provided that the Department had forwarded the application for No Demand Certificate two years in advance and had obtained acknowledgement for the same.

NOTES

- 1** The Advance No Demand Certificate shall be issued by the Directorate of Estates/Public Works Department to the Department concerned eight months before the date of superannuation incorporating:
 - (i) The amount of rent due upto that period, i.e. eight months prior to the date of superannuation;
 - (ii) the monthly rate of recovery of rent for the rest of the service, i.e. eight months; and
 - (iii) the amount of rent recoverable for the period of retention allowed as per rules, after retirement.A copy of the Advance No Demand Certificate shall be endorsed to the individual concerned.
- 2(1)** After the pension has been authorised, P.P.O. number and the particulars of the Treasury/Bank on which it is issued, will be intimated to the Directorate of Estates/Public Works Department along with the permanent residential address of the retiring Government servant, by the Head of Office.
- (2)** The Head of Office shall ensure that rent for the next eight months, that is upto the date of retirement of the allottee, is recovered every month from the pay and allowances of the allottee.
- (3)** Where the Directorate of Estates/Public Works Department intimates the amount of rent recoverable in respect of the period mentioned in sub-rule (1), the Head of Office shall ensure that outstanding rent is recovered in installments from the current pay and allowances of the allottee and where the entire amount is not recovered from the pay and allowances, the balance shall be recovered out of the gratuity before its payment is authorised.
- (4)** The Directorate of Estates/Public Works Department shall also inform the Head of Office the amount of rent for the retention of Government accommodation for the permissible period beyond the date of retirement of the allottee. The Head of Office shall adjust the amount of that rent from the amount of the gratuity together with the un-recovered rent, if any, mentioned in sub-rule (3).

- (5) If in any particular case, it is not possible for the Directorate of Estates/Public Works Department to determine the outstanding rent, that Department shall inform the Head of Office that ten per cent of the gratuity or two thousand rupees in respect of non-gazetted and five thousand rupees in respect of Gazetted Government servants, whichever is less, may be withheld pending receipt of further information.
- (6) The recovery of rent for the occupation of the Government accommodation beyond the permissible period after the date of retirement of allottee shall be the responsibility of the Directorate of Estates/Public Works Department. Any amount becoming due on account of rent for retention of Government accommodation beyond permissible period after retirement and remaining unpaid may be ordered to be recovered by the Directorate of Estates/Public Works Department through the Director, Pension Department, from the Dearness Relief without the consent of the pensioner. In such cases, no Dearness Relief shall be disbursed until full recovery of such dues have been made.
- (7) In case a Government accommodation is allotted to a Government servant after forwarding of the list of retiring Government servants to Directorate of Estates/Public Works Department under Rule 79 of R.C.S. (Pension) Rules, 1996, i.e. within two years of retirement, the allotting authority will ensure raising of regular demand for recovery of rent, to the Head of Office, under whom he is working. The Head of Office would be responsible to make recoveries accordingly. If in any case, the entire dues could not be recovered from the salary bills, the Head of Office shall include those un-recovered dues in the intimation to be sent to the Director, Pension Department, under Rule 85 of R.C.S. (Pension) Rules, 1996.
- (8) In case recovery of rent is found/intimated by the Directorate of Estates/PWD after issue of P.P.O. such dues shall be recoverable from the pension/family pension.

Notes: -

- (1) For the purpose of this rule, the rent shall also include furniture rent garden rent and any other charges payable by the allottee for any damage or loss caused by him to the accommodation or its fittings.
- (2) In respect of Government servants vacating the Government accommodation during service period, the issue of No Demand Certificate should not be held up till the period of retirement.

(Authority: Rule 93 of R.C.S. (Pension) Rules, 1996)

20.13.2 Adjustment and recovery of dues other than dues pertaining to Government Accommodation

- (1) For the dues other than the dues pertaining to occupation of Government accommodation as referred to in clause (b) of sub-rule (3) of Rule 92 of R.C.S. (Pension) Rules, 1996, the Head of Office shall take steps to assess the dues two years before the date on which a Government servant is due to retire on superannuation; or on the date on which he proceeds on leave preparatory to retirement, whichever is earlier.
- (2) The assessment of Government dues referred to in sub-rule (1) shall be completed by the Head of Office eight months prior to the date of the retirement of the Government servant.
- (3) The dues as assessed under sub-rule (2) including those, which come to notice subsequently, and which remain outstanding till the date of retirement of the Government servant, shall be adjusted against the amount of retirement gratuity becoming payable to the Government servant on his retirement.

PROCEDURE TO BE FOLLOWED IN RESPECT OF DUES OF HOUSE BUILDING AND CONVEYANCE ADVANCE

- 1 (i) The Head of Office shall forward to the concerned Treasury Officer a list of Government servants alongwith applications of the concerned Government servants in Form No. 28 specifying advances taken by them, who are due to retire within the next two years and have taken either House Building or Conveyance Advance or both the advances, with request for: -
 - (a) updating of ledgers of their personal accounts;
 - (b) intimation of missing credits, if any;
 - (c) issue of no dues certificate, in case the entire amount of advance together with interest thereon has been paid;
 - (d) intimation of balance outstanding;
 - (e) intimation about the amount of advance set apart for adjustment against the Gratuity.He will also refer to the entries regarding drawl of long-term advance made in the Service Book of the concerned employee.
 - (ii) If the Government servant has not taken any long-term advance he will certify the same in Form 28 A.
 - (iii) A copy of Form 28 or Form 28 A, as the case may be, shall be attached with Form 7 for assessing pension and gratuity to be sent to the Director, Pension Department, Rajasthan under Rule 83 of R.C.S. (Pension) Rules, 1996.
- 2 The Head of Office, on receipt of any intimation from the concerned Treasury Officer seeking any information or details, shall supply necessary details as may be available in his office or after obtaining from previous office or offices or from the Government servant concerned.

- 3 The Treasury Officer shall, eight months before the date of retirement of a Government servant, intimate: -
 - (a) the amount outstanding till that date;
 - (b) the amount to be recovered from the monthly salary for the eight months following; the amount set apart for adjustment from the Retirement Gratuity; and;
 - (c) any other relevant information.
- 4 The Head of Office shall be responsible for making the above recoveries from the salary of the Government servant concerned or intimating the Director, Pension Department, Rajasthan, as per provisions of Rule 85 of R.C.S. (Pension) Rules, 1996 for recovering the amount from Gratuity. A copy of the intimation received by the Head Office from the Treasury Officer shall be attached with the pension papers.
- 5 The Director, Pension Department, Rajasthan, shall be responsible to effect recoveries of balance amount as intimated by the Treasury Officer, from the Gratuity Payment Order, or in case no amount is left over to be paid as gratuity, from the monthly pension, in suitable installments, not exceeding one-third of the pension every month.

Note:- The concerned Treasury Officer is required to issue No Dues Certificate in respect of Long Term Advance immediately after payment of last installment of interest and he will not, in any case, postpone the issuing of No Dues Certificate till the receipt of request of the Head of Office/Government servant as provided in above procedure or till the retirement of the Government servant.

Government of Rajasthan have decided that:

 - 1 Obtaining of no dues certificates from the Motor Garage and District Pool has been dispensed with by the Government. However, if any dues are intimated by these departments to the concerned Head of Office, the same may be recovered from the gratuity payable to the Government servant, if recoveries cannot be made from the pay.
 - 2 Release of amount withheld from gratuity:- The withheld amount from gratuity i.e. 10% of the gratuity or Rs.2,000/- or Rs.5,000/-, as the case may be, whichever is less, will be indicated in the Gratuity Payment Order itself. The Director, Pension Department, Rajasthan, shall incorporate directions to the Disbursing Officer that, in absence of instruction to the contrary, the withheld amount may be released without further instructions on the expiry of period of six months from the date of retirement.
 - 3(1) Statement required to be maintained for proper monitoring and reporting system:- In simplifying the procedure with a view to eliminate delays in the payment of superannuation pension and death-cum-retirement gratuity, Government have proceeded on the basis that in

spite of every effort imperfections may remain in the records and procedures but that it would be unfair to a retiring Government servant if he had to suffer because of the lapses of those responsible for the proper maintenance of service records. The fact that under the new procedures the presumption will be in favour of the Government servant if the records are incomplete or deficient in any manner underlines the importance of ensuring the proper, regular, and timely completion of all the service and accounts records by the offices concerned, so as to minimize the occasion for making such presumptions. It has, accordingly, been decided that if, in future, service records are found to be incomplete or imperfect at the time of processing and finalizing pension cases, those cases will not be delayed but the officials responsible for the maintenance of the records will be held accountable for any deficiencies, failure or omissions therein, and action will be initiated against them. The Head of Departments will ensure that these directions are complied with.

- (2) **In order to ensure that the payment of pension should in all cases commence on the first of the month in which they are due, it has been decided that the progress of the pension cases should be watched by the Head of the Offices and the Head of the Department by means of monthly and quarterly statements so that the various cut-off dates laid down are strictly followed. For proper monitoring and reporting system the Heads of Offices shall prepare the following statements (Form No. 26(1 to4)).**

Statement No.1: - This is monthly statement and should cover cases of all Government servants due to retire within the succeeding 8 months and indicate the progress of the pension cases with reference to the various stages and time-limit prescribed, i.e., whether action was initiated two years in advance and whether the pension papers are ready for being sent to the Director, Pension Department, Rajasthan before 6 months of the retirement of the Government servant. The statement should be submitted by the Head of Office to the next higher officer.

Statement No. 2: - This monthly statement having Part I and Part II and the statement should cover the cases of Government servants who became due for retirement in the previous calendar month. Part I and Part II of the statement should be submitted by the Head of Office to the next higher officer. The next higher officer will submit Part II of the statement to the Head of the Department. Where next higher officer is the Head of Department, Part I and Part II both shall be submitted, duly filled in, to the Head of Department.

Statement No. 3: - This is a quarterly statement and should indicate the particulars of those Government servants where presumptions have been made in favour of retired Government servant because of incomplete/improper maintenance of service records. The names of the persons responsible for improper maintenance of the record of service

books and action taken against the Government servant concerned responsible for lapse should also be indicated. The statement is to be submitted to the Head of Department.

Statement No. 4: - This is half-yearly statement to be submitted by the Head of Department to the Secretary of the Administrative Department concerned.

- (3) Any case where payment of pension is delayed has to be viewed seriously. The causes of delay in such a case have to be identified and remedial steps taken so that such delays should not occur in future. This can only be ensured if the Heads of the Departments will personally scrutinize the statements and issue such directions as they may consider necessary where payments of pensions have been delayed. Any deficiency in the procedure should be brought to the notice of the Finance Department at the appropriate level so that rules may be amended accordingly.
- (4) For proper monitoring of pension cases, the senior most member of the Rajasthan Account Service posted in the concerned department shall be the Nodal Officer on behalf of the Head of the Department.
- (5) Government views it with serious concern any delay in the finalization of pension cases of the retiring government servant. If the pension cases are processed in accordance with the procedure laid down in this Chapter, there is no reason why a Government servant should not get his Pension Payment Order and Gratuity Payment Order on the day of retirement. Government will not hesitate in taking disciplinary action against those Officers/Officials who are found lacking or wanting in implementing these rules, resulting in delay of pension cases. It has further been decided that in case there is any litigation on account of non-release of pension on the date of the retirement of any Government servant, the cost of that litigation shall be recovered from the defaulting Officer (s).

(Authority: Rule 94 of R.C.S. (Pension) Rules, 1996)

20.14.1 Employment after retirement under a Government outside India

If a pensioner, who immediately before his retirement was a member of a State Service, wishes to accept any employment under any Government outside India, he shall obtain the previous permission of the Government for such acceptance, and no pension shall be payable to a pensioner who accepts such an employment without proper permission in respect of any period for which he is so employed or such longer period as the Government may direct:

Provided that a Government servant who was permitted by the Government to take up a particular form of employment under any Government outside India during his leave preparatory to retirement shall not be required to obtain subsequent permission for his continuance in such employment after retirement.

Explanation- For the purposes of this rule, the expression “employment under any Government outside India” includes employment under a local authority or corporation or any other institution or organisation which functions under the supervision or control of a Government outside India, or an employment, under an International Organisation of which the Government of India is not a member.

(Authority: Rule 11 of R.C.S. (Pension) Rules, 1996)

20.14.2 Re-employment after superannuation or retiring pension

A Government servant who is in receipt of Superannuation or Retiring Pension shall not be re-employed or continue to be employed in service paid from the Consolidated Fund or from a Local Fund, except on public grounds. Sanction to re-employment may be given by the Administrative Department with the concurrence of the Department of personnel.

NOTES

1. Also refer to Government of Rajasthan’s Decision 2 below Rule 30 of R.C.S. (Pension) Rules, 1996.
2. Government may declare that the restrictions contained in this Rule shall not apply to any particular Local Fund or to Local Funds of any particular class in its territories or that they shall apply subject to such modifications as it may direct.

(Authority: Rule 151 of R.C.S. (Pension) Rules, 1996)

20.14.3 Fixation of pay of re-employed pensioners

Reemployed Pensioners shall be allowed to draw pay only in the prescribed scales of pay for the posts in which are Re-employed. No protection of the scales of pay of posts held by him prior to retirement shall be given.

(Authority: Rule 152 of R.C.S. (Pension) Rules, 1996)

20.14.4 Special pay on re-employment

Special pay on re-employment should be based on the nature of the duties attached to the post on which re-employment is made. If the post on which re-employment is made carries a special pay and an officer normally appointed to the post would have been entitled to that special pay, the re-employment officers should also be considered eligible for the grant of special pay; otherwise not, subject to the condition that the total pay on re-employment and pension should not exceed Rs. 2,25,000/- P.M. (w.e.f. 1-10-17)

(Authority: Rule 157 of R.C.S. (Pension) Rules, 1996)

20.15 General

20.15.1 It may be ensured that the pension cases are finalised in accordance with the rules and orders in force on the date of retirement of Government servant and no benefit is allowed of the changes in the rules made subsequently by the State Government.

20.15.2 The officiating pay drawn by a Government servant immediately before the date of his/her retirement shall be taken into account

for the purpose of emoluments under this rule provided that the appointment to the higher post on an officiating basis while holding the lower post in substantive or officiating or temporary capacity was not made in leave vacancy or to hold charge of the higher post temporarily in addition to the duties of his own post.

Certificate on the pension papers under his note for counting officiating pay, will not be necessary where a Government servant has been granted one of the selection grades as provided in Finance Department Order No. F.20 (1) FD (gr.2)/ 92, dated 25.1.1992 as amended from time to time.

(Authority: Note No. 3 under Rule 45 of R.C.S. (Pension) Rules, 1996)

20.15.3 The temporary increases payable on pension should be checked with reference to Government orders on the subject applicable from time to time.

20.15.4 Amount of provisional pension and gratuity paid by department is invariably noted in the P.P.O./G.P.O for recovery by the disbursing officer.

20.15.5 Calculation of family pension where admissible should be checked and it may be seen that temporary increase payable on family pension is also invariably shown correctly orders in force.

20.15.6 Authorisations for political pension and Medical allowance should be checked with reference to the Government orders/sanction in each specific case.

20.15.7 The P.P.O./G.P.O Registers maintained by the Director Pension should be scrutinised to see whether P.P.Os. /G.P.Os. are entered there in chronological order without any gaps in between.

20.15.8 Pension/Gratuity vouchers of the selected month(s) should be linked up with the P.P.O./G.P.O. Register and with original case file concerned.

20.16 Compulsory retirement of a Government Servant who has more than three children: -

- (1) Notwithstanding any thing contained in these rules appointing authority shall have right to retire a Government servant in public interest, if he/she has more than three children on or after 1st June, 2002 and in such cases Government servant shall be entitled to proportionate pension and/or service gratuity, as the case may be provided that where a Government servant has only two children from the earlier delivery(ies) but more than one child are born out of a single subsequent delivery, the children so born shall be deemed to be one entity while counting the total number of children.

Provided further that the provisions of this rule shall not be applicable to Government servant who has more than three children so long as the number of children he/she has on 31st May 2002 does not increase.

- (2) In such a case, the appointing authority shall retire the Government servant after giving him/her three month's notice.

- (3) If the order of retirement could not be served to the Government Servant within 15 days from the date of its issue, the appointing authority shall publish the order of such retirement in Rajasthan Rajpatra and the Government servant shall be deemed to have retired on such publication

Explanation: - For the purpose of this rule the expression 'appointing authority' shall mean the authority which is competent to make appointments to the service or post from which the Government servant retires

(Authority: Govt. of Rajasthan finance Deptt. rules Division Notification No F13 (3) FD (Rules)/2001 dt. 4.10.2001).

CHAPTER 21

Chief Controlling Officer (CCO) Based Audit

21.01 Introduction of Department-centric Audit Concept and objectives

The central concept of the Department-centric audit is that the focus of the audit should be on the Department as a whole; if the Department is too large, focus of audit should, at least, be on one or more Chief Controlling Officers (CCOs) within that Department. Thus the planning, organizing and reporting of the audit should be Department-centric and not DDO-centric as at present. This, however, does not mean that the DDO based audit will be dispensed with altogether. Indeed, the DDO will continue to remain the basic unit of audit, inasmuch as it corresponds with be that the basic unit of expenditure. The basic difference in the new approach will be that the basic units of audit-the DDOs-will be selected in such a manner that they constitute a representative sample and the audit findings can be generalized to present the overall picture of the Department's/CCO's functioning. The transition to the Department/CCO-centric audit is basically a change in the manner in which we look at the audit planning, execution and reporting. The DDO will continue to remain the basic unit of audit. Thus, the existing approach of cyclical audit of DDOs, based on the risk perception, will remain, though in a modified form.

The term CCO is synonymous with the Secretary of the Department, and the CCO based audit will essentially have a department wise connotation. Thus the terms CCO based audit and Department-centric audit have been used interchangeably in these instructions.

21.02 Planning for Department-centric audit

Based on the total number of departments and the auditable units in a state, as well as the audit capacity available, a plan should be prepared containing the number of CCOs and DDOs to be covered in a particular year.

21.03 Broad Parameters

Some of the parameters to be looked into are summarised below

- Whether the department had a perspective plan for achieving its mandate and whether the plan had been broken down into actionable schemes/programmes to be completed in a given time frame
- Whether the Department had comprehensive database, based on comprehensive and credible survey/data gathering exercise.
- Whether the department had reliable survey/data gathering exercises regarding the drinking water needs of the state's population, right down to the village level.

- Whether the requirement of resources to meet the departmental mandate had been worked out in detail and phased in a prioritized manner
- Whether annual plans of works were according to the perspective plan and conformed to the target set.
- Whether target set are location specific or in quantitative term only.

21.04 Financial Management: The following attributes may be analyzed:

- Whether Budgeting was realistic and based on reliable information and need assessment from the field offices.
- Whether fund flow was regular and adequately/evenly spread over throughout the year.
- Whether the excess of savings in expenditure were analyzed and anticipated in advance and timely action for surrender of supplementary demand was initiated.
- Whether accounting of expenditure was proper and submission of report and returns to this effect was regular.
- Whether the accounting arrangements were appropriate and adequate
- Whether the management of cash and the cash book was in accordance with rules and norms

21.05 Operation/Project Management

- Whether targeted works are taken up in time and completed as scheduled without any cost and time overrun.
- Whether tendering process and other pre-execution formalities were completed within the prescribed period, by following the due process and without adversely affecting the cost/purpose of the work.
- Whether completed projects are being maintained and run efficiently without abnormal interruption.
- Whether quality control issues, especially those affecting public health are being addressed adequately.

21.06 Materials/ Stores Management:

In the departments handling sizeable amounts of stores the materials management process may be looked into. Some illustrative aspects that may be examined are:-

- The process of assessment, purchase and distribution of stores and the instances of inefficiencies, if any.

- Whether the purchase procedures, including tendering, evaluation and contracting are streamlined and full advantages of competitive bidding are being taken.
- Whether modern inventory control methods are being applied.
- Whether systems are in place to prevent wastages, thefts and pilferages, etc.

21.07 Monitoring

- Whether the department has adequate infrastructure (systems, manpower) to effectively monitor the projects.
- Whether the system is operating efficiently and effectively.
- Whether as a result of monitoring, effective and timely interventions are made at appropriate levels to bring the project on course.
- Whether the system has adequate incentives/ disincentives to ensure timely completion of the projects.

21.08 Internal controls

The usual frameworks and guidelines approved by the Headquarters for the internal control chapter of the state report and the Internal Controls Evaluation Manual may be followed. Some broad parameters of such evaluation would be:-

- Whether the internal controls are adequate and working effectively-- these will include financial and operational controls.
- Whether internal controls are subjects to periodic review to ensure that they remain adequate and appropriate.

21.09 Human Resource Management

Some important aspects to be looked into are as follows:-

- Whether staffing requirements are reviewed and assessed at regular intervals, giving due consideration to the departmental activities.
- Whether the present staff strength is adequate to meet the requirements of the department as assessed
- Whether qualification standards have been laid down and are followed in staffing for different positions
- Whether adequate staffing policies exist and periodic training and skill upgrading are an integral part of the staffing policies
- Whether the staff strength is distributed across the state in conformity with the work requirement, especially with regard to the needs of the remote and inaccessible areas

21.10 Vulnerability to fraud and corruption

The Standing Order on audit of fraud and corruption circulated in September 2006 by Headquarters may be kept in mind. The following aspects may be seen in particular:-

- The system of contracting: compliance to the laid down procedures.
- Award of work without open tenders.
- Whether specifications and Quality standards are periodically reviewed, upgraded and adhered to in purchases and works.
- Fraud and corruption issued in relation to stores and stock.
- Handling of departmental revenues; whether there were loopholes in ensuring that all receipts were deposited in time and in full.

21.11 Regularity issues

These may be looked into as per the existing audit procedures.

21.12 Supervision

Since the Department-centric audit seeks to draw Department wise audit conclusions, it is important that it receives higher level supervision, especially at the group officer level, at all stages of planning and execution.

21.13 Reporting

The following broad points may be kept in view while preparing the report on Department-centric audit:-

- Each report may start with an overview of the department, its mandate, the number of DDOs/auditable unites, the number of units audited, the sampling procedure followed and the broad findings.
- This may be followed by specific findings under different heads (financial management, expenditure control, project management, human resource management, internal controls in the department etc.) illustrated by specific cases (akin to shortened version of draft paragraphs).
- If there are any autonomous bodies of PSUs under a department, a broad reference may be made relating to the expenditure audit (e.g., the equity contribution made to the PSU or the broad financial results of the PSUs with their impact on the functioning of the department during the year, etc.) and the attention of the reader drawn to the relevant chapter of the Audit Report where audit findings relating to autonomous bodies and commercial undertakings are discussed in detail. If any projects or schemes under the Department/CCO have been taken up for

performance audit, a reference should be made to the appropriate section of the Audit Report where such performance audit has been discussed.

21.14 Broadly, the report may be structured as follows:-

- Introduction: general facts about the department, its mandate, activities and broad overview of the audit review.
- Organisation Structure.
- Financial Position: funding and expenditure, trends in expenditure/revenue.
- Outstanding observations of previous year (s).
- Audit Objective.
- Audit Methodology and Coverage: including the sampling procedure.
- Audit Observations.
 - Financial Management: including budgeting, expenditure control, cash management, etc.
 - Planning and Programmer Management
 - Monitoring
 - Human Resources Management
 - Stores/material management and control
 - Internal Controls
 - Accountability issues
 - Vulnerability to fraud and corruption
 - Other points relating to regularity audit
- Conclusion and Recommendations
- Limitations to Audit: like any information/records not produced

(Authority : Office of the Comptroller and Auditor General of India D.O. No. 199-Audit (AP)/16-2006 dated 30.06.2009 and Annexure 'A' regarding Instructions on Introduction of Department – Centric Audit.)

CHAPTER-22

Audit of Departmental Commercial Undertakings

22.01 Introduction

Commercial Departments of Undertakings are Government departments (or activities of departments) which perform trading or manufacturing and which have been declared as commercial by the State Government. The departmental commercial undertakings are governed by all general rules and orders of Government departments viz., the fundamental and supplementary rules in the matter of pay and allowances, leave, travelling allowances etc of staff, the Central Treasury Rules and General Financial Rules on the procedure for drawing, holding and spending of funds of Government, the Account Code in the matter of accounting principles. Such undertakings are required to work on commercial lines.

The commercial undertakings maintain their initial accounts on the usual Government lines based on the provisions contained in Account Code and maintain subsidiary proforma accounts on the commercial pattern in addition to regular Government accounts.

The audit checks to be exercised in audit of accounts/proforma accounts of such undertakings are outlined in succeeding paragraphs.

22.02 Departmental Commercial Undertakings of Rajasthan Government

(i) The Government of Rajasthan has declared the following departments/departmental undertakings as “commercial” and are subject to audit by Audit Management Groups (AMG’S).

1. Home Department

Jail manufactures at Ajmer, Alwar, Bikaner, Jaipur, Jodhpur, Kota and Udaipur

2. State Insurance Department

(ii) Accounts of Jail Manufactures of Rajasthan–I.

Preamble. The Central and District Jails which are at present engaged in manufacture of various articles etc.

Central Jail, Jaipur

Central Jail, Jodhpur

Central Jail, Bikaner

Central Jail, Udaipur

District Jail, Kota

District Jail, Alwar

District Jail, Ajmer

The products manufactured at these jails and services rendered by them are of the following nature

Weaving and Manufacture of cloth
Weaving of Durries and Carpets.
Leather industries.
Carpentry.
Tailoring
Cane and Bamboo work
Dry Cleaning and washing
Dyeing
Black Smithy
Aerated Water manufacture
Poultry Farm and Gardening

22.03 System of Accounts.

The accounts of manufacturers or services rendered by the Jail are maintained in accordance with the procedure of accounts (Commercial) prescribed by the Rajasthan Government. The funds required for working of the Jail Manufactures are drawn on bills by charge to the head '2056 Jail and Convict Settlement (C) Jail manufactures' and the revenue realised is deposited through challans into the treasury creditable under receipts head 0056-Jails and Convict Settlement (b) Jail Manufactures.

The records maintained by the Jail Manufactures and the audit checks to be applied there against are given below:-

- (1) **Cash Book**- Cash Book should be checked in detail from the vouchers received from Central Audit and it should also be seen that totals etc. are correctly given and carried forward from page to page. The entries on the receipt side should be checked with reference to counterfoil of receipts and entries made in cash sales register. The entries regarding remittances to and withdrawals from the treasury should be verified with reference to the bills drawn and payments made through challans into the treasury.
- (2) **General Ledger** – It should be seen that entries in the ledger have been posted daily and they have also been checked by some responsible person.
- (3) **Journal** – All the entries should be checked in detail and particularly the adjusting entries relating to final accounts etc.
- (4) **Indents** – It should be Seen:-
 - (i) that indent forms have been bound in books which are serially numbered, and that separate books have been used for each class of industry, and that a stock account has been maintained for them;
 - (ii) that the indents for materials are not in excess of requirements for the manufacture of articles concerned;

Note – This should be checked by comparing the quantities of material as indented for with those of the estimates or the data book maintained showing the raw material required for the manufacture of the articles concerned. If the indents show striking excesses, the excesses should be objected to. Percentage fixed for the audit of the indents relating to the different classes of articles manufactured during the year under audit should be kept in view.

(iii) that the issues of raw materials have been fully accounted for by the receipt of manufactured articles allowing for the reasonable wastage, if any;

Note- In the case of raw materials issued for the preliminary processes of cleaning before they are issued for manufacture such as cleaning gingerly seeds, bowing or spinning wool and the like, the issues and receipts need not be checked with reference to the totals of the each indent. It will be enough if the check is applied with reference to the totals of the transactions for the year for each of the processes shown in the stock book of raw materials allowing for reasonable wastage.

(iv) that wastage has not been abnormal and the wastage calculated represents what actually occurred and that it has been distinctly set out on the right hand portion of the indent and subsequently entered against the indentional issue in the Stock Book of Raw Materials;

Note :- In cases where the percentage of wastage in respect of an industry is strikingly high it may be merely adverted to in the report for the information of the Director General.

(v) that indents have invariably been passed by the authority competent to do so and the memorandum of manufactured articles initialed by the Superintendent in proof of his having checked that the issues of raw material have been fully satisfied by the receipt of manufactured articles;

(vi) that the counterfoils of indents have been carefully preserved by the in-charge of the Workshop/Factory and the foil indent and the memorandum by the storekeeper; and

(vii) that there has been no undue delay in the completion of manufactured articles for which raw materials have been issued.

5. **Supplier's Ledger** – It should be seen that payment for all the materials purchased etc. have been made and that the list of outstanding creditors agrees with the accounts in this ledger.
6. **Customer's Ledgers** – It should be verified that these ledgers are correctly posted from time to time and that the bills and invoices are timely prepared and sent to the departments concerned. That the outstanding's are recovered in time and there are no accumulation of outstanding's. If there are any heavy outstanding it should be commented upon in the Inspection Report.
7. **Stores Accounts – (a) Raw Materials – It should be seen –**

- (i) that separate pages have been set apart for each class of raw material;
 - (ii) that accounts with value are maintained;
 - (iii) that an index has been prepared and is upto-date;
 - (iv) that the opening balances of the materials for the year agree with the closing balances of the previous year;
 - (v) that all raw materials purchased have been duly entered in the Stock Register;
 - (vi) that the description, quality, number or weight, value of materials purchased and rates of payments have been correctly given and that the dates of payment of bills for materials supplied have been duly noted;
- Comments/Note:** Store evaluation is consider for purpose of Performa Account at 31 March, on the cost or market value whichever is less.
- (vii) that the charges on account of railway freight, carriage etc. of materials purchased have been duly added to the cost of materials;
 - (viii) that issues have been made on indents signed by the authority competent to do so;
 - (ix) that the issues have correctly been entered in the Stores Registers;
 - (x) that the Stores Registers are checked by the responsible person or the superintendent periodically;
 - (xi) that the annual stock of raw materials in the store, on the looms and in workshop has been taken by the superintendent and found to agree with the account in Store Ledger;
 - (xii) that all excesses and shortages have been properly accounted for and the cost of shortages recovered or written off under competent sanction.
- (b) **Purchases** – The purchase of all raw materials is made by the Inspector General of Prisons by calling tenders etc. Copies of tenders and allotment of materials according to the requirement of each Jail are intimated by the Inspector General of Prisons to the Superintendent of the Jail concerned. These purchases should be examined to see that they are made most economically according to the provisions of the General Financial and Account Rules of the State and that the stock maintained at each Jail factory is not in excess of the prescribed limit both for raw materials and as well as for finished goods.
- (c) **Finished goods** – In addition to the general instructions given under Raw Materials the following instructions should be followed :-
It should be seen-
- (i) that all manufactured articles received from the workshop through transit register are properly accounted for and that proper description of the articles with reference to weight, size, measurement etc. are given;
 - (ii) supplied but rejected and returned are properly credited in the Store Accounts; and

- (iii) that an annual stock that the prices of manufactured articles are fixed and noted in the register according to the schedule in force as given in the book of estimates approved by the Director General of Prisons;
- (iv) that for all articles sold on cash or on credit a proper voucher has been made out and the sales are duly entered in the Store Account of the Article concerned;
- (v) that the article of manufactured articles is taken by the superintendent and found to agree with the entries in the Store Registers.

Note : For the purpose of Pro-forma Accounts the value of the Stores in hand on 31st March is to be taken on cost or market price whichever is less.

8. Register of Fixed assets –

It should be seen that the register of fixed assets e.g. buildings, machinery and plants, tools, implements etc. in existence and new purchases, is maintained properly in the form prescribed by Govt. and that proper depreciation is charged according to the prescribed rates.

9. Cash Sales Register –

The entries in this register should be test checked from the cash memos issued and it should be seen that the total of daily receipts is correctly taken to the General Cash Book.

10. Credit Sales Register – It should be seen:-

- (i) that all supplies of goods to the other Jails or to the Government Departments the value of which is ordinarily adjusted by book entries, have been entered in this register;
- (ii) that the supplies are correctly made and adjusted; and
- (iii) that the totals are correctly taken in the Customers Ledgers and in the Sales Accounts in the General Ledger.

11. Petty Cash Book – The instructions given in Chapter-II should be followed and it should be seen that recoupments of the amounts spent out of the petty cash account have promptly been made and that all vouchers below Rs.50 which are not rendered to the Account General Office are properly kept duly cancelled.

12. Work Order Register – It should be seen-

- (i) that no article is manufactured without the order of the Superintendent whether such manufacture is for the public, or for the government departments, or for the jail officials or for the purpose of being kept in stock;
- (ii) that in case of supplies ordered by the public, proper advance to execute the order has been taken; and
- (iii) that the orders noted in this register are executed and completed within reasonable time.

13. **Job Register** – This register will show the jobs actually undertaken and executed in the factory or a workshop. It should be seen that all the entries in the register are properly completed from the Job Cards about raw materials, labour, overhead charges etc. and that the register is reviewed from time to time by the factory manager and superintendent to see that the cost of articles manufactured compares favourably with that given in the schedule of prices in force.
14. **Job Cards** – These should be examined to see-
- (i) that raw materials obtained on indents are properly entered in these cards and that it is according to scale prescribed for such articles and not excessive;
 - (ii) that all unused materials have been properly credited to job and returned to stores and the entries in the job cards are supported by the vouchers signed by proper authority; and
 - (iii) that labour employed on the work has been properly allocated to each job and the charges are debited according to the prescribed scale. It should also be seen that labour engaged is according to the proportion prescribed for the work and not in excess. If more labour is employed than what is prescribed, it is brought to the notice of the Superintendent and is properly accounted for that the turnover by the labour is according to prescribed scale.
15. **Convicts Attendance Register** – This should be examined to see that the total number of convicts sent to the factory tallies with the number shown daily by the Jail Authorities in their daily statement. The total number of labourers employed is to be classified under ‘Workers’ or ‘learners’ and ‘artisans’ for the purpose of showing their cost in the pro-forma account. These should be carefully examined to see that the figures have been assessed correctly.
16. **Book of Estimates** – In this book the schedule of rates prescribed as sale price of different articles by Director General of Prisons are entered. These entries are subject to variation from time to time on the basis of the cost of actual Jobs carried out in the factory or workshop.
- It should be seen that this book is maintained up to date and that the sale prices of articles as shown in this book are correct and according to the principles laid down below:-
- (i) For manufactured articles for Government Departments the prices shall in no cases be higher than the market price.
 - (ii) For the goods for sale to public the prices shall in no case be lower than the market price of articles of similar quantity.

[Letter No.F.159/437/OAD, dated 18.7.1951 from the Accountant General, Rajasthan Jaipur, to Inspector General of Prisons, Jaipur]

17. It should be seen that proper record of waste materials is kept and the same are disposed of to the best advantage of Government.

18. Pro-forma Accounts – The following pro-forma accounts of the Jail Manufactures are prepared-

- (i) Manufacturing Account.
- (ii) Trading Account.
- (iii) Profit and Loss Account.
- (iv) Balance Sheet.

The items to be taken in these accounts are given in the form attached to the procedure of accounts prescribed by the Government of Rajasthan. The figures given in these accounts should be carefully checked from the ledger accounts and the records mentioned above. It should also be seen that provisions for proper depreciation of assets and interest on capital has been made and that necessary certificates about the stock of raw material of finished goods and of works in progress are given by the Superintendent of the Jail Concerned. In case of any debts it should be ascertained that they are 'good' 'doubtful' or 'bad' and that they are certified as such by the Superintendent. The guidelines and audit checks to be exercised in audit of pro-forma Accounts are given in para 23.10 to 23.15 to this chapter.

19. Inspection Report – The Audit Report with the pro-forma accounts duly certified is to be sent to the Director General of Prisons with a copy to the Superintendent of the Jail concerned. Any important financial irregularity is to be brought to the notice of the Finance Department of the Government of Rajasthan, through Audit Report (Audit-I).

22.04 Rajasthan Government Servants Insurance Scheme :- The Rajasthan Government Servants Insurance Scheme derives its authority in the main from Rule 21 of the Rajasthan Service Rules and is being implemented in accordance with the Rajasthan Government Servants Insurance Rules 1953 with effect from 1.1.1954. This was compulsory for all permanent and temporary government servants on completion of one year of service. The administration and management of the Insurance Fund to which all receipts and disbursements of the department are carried had been entrusted to a separate department under the charge of the Director of Insurance. The scheme has been declared as commercial by the Government of Rajasthan vide letter No.F.18(a)(9)FD-A(Rules)60, dated 12.8.1961 and as such the audit is undertaken by this Wing. While conducting audit of the scheme the provisions contained in the Manual of the State Insurance Department should be kept in view.

22.05 Advance Hazard Fund

Under the rules governing the grant of advances for the purchase of motor cars/cycles and for construction of houses to the State Government servants on or after 1.4.1962, the Government servants concerned have the option either to insure the conveyance/houses on comprehensive basis or to pay additional charges relating to the Advance hazard Fund in accordance with rule 388 & 400 A of the G.F. & A.R. The rules of the fund appear as Annexure-'C' to

Chapter XVII of the G.F. & A.R. The management of the fund has been entrusted to the Director of Insurance, Rajasthan Jaipur. As per substitution of Rules 6 of the above rules vide Government of Rajasthan Insurance (Revenue and Economic Affairs) Department (A&I Cell I) letter No. F.8(60)F(C&A)/61, dated 13.11.1963 (original letter with T.M.) the accounts of the fund will be maintained on quasi-commercial lines and will be closed on 31st March every year. The central audit of these accounts is done by D.D. Sections. The local audit shall be conducted by Resident Audit Party of commercial Audit Wing conducting audit of State Insurance Scheme.

In order to provide protection to Government servants who have taken house building advance and die while in service, the Government of Rajasthan under No.F(16)RD(Rules)/70, dated 30.4.1971 approved a scheme under the 'Advance Hazard Fund Rules' according to which on payment of specified amount of premium the balance amount of advance excluding interest due is met out of the fund.

The audit of State Insurance Department should be conducted in accordance with the quantum of audit checks laid down in C.A.G of India by letter No.728/CAIV/89-69, dated 25.6.1971 (Page21) of AW/RAP/VII/Insurance (Quantity) letter No.143/CA/IV/86-69 dated 22.02.1972 (P.47), 416-CA/IV/86-69 dated 24.02.1971 (Page-109) CAW/RAP VIII/Insurance (Quantum) and Group order 16 dated 24.1.1974. Provisions as contained in the Manual of State Insurance Department should be kept in view while conduction audit of the fund.

1 Accounts Record – Besides normal Government records, Other important books and forms required to be maintained in the Department as laid down in the Manual of the State Insurance should be seen.

2 Audit Checks – While checking the records of State Insurance Deptt. Apart from the general checks, the following aspects of Insurance are specifically to be checked.

(I) Claims – a Policy will result in a claim by maturity only if the policy is issued under the Endowment Assurance Plan. While reviewing the work relating to claims the following heads should be seen,

(1) Claims by maturity

(2) Claims by death

(3) General Procedure for both the claims by maturity and death.

(1) Claims by maturity – The case will be considered as a claim for the full sum assured in the following circumstances.

(i) If the premiums are being recovered regularly up to date.

(ii) If the official is in service on the date the policy will mature for payment

(iii) If the future premium paying period is 3 years or less.

All the above points should be seen while checking the maturity claim.

(2) **Claims by death** – A claim by death will arrive only when official dies before the date of maturity in the case of an endowment assurance. Immediately on receipt of the intimation regarding the death of the official the file should be obtained and it should be verified whether it should be treated as a claim case for the full sum assured or for the paid up value or whether it should be treated as a case of surrender.

The case will be considered as claim for the full sum assured in the following circumstances.

- (i) If the premiums are being recovered regularly upto the month in which death occurs.
- (ii) If the official was in service at the time of his death.
- (iii) If the future premium paying period is 3 years or less.

(II) **Cessation, Surrenders, Paid up and maintenance** – Options available to an official who ceases to be in Govt. Service. The options are

- (i) To continue to maintain the policy by paying the premium regularly,
- (ii) To have the policy converted in to paid up one; and
- (iii) To take the cash surrender value of the policy;

The policy should be entered in the register of officials ceasing to be in Govt. Service.

(III) **Loans** – Loans are granted on the security of policies upto 90% of the surrender value under certain circumstances only. While checking the loan on Policies, it should be seen that.

The calculation of the loan value involves the following calculations

- (i) Calculation of paid up value.
- (ii) Calculation of surrender value.
- (iii) Calculation of loan value. Represents number of premium paid multiplied by sum assured and divided by number of premium payable.

Surrender value factors are given for different ages for both endowment and whole life Assurances. The surrender value will be obtained by multiplying the paid up value ascertained as above by the surrender value factor for the age next birthday at the time of the calculation of the loan.

For calculation of loan value, since loans are granted upto 90% of the surrender value, 10% of the surrender value should be deducted from the surrender value to find out the loan value.

(iv) While checking the policy, it should be seen that whether more than one policyholders name have been mentioned in a policy or more than one policies for a policyholder has been issued.

(v) While reviewing the policy bag, it should be ensured that there is no change in the original date of birth. In case any change in date of birth occurs, this will result the variation in the sum assured. This aspect should be examined.

(vi) It should be seen that deduction of premium is in the scheduled slab, in case any change in the scheduled slab there will be variation in sum assured.

(vii) It should be seen that every employee is liable to be ensured as the time of recovery of premium for first insurance submits a declaration in form-1.

(viii) Various kinds of bonus viz. Interim, terminal and revisionary bonus should be checked thoroughly and see whether calculation and rate of Bonus are in order.

In addition to the above technical aspects, the records relating to pay. TA, Medical, Cash Book, Service Book, Stores and Stock and other components of establishment items should be checked and audit should comment on each items.

22.06 Proforma Accounts

In order to have proper monitoring over the schemes and to ascertain that Schemes are working satisfactorily and earning profits, the working results are required to be assessed by preparing Proforma Accounts in addition to normal Government accounts. As the government system of accounts is maintained purely on cash basis, it is unsuitable for commercial undertakings. In commercial accounting the accounts books are maintained in such a way as (1) to have a permanent record of all transactions and (2) to show the effect of each transaction and the combined effect of all transactions upon the financial position of a commercial undertaking. This implies the maintenance of suitable proforma accounts by commercial undertaking themselves outside the general accounts of the government in such form as may be agreed upon between the Accountant General and the government concerned.

The proforma Accounts comprises

(i) Manufacturing, Trading and Profit and Loss Account or Revenue and Net Revenue Account showing the operation and maintenance expenses including other. Indirect expense and revenue earned by the activities during a particular year, and Balance Sheet indication position of various assets and liabilities of Scheme at the end of the accounting year for which Proforma Accounts are Prepared.

The Proforma Account are required to be maintained on accrual based Commercial Accounts which means the accounts are compiled (as distinct from Government Accounting System on cash basis) after considering the accrued income though not received and outstanding expenses for the services availed during the accounting period though not paid and certain notional adjustments like, depreciation on assets put to use and idle assets not used in earlier year, direction and

supervision charges, pension and leave salary during the year but used contribution, Audit fee and interest etc. on Government Capital Account and interest on Depreciation Reserve Fund Investment Account. Adjustment of such notional items in the Proforma Accounts is essential to ascertain the fair results of the operation of the schemes. Another distinguishing feature of the commercial accounting is the carry forward of the Assets and Liabilities from one period of accounting year to another till such time the assets are discarded/disposed of or the liabilities discharged fully. For preparing the Proforma Accounts certain additional records are required to be maintained.

The Proforma Accounts for a particular year prepared on the basis of records (Government Accounting)/additional records maintained for Commercial Accounting are required to be submitted to the Pr. Accountant General by the end of September of next year for Audit where it decided to recast the accounts on the suggestion of A.G., the Accounts should be recast and submitted to the Pr. Accountant General without loss of time.

22.07 Capital Account.

- (1) The money required to run a business is termed as capital in commercial concept. The capital so required may either be for establishing a particular project/scheme or for meeting out day-to-day expenses to run the scheme after its completion. The Capital may be of two kinds viz. (a) Fixed Capital and (b) Working Capital. Fixed Capital is required for purchase/acquiring of assets, which are of permanent nature and would be used for years together. It may also require even after commencement of the scheme to replace the assets due to expiry of their life or due to change in technology etc. Working capital is a capital, which is required to run the establishment properly.
- (2) **Capital contribution for Departmental/Commercial Undertakings**
For one or the other reasons the Government has also decided to run a particular Department or activity or its particular scheme on commercial lines and for that purpose the Government is contributing capital to run such scheme.
- (3) **Government Capital Account** – Upto 31st March 1973 there was only one Capital Account. The Government of Rajasthan vide its order F.2 (I) FD (A&I)/74 dated 20th June 1974 had decided to introduce new system of Capital Account. From the year 1973-74, the Capital Account has been bifurcated into two parts viz. (i) Government Capital Accounts and (ii) Government Current Account and these two accounts in the Balance Sheet should incorporate the particulars under the following heads.
 - (a) Government Capital Account as on 1.4.1973 will be equivalent to the cost of fixed assets (net) where gross value of fixed assets is not

known. Where the gross value of fixed assets is known, it should be adopted for the purpose of computing Government capital as on 1st April 1973. All transaction of capital nature should be routed through Capital Account, in future all capital expenditure financed out of the capital head and all withdrawals and remittances on capital should be treated as addition and debited/credited to the Government Capital Account.

(Authority No. 466-CA.IV/5-7/CA 168 dated 27.6.75)

The Government Current Account as on 1.4.73 will represent the resultant balance of existing Government Capital Account after deduction of the amount of Capital Account as computed. All transactions of revenue nature will be routed through Government Current Account. All withdrawals and remittances on revenue account should debited/credited to Government Current Account.

(Authority C&AG's letter No.723/CA(IV)/90-75 dated 14.11.75)

- (b) The profit and loss for the year 1973-74 and onwards should not be merged with the Government capital and current account but should be shown separately in the Balance Sheet on the liability side or the assets side, as the cash may be.

(Authority : C&AG.'s letter No.182-CA IV/57/CA/69 dated 11.1.74 at page 82, C&AG's letter No. 232/CA IV/57/CA/69 dated 19.3.75 at page 112 and C&AG's letter No.466-CAIV/57/CA/69 dated 27.6.75 at page 114 of Guard File, 15)

- (c) **Interest on Capital** – Interest on capital account should be calculated in the manner prescribed in para 445 of General Financial Rules Vo1.I at the borrowing rate of Government of Rajasthan notified from time to time. However for guidance of field parties the procedure of calculation of interest on Government Capital has been given in succeeding paragraph.

Interest on Government Capital Account should however be calculated on the total capital (both Government Capital and Current Account). Interest on Government Capital Accounts being revenue expenditure, its adjustment should be made in the Government Current Account for exhibition in Proforma Account.

- (d) **Mean Capital** –

Mean capital represents opening balances of Government Capital and Government Current Account, Plus/Minus accumulated opening balance of profit/loss and plus/minus half of the additions to Government Capital and Current Account including adjustments during the year, excluding adjustment of interest on capital during the year.

- (e) **Calculation of interest on Government Capital** –

Government in its order dated 23rd November 1974 had prescribed the following methods for calculation of interest on Government Capital

(Authority : Government of Rajasthan No.24(13)FA21/62 dated 16.5.1981 at page 254 of GFD 10 No.F/5(2)FD (Revenue of Accounts) 73, dated 23rd November 1974 at page 136-C of GFD. 15, Government No.FI(30)/FD/A&I/63 dated 16th February 1971 at page 240-(G.F.I)

- (i) Interest will be calculated at the rates notified from time to time by Government
- (ii) Interest should be calculated on direct capital outlay to the end of the previous year plus half of the capital outlay during the current year itself irrespective of the fact whether such outlay has been met from current revenues or from other sources. The opening capital should be arrived at by taking capital at the end of the previous year plus/minus profit and loss of the last year.
- (iii) As regards capital during the year it should be calculated on the following basis.

Government capital as per last year – X

Add-withdrawals during the year – Y

Less-remittances during the Year –Z

Add-net adjustment during the year –P

The capital of the year would be $X+Y+Z+(X-P)/2$

XYZ shown above shall include all transactions in regard to which adjustments are made in the proforma accounts irrespective of the fact whether actual financial adjustment is carried out or not in the Government accounts for this purpose profit and loss for the year should not be treated as adjustment during the year.

- (iv) If Government capital happens to be in minus no interest is required to be calculated. (Authority Director of Commercial Audit No.965/Rep-II)

22.08 Checking of the compilation of Proforma Accounts-instructions to Audit Parties

The audit checks to be exercised in audit of proforma accounts are given below:

- (i) See whether proper commercial accounts are maintained in addition to the normal Government accounts/records. Instructions contained in C&AG's Manual of Standing Order (Audit) should be kept in view.
- (ii) See that proforma Accounts bear dated signatures of the Competent Officer responsible for the preparation of accounts and designation given in each case.
- (iii) Check the accuracy of the figures incorporated in the Proforma Accounts viz. Revenue and Net Revenue Account and Balance Sheet, with reference to the commercial Ledgers etc and in absence of such ledgers from the Government records, viz contingent registers, purchase, sale, book, monthly accounts, AC bills and other schedules etc. maintained by the departments.

- (iv) The figures of previous year's account given in the proforma accounts of the year under audit should be carefully compared with the audited copy of the previous years accounts and the discrepancies, if any, noted in the comparison should be commented.
- (v) Check the totaling of Profit and Loss Account, Balance Sheet and other schedules attached to accounts.
- (vi) The opening balance of stock as shown in the Profit and Loss Account, Manufacturing Account and Store Account should be compared with the closing balances of previous years.
- (vii) The computation of depreciation charged in the profit and loss account should be checked and ensure that amount tallies with the amount credited to depreciation reserve in the Balance Sheet or deductions from the assets.
- (viii) The additions, sales or transfer, opening balances etc. appearing in the fixed schedules should be verified.
- (ix) The mode of valuation of stock (cost or market value which ever is less) should be examined.
- (x) Physical verification reports of stores/fixed assets should be examined with a view to ensure that proper treatment has been given in the accounts to excesses/shortages noticed and suitable comments incorporated in Inspection Report where no such verification was carried out the fact should be incorporated in the Inspection Report.
- (xi) Check whether proper allocation of receipts and expenditure is made between capital and revenue keeping in view of fundamental commercial accounting principles.
- (xii) In the accounts the comparative figures of the previous year should be given on the left hand side of the descriptions and the figures for the year should be given on the right hand side.
- (xiii) A comparative study of figures of income and expenditure for the past 3 years should be made and reasons for any marked variations be ascertained, scrutinized and commented upon in the Inspection Report.
- (xiv) In case of losses in the working of the concerns, the reasons for the same be enquired and commented upon in the Inspection Report.
- (xv) Check whether the depreciation provided for in accounts is correct and is in accordance with the rates of depreciations sanctioned by the Government from time to time.
- (xvi) Transactions relating to Provident fund, Festival, cycle and other advances paid to the employees in the departmental undertakings should be excluded from proforma accounts of the undertakings.
(Authority: C.A.G.'s letter No.369-CA IV/90-75 dated 27th May 1978 page 172-C and 184 of GF-15)
- (xvii) Check whether the amounts of interest on Government Capital, Audit Fee, Pension Contribution Charges and Direction and Supervision

Charges have been accounted for correctly in the Proforma Accounts as per Standing Orders of the Government and instructions on the subject issued from time to time.

- (xviii)** Scrutinize that the payments were made under the Workmen's Compensation Act keeping in view the instructions issued by T.M. on the subject vide Circular letter No.458/T.M/VII/16/WC/ACT/2028 dated 31.7.1956.
- (xix)** Scrutinize that the payments were made to the labourers in respect of overtime bills, leaves salary etc. under Factory Act, 1948.
- (xx)** The propriety of expenditure on labour welfare should be examined and any case of wasteful or infructuous expenditure commented upon.
- (xxi)** Check that the financial entries passed in respect of monthly consumption of material used with reference to the records maintained.
- (xxii)** Check the revenue receipts in the Revenue Cash Book with reference to the bills and receipts granted to the payer.
- (xxiii)** An addition to financial working, the physical target achieved by a concern should also be examined. It should be seen that achievement in production etc., is in accordance with the physical targets fixed or forecasts made. The reasons for the shortfall should be ascertained, analysed and discussed with the management and suitably commented upon in the inspection report. The aspect of physical performance of a concern is some times more important in the present day economy. There are instances where a concern even though it incurs working loss, is considered useful by management on the grounds that it achieves its physical objectives such as increasing production of a scare commodity saving foreign exchange etc.
- (xxiv)** The depiction of loose tools should be examined with reference to the policy followed to ensure whether they are in the nature of current assets/fixed assets and incorrect depiction should be commented upon.
- (xxv)** Cases of abnormal variations in revenue and expenditure items as compared to figures of previous year, budgeted/planned, production performance, pricing/sales policy and utilization of man/machine power should also be examined and suitable comment incorporated in the Inspection Report.
- (xxvi)** Sundry debtors should critically be examined with a view to ensure that they are properly pursued. Cases of non-pursuance/slow-pursuance should be commented upon.
- (xxvii)** Non-Maintenance of essential records such as assets register, journal ledger and other records etc. should be commented upon giving therein the reasons for such non-maintenance.

(Authority :-C.A.G's letter No.733/Rep/53-80, dated 23.4.1980. P-242, Guard File D-15 and No.CAW-II/D-15/64-65/Vol.II,P.238-232,G.File D-15)

(xxviii) Ensure that the Depreciation Reserve Fund Account has been created only in respect of machine tools, implements, pipelines and vehicles etc., and these assets have been exhibited in the Balance Sheet at their original value and other assets such as building, furniture and fixtures and other office equipments have been exhibited at depreciated value.

(xxix) Check that the buildings, which are the properties of the P.W.D., have been excluded from Government capital and rent demanded by the P.W.D. has been charged to accounts.

(Authority:- Government letter No.D-113/T.3/9 F.D.(Comml.)/54, dated 28.9.1959, page 220 of G.F.D.I)

(xxx) Ensure that the interest on depreciation reserved fund (Mean) account has been calculated at 1% below the rate charged on the Government capital.

(Authority : C.A.G's letter No.649/CA/89-52 II, dated 16.8.1955 read with State Government letter of October, 1956 at page 62-C and 152-C of G.F. D-I Government No.F2(1) F.A. & I/61 dated 23rd January 1964, P.8 of G.f. D-2)

(xxxi) Check that the depreciation has been calculated and charged to accounts on diminishing balance method.

(Authority: D.U.O.F. Note dated 31st July 1964 read with FD.U.O. Note No.F.2 (1)-F.D./A&I/61, dated 6th September 1976, P.42 and 76-C, G.F. D-5).

(xxxii) Ensure that depreciation has been provided for the broken period (s) as under

	Particulars	Extent of depreciation to be provided
I	For machineries/assets remained in use for a period of 180 days or more in a year	100%
II	For machineries/assets remained in use for a period of less than 180 days but more than 30 days...	50%
III	For machineries remained in use for less than 30 days	Nil

No depreciation should be charged/provided on the assets/machineries not commissioned but depreciation should be charged/provided for assets/machineries put to use but remained idle, for some reasons, for full year or any part of the year.

Above instructions are not applicable to seasonal industries.

(Authority: Government letter No.F2(2) FDA&I/59 dated 28.9.1973, P.118 of G.F.D-2)

(xxxiii) Ensure that the cost of audit fee has not been adjusted to Capital/Current account but credited to the head “undischarged liability” which shall go on accumulating year after year.

(Authority: State Government No.F.2(5)F/C&A/60, dated 21.6.1962, page 172 of G.F.D-10).

22.09 Balance Sheet –

In the scrutiny of the Balance Sheet following audit checks should applied :-

- (i)** See that the Balance Sheet, in which capital and liabilities and assets and properties are to be exhibited, is in prescribed form,
- (ii)** To verify the fixed assets, additions and disposals thereto during the year under audit from the Register of Fixed Assets and Monthly Accounts and other connected records.
- (iii)** To ascertain the mode of valuation of stores and spare parts in hand at the close of the Financial Year and to see whether the value of stores shown in the Balance Sheet is actually represented by the stores in hand. This should be verified from the list of Stores in hand as on 31st March prepared by Department with valuation from the respective Store Ledgers or Half yearly stock Returns and Monthly Accounts. Where there is any change in mode of valuation the financial impact of the change should be commented upon if not disclosed suitably on the face of the balance sheet.
- (iv)** To Check the accuracy of the Statement of Sundry Debtors as on the close of the trading period with reference to the Customers Ledger, Monthly summaries and Statement of Revenue etc.
- (v)** To See that the debtors have been properly classified under head Good, Doubtful and Bad and to see whether necessary provision for the bad and doubtful debts has been made under competent sanction. The nature of loans and advances to Government Departments and to Private Parties should be separately stated.
- (vi)** Check the outstanding against various debtors. The amount outstanding and the date from which the same is outstanding should also be indicated. The ageing and disputable debtors should be scrutinized thoroughly and commented in the Inspection Report.
- (vii)** Verify the figures of Loans and Advances and cash in hand from the Register of Advances and the cash books.
- (viii)** Check the adjustment entries with regard to Investment of Depreciation Reserve Fund in Government Account and vouch the expenditure met out of that fund.
- (ix)** Verify the total amount of withdrawals from the remittances into treasury during the year from the departmental books and check the adjustment transactions effecting Government Capital Account.
- (x)** To Check the records maintained in the workshop viz., Job Register, Job Accounts etc. and to see whether all labour and material

expended on a particular job have been properly allocated and debited to the Job Account and that overhead charges have been added at the rates prescribed by the Government, and that there is proper system for periodical reconciliation of overhead charges to be added to the cost. To see whether proper reconciliation of labour and material is made through the Labour and Materials Abstracts.

(xi) The question regarding the valuation of assets should be thoroughly examined, In the past, valuation of the various assets was done approximately by the departmental authorities. The Government has therefore formed committees to assess the correct values of the asset Where revised valuation done by the committee is adopted in the Proforma Accounts, following instructions should be borne in mind while scrutinizing the revaluations :-

- (a) The revised valuation should be checked with reference to the Report of the Committee. The names and designation of the persons who had assisted and certified the valuation placed on each type of assets should be specifically mentioned in the Inspection Report.
- (b) The Balance existing in the 'Provision for Depreciation Account' in the last Balance Sheet should be transferred back to their respective Assets Account. If the provision for depreciation was made merely Proforma without any actual investment, the difference between the Book value (original) less credit balance transferred from depreciation (reserve) and the revised valuation of the Asset will be debited/credited to the Government Capital Account.
- (c) In case an adjustment of depreciation charges has already been carried out i.e. a corresponding investment account appear in the Balance Sheet the balance at the credit of the Depreciation Reserve Fund Account will not be transferred back to asset account but the difference between the book value and the revised value of the asset will be adjusted by debit or credit to Government Capital Account.

22.10 Synoptic Statement of Departmental Commercial Undertakings.

In the Chapter relating to Commercial activities of Audit Report (Audit), Synoptic Statement indicating financial results of departmental undertakings should also include general comments on the working and loss position of the undertakings.

The Synoptic Statement indicating the summariseds financial results, based on Audited Accounts should be prepared in the following form :

1. Name of the Department
 2. Name of the concern/undertaking
 3. Year of commencement
 4. Period of Accounts
 5. Govt. Capital Balance of Govt.
(Capital account only at the close of the year)
 6. Mean Capital
- (I) Opening balance of fixed capital account (+) or (-)

- (II) $\frac{1}{2}$ of the difference between opening and closing govt. fixed capital
7. Block Assets (Net)
 8. Depreciation during the year
 9. Net profit (+)/Loss (-)
 10. Interest charges on capital added back
 11. Total of column 9 & 10

In order to avoid any disputes later, the facts and figures given in the statement should be got verified by the head of the office during inspection.

(Authority : CAW-II 18/64-68/Vol. II, dated 29.5.1976, placed at page 152 of G.R. D-5).

22.11 Audit certificate

Audit certificate should be issued to the Departmental Commercial Undertakings only after approval of the Group Officer.

The audit certificate on the proforma accounts should be given in the following form.

“I have examined the foregoing Accounts and Balance Sheet of..... for the year..... I have obtained all the information and explanations that I have required, and subject to the observation in the Separate Audit Report/Note/Comments I certify, as a result of my audit, that in my opinion these Accounts and Balance Sheet are properly drawn up so as to exhibit a true and fair view of the state of affairs of the concern according to the best of my information and explanations given to me and as shown by the books of the concern.

(Director of Commercial Audit No.CA/2-I/56-57/1217, dated 20.4.1957- file CAW/PI-18/1955).

22.12 Audit Comments

The Audit comments should be prepared keeping in view the instructions issued the Comptroller and Auditor General of India from the time to time. These should include only less important audit comments, remarks or observations which do not merit mention in the Audit Report and only help a correct reading of the Proforma Accounts or are meant to elucidate the Financial Review. Important irregularities in respect of the Government Commercial Concerns should invariably be given in the form of draft paras for incorporation in convention Audit Report (Civil).

The instructions contained in C.A.G.’s M.S.O. (Audit) regarding inclusion of material in respect of various commercial and Quasi-Commercial undertakings in the Audit Report there on should be kept in view while preparing the draft paras and comments on the Proforma Accounts. The Inspection Report on the Proforma accounts should contain the audit comments and also a critical study on the position of the profitability/losses of the commercial undertakings. The reasons for unfavorable results should be looked into and critical analysis incorporated in the Inspection Report

APPENDIX- 1
(Refer to Para No.1.15 & 2.02)

विवरणियों की अनुपालना सूची

वार्षिक विवरणियां

क.सं.	विवरणी का नाम	किसको प्रस्तुत की जानी है	अवधि	प्राधिकार	पृष्ठ का संदर्भ जिस पर विवरणी का पूर्ण विवरण अर्थात् प्राधिकार अंकित है।
1	कुजी पंजिका	समूह अधिकारी	15 अप्रैल	OAD of SPL TR 449/ 3.1.80	
2	Target Report	समूह अधिकारी	15 अप्रैल	AG (Au) /ITAS /5.13/90.91/493/ 10-5-90	
3	Improving Audit effectiveness	रिपोर्ट अनुभाग	30 अप्रैल	Report PAC/GD III Vol. XIII TR II/ 312/17.9.04	
4	Register of Books for verification	GD Library	15 जनवरी	GD/603 date 13.10.66 GD III/5/ 14.4.72	

अर्द्धवार्षिक विवरणियां

क.सं.	विवरणी का नाम	किसको प्रस्तुत की जानी है	अवधि	प्राधिकार	पृष्ठ का संदर्भ जिस पर विवरणी का पूर्ण विवरण अर्थात् प्राधिकार अंकित है।
1	Achivemnt Register	समूह अधिकारी	01 अप्रैल & 01 अक्टूबर	TM//64/6311 date 3.3.64 & 64 date 9.3.65	
2	कपट एवं भ्रष्टाचार के सम्बन्ध में ध्यान में मामलों की सूचना	सी.सी. एस.	15 जुलाई & 15 जनवरी	के.एस.एस./ सि.ले.प. R-11011/17\ 2006-07 TR I /291 dated 1.11.06	

3	Test check of physical verification of files/Register entered in Key Register	A.A.O	5 दिसम्बर एवं 5 जून	G.O./B1/264/28.12.83	
4	Placing Manual etc. O/o the Public folder.	C.C.S.	15 जनवरी	CCS/CA/B-12014/15/K-5/2009-10 /TRII/493 date 25.11.09	
5	लेखा परीक्षा एवं समीक्षा में सांख्यिकी नमूना प्रयोग जांच की सूचना	LBA&A	5 अक्टूबर एवं 5 अप्रैल	LBA(m)R - 11011/9/2011-12/TR-I/528 16.11.2011	
6	लेखापरीक्षा में सांख्यिकी नमूना प्रयोग की सूचना	C.C.S.	30 सितम्बर व 31 मार्च	केसअ / सिलेप / R11011/K-302011-12/TR-I/604 dated 12.1.12	
7.	पोर्टफोलियो फाईलों के संधारण व अद्यतन के संबंध में।	AP & R Cell	10 अप्रैल व 10 अक्टूबर	AP & R Cell/A-12011/K-173/2015-16/TR-I/168/Dated 17-12-15	

त्रैमासिक विवरणियां

क्र.सं.	विवरणी का नाम	किसको प्रस्तुत की जानी है	अवधि	प्राधिकार	पृष्ठ का संदर्भ जिस पर विवरणी का पूर्ण विवरण अर्थात प्राधिकार अंकित है।
1	Quarterly Showing of Position of Civil/Suits/Write petition	सी.सी.एस.	1 अप्रैल, जुलाई अक्टूबर & जनवरी	ICI/130/95-96/ date 14.8.95	
2	तिमाही लेखापरीक्षा की गई यूनिट वाउचर्स की सूचना	सी.सी.एस.	1 अप्रैल, जुलाई अक्टूबर & जनवरी	Admn II/CellQue/c-19/1877/86-87	

3	हिन्दी के प्रगामी प्रयोग की त्रैमासिक प्रगति रिपोर्ट	राजभाषा अनुभाग	5 अप्रेल, जुलाई अक्टूबर & जनवरी	हिन्दी 214 दिनांक 2.12.69	
5	Register of Important and Interesting case	Group Officer	1 अप्रेल, जुलाई अक्टूबर & जनवरी	TM 163/19-6-67	
6	Action Taken Note on various guidlines and Instructions received for CAG G.O.-1	C.C.S.	5 अप्रेल, जुलाई अक्टूबर & जनवरी	केसअ/सी ए/2009-10 /TR-IV/30 dated 03-7-09	
7	Register of Old Records got/Issued from Record Branch	Group Officer	1 अप्रेल, जुलाई अक्टूबर & जनवरी	GD III/174/312 date 10-5-78	
8	Quarterly Review of Guard file	Sr. AO	10 अप्रेल, जुलाई अक्टूबर & जनवरी	TM /571/122/DATE 30.10-79	
9.	अखबारी कतरों पर बनाये गये सूचक बिन्दुओं की त्रैमासिक सूचना	ए.पी. सैल	10 अप्रेल, जुलाई अक्टूबर & जनवरी	एपी सैल / ए-12011 / अखबारी कतरन / 10711 / टीआर-I / 74 / 30.5.11	
10	Disciplinary Cases Panding against Employees	गोपनीय अनुभाग	11 अप्रेल, जुलाई अक्टूबर & जनवरी	OAD I/380/81-83 date 24-2-92	
11	Key Register of all seat	Sr. AO	15 अप्रेल, जुलाई अक्टूबर & जनवरी	TM I 240 date 25.10.64	

12	Quarterly Statement Showing Complaints of Retire Officers/Officials/ Employees	कल्याण प्रकोष्ठ	15 अप्रेल, जुलाई अक्टूबर & जनवरी	OAD I/STR 57 date 11.8.84	
13	फाईलों का प्रधान रजिस्टर	Sr. AO	15 अप्रेल, जुलाई अक्टूबर & जनवरी	Para 8.25 of GD Manual	

मासिक विवरणियां

क्र. सं.	विवरणी का नाम	किसको प्रस्तुत की जानी है	अवधि	प्राधिकार	पृष्ठ का संदर्भ जिस पर विवरणी का पूर्ण विवरण अर्थात प्राधिकार अंकित है।
1	Register of Importants and interesting cases	Sr. AO	1 st of each month	TM /63 162 date 4..6.63	
2	Statement showing sanctioned and Posted strength of the Section	प्रशासन-1	1 st of each month	OAD-I TR 3933 date 22.8.09	
3	P.D.P. Register	Group Officer	5 th of each month	TM /646/17 date 29.1.64	
4	मासिक बकाया कार्य प्रतिवेदन	Group Officer	5 th of each month	324 TM 55 11.2.56 OAD/144 4.6.94	
5	Indent of stationary	G.D.- II	5 th of each month	Para 27 of G.D. Manual	
6	Register of good and bad work	Sr. AO	5 th of each month	B.O/166/ A 75-76/1749 date 17.11.95	
7	Closing of Attendance Register	Sr. AO	5 th of each month	Para 9 of G.D. Manual	
8	अखबारी कतरनों पर बनाये गये सूचक बिन्दुओं की सूचना	AP Cell	5 th of each month	के.अ.स./टी.आर. I / 1482 / दिनांक 27.3.01, आई.सी. II / SPL TR/84 date 01.5.01 के.अ.स./टी.आर. I / 195 / 30.5.01	
9.	एक माह से अधिक अवकाश पर रहे अधिकारियों/कर्मचारियों की सूचना	प्रशासन-1	5 th of each month	प्रशा. I / 75-76 / 10.1.5	

10	एक माह से अधिक अनुपस्थित रहे अधिकारियों / कर्मचारियों की सूचना	प्रशासन I	5 th of each month	प्रशा. I / 75-76 / 10.1.5	
11	बकाया निरीक्षण प्रतिवेदनों एवं पैराओं के विवरण का समेकित प्रतिवेदन	C.C.S.	5 th of each month	CCS(CA)/R 11011/8/2007-08 /TR II/381/ date 12.1.07	
12	निरीक्षण प्रतिवेदनों की वेटिंग के समय पायी गई कमियों की सूचना	AMG-III	5 th of each month	OAD I/TR 467 date 18.12.79	
13	Programe Register of all seats	Sr. AO	5 th of each month	Office order/264 date 9.11.87	
14	माह में प्राप्त की गई निरीक्षण प्रतिवेदनों की सूचना	AMG-III	7 th of each month	ICI/ Group Order No 418 date 20.6-94	
15	माह में जारी की गई निरीक्षण प्रतिवेदनों / शून्य निरीक्षण प्रतिवेदनों की सूचना	ITAP	5 th of each month	ICI/ Group Order No 418 date 20.6-94	
16	3 वर्ष से पुराने बकाया निरीक्षण प्रतिवेदनों / अनुच्छेदों की स्थिति / सूचना	AMG-III	7 th of each month	IC- I/परिपत्र / 84 / 149 date 26-02-97	
17	Register of Books	Sr. AO	10th of each month	Para 17 of G.D. Manual	
18	Use of E-Mail Facilitics	E.D.P.	10th of each month	E.D.P./TR-79 Date 10-05-05	
19	अनुभाग / समूह से संबंधित सूचना का राज्य के महालेखाकारों की संयुक्त वेबसाइट पर अद्यतन किये जाने के सम्बन्ध में	E.D.P.	10th of each month	CCS(CA)/R- 11011/5/2007-08/TR-II/109 Date 03-06-08	
20	समूह 'घ' (एमटीएस) कर्मचारियों का वर्दी पहन कर आने की सूचना ।	G.D.-I	10th of each month	कार्यालय आदेश सं. 52, जीडी I 2003-04 दिनांक 5. 9.03	

21	Peer Review Report (Pd. 9.8.10 to 20.8.10)	ITAP	10th of each month	ITAP/V-12011 /प्रमले / (सिलेप) /268/2010-11TR I/377/5.1.12	
22	योगदान रजिस्टर	Group Officer	15th of each month	ICI/ Group Order No 475 date 3-9- 98	
23	Register of Reliable statistic work in section	Sr. AO	20th of each month	TM-62/16-10-72	
24.	विवरणी डायरी	Group Officer	प्रत्येक माह का तीसरा मंगलवार	TM-71/102/7-10- 71 and 774-79 date 11.11.79	
25	Recovery made at the instance of Audit	AP Cell	25th of each month	AP Cell /A12011/Civil/Au/ TR-I /21 date 6.4.04	
26	Register of outstanding letter	Sr . AO	26th of each month	TM 63/ 634/25.6.63	
27	उपस्थिति प्रमाण पत्र	ओई I	Last day of month	OE-I/ Audit /90- 91/27.9.91	
28	Register of Regular Leave of Staff	Sr. AO	Last day of month	Admn II @76- 77/1415 date 27.7.76	

पाक्षिक विवरणिया

क्र. सं.	विवरणी का नाम	किसको प्रस्तुत की जानी है	अवधि	प्राधिकार	पृष्ठ का संदर्भ जिस पर विवरणी का पूर्ण विवरण अर्थात प्राधिकार अंकित है।
1	Register of watching Issue of Inspection Report(Progress Register)	Group Officer Sr- Ao	5th,& 20th of each month	Para-3.60 of OAD Manual	
2	Register of Progress of Setteltment of Out Standing IR and Paras (Settelment Register)	Sr. AO	15th,& 30th of each month	OAD Manual 12/16	

साप्ताहिक विवरणियां

क्र. सं.	विवरणी का नाम	किसको प्रस्तुत की जानी है	अवधि	प्राधिकार	टिप्पणी (जारी रखने योग्य है अथवा नहीं)
1	विवरणी डायरी	Sr. AO	प्रत्येक मंगलवार	Para 8.1 of G.D. Manual	
2	हिन्दी डायरी	Sr. AO	प्रत्येक मंगलवार	Para 368 of G.D. Manual	
3	सामान्य डायरी	Sr. AO	प्रत्येक मंगलवार	Para 368 of G.D. Manual	
4	आन्तरिक डायरी	Sr. AO	प्रत्येक मंगलवार	Para 368 of G.D. Manual	
5	निरीक्षण प्रतिवेदन डायरी	Sr. AO	प्रत्येक मंगलवार	Para 368 of G.D. Manual	
6	अनुपालना डायरी	Sr. AO	प्रत्येक मंगलवार	Para 368 of G.D. Manual	

अर्द्ध साप्ताहिक विवरणियां

क्र. सं.	विवरणी का नाम	किसको प्रस्तुत की जानी है	अवधि	प्राधिकार	पृष्ठ का संदर्भ जिस पर विवरणी का पूर्ण विवरण अर्थात् प्राधिकार अंकित है।
1	सीएजी डायरी	समूह अधिकारी व.ले.प.अ	प्रत्येक मंगलवार एवं शुक्रवार	Para 368 of G.D. Manual	
2	त्वरित डायरी	समूह अधिकारी व.ले.प.अ	प्रत्येक मंगलवार एवं शुक्रवार	Para 368 of G.D. Manual	

परिशिष्ट – I

(पैरा 1.15 में उल्लिखित)

**नोट : कुछ विवरणियां पुरानी हो चुकी है, विवरणी सभी अनुभाग की अलग कर दी गयी है ।
विवरणी कलैण्डर ए.एम.जी समूह**

क्रं. सं.	विवरणी का नाम	किसको भेजनी है	कब भेजनी है	प्राधिकार
1	2	3	4	5
भाग – I				
अर्द्धवार्षिक				
1	बकाया निरीक्षण रिपोर्टों तथा पैरों की सूची जो छः महिने से अधिक पुराने उन महत्वपूर्ण पैरों की सूची, जिनकी ओर विशेष रूप से सरकार का ध्यान दिलाया गया। (आई.सी. I से आई.सी. - VII)	1. विभागों के मुख्य अधिकारी 2. सचिव 3. मुख्य लेखाधिकारी, राज0, जयपुर	20 अप्रैल, 20 अक्टूबर	केन्द्रीय बी/सी.सी.एल/ 60-61/491 दिनांक 27.07.1960
भाग – II				
वार्षिक				
1	पुस्तक रजिस्टर	जी.डी. पुस्त. एवं प्रशि.	15 जनवरी	जी.डी. III/46/ पु.रजि./पु.दि. 11.04.1972
2	अनुभाग में कार्य की मात्रा के आकड़ों का विवरण	समूह अधिकारी	10 अगस्त	टी.एम./69-सी./98 दि. 02.07. 1960
3	समेकित आकड़े जो ए. एम.जी के कार्य की मात्रा दर्शाते हैं।	के.स.अ.	20 अगस्त	टी.एम./66-सी./230 दि. 05.11. 1966
4	अच्छे व बुरे कार्य का ब्यौरा ए.एम.जी	व. उप महालेखाकार ए.एम.जी	1 अप्रैल	एफ 6/66/ए.ओ./ओई. 62-70 कोन्फी 65 दि. 07.05.1971
5	समेकित अच्छे व बुरे कार्य का रिकार्ड ए. एम.जी	व. उप महालेखाकार प्रशासन	5 अप्रैल	एफ 6/66/ए.ओ./ओई. 62-70 कोन्फी 65 दि. 07.05.1971
6	वार्षिक फार्म के इन्डेन्ट ए.एम.जी	जी.डी. II	10 नवम्बर	जी.डी. III/फार्मस/इन्डेन्ट /76 -77/1850 दि. 01.09.1977
7	ए.एम.जी की वार्षिक समीक्षा सूची	महालेखाकार (आडिट- I)	31 दिसम्बर	ए.जी. आर्डर दि. 10.04.1962 फाईल नं. औ. ए.डी. II /आर. 61-62 वो. - II
8	अगले वर्ष के लिए वार्षिक रूप रेखा	महालेखाकार (आडिट- I)	12 फरवरी	पैरा 12 आई.सी. मैनुअल

	तैयार करने का कार्यक्रम			
9	स्टाफ प्रस्ताव हेतु आय-व्यय का आंकलन एवं संशोधित आंकलन	प्रशासन – I	10 जुलाई	प्र. 1/ले.प./6/ 1113 /Vol. - I/86-87/60 दि. 25.07.1988
10	ले. प. के दौरान मिले महत्व पूर्ण तथा रोचक मामले	के.स.अ.	30 अप्रैल	डी.ए.जी./सी.सी.एस./एल. -26011/टी.आर.-II/98 दि. 05. 10.1993
11	वर्ष के दौरान निरीक्षण प्रतिवेदनों में विभाग/ कार्यालय/संस्थान द्वारा राशि का दुरुपयोग एवं अन्य मद में स्थानान्तरण किये जाने का विवरण	रिपोर्ट अनुभाग	31 मई	रिपोर्ट/ए/17011/1/ 2/001
12	आडिट की प्रभावशीलता बढ़ाने हेतु रिटर्न	रिपोर्ट अनुभाग	30 अप्रैल	रिपोर्ट/पी.ए.जी./जी.एफ. /3/वालयूम
13	आडिट-। रिपोर्ट के लिए राज्य की समीक्षा (Review) भेजे जाने की तिथि (संदर्भ- पी. डी. (पीएस) नि.म.ले.प. का कार्यालय नई दिल्ली परिपत्र सं. 46 रेप (एस) 2/98 दि. 23.01.1998	रिपोर्ट अनुभाग	15 जुलाई	ई.सी.पी.ए./सिविल /ए/17011/2004-05 टी.आर. II 582 दि. 30.03.2005
14	राज्य की समीक्षा हेतु तैयार शुदा मसौदे का प्रस्तुतिकरण (के.का. पत्र सं. 1077/आर.ई. पी. (एसों.)/143-98 दि. 17.09.1998	रिपोर्ट अनुभाग	मार्च के अंत में	ई.सी.पी.ए./सिविल /ए/17011/2004-05 टी.आर. II 582 दि. 30.03.2005
15	1998-99 से मुख्य लेखापरीक्षा कार्यालय की लेखापरीक्षा विवरण समीक्षा (संदर्भ-नि.म.ले.प. पत्र सं. 7031 आर ई.पी. (डब्ल्यू)/697 दि. 07. 08.1998	व. लेखापरीक्षा अधिकारी	30 जून	ई.सी.पी.ए./सिविल /ए/17011/2004-05 टी.आर. II 582 दि. 30.03.2005
16	स्टाफ प्रस्ताव हेतु बजट एवं संशोधित आंकलन (संदर्भ-प्रशा. आई/एयू/18	प्रशासन – II	25 जून	ई.सी.पी.ए./सिविल /ए/17011/2004-05 टी.आर. II 582 दि. 30.03.2005

	(डब्ल्यू)/2004-05 दि. 28.04.2004)			
17	अतिरिक्त नि.म.ले.प. से प्राप्त डी.ओ. पत्र द्वारा आंबटित समीक्षा पर की गयी कार्यवाही (संदर्भ- सी.एस.एस. /आर-11011/ए. ओ. /I/II/2002-03/ टी.आर. I/544 दि. 13.11.2002)	के.स.अ.	5 एवं 20 मार्च	ई.सी.पी.ए./सीविल /ए/17011/2004-05 टी.आर. II 582 दि. 30.03.2005
18	दी गई समीक्षा कार्य की प्रगति रिपोर्ट (संदर्भ-म.ले. आदेश) दि. 17.09.85	म.ले. (आडिट- I.)	5 एवं 20 मार्च	ई.सी.पी.ए./सीविल /ए/17011/2004-05 टी.आर. II 582 दि. 30.03.2005
अर्द्धवार्षिक				
1	स.ले.प.अ. द्वारा संधारित कुंजी रजिस्टर में फाईल एवं रजिस्टर के भौतिक सत्यापन की जांच	शाखा अधिकारी	1 जनवरी 1 जुलाई	टी.एम. 63-सी. 246 दि. 28.10. 1963
2	अच्छे व बुरे कार्य का रजिस्टर	व. उप महालेखाकार (ए.एम.जी)	10 अप्रैल 10 अक्टूबर	एफ 166 ए.ओ./प्रशा. /कोन्फी/78-79/308 दि. 23. 01.1979
3	छः महिने से पुराने ओ. बी. आईटम्स की पूर्ण सूची ए.एवम बी प्रपत्र में	के.स.अ.	10 फरवरी 10 अगस्त	टी.एम./66-सी/140 दि. 23.11. 1967 एवं टी.एम./80 सी./दि. 11.05.1981
4	ए.एम.जी समूह में कार्यरत कर्मचारियों की अर्द्ध वार्षिक समीक्षा	शाखाधिकारी उप महालेखाकार/ प्रशा.	8 जुलाई 8 जनवरी 15 जुलाई 15 जनवरी	संगठन परिचालन निर्देश पुस्तिका का पैरा 14.7
त्रैमासिक				
1	बकाया कार्य की त्रैमासिक रिपोर्ट आई. सी. - I	व. उप महा लेखाकार. (ए. एम.जी)	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	405/टी.एम./X III/II/ 56-57/वा. - II 237 दि. 18.05.1956
2	ए.एम.जी का समेकित त्रैमासिक विवरण	के.स.अ.	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	405/टी.एम./X III/II/ 56-57/वा. - II 237 दि. 18.05.1956
3	महत्वपूर्ण तथा रोचक मामलों का संक्षेप विवरण तैयार करना	शाखाधिकारी/ उप महालेखाकार	1 अप्रैल 1 जुलाई 1 अक्टूबर 1 जनवरी	टी.एम./63-सी./162 दि. 17.09. 1963

4	व.ले.प. एवं ले.प. का कुंजी रजिस्टर	शाखाधिकारी	15 अप्रैल 15 जुलाई 15 अक्टूबर 15 जनवरी	टी.एम. आफिस आर्डर सी./246 दि. 28.10.1963
5	त्रैमासिक आडिट बुलेटिन में शामिल करने योग्य मसौदा समाचार पत्र के साथ	शाखाधिकारी	2 अप्रैल 2 जुलाई 2 अक्टूबर 2 जनवरी	टी.एम. 68-सी./54 दि. 06.07. 1968 एवं आडिट 41/94 दि. 11. 11.1994
6	त्रैमासिक आडिट बुलेटिन में शामिल करने योग्य संयुक्त मसौदा समाचार पत्र के साथ	के.स.अ.	3 अप्रैल 3 जुलाई 3 अक्टूबर 3 जनवरी	टी.एम. 68-सी./54 दि. 06.07. 1968 एवं आडिट 41/94 दि. 11. 11.1994
7	हिन्दी के प्रचलन हेतु त्रैमासिक प्रगति विवरण	शाखाधिकारी	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	डी.ए. (सी.) (iii)/77- 78/स्पे. -III/149 दि. 09.02.1979
8	हिन्दी के प्रचलन हेतु संयुक्त त्रैमासिक प्रगति विवरण	हिन्दी (सैल)	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	डी.ए. (सी.) (iii)/77- 78/स्पे. -III/149 दि. 09.02.1979
9	अभिलेख अनुभाग से जारी पुराने अभिलेखों का रजिस्टर	समूह अधिकारी	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	जी.डी. III/रिव्यू आफ रिकार्ड/आर 179/319 दि. 09. 09.79
10	ए.एम.जी परिचालन निर्देश पुस्तिका में किये गये संशोधन पर्ची का रजिस्टर	समूह अधिकारी	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	जी.डी. I/मैनुअल 73-78/वो. 10 दि. 17.08.1978
11	गार्ड फाईल परिपत्र की त्रैमासिक समीक्षा	शाखाधिकारी	10 अप्रैल 10 जुलाई 10 अक्टूबर 10 जनवरी	टी.एम. - I/XI/7/C-475 दि.26. 08.1981 एवं टी.एम. 71-सी/ 122 दि. 30.12.77
12	स्थानीय निरीक्षणों का त्रैमासिक दौरा कार्यक्रम	समूह अधिकारी	12 जून 12 सितम्बर 12 दिसम्बर 12 मार्च	ए.एम.जी नियम पुस्तक का पैरा 1. 11
13	साइकिल सूचकांक रजिस्टर ए.एम.जी	शाखाधिकारी	15 अप्रैल 15 जुलाई 15 दिसम्बर 15 मार्च	ए.एम.जी नियम पुस्तक का पैरा 2. 04
14	राज्य सरकारी कर्मचारी या अन्य से सिविल वाद/रिट याचिका/आवेदन जो नि.म.ले.प. और महालेखाकार या	सी.सी.एस.	2 अप्रैल 2 जुलाई 2 अक्टूबर 2 जनवरी	प्रशा./आडिट/सी. -14012/171/86-87/ ओ.के./आर.एस.पी./156 दि. 29. 10.1986

	निदेशक ले.प. के खिलाफ न होकर सरकारी मुददा हो का त्रैमासिक विवरण			
15	लेखा कमेटी का रजिस्टर	समूह अधिकारी	1 अप्रैल 1 जुलाई 1 अक्टूबर 1 जनवरी	डी.ए.जी./आई.सी. I जी.ओ. नं. 422 दि. 12.08.1994
16	नि.म.ले.प. व सी.ए.एस. एस. से प्राप्त शिकायतों का रजिस्टर	समूह अधिकारी	10 अप्रैल 10 जुलाई 10 अक्टूबर 10 जनवरी	डी.ए.जी./आई.सी. I आर्डर दि. 07. 07.1999
17	सेवा निवृत्त एवं सेवारत कर्मचारियों से प्राप्त शिकायतों का त्रैमासिक विवरण।	वैलफैयर	1 अप्रैल 1 जुलाई 1 अक्टूबर 1 जनवरी	डब्ल्यू ओ/डब्ल्यू/60 /9/7/88-89 दि. 12.07.1989
18	त्रैमासिक यात्रा योजना सूची को आगे बढ़ाने वाला रजिस्टर	समूह अधिकारी	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	डी.ए.जी./आई.सी. I जी.ओ. नं. 423 दि. 30.08.1994
19	नि.म.ले.प. को दिये जाने वाले त्रैमासिक डी.ओ. जिसमें ले.प. कमेटी की जानकारी हो	सचिव म.ले.	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	डी.ए.जी./आई.सी. I एम. 11011/3/85-86 से 91-92 वोल्क्यू दि. 22.11.1985
20	पिछली तिमाही के आडिट किये यूनिट/वाउचर का विवरण	के.स.अ.	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	एन-467 आडिट (आडिट प्लान) 48-95 दि. 08.06.1995 सी.सी.एस. आर. 11011/ए.यू. /95-96/161/टी.आर. I 231 दि. 12.07.1995
21	आडिट किये गये यूनिट में कम्प्यूटराइजेशन का त्रैमासिक विवरण	व.ले.प./ई.डी.पी	1 अप्रैल 1 जुलाई 1 अक्टूबर 1 जनवरी	सी.सी.एस./डी.ओ. नं. सी.सी.एस. /आर.-11011/31 टी.आर. II 670 दि. 10.03.1990
22	लेखापरीक्षा के बाद वसूली की मोनिटरिंग करने व संगठन की जानकारी का विवरण	व.ले.प./ई.डी.पी	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	डी.ओ. नं. ई.डी.पी./ई प्लान 96-97 टी.आर. II 44 दि. 31.07. 1997
23	म.ले. की XIX वी कान्फरेन्स नवम्बर 26-28, 1966 नई दिल्ली पर त्रैमासिक अनुशंसा	ले.प.अ./के.स. अ.	8 जून 8 सितम्बर 8 दिसम्बर 8 मार्च	सी.सी.एस./डी.ओ. नं. सी.सी.एस. /आर.-11011/31 टी.आर. II 670 दि. 10.03.1997
24	नियम पुस्तक में किये गये अद्यतन का त्रैमासिक प्रगति विवरण	के.स.अ.	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	सी.सी.एस./ए.यू.आई./यू /12014/आर./2004-05 /टी. आर. I/541 दि. 13.09.2004

मासिक				
1	महत्वपूर्ण तथा रोचक मामलों का रजिस्टर	शाखाधिकारी	महिने की पहली तारीख	टी.एम./63-सी/162 दि. 17.09.1963
2	लेखन सामग्री व फार्म का मासिक इन्डेन्ट	जी.डी.	हर महिने की पाँच तारीख	जी.डी. आर्डर नं. 4
3	बकाया कार्य की मासिक रिपोर्ट	समूह अधिकारी	हर महिने की पाँच तारीख	सेक्सन आर्डर नं. ओ.ए.डी. 11/14 दि. 30.06.10 टी.एम./67 सी/96 दि. 27.06.67
4	विलम्ब से उपस्थित होने वाले कर्मचारियों का समेकित विवरण	शाखाधिकारी	हर महिने की पाँच तारीख	जी.डी. नियम पुस्तक का पैरा 9
5	माह की पहली तारीख को 31 दिन या अधिक छुट्टी पर रहने वाले कर्मचारियों का विवरण	समूह अधिकारी	हर महिने की पाँच तारीख	एडम I स्टाफ पोजीसन 75-76 दि. 10.04.75
6	31 दिन या अधिक छुट्टी पर रहने वाले सभी ए.एम.जी कर्मचारियों/अधिकारियों का ब्योरा, मास की पहली तारीख को	प्रशासन-I	हर महिने की पाँच तारीख	ओ.ए.डी./जी.डी. 5363 दि. 26.10.08 जी.ओ. 54
7	अच्छे व बुरे कार्य का रजिस्टर	समूह अधिकारी	हर महिने की पाँच तारीख	एफ. 166/ए.ओ./एडम/I /कान्फी/78-79/3031/दि. 23.01.79
8	ए.एम.जी में कार्यरत सभी इनकम्बेन्ट का इन्डेक्स रजिस्टर	शाखाधिकारी	हर महिने की पाँच तारीख	इन्डेक्स 55-56/1320 दि. 17.11.65
9	ए.एम.जी में कार्यरत/संस्वीकृत सदस्यों (Strength) की संयुक्त सूची	उप म. ले. प्रशासन	हर महिने की पाँच तारीख	प्रशा. 11/स्ट्रेन्थ/76-77/टी.आर. 3/3326 दि. 19.02.77
10	ए.एम.जी की नियम पुस्तक में पार्ट I में शुद्धता (सुधार) का रजिस्टर	शाखाधिकारी	हर महिने की पाँच तारीख	टी.एम. 67 सी/11 दि. 06.02.67
11	किताबों का रजिस्टर	शाखाधिकारी	हर महिने की 10 तारीख	टी.एम./63-217/दि. 19.11.68
12	निरीक्षण प्रतिवेदन के संवीक्षा के दौरान महत्वपूर्ण छटनी/कमियां का विवरण	समूह अधिकारी	हर महिने की 10 तारीख	सेक्सन आर्डर दि. 08.11.71
13	मासिक एरियर रिपोर्ट की समीक्षा	महालेखाकार (आडिट-I)	हर महिने की 10 तारीख	टी.एम./70 सी/130 दि. 20.11.70
14	साप्ताहिक डायरी का जांच रजिस्टर	समूह अधिकारी	हर महिने की 15 तारीख	आई.सी. नियम पुस्तक का पैरा 2. 10

15	टी.ए. अग्रिम की सूची और फील्ड पार्टी के बिल जो जी.एस.एस.ए अनुभाग में लम्बित है।	शाखाधिकारी	हर महिने की 15 तारीख	व. उप म.ले. आर्डर दि. 12.09.68 टी.ए. बिल पर
16	बाह्य पत्र प्रेषण रजिस्टर	शाखाधिकारी	हर महिने की 26 तारीख	टी.एम. 63-64 दि. 25.03.1963
17	विवरणी कलैण्डर	समूह अधिकारी	हर महिने का तीसरा मंगलवार	टी.एम. 74-75 दि. 01.08.74 एवं टी.एम. 74 सी/97 दि. 11.11.74
18	नियमित छुट्टी का रजिस्टर	शाखाधिकारी	हर महिने का आखिरी दिन	एडम 1/76-77/415 दि. 24.07.1976
19	आन्तरिक लेखापरीक्षा दल संबंधित प्रगति विवरण रजिस्टर	समूह अधिकारी	हर महिने की 12 तारीख	टी.एम./74 सी/10 दि. 11.01.74
20	डी.आई. रिपोर्ट की अनुपालना	समूह अधिकारी	हर महिने की 5 तारीख	आई.टी. ए.एस./यू-12011/63/90-91 टी.आर. 11/1585 दि. 18.01.1995
21	लेखापरीक्षा प्लानिंग का विवरण जिसमें समूह अधिकारी द्वारा यूनिट्स को निकाला व जोड़ा गया हो।	सी.सी.एस	हर महिने की 8 तारीख	सी.सी.एस./आर.-11011/34/92-93 टी.आर. 1 360 दि. 15.03.1993
22	म.ले. (आडिट- I) द्वारा निरीक्षण प्रतिवेदन का आंशिक जांच विवरण	म.ले. (आडिट- I)	हर महिने की 15 तारीख	ए.जी./आडिट 1/दि. 06.08.92 जी.ओ. नं. 418 दि. 20.06.1994 & जी.ओ. नं. 447 दि. 28.11.95
23	निरीक्षण प्रतिवेदन जो एक महिने के बाद जारी की गई की रिपोर्ट (एक माह बाद जारी की गई निरीक्षण प्रतिवेदन की रिपोर्ट)	व.उप.म.ले. (ए.एम.जी)	हर महिने की 15 तारीख	आई.सी. 1/जी.ओ. नं. 419 दि. 18.07.1994 व जी.ओ. नं. 447 दि. 28.11.1995
24	निमलेप व सी.ए.एस. एस. से प्राप्त शिकायतों का रजिस्टर	शाखाधिकारी	हर महिने की 10 तारीख	डी.ए.जी./आई.सी. आर्डर दि. 07.07.1994
25	आडिट कमेटी का रजिस्टर	शाखाधिकारी	हर महिने की पहली तारीख	आई.सी. 1/जी.ओ. नं. 422 दि. 12.08.1994
26	टंकण कार्य का निस्तारण रजिस्टर	शाखाधिकारी	हर महिने की अन्तिम तारीख	डी.ए.जी./एडम/जी.डी. 1/6/96 दि. 14.05.1996
27	निरीक्षण प्रतिवेदन/पैरा /ओ. बी. आईटम जो तीन वर्ष पुराने हो का मासिक विवरण	म.ले. (आडिट- I)	हर महिने की 7 वी तारीख	आई.सी. 1/4/149/आडिट /59-96 दि. 26.02.1997

28	गार्ड फाईल	हिन्दी सैल	हर महिने की पहली तारीख	आर.बी.एस./आडिट/आर.बी.एस./मीटिंग/98-99/टी.आर. II/45 दि. 14.05.1998
29	फील्ड पार्टी में कार्यरत व.ले.प.अ./ले.प.अ. का मासिक प्रगति विवरण (डी.ओ. पत्र पर आधारित)	म.ले. (आडिट- I)	हर महिने की 10 वी तारीख	ए.जी. आडिट I/ एस.ई.सी.टी, टी./95 दि. 30.09.1999
30	लेंखा परीक्षा पर नई दिल्ली में 2/2000 में वर्कशाप की सिफारिश	सी.सी.एस.	हर महिने की पहली तारीख	सी.सी.एस./आर.-11011/आडिट I/टी.आर. I/215 दि. 22.05.2000
31	इन्डेक्स सीट पोइन्ट जो समाचार पत्र के आधार पर बनाया गया पर मासिक रिपोर्ट	ए.पी. सैल	हर महिने की 5 वी तारीख	सी.सी.एस./आर.-11013/आडिट I/कै.-40 2000-2001/टी.आर. I/417 दि. 27.03.1991
32	100 % हिन्दी में किये कार्य की रिपोर्ट	हिन्दी सैल	हर महिने की 10 वी तारीख	
33	डी.आई. रिपोर्ट पर अनुपालना	व. उप म.ले.	हर महिने की 5 वी तारीख	आर.टी.एस.एस./01/12011/163/90 -91/II/1585 दि. 08.01.1991
34	आडिट के दौरान आक्षेपित पैरा पर की गई वसूली का विवरण	ए.पी. सैल	हर महिने की 25 वी तारीख	ए.पी. सैल/ए./2001/सिविल आडिट/टी.आर. I/12/दि. 06.04.2004
पाक्षिक				
1	ई-मेल पर पाक्षिक रिपोर्ट	सी.सी.एस	हर महिने की 1 एवं 16 तारीख	सी.सी.एस./ए.यू. II/आर.-11011/21/2000-01/टी.आर. I/268 दि. 09.02.2001
साप्ताहिक				
1	साधारण डायरी	शाखाधिकारी	मंगलवार	जी.डी. मैनुअल
2	विवरणी कलेंडर	शाखाधिकारी	मंगलवार	जी.डी. मैनुअल
3	साप्ताहिक डायरियों का जांच रजिस्टर	शाखाधिकारी	मंगलवार	जी.डी. मैनुअल
4	सं.ले.प.अ. द्वारा ले.प./ले.प.लि. की सीट का पुनः निरीक्षण	शाखाधिकारी	मंगलवार	जी.डी. मैनुअल
5	शेष डायरी	शाखाधिकारी	मंगलवार	जी.डी. मैनुअल
6	हिन्दी डायरी	शाखाधिकारी	मंगलवार	जी.डी. मैनुअल
7	शिकायत डायरी	शाखाधिकारी	मंगलवार	जी.डी. मैनुअल
8	आन्तरिक डायरी	शाखाधिकारी	मंगलवार	जी.डी. मैनुअल
9	योजना डायरी	शाखाधिकारी	मंगलवार	जी.डी. मैनुअल
10	टंकण कार्य का निस्तारण डायरी	शाखाधिकारी	मंगलवार	जी.डी. II/डी.ए.जी./एडम दि. 14.05.1996
द्वि साप्ताहिक				

1	त्वरित डायरी	शाखाधिकारी	मंगलवार एवं शुक्रवार	जी.डी. नियम पुस्तक	
2	सी.ए.जी. डायरी	शाखाधिकारी	मंगलवार एवं शुक्रवार	जी.डी. नियम पुस्तक	
भाग III					
वार्षिक					
1	ए.एम.जी. में किये गये कार्य के विवरण के ऑकड़ों का समेकित विवरण	सम्बन्धित अधिकारी	समूह	10 अगस्त	टी.एम./69-सी/98 दि. 02.07.1970
2	ए.एम.जी. के अच्छे व बुरे कार्य का रिकार्ड रखना	सम्बन्धित अधिकारी	समूह	10 अप्रैल	एफ. 6/66/ए.ओ. ओई. /62-70 कोन्फी/65 दि. 07.05.1971
3	ए.एम.जी. का वार्षिक इन्डेन्ट के फार्मस	सम्बन्धित अधिकारी	समूह	10 नवम्बर	जी.डी. 111/फार्मस (इनडेन्ट) 76-77 1850 दि. 01.09.1977
अर्द्धवार्षिक					
1	छः महिने से अधिक बकाया निरीक्षण रिपोर्ट	सम्बन्धित अधिकारी	समूह	15 अप्रैल 15 अक्टूबर	डी.ए.सी. आर्डर दि. 03.06.1967
2	प्रोफार्मा ए एव बी में सभी विभाग की छ महिने से पुराने ओ.बी. आईटम्स का विवरण	सम्बन्धित अधिकारी	समूह	5 सितम्बर 5 फरवरी	टी.एम./79/35 दि. 11.06.79 और टी.एम./80 सी दि. 11.05.1981
तिमाही					
1	बकाया कार्य की त्रैमासिक रिपोर्ट	सम्बन्धित अधिकारी	समूह	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	405/टी.एम XIII/11/56-57/ वो. 11 /237 दि. 18.05.1956
2	त्रैमासिक आडिट बुलेटिन में शामिल करने योग्य मसोदे का विवरण	सम्बन्धित अधिकारी	समूह	3 अप्रैल 3 जुलाई 3 अक्टूबर 3 जनवरी	टी.एम./71 सी/35 दि. 23.03.1971
3	ओ.बी. आईटम्स के निस्तारण की तिमाही रिपोर्ट	सम्बन्धित अधिकारी	समूह	10 मई 10 अगस्त 10 नवम्बर 10 फरवरी	टी.एम./70 सी/124 दि. 29.08.1970 एण्ड टी.एम./71-सी 72 दि. 10.06.71
4	ए.एम.जी. के सदस्यों के विरुद्ध अनुशासनात्मक कार्यवाही का प्रतिवेदन	सम्बन्धित अधिकारी	समूह	1 अप्रैल 1 जुलाई 1 अक्टूबर 1 जनवरी	टी.एम VII/डी.आई.एस.सी. /82/83/176 दि. 27.07.1982
5	हिन्दी उपयोग के संबंध में त्रैमासिक प्रगति रिपोर्ट	सम्बन्धित अधिकारी	समूह	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	डी.ए. कंट्रोल (III)/77-78 स्पैशल/149 दि. 09.02.1979

6	किसी राज्य सरकारी कर्मचारी या अन्य से सिविल वाद/रिट याचिका/आवेदन जो नि.म.ले.प. और महालेखाकार या निदेशक ले.प. के खिलाफ न होकर सरकारी मुददा हो का त्रैमासिक विवरण	सम्बन्धित अधिकारी	समूह	1 अप्रैल 1 जुलाई 1 अक्टूबर 1 जनवरी	एडम/आडिट/सी-14012/171/86-87/ओ.के./आर.एस.सी./56 दि. 29.10.1986
7	ए.एम.जी. में आन्तरिक लेखापरीक्षा दल रिपोर्ट के निस्तारण तथा अन्य मुददों जहाँ अनियमितता पाई गई हो की स्थिति का विवरण	सम्बन्धित अधिकारी	समूह	5 अप्रैल 5 जुलाई 5 अक्टूबर 5 जनवरी	ओएडी-1/के-192 दि. 13.07.1978
मासिक					
1	बकाया कार्य की मासिक रिपोर्ट	सम्बन्धित अधिकारी	समूह	महिने की 6 तारीख	टी एम आर्डर
2	ए.एम.जी. के लिए स्वीकृत/कार्यरत कर्मचारियों का विवरण	सम्बन्धित अधिकारी	समूह	महिने की 2 तारीख	एडम II/एस.टी. औफ/76-77/टी.आर. 3/3326 दि.19.02.1977
3	निरीक्षण प्रतिवेदन की सूची जो शाखाधिकारी के आदेश के बिना निस्तारण की गयी	सम्बन्धित अधिकारी	समूह	महिने की 5 तारीख	व.उप म.ले. आर्डर 4.6.79 ओ. ए.डी.-1/स्पेशल-1/397 दि. 16.11.1979
4	विलम्ब से जारी किये गये निरीक्षण प्रतिवेदनों का विवरण	सम्बन्धित अधिकारी	समूह	महिने की 3 तारीख	ओ.ए.डी.-1/टी.आर. एस.ई.पी. -1/397 दि 16.11.1979
5	निरीक्षण प्रतिवेदनों की वेटिंग के दौरान व उप म.ले. ए.एम.जी. द्वारा ध्यान में लाई गई महत्वपूर्ण छटनी/कमियों का विवरण	सम्बन्धित अधिकारी	समूह	महिने की 5 तारीख	ओ.ए.डी.-1/एस.ओ./स्पेशल टी.आर./65 दि. 18.12.1980
6	माह की पहली तारीख को 31 दिन या अधिक छुट्टी पर रहने वाले ए.एम.जी. के कर्मचारियों का विवरण	सम्बन्धित अधिकारी	समूह	महिने की 5 तारीख	ओ.ए.डी.-II/जी.डी. 5363 दि. 26.10.1968 जी.ओ. 54
7	निरीक्षण दलों से प्राप्त नहीं हुए निरीक्षण प्रतिवेदनों का समेकित रिपोर्ट	सम्बन्धित अधिकारी	समूह	महिने की 5 तारीख	ओ.ए.डी. I/सैक्सन आर्डर

8	आ.ले.प.अ दल रिपोर्ट की अनुपालना	सम्बन्धित समूह अधिकारी	महिने की 5 तारीख	ओ.ए.डी.-II/53 दि. 06.03.1971 एवं ओ.ए.डी. II/टी. आर/306 दि 06.04.74
9	निदेशक निरीक्षण रिपोर्ट की अनुपालना	सम्बन्धित समूह अधिकारी	महिने की 5 तारीख	आई.टी.ए.एस./यू.-12-11/63/90-91 टी.आर. II/585 दि. 08.0.1991
10	तीन वर्ष से अधिक पुराने निरीक्षण प्रतिवेदन पैरा/ओ. बी. आईटम्स का मासिक समीक्षा	सम्बन्धित समूह अधिकारी	महिने की 5 तारीख	आई.सी.-I/4/19/आडिट/59-96 दि. 26.02.1997
11	अवकाश के पश्चात् कर्मचारी जो कर्तव्य से अनाधिकृत अनुपस्थित रहे या स्वैच्छिक अनुपस्थित रहे, के प्रकरणों का विवरण	सम्बन्धित समूह अधिकारी	महिने की 25 तारीख	एडम-II/80-81, 81-82 दि. 26.09.1982
पाक्षिक				
1	रिपोर्ट के संबंध में पुरानी बकाया टिप्पणी के निस्तारण की स्थिति	सम्बन्धित समूह अधिकारी	महिने की 5 व 20 तारीख	ओ.ए.डी.-I/सैटलमेंट ऑफ आई.आर./स्पे. टी.आर. 336/40 दि. 01.09.1974
भाग IV				
मासिक				
1	निरीक्षण प्रतिवेदन के अनुच्छेदों का विश्लेषण	म.ले. (आडिट-I)	महिने की 2 तारीख	आडिट रिपोर्ट के संबंध में ए. जी. मीटिंग का निर्णय
2	आगामी लेखापरीक्षा कार्यक्रमों की सूचना (लेखापरीक्षा दल को लेखापरीक्षा प्रारम्भ होने से 4-5 दिन पूर्व)	म.ले. (आडिट-I)	महिने की 10 तारीख	प्रधान महालेखाकार/जी.एस. एस.ए./सचि. /2018-19/TR No.9 दिनांक 03.04.2018

APPENDIX-2
(Refer Para No. 3.02 (i))

Compliance Audit Guidelines

Compliance Auditing Guidelines

Comptroller and Auditor General of India

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Office of the Comptroller and Auditor General of India
Professional Practices Group

Guidance Note

No: 236-09-PPG/2017

Date: 23 August 2017

Subject: Improving the quality of Inspection Reports

I Introduction

The broad objective of compliance auditing is to enable assessment of whether the activities of auditable entities are in accordance with the authorities¹ governing those entities towards expressing a conclusion designed to enhance the degree of confidence of the intended users.

The Compliance Auditing Guidelines adopted by the Department institutionalises the processes for planning, conducting, reporting and follow up of compliance audits. The guidelines envisages a top down, risk based and department centric approach and aims to instil the process rigour in audit implementation towards achieving the objectives of compliance auditing. The process rigour needs to ultimately enhance the quality of Inspection Reports. This guidance note, therefore, is in furtherance of the Compliance Auditing Guidelines and is intended towards establishing the specific procedures that should be followed while planning, conducting and reporting the results of compliance auditing through Inspection Reports.

The guidance notes emphasises the need for effective planning, including use of data analytics, prior to commencement of audit. Further, this guidance prescribes a process based Title Sheet to accompany all Draft Inspection Reports at the time of submission to field Headquarters, which includes certification of the audit process. The guidance note also envisages benchmarking and grading the Inspection Reports to evaluate their quality. The parameters and the scoring methodology address the existing and contemporary risks across the compliance auditing process.

¹ Authorities include the Constitution, Acts, Laws, rules and regulations, budgetary resolutions, policy, contracts, agreements, PPP contracts, established codes, sanctions, supply orders, agreed terms or the general principles governing sound public sector financial management and the conduct of public officials.

Sustained implementation would result in achieving better audit process outcomes as well as contribute to enhancing the quality of assurance.

The procedures envisaged in this guidance note are generally applicable to all streams of audit. However, in order to address specific circumstances that may exist in some field offices/audit streams, the functional wings may, if necessary, suitably modify the application of these procedures, the grading matrix or the Title Sheet.

Since this is an evolving process, the mechanism envisaged in this guidance note would be reviewed suitably in future after obtaining feedback from all stakeholders - field offices, functional wings, peer review and Inspection wing.

II Essential procedures

The specific procedures that determine the efficiency and effectiveness of compliance audits, which should be followed in all compliance audit assignments are described in the following four sections:

- A) Planning compliance audits
- B) Conducting audits
- C) Reporting results
- D) Grading of Inspection Reports

A) Planning compliance audits

Evidence based approach and the opportunities presented by data analytics need to be harnessed to integrate data from various sources and formats to gain deeper insights, identify and analyse risk exposures of entities as envisaged in the Compliance Auditing Guidelines. Use of IT resources for data analytics is encouraged since this could obviate the need to visit auditable entities. The macro and micro level risk assessments would lead to a better prioritization of the Auditable Entities and quality Annual Audit Plans and enable identification of focus audit efforts on the perceived high risk areas/activities. The procedures that should be followed while planning compliance audits are:

- 1) **Data Analytics:** Data Analytics should be carried out by the Data Analytics Group or Reports section, which involve the following steps:
 - (i) Map (Identify) the relevant audited entity databases and third party databases (Refer the Big Data Management Policy)
 - (ii) Collect the databases
 - (iii) Analyse it as per data analytic guidelines (which is under preparation by the headquarters)

(iv) The analytic results will be used as inputs for audit plan.

Activities at sl nos (i) and (ii) are primarily one-time exercises which will require periodic updating.

- 2) **Maintenance of Guard file:** A guard file should be maintained for each auditable entity containing the legislations/rules/policies/orders that apply to the entity, Financial and Outcome budgets, important long term contracts/MoUs and internal control processes/procedures instituted by the entity (internal documents). It should also contain relevant sections of external overarching documents such as the Economic Survey, Finance Commission Reports, Indian Public Finance Statistics published by Government of India etc that define the external environment and policy thrust in the relevant sector. This guard file should be updated in every audit.
- 3) **Desk review:** The audit party (or alternatively the SAO/AO in charge of the audit party) identified for audit of an individual entity (or a lead audit party identified for coordinating the audit of a group of entities) should carry out a desk review at Headquarters before embarking on an audit. The review should comprise a study of the guard file, data analysis to determine the direction/ focus of audit and to identify records /transactions that are potentially error prone for verification in the field. Ideally this can be synchronised with the quarterly scheduling of audits, when audit of similarly placed entities could be grouped/ scheduled simultaneously (e.g. billing units/schools /PWD units etc.), so that focus areas/common focus areas could be defined and pursued in audit. Use of data analytics at this stage is recommended. While ordinarily a desk review needs to be carried out for gaining an understanding of the entity to be audited and its focus areas, in certain cases, based on the context - size, complexity, scale of audit, desk review as a distinct procedure may not be warranted. In such cases, specific relaxation should be obtained from the concerned Group Officer, duly explaining the circumstances and recording/documenting the reasons for the relaxation, before commencing the audit.
- 4) **Planning audit procedures:** Based on an understanding of the individual entity (after the desk review), the SAO/AO in charge of the audit party should prepare a plan of audit procedures for the specific entity detailing the audit objectives, scope of audit, main focus areas for audit and assignment plan for the team members, which should be approved by the respective Group Officer before the audit is undertaken. A recommended format for planning audit procedures is provided as **Annexure I**. Where a specific subject matter has been

(iv) The analytic results will be used as inputs for audit plan.

Activities at sl nos (i) and (ii) are primarily one-time exercises which will require periodic updating.

- 2) **Maintenance of Guard file:** A guard file should be maintained for each auditable entity containing the legislations/rules/policies/orders that apply to the entity, Financial and Outcome budgets, important long term contracts/MoUs and internal control processes/procedures instituted by the entity (internal documents). It should also contain relevant sections of external overarching documents such as the Economic Survey, Finance Commission Reports, Indian Public Finance Statistics published by Government of India etc that define the external environment and policy thrust in the relevant sector. This guard file should be updated in every audit.
- 3) **Desk review:** The audit party (or alternatively the SAO/AO in charge of the audit party) identified for audit of an individual entity (or a lead audit party identified for coordinating the audit of a group of entities) should carry out a desk review at Headquarters before embarking on an audit. The review should comprise a study of the guard file, data analysis to determine the direction/ focus of audit and to identify records /transactions that are potentially error prone for verification in the field. Ideally this can be synchronised with the quarterly scheduling of audits, when audit of similarly placed entities could be grouped/ scheduled simultaneously (e.g. billing units/schools /PWD units etc.), so that focus areas/common focus areas could be defined and pursued in audit. Use of data analytics at this stage is recommended. While ordinarily a desk review needs to be carried out for gaining an understanding of the entity to be audited and its focus areas, in certain cases, based on the context - size, complexity, scale of audit, desk review as a distinct procedure may not be warranted. In such cases, specific relaxation should be obtained from the concerned Group Officer, duly explaining the circumstances and recording/documenting the reasons for the relaxation, before commencing the audit.
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comprising other incidental findings with best practices being separately highlighted. The vetting process should have the same rigour as that adopted for Draft Paras. The following procedures should be adopted in this regard:

7) Presentation of Draft Inspection Report:

- (i) Each para should clearly bring out whether the deficiency/best practice is an isolated case or it has a systemic connotation.
- (ii) The paras should be drafted in an orderly manner by identifying the **criteria** (both for regularity and propriety subject matters) against which the subject matter is being evaluated, describing the **condition** (deviation from criteria as observed in audit), correlating the **cause** of deviation and determines the **effect** of deviation. The reply of the audited entity should be incorporated and audit rebuttal/contention thereon should be clearly presented.
- (iii) While reviewing paras outstanding from previous Inspection Reports, in case of a continuing deficiency or a persistent irregularity the audit team should identify systemic issues/control deficiencies rather than routinely updating the para with latest information/revised monetary value.

8) Vetting of Inspection Reports:

- (i) The vetting process should ensure that every finding is supported by sufficient and appropriate evidence (Key Documents) and conclusions reached should be appropriate in the circumstances.
- (ii) It has to be ensured whether the IR paras have been categorised appropriately as Part IIA and Part IIB paras respectively. An illustrative list of paras that should be categorised in Part IIA and Part IIB are provided as **Annexure III**.
- (iii) While seeking approval of the Group Officer for issuing the Inspection Report, a judgement of the persistent irregularities that need to be brought to the notice of the Executive through a 'Department Appreciation Note' needs to be taken. Accordingly, a 'Department Appreciation Note' may be issued to the respective Principal Secretary by the PAG/DG/AG/PD as envisaged in the Compliance Auditing Guidelines.
- (iv) **Nil IRs:** In order to maintain the deterrent value of audit, some low risk entities may have to be audited and in such cases 'nil' reports may have to be issued. However, it has to be ensured that the requisite process rigour has been adhered to. All cases of 'nil' reports should be well documented, logically borne out and should

be issued only after prior approval of the PAG/DG/AG/PD of the field office.

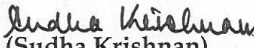
D) Grading of Inspection Reports

The Inspection Reports should be graded so that their quality can be benchmarked. A scoring methodology has been defined to measure the efficiency and effectiveness of critical audit processes against a maximum score of 100, which would consequently be translated into a grade to evaluate the quality of Inspection Report on a scale of 10. The process scoring methodology and grading matrix of Inspection Reports is provided as **Annexure IV**.

The Vetting section in state AG Audit Offices and Reports/Headquarters sections (as appropriate) in other Field Audit Offices should be vested with the responsibility of scoring and grading each Inspection Report, which should be approved by the Group Officer after the despatch of each Inspection Report. Extant instructions require that Inspection Reports should be issued with the approval of the Group Officer, which has to be diligently observed in all cases.

At the Group officer level, the mechanism of grading of Inspection Reports would represent a self-certification process. It provides a framework for objective evaluation, as process parameters and their scoring methodology have been prescribed. As a control measure, the procedure of scoring and grading Inspection Reports should be periodically reviewed by the PAG/DG/AG/PD of the respective field office by a random selection of Inspection Reports, which should include Inspection Reports of Audited entities that were considered high risk.

The grading of Inspection Reports should not remain restricted as an isolated exercise and should distinctly reflect in the overall performance assessment of the field office. The peer review and inspection teams from Headquarters need to include this as an item in their respective check list to assess the scoring and grading procedure for their compliance and efficacy.


(Sudha Krishnan)

Director General (PPG)

All DAIs/ADAI

DsG and PDs in Hqrs

All field Audit offices (as per mailing list)

Secretary to CAG

Matrix for grading the Inspection Reports

Sl No	Process Parameter	Allocated score	Scoring methodology	References to Compliance Auditing Guidelines
1	Planning	30		Chapter 4
1 (a)	Desk review- Understanding the auditable entity			
	Review of guard file, data analysis and understanding internal controls. This should comprise review of both internal documents and external applicable data bases/data.	10	This has two dimensions. Review of internal documents (Max score-5): A comprehensive review of the entire range of available documents would yield the maximum score of 5 and a limited/restricted review would have to be correspondingly scored lower than 5. Review of internal documents include budgets-financial and outcome, rules/regulations, past audit findings etc. Review of relevant external data bases (Max score-5): A comprehensive review of the entire range of available data/data sets/reports would yield the maximum score of 5 and a limited/restrictive review would have to be correspondingly scored lower than 5. Review of external data includes data analysis of relevant external databases, reports/statistics of Govt etc.	Paras 4.3, 4.10 to 4.15, 4.20 and Hqrs guidelines on Data analytics and compliance audit
	Identification of potential risk/ focus areas	10	This has two dimensions. Focus areas from past audits (Max score -5): Identification of persistent irregularities, systemic issues emerging from past audit findings would be scored based on the range of areas identified upto a maximum of 5. New focus areas (Max score- 5): Identification of any new focus area(s) would yield a score of 5.	
1 (b)	Audit plan - Planning audit procedures			
	Determination of scope of audit and Audit Objectives	05	Determining the scope and audit objectives duly approved by the Group Officer (as per the prescribed template) prior to commencement of audit would fetch a score of 5. Not doing so would yield a score of zero.	Paras 4.6 to 4.8

	Deciding the assignment plan for team members, audit procedures and preparation of audit design matrix if applicable	05	Deciding the assignment plan and broad audit procedure duly approved by the Group Officer (as per the envisaged template) prior to commencement of audit would fetch a score of 5. Not doing so would yield a score of zero.	Paras 4.16 and 4.17
2	Conducting the audit	45		Chapter 5
2 (a)	Findings and evidence			
	Extent of findings from identified risk/focus areas	25	The score against this parameter would have to be determined on the basis of the percentage/rate of conversion of risk/focus areas identified (as at 1(a) above) into findings in the Inspection Report. The specific findings from other than focus areas included in the Inspection Report would also be considered. A) Clear cases of overpayments/ wasteful or infructuous expenditure /leakage of revenue/ revenue foregone or short collected/ frauds or presumptive frauds /losses /non-compliance with laws or rules/ violation of contractual obligations/ undue favour to contractors/service providers (scoring to be based on proportion of such paras to total paras in IR eg if all paras in the IR fall in this category it would fetch full score of 25. If 60% of the paras fall in this category it would fetch a score of 15 i.e 60% of 25) – (Max score 25) B) Clear cases of idle investments/blocking of funds/delays in procurements, commissioning of equipment, project execution and diversion or mis-utilisation of funds (scoring to be based on proportion of such paras to total paras in IR eg if all paras in the IR fall in this category it would fetch full score of 15. If 20% of the paras fall in this category it would fetch a score of 3 i.e 20% of 15) – (Max score 15) C) Procedural issues either not involving financial implications or having financial implications lower than materiality (scoring based on proportion of such paras in IR eg if all paras in the IR fall in this category it would fetch full score of 5. If 20% of the paras fall in this category it would fetch a score of 1 i.e 20% of 05) – (Max score -5) In case of 'NIL' Inspection Reports, the conduct of audit has to be evaluated against the nature of the audited entity (high risk/ medium risk/low risk) focus areas that have been pursued against applicable audit criteria. The scoring would	Paras 5.10 to 5.14

			be based on proportion of focus areas that were pursued vis-à-vis that were identified during planning stage and compliance to the envisaged audit process (if all areas were satisfactorily pursued against applicable audit criteria and the audit process was followed it would yield a full score of 25 else the score would have to be proportionately reduced)	
	Extent of sufficient and appropriate Evidence (Key documents) obtained and evaluated.	10	Part II A- (Max Score -8): The score against this parameter would have to be determined on the basis of the percentage of paras in the Inspection Report for which sufficient and appropriate evidence have been obtained and evaluated. (e.g. If the IR has 20 Part II A paras and full set of KDs (evidence) have been obtained for only 14 paras (70% of paras), this parameter would fetch a score of 5.6 (70% of the maximum allocated score of 8) PART II B – (Max score 2): The score against this parameter would be on similar basis as envisaged for Part II A paras above.	Paras 5.5, 5.6, 5.10 to 5.14
2 (b)	Documentation			Paras 5.15 to 5.19
	Preparation of Audit file and documentation of Working papers -Extent of field work done-	10	Preparation of Audit file comprehensively as envisaged in Compliance Auditing Guidelines and containing the audit strategy, scope and methodology, sample selection, audit procedures applied, Audit Design and Audit Findings matrices (where applicable) etc and documenting the working papers comprehensively as envisaged in Compliance Auditing Guidelines and detailing the extent of work done, contracts/agreements examined etc would yield the full score of 10. The score against this parameter would have to be proportionately reduced based on the extent of gaps in documentation observed during the process vetting the IR. This is applicable for NIL IRs also.	
3	Reporting	25		Chapter 6
3 (a)	Drafting and presentation			
	Drafting quality	05	The score against this parameter would have to be determined on the basis of extent of revision that was necessary while vetting the IR. This is not applicable for NIL IRs.	Para 6.5 and Hqrs guidelines
	Appropriate classification of paras into Part – II A and Part- II B.	05	The score against this parameter would have to be determined on the basis of the proportion of paras that were incorrectly classified to the total paras. (eg if two out of six paras in the IR were incorrectly classified (which had to be rectified during vetting process) ie. 30% incorrectly classified and 70% correctly classified, the	Guidelines issued by Hqrs

				score to be awarded would be 3.5 (70% of the total score). This is not applicable for NIL IRs.	
	Mortality of paras	05		The score against this parameter would be determined on the basis of percentage of paras retained (number of paras retained wrt total paras in Draft IR) during the vetting process. i.e if 80% of the paras have been retained, the score to be awarded would be 4 (80% of the total score). This is not applicable for NIL IRs.	
3 (b)	Timeliness				Para 6.4
	Submission of Draft IR	05		Despatch of Draft IR / emailing the Draft IR promptly (7 days) would yield the full score of 5, which would be proportionately reduced for delays as under: Delay upto five days: 4 Delay upto seven days: 3 Delay upto nine days: 2 Delay of 12 days : 1 Delay > 12 days : 0 This would apply to NIL IR also	
	Issue of IR	05		Issue of IR promptly within the specified time (30 days) would yield the full score of 5, which would be proportionately reduced for delays as under: Delay upto five days : 4 Delay of one week : 3 Delay of 10 days : 2 Delay of two weeks : 1 Delay > two weeks : 0 This would apply to NIL IR also	
	Total	100			

IR Grading

Score of IR	Less than 25	26-30	31-35	36-40	41-45	46-50	51-60	61-70	71-80	81-90	91-100
IR Grade	0	1	2	3	4	5	6	7	8	9	10

Matrix for grading the Inspection Reports

Name of the Audited Entity						
Period of audit						
Duration of audit						
		Allocated Score	Scoring methodology		Marks allotted	Remarks, if any
1	Planning	30				
1 (a)	Desk review					
	Review of internal documents	10				
	Review of external documents					
	New focus areas from past audit	10				
	New focus areas					
1 (b)	Audit Plan					
	Determination of scope of audit and objectives	5				
	Deciding assignment plan for team members	5				
2	Conducting the audit	45				
2 (a)	Extent of findings	25	(i) All paras on overpayments/wasteful expenditure-25; if 60% fall in this category-15 (60% of 25) (ii) All paras on idle investment/blocking up -15; if 20% fall in this category-3 (20% of 15) (iii) All paras on procedural issues -5; if 20% fall in this category-1 (20% of 5) (iv) Nil IRs-if all paras were pursued and audit process followed-25; or else-proportionately reduced			
2 (b)	Sufficient key documents	10	Part-IIA-8	Out of 20 Part IIA paras, if full set of KDs available for 14 ie., 70% of 8 marks is to be given ie., 5.6		
			Part-IIB-2	On similar basis as above		

2 (c)	Documentation	10	Preparation of audit file comprehensively-10 (proportionate reduction, applicable to Nil IRs also)		
3	Reporting	25			
3 (a)	Drafting and presentation				
	Drafting quality	5	(extent of revision that was necessary)		
	Appropriate classification of paras into Part IIA and Part IIB	5	(depicting on correct classification of number of paras)		
	Mortality of paras	5	Percentage of para retained		
3 (b)	Timeliness				
	Submission of Draft IR	5	Within 7 days-5 Delay upto five days : 4 Delay upto seven days : 3 Delay upto nine days : 2 Delay of 12 days : 1 Delay > 12 days : 0		
	Issue of IR	5	Issue of IR within 30 days-5 Delay upto five days : 4 Delay upto one week : 3 Delay upto ten days : 2 Delay of two weeks : 1 Delay > two weeks : 0		
	Total	100			

IR Grading

Score of IR	Less than 25	26-30	31-35	36-40	41-45	46-50	51-60	61-70	71-80	81-90	91-100
IR grade	0	1	2	3	4	5	6	7	8	9	10

Sr.DAG/DAG/
AAO

Sr.AO/AO

Preface

Compliance audit is an assessment as to whether the provisions of the applicable laws, rules and regulations made there under and various orders and instructions issued by the competent authority are being complied with. This audit by its very nature promotes accountability, good governance and transparency as it is concerned with reporting deviations, identifying weaknesses and assessing propriety. Indian Audit & Accounts Department has been traditionally conducting transaction based audits, regularity audits, propriety audits, theme based and Chief Controlling Officer based audits which are essentially in the nature of assessing compliance. These constitute the bulk of the audit activity of the Department and it is imperative that they are planned and conducted in a structured manner.

CAG's Regulations on Audit and Accounts, 2007 recognised compliance audit as distinct stream of audit and these guidelines lay down the principles, approach and processes for regulating compliance audits within the Department. These guidelines reorient the planning process by instituting a top down, risk based and department centric approach and aims to instil the process rigour in audit implementation. These guidelines also provide clarity on reporting and follow up processes.

The discipline envisaged in these guidelines is expected to provide a holistic view of the compliance by entities under audit, improve quality of audits and optimize use of available resources. I am confident that the implementation of these guidelines would lead to improved audit practices and support the executive in strengthening internal controls.

I hope that these guidelines would be implemented in letter and spirit by the officers and staff of the Department and that they contribute to upgrading the standard of compliance audits in the years to come.



Shashi Kant Sharma

Comptroller and Auditor General of India
February 2016

1. Introduction

1.1 These guidelines contain the framework for the process of compliance auditing within the Indian Audit and Accounts Department headed by the Comptroller and Auditor General (CAG) of India hereinafter referred as IA &AD. The officers and the staff of IA &AD must follow these guidelines in planning, implementation, reporting, observing follow-up processes and obtaining quality assurance in compliance audits. They outline principles, objectives, approach, methodology, techniques and procedures for conducting compliance audits. These guidelines are based on the existing guidelines and instructions applicable within IA &AD and have adapted the ISSAIs (International Standards of Supreme Audit Institutions) for compliance auditing.

1.2 ***Applicability***

These guidelines have been formulated to suit the requirements of IA &AD. These provide detailed instructions on preparation of audit plan for compliance risk profiling and reporting for compliance audits. However, the detailed audit checks to be performed while conducting compliance audits prescribed in the MSO (Audit) and the existing area specific checklists, instructions and guidance notes dealing with audit of contracts, fraud and corruption, quality and timelines etc. would continue to remain applicable.

Scope for individual initiative and professional judgement

1.3 While these guidelines are prescriptive in nature, they are not intended to supersede the professional judgement of the Accountant General¹, relevant to specific situations. The Accountant General is expected to make situation or subject specific adjustments to the provisions set out in these guidelines. However, Accountants General will be expected to document the rationale of all significant departures from the guidelines.

Audit Mandate

1.4 The audit mandate of IA&AD is derived from the Articles 149 & 151 of the Constitution of India. Article 149 of the Constitution of India envisages that CAG shall perform such duties and exercise such powers in relation to the accounts of the Union, of the States and of any authority or body as may be prescribed by or under any law made by Parliament. Article 151 of the Constitution of India provides that the reports of the CAG of India relating to the accounts of the Union or a State government shall be submitted to the President or the Governor of the State respectively, who shall cause them to be laid before each House of Parliament/ Legislature of the States. The statutory position is established under the CAG's (Duties, Powers and Conditions of Service), Act 1971. In addition to above, Audit

¹ The term Accountant General includes all heads of field audit offices of the rank of SAG and above within the IA&AD mandate is governed by other provisions in the Constitution and other acts of Parliament which provide for audit of specific entities by the CAG. The audit mandate of CAG, therefore, extends to bodies or authorities such as statutory authorities, statutory corporations, government companies, autonomous bodies legally organised as societies, trusts or not-for-profit companies, urban and rural local bodies (the third tier of government below the Union and State Governments) and also to any other body or authority whose audit may be entrusted to the CAG under law. All these entities follow different systems, procedures and norms for their financial and operational management which may or may not conform to those applicable to government departments. The Accountants' General are therefore required to keep this broad consideration in mind while applying these guidelines for compliance audit of these auditable entities. CAG's Regulations on Audit and Accounts, 2007 provides appropriate guidance on

the various audits undertaken by IA & AD and Chapter 6 of the CAG's Regulations on Audit and Accounts, 2007 contains specific guidance on compliance audit.

Compliance Auditing: Definition and Objective

- 1.5 The concept of compliance audit is embedded in the description of the purpose of public sector audit in the Lima Declaration of Guidelines on Auditing Precepts²:

'.....Audit is not an end in itself, but an indispensable part of a regulatory system whose aim is to reveal deviations from accepted standards and violations of the principles of legality, efficiency, effectiveness and economy of financial management early enough to make it possible to take corrective action in individual cases, to make those accountable accept responsibility, to obtain compensation, or to take steps to prevent or at least render more difficult, such breaches'.

- 1.6 ISSAI 4100 defines compliance audit as follows:

Compliance audit deals with the degree to which the audited entity follows rules, laws and regulations, policies, established codes, or agreed upon terms and conditions, etc. Compliance auditing may cover a wide range of subject matters.

- 1.7 The CAG's Regulations on Audit and Accounts, 2007 define compliance audit as

'an assessment as to whether the provisions of the Constitution of India, applicable laws, rules and regulations made there under and various orders and instructions issued by the competent authority are being complied with'.

- 1.8 The CAG's Regulations on Audit and Accounts, 2007 envisage that compliance audit includes an examination of the rules, regulations, orders and instructions for their

²adopted by acclamation of the delegates in October 1977 at the IX INCOSAI in Lima

legality, adequacy, transparency, propriety and prudence and effectiveness that is whether these are:

- a) intra vires the provisions of the Constitution of India and the laws (legality);
- b) sufficiently comprehensive and ensure effective control over government receipts, expenditure, assets and liabilities with sufficient safeguards against loss due to waste, misuse, mismanagement, errors, frauds and other irregularities (adequacy);
- c) clear and free from ambiguity and promote observance of probity in decision making (transparency);
- d) judicious and wise (propriety and prudence); and
- e) effective and achieve the intended objectives and aims (effectiveness).

The CAG's Regulations on Audit and Accounts, 2007 further provide that the compliance audit also examines the rules, regulations, orders and instructions for their consistency with each other.

- 1.9 Seen from the perspective of public sector³ audit, compliance with rules, regulations and applicable authorities⁴ is the primary and most important requirement for ensuring accountability of the public executive, which primarily relate to safeguard and use of resources – financial, natural, human and other material resources. Compliance audit also performs the function of deterrence, especially in situations where internal controls are not as effective. The objective of public-sector compliance auditing, therefore, is to enable the CAG to assess whether the activities of public-sector entities are in accordance with the authorities governing those entities. Compliance audits are carried out by assessing whether activities, financial transactions and information comply, in all material respects, with the authorities, which govern the auditable entity. It is concerned with *regularity and propriety audit*.

- **Regularity**—that the subject matter of the audit adheres to formal criteria emanating from the relevant laws, regulations and agreements which are applicable to the auditable entity.
- **Propriety**— that general principles of sound public sector financial management and ethical conduct have been adhered to, legality and competence are ensured.

As such compliance audit not only includes examination of rules, regulations, orders, instructions but also every matter which, in the judgment of the auditor, appears to involve significant unnecessary, excessive, extravagant or wasteful expenditure of public money and resources despite compliance with the rules, regulations and orders.

³ Public sector refers to the sector that is controlled by Central, State and Local Governments. Public sector entities include all Central and State Government Ministries, Departments, Directorates /Commissionerates, and all other entities/bodies owned/controlled by the Central and/or State Governments

⁴ Authorities include the Constitution of India, laws, regulations etc. A detailed definition is provided in para 1.14. It also includes audit of sanctions to expenditure, which is guided by the principles of legality, propriety, competence of the sanctioning authority, adherence to the criteria for sanction, availability of funds, determination of physical targets, objects of expenditure and the accounting procedure. Thus, besides verifying compliance by the auditable entities to the applicable regulatory framework, compliance audit is also expected to examine the regulatory framework for consistency and raise questions on grounds of propriety also.

Elements of compliance audit

- 1.10 Compliance audit in Public Sector audits have certain basic elements (i) Three parties in the audit i.e. the auditor, the responsible party, intended user, (ii) Subject matter and (iii) Authorities and criteria to assess the subject matter.

The three parties

- 1.11 The three parties involved in compliance audit are briefly described below:

The auditor: represents the Indian Audit & Accounts Department and the persons delegated with the task of conducting audits. However, clear cut demarcation of roles and responsibilities of officers and staff for various audit functions is done through a hierarchical structure. Auditors in compliance audits typically work as a team with different and complementing skills. The auditor is responsible for planning and implementation of audit and issuing a compliance audit report.

The responsible party: represents the executive branch of government and/or its underlying hierarchy of public officials and entities responsible for the management of public funds and the exercise of authority under the control of the legislature. The responsible party in compliance auditing is responsible for the subject matter of the audit.

The intended users: represent the individuals, organizations or classes thereof for whom the auditor prepares the audit report. In compliance auditing the users generally comprise the executive which includes auditable entity and those charged with Governance, the legislature and the citizens who are the ultimate users of compliance audit reports.

Subject matter

- 1.12 Subject matter refers to the information, condition or activity that is measured or evaluated against certain criteria while conducting an audit. Compliance auditing may cover a wide range of subject matters depending upon the audit scope. Subject matter may be general or specific in nature. Some of these may be easily measureable (for example – compliance with a specific requirement like adherence to environment laws) while others may be more subjective in nature (for example- financial prudence or ethical behaviour).

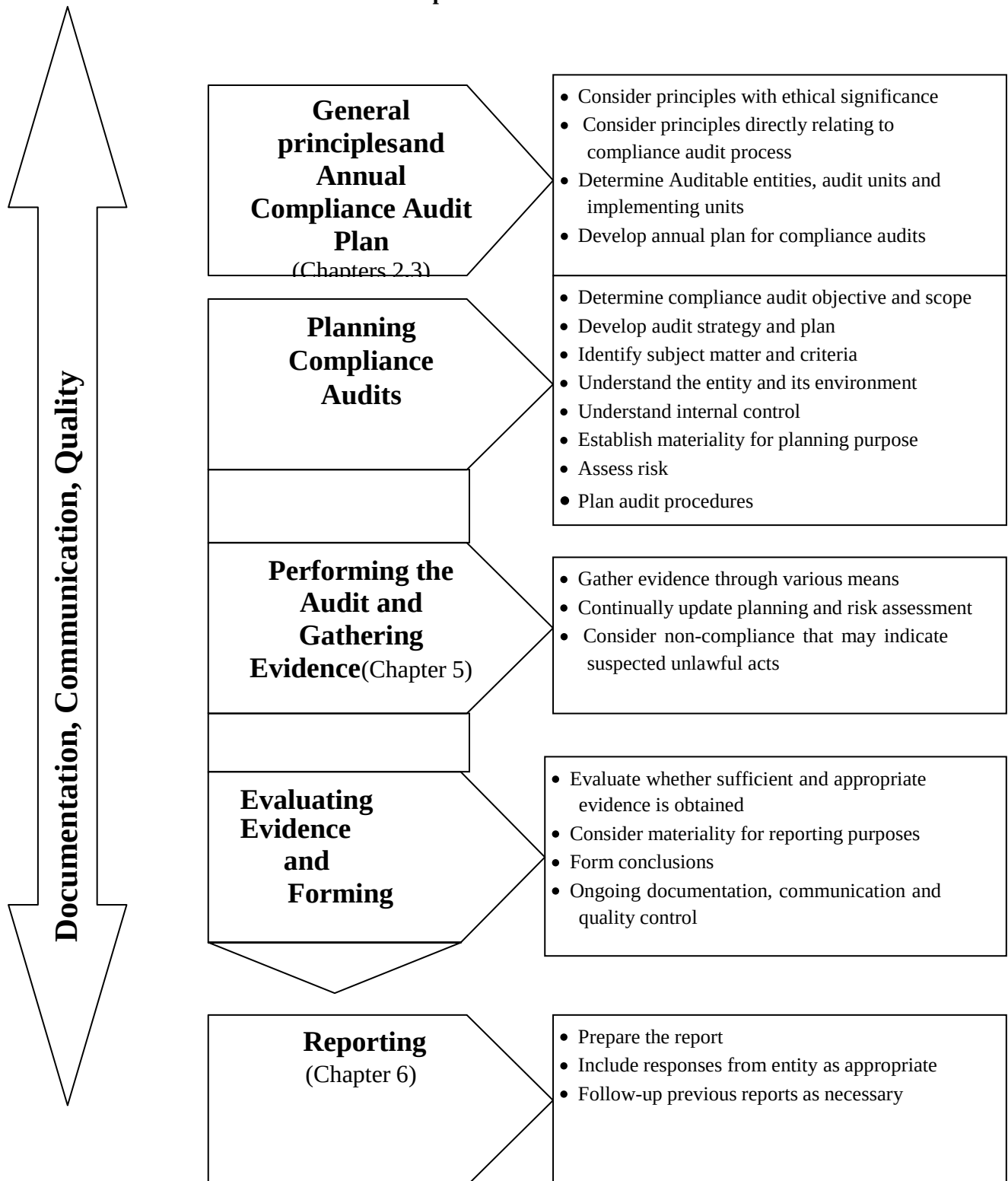
Authorities and criteria

- 1.13 **Authorities** are the most fundamental element of compliance auditing, since the structure and content of authorities furnish the audit criteria and therefore form the basis of how the audit is to proceed under a specific constitutional arrangement. Authorities include the Constitution, Acts, Laws, rules and regulations, budgetary resolutions, policy, contracts, agreements, PPP contracts, established codes, sanctions, supply orders, agreed terms or the general principles governing sound public-sector financial management and the conduct of public officials. Most authorities originate in the basic premises and decisions of the legislature, but they may be issued at a lower level in the organisational structure of the public sector.
- 1.14 Because of the variety of possible authorities, they may have mutually conflicting provisions and be subject to differing interpretations. In addition, subordinate authorities may not be consistent with the requirements or limits of the enabling legislation and there may be legislative gaps. As a result, to assess compliance with authorities in the public sector it is necessary to have sufficient knowledge of the structure and content of the authorities themselves. Authorities are, typically the source of the criteria.
- 1.15 **Criteria** are the benchmarks used to evaluate or measure the subject matter consistently and reasonably. The auditor identifies criteria on the basis of the relevant authorities. To be suitable, compliance audit criteria must be relevant, reliable, complete, objective, understandable, comparable, acceptable and available. Without the frame of reference provided by suitable criteria, any conclusion is open to individual interpretation and misunderstanding. Where formal criteria are absent audits may also examine compliance with the general principles governing sound financial management. Suitable criteria are needed both in audits focusing on regularity and in audits focusing on propriety.

General outlay of Compliance Auditing Guidelines

- 1.16 These guidelines are being presented sequentially to typically represent the process flow of compliance audit

Compliance Audit Process



2. General Principles for Compliance Audits

- 2.1 The General principles that apply during the conduct of compliance auditing and are relevant throughout the audit process are enumerated below.

Auditors should plan and conduct the audit with ‘professional scepticism’ and exercise ‘professional judgement’ throughout the audit process.

- 2.2 **Professional scepticism** refers to the attitude of the auditor, which must include a questioning mind. The auditor should plan and conduct the audit with an attitude of professional scepticism, recognising that certain circumstances may cause the subject matter to diverge from the criteria. An attitude of professional scepticism means that the auditor makes a critical assessment, with a questioning mind, of the sufficiency and appropriateness of evidence obtained throughout the audit. The concept of professional scepticism is fundamental to all audits.

Professional judgement refers to application of relevant training, knowledge, skills and experience, within the context provided by auditing standards, so that informed decisions can be taken about the courses of action that are appropriate given the circumstances of audit. The auditor must apply professional judgement at all stages of the audit process to assess the subject matter, suitable criteria, audit scope, risk, materiality, audit procedures to be used in response to the defined risks, in reporting and in determining the form, content and frequency of communication throughout the audit.

Auditors should possess the necessary skills

- 2.3 The audit team should collectively possess the knowledge, skills and expertise necessary to successfully complete the audit. This includes an understanding and practical experience of the type of audit being undertaken, familiarity with the applicable standards and authorities, an understanding of the auditable entity’s operations and the ability and experience to exercise professional judgement. Auditors should be able to maintain their professional competence through ongoing professional development.

Audits may require specialised techniques, methods or skills from disciplines not available within IA&AD for which external experts may be deployed without involving them in actual conduct of audit. The confidentiality of the specific information/records made available by the auditable entity should be maintained in such interface with external experts. Auditors should evaluate and document whether experts have the necessary competence, capabilities and objectivity and determine whether their work is adequate for the purposes of the audit.

- 2.4 ***Auditors should observe the code of ethics***

IA&AD has adopted a code of ethics which should be observed by auditors at all times. The auditor promotes trust, confidence and credibility by adopting and applying the ethical requirements of the concepts embodied in the key principles of the code - Integrity, Independence and Objectivity, Confidentiality and Competence. The conduct of auditors should be beyond reproach at all times and in all circumstances.

- 2.5 ***Auditors should take responsibility for the overall quality of audit***

The auditor is responsible for the conduct of audit and should implement quality control procedures throughout the audit process. Such procedures should be aimed at ensuring that the audit complies with the applicable standards and providing assurance that the audit report, conclusion or opinion is appropriate under the given circumstances.

2.6 *Auditors should consider audit risk throughout the audit process.*

Audits should be conducted in such a way as to manage, or reduce the audit risk to an acceptable level. Audit risk is the risk that the audit report – or more specifically the auditor's conclusion - will be inappropriate in the circumstances of the audit. The auditor should consider three different dimensions of audit risk – inherent risk, control risk and detection risk – in relation to the subject matter and the reporting format, i.e. whether the subject matter is quantitative or qualitative. The relative significance of these dimensions of audit risk depends on the nature of the subject matter and the nature of assurance to be provided.

2.7 *Auditors should consider materiality throughout the audit process.*

Determining materiality is a matter of professional judgement and depends on the auditor's interpretation of the users' needs. A matter can be judged material if knowledge of it would be likely to influence the decisions of the intended users. This judgement may relate to an individual item or to a group of items taken together. Materiality is often considered in terms of monetary value, but it also has other quantitative as well as qualitative aspects. The inherent characteristics of an item or group of items may render a matter material by its very nature. A matter may also be material because of the context in which it occurs. Materiality should be considered for the purposes of planning, evaluating the evidence obtained and reporting, though the materiality levels would differ for each of the processes. An essential part of determining materiality is to consider whether reported cases of compliance or non-compliance (potential or confirmed) could reasonably be expected to influence decisions by the intended users. Factors to be considered within this judgment are mandated requirements, public interest or expectations, specific areas of legislative focus, requests and significant funding and include other issues, which may have a low level of monetary value or incidence, such as fraud.

2.8 *Auditors should prepare sufficient audit documentation.*

Documentation should be sufficiently detailed to enable an experienced auditor, with no prior knowledge of the audit, to understand the following: the relationship between the subject matter, the criteria, the audit scope, the risk assessment, the audit strategy and audit plan and the nature, timing, extent and results of the procedures performed; the evidence obtained in support of the auditor's conclusion or opinion; the reasoning behind all significant matters that required the exercise of professional judgement; and the related conclusions. Documentation should be prepared within a reasonable period before the issue of audit report and as far as possible audit processes may be documented simultaneously. The documentation should be retained for an appropriate period of time.

2.9 *Auditors should maintain effective communication throughout the audit process.*

Communication takes place at all audit stages - before the audit starts, during initial planning, during the audit process, and at the reporting phase. Any significant difficulties encountered during the audit, as well as instances of material non-compliance, should be communicated to the appropriate level of management or those charged with governance.

2.10 *Auditors should determine the audit scope.*

The audit scope is a clear statement of the focus, extent and limits of the audit in terms of the subject matter's compliance with the criteria. The scoping of an audit is influenced by materiality, risk and legal requirements, and it determines which authorities and parts thereof will be covered.

2.11 *Auditors should identify the subject matter, authorities and suitable criteria.*

Determination of the subject matter, authorities and criteria are one of the first steps in a compliance audit. As stated in Chapter 1 subject matter could be either general or specific. The subject matter should be identifiable, and it should be possible to assess it against

suitable criteria. It should be of such a nature that it enables sufficient and appropriate audit evidence to be gathered in support of the audit conclusion. The auditor should identify authorities and suitable criteria to provide a basis for evaluating the audit evidence and developing audit findings and conclusions. The authorities and criteria should be made available to the intended users and others as appropriate.

2.12 *Auditors should understand the auditable entity*

Compliance auditing may cover all levels of the executive and can include various administrative levels, types of entities and combinations of entities. The auditor should therefore be familiar with the structure and operations of the auditable entity and its procedures for achieving compliance. The auditor will use this knowledge to determine materiality and assess the risk of non-compliance.

2.13 *Auditors should understand the control environment*

An understanding of the auditable entity and/or the subject matter relevant to the audit scope depends on the auditor's knowledge of the control environment and the system of internal controls. The control environment - encompassing the attitude and measures adopted by the management in the form of policies and procedures to instil a culture of honesty and ethical behaviour - forms the basis for the system of internal controls. In compliance auditing, a control environment that focuses on achieving compliance is of particular importance. The particular type of controls which the auditor focuses on will depend on the nature of subject matter, nature and scope of the audit. In evaluating internal controls, the auditor should assess the risk that they may not prevent or detect material instances of non-compliance. The auditor should consider whether the internal controls are in harmony with the control environment so as to ensure compliance with the authorities and criteria in all material respects.

2.14 *Auditors should perform a risk assessment*

In the light of the audit criteria, audit scope and characteristics of the auditable entity, auditor should perform a risk assessment to determine the nature, timing and extent of the audit procedures to be performed. The identification of risks of non-compliance and their potential impact on the audit procedures should be considered throughout the audit process. As part of risk assessment, the auditor should evaluate any known instances of non-compliance in order to determine their materiality.

2.15 *Auditors should consider the risk of fraud*

Fraud in compliance auditing relates mainly to the abuse of public authority and to fraudulent reporting on compliance issues. Instances of non-compliance with authorities may constitute deliberate misuse of public authority for improper benefit. The execution of public authority includes decision making and avoidance of decision making, preparatory work, advice, information handling and other acts in the public service. Improper benefits are advantages of a non-economic or economic nature gained by an intentional act by one or more individuals among management, those charged with governance, employees or third parties.

While detecting fraud is not the main objective of compliance audit, auditors should include fraud risk factors in their risk assessments and remain alert to indications of fraud when carrying out their work. If the auditor comes across instances of non-compliance which may be indicative of fraud, the auditor should exercise due professional care and caution so as not to interfere with any future legal proceedings or investigations. When such suspected fraud has been identified, auditors should take action to ensure that they respond appropriately based on existing Headquarters instructions in this regard.

2.16 *Auditors should develop an audit strategy and an audit plan*

Audit planning should involve discussion among members of the audit team with a view to developing an overall audit strategy and an audit plan. The purpose of the audit strategy is to

devise an effective response to the risk of non-compliance. It should include consideration of the planned audit responses to specific risks through the development of an audit plan. Both the audit strategy and the audit plan should be documented. Planning is not a distinct phase of the audit, but a continuous and iterative process.

2.17 *Auditors should gather sufficient and appropriate audit evidence*

The auditor should gather sufficient and appropriate audit evidence to provide the basis for the conclusion or opinion. **Sufficiency** is a measure of the quantity of evidence, while **appropriateness** relates to the quality of evidence – its relevance, validity and reliability. The quantity of evidence required depends on the audit risk (the greater the risk, more the evidence that may be required) and on the quality of such evidence (the higher the quality, lesser the evidence that may be required). Therefore, sufficiency and appropriateness of evidence are interrelated. However, merely obtaining more evidence does not compensate for its poor quality. The reliability of evidence is influenced by its source and nature, and is dependent on the specific circumstances in which it was obtained. The auditor should consider both the relevance and the reliability of the information to be used as audit evidence and must respect the confidentiality of all audit evidence and information received.

The audit procedures should be appropriate in the circumstances of the audit and suited to the purpose of obtaining sufficient and appropriate audit evidence. The nature and sources of the necessary audit evidence are determined by the criteria, subject matter and scope of the audit. The auditor will often be needed to combine and compare evidence from different sources in order to meet the requirements for sufficiency and appropriateness of evidence. If audit evidence obtained from one source is inconsistent with that obtained from another, or if there are any doubts about the reliability of the information to be used as evidence, the auditor should determine what modifications or additions to the audit procedures would resolve the matter and consider the implications, if any, for other aspects of audit.

2.18 *Auditors should evaluate audit evidence and form relevant conclusions*

After completing the audit, the auditor will review the audit evidence, which includes consideration of the responses provided by the auditable entities, in order to reach a conclusion. The auditor should evaluate whether the evidence obtained is sufficient and appropriate so as to reduce the audit risk to an acceptably low level. It also includes considerations of materiality. After evaluating the evidence, the auditor should consider how best to conclude in the light of the evidence. The auditor should also determine whether the risk assessment and initial determination of materiality were appropriate in the light of the evidence collected, or whether they need to be revised.

2.19 *Auditors should prepare a report based on the principles of completeness, objectivity, timeliness and a contradictory process*

The principle of completeness requires the auditor to consider all relevant audit evidence before issuing a report. The principle of objectivity requires the auditor to apply professional judgement and scepticism in order to ensure that all reports are factually correct and that findings or conclusions are presented in a relevant and balanced manner. The principle of timeliness implies preparing the report in due time. The principle of a contradictory process implies checking the accuracy of facts with the auditable entity and incorporating responses from responsible officials as appropriate.

3. Compliance Audit Plan

- 3.1 Compliance with rules and regulations is the primary and the most important requirement for ensuring accountability of the public executive. Decision makers need to know whether relevant laws and regulations are being complied with, whether they have achieved the desired results, and whether the accepted standards of financial propriety are being adhered to; and if not, what corrective action is necessary. It is imperative that compliance audits are planned to achieve adequate coverage at an acceptably low level of audit risk, audit processes are carried out in an economic, efficient and effective manner and result in a high quality audit report. However, given the size of Government and its implementing arms and the limited audit resources it is impracticable to plan for audit coverage of all audit units in the audit universe-as defined at present. Proper planning and prioritisation of compliance audits based on an appropriate risk assessment, is therefore, paramount.

Audit Universe and Annual Compliance Audit Plans

- 3.2 Understanding the Audit Universe and prioritisation of compliance audits to be taken up is essential, which is in itself a complex task, given the various layers of Government and the Government implementing a significant number of programs /schemes with various implementing agencies, some of which could even be private sector entities. To implement the mandate entrusted to CAG by the Constitution of India, we are expected to cover, over a reasonable period of time, all the sectors/departments of the concerned State Governments/Central Government wherever public funds are spent or revenues are generated or nation's wealth or resources are utilised. While the various departments/sectors are accountable for policy formulation and implementation, the organisational hierarchies within each Department /sector are typically organised as Directorates/Commissionerates, zones, divisions, circles, ranges etc., and further down to the last mile implementing agencies. All these units together implement the Government policy and expend public money or collect public revenues and can be called as the audit universe. This Audit universe is required to be broken down into audit units for the purpose of planning and scheduling audits.
- 3.3 This requires *top down, risk based, Department centric mechanism* for macro level planning and conducting compliance audits and preparation of annual compliance audit plans by (a) defining the apex auditable entities and audit units and (b) risk profiling. This exercise can provide a holistic view of functioning of the auditable entities without the risk of dismissing audit findings as a random view and statistically insignificant.

Defining the Apex Auditable Entities and Audit Units

- 3.4 A top down and risk based approach to identification of audit units intends to place the Department/Sector as the centre piece of the audit focus and provide a scientific mechanism of defining audit units. The Department / Sector in the State Government or the Central Government being the top layer would be defined as the Apex Auditable Entity⁵. Since policy formulation and oversight flow from the Departments/Sectors (Apex Auditable Entities) and responsibility for implementation of schemes/programs vests with the lower formations of the Government (Directorates /Commissionerates/zones, divisions, circles, ranges etc.) a significant portion of the risk is embedded in these layers, while the lowest layer is typically the implementing arm and accountability for its performance invariably rests with the higher

organisational hierarchies. The top down approach for identification of audit units mentioned in these guidelines therefore envisages that audit units are identified beginning with higher organisational hierarchies of the Apex Auditable Entity and fanning out to operational units at the field level.

- 3.5 The audit units may be defined based on the quantitative measures of devolution of administrative and financial powers, the qualitative measures of functional autonomy and operational significance attributable to the unit for achievement of objectives of the Department. The devolution of powers would have to be substantial and not limited to the routine delegation of powers for managing the establishment and contingent expenses. This would ensure that the administrative authority for allocation of funds and delegation of powers are at the centre of compliance audit.

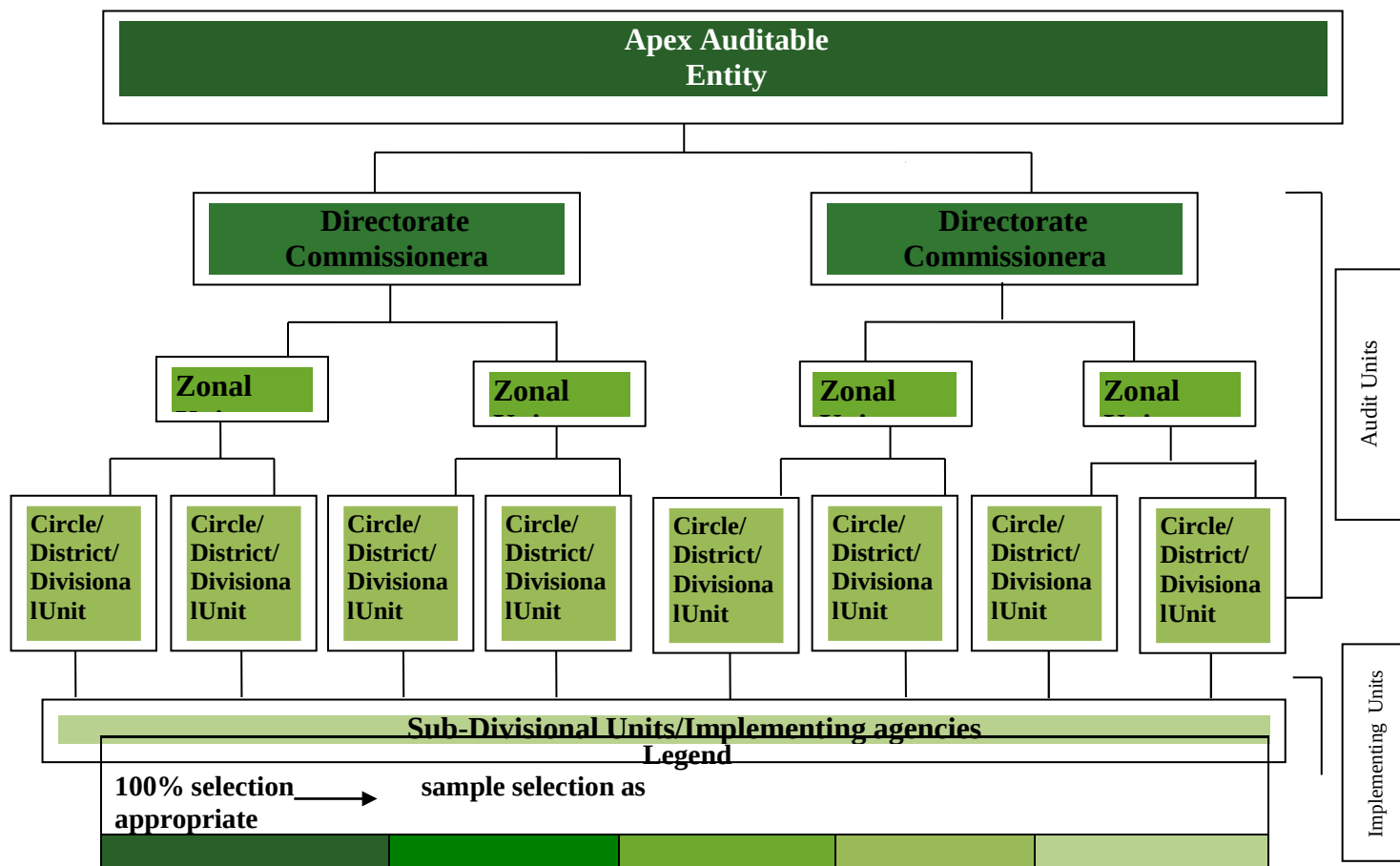
An Audit Unit is therefore defined as a unit, which has one or more of the following attributes:

- substantial devolution of administrative and financial powers;
- functional autonomy; and
- operational significance with reference to achievement of objectives of the apex auditable entity.

- 3.6 After determination of Audit Units based on the aforesaid parameters, the organisational hierarchies and implementing agencies below the Audit Units are to be categorised as Implementing Units. The Implementing Units are typically the last mile service providers and implementation arms of Government, with very limited delegation of financial and administrative powers - of contingent nature and for managing establishment. These Implementing Units would be audited, based on a sample selection, as a part of audit of their respective Audit Units. The process of

⁵ The Regulation 2 of the CAG's Regulations of Audit and Accounts, 2007 defines Auditable entity as 'an office, authority, body, company, corporation or any other entity subject to audit by the CAG'. The highest authority or Head of Department under the audit jurisdiction of the Accountant General would be the Apex Auditable Entity.

sample selection is explained in the subsequent sections. The envisaged typical representation of Apex Auditable Entity, Audit Units and Implementing Units is shown below:



- 3.7 Preparation of audit universe by defining Apex Auditable Entity and Audit Units in terms of these guidelines would be carried out by the respective Accountants General in field offices. Each field office would be required to prepare an organisation chart of the Departments to identify the audit units based on the above parameters. The list of Audit Units and the Implementing Units would have to be maintained in the field offices, which would henceforth form the basis of planning compliance audits. While the above representation showcases organisational structure from the State Government's perspective, the central functions such as Central Revenue, Railways, Commercial, Posts and Telecommunications etc. and the Local Self Government – the Local Bodies shall also define their Apex Auditable Entities and Audit Units keeping in view the philosophy described in paras 3.4 to 3.6 above.

- 3.8 With the evolving governance structure, the nation's wealth/natural resources are being dealt with not only by the Union, State or its instrumentalities but also by the private parties, for delivery of public goods and services, it has become important that these implementing agencies or service providers are made accountable to the people and to the Parliament. These implementing agencies would also, therefore, be included in the aforementioned category of implementing units.

Records of these implementing agencies are required be accessed through the respective audit units. Detailed instructions of the procedure to be adopted for access and audit of records of such agencies are contained in the Guidance Note issued by Headquarters in this regard. However, the scope and extent of examination of records of such implementing agencies will depend upon the applicable regulatory framework including any contract/ agreement which the implementing agency may have entered into with the government, professional standard or practice used by the industry in which the entity operates and also judicial pronouncements.

Risk Profiling

- 3.9 The risk based approach to planning compliance audits is about focussing audit efforts on the perceived high risk areas/activities. Risk profiling of the Apex Auditable Entities and their Audit Units has to be done considering their structures, roles they are expected to perform and compliance requirements. As governments and other organisations transition into digital environment, they generate, process and store voluminous data. Also, useful and relevant data in disparate forms and continuously produced by various government and non-government agencies and entities. When collated, they provide the contextual framework and valuable insight into the functioning of an apex auditable entity. Capacity and infrastructure limitations have so far restricted the reach of auditors in the big data environment. The advent of big data marks a paradigm shift, which by design integrates data from various sources and in various formats to transform data into actionable information. This aims to enhance the efficiency and effectiveness of audits. IA&AD has adopted a Big Data Management Policy to harness such opportunities. This policy is expected to facilitate greater and deeper insights into the Apex Auditable Entity's environment to clearly identify risk areas and prioritise the audit units.

- Apex Auditable Entities while being responsible for delivery of public goods and services and expending public funds or collecting revenues may also be responsible for administering and / or enforcing various laws, rules or regulations. At the same time, these are also governed by various rules, laws and regulations. Similarly, officials entrusted with management or stewardship of public funds and public entities are expected to act with propriety in all matters concerning the discharge of their responsibilities. Keeping all the above factors in mind, the field audit offices are encouraged to apply the risk assessment methodology by evaluating high risk areas/activities of these entities relating to:
 - Administration and/ or enforcement of laws, rules and regulations etc.,
 - Compliance with applicable laws, rules and other authorities;
 - Responsibility for government receipts and expenditure;
 - Safeguarding of assets and liabilities;
 - Prevention of losses and wastage, frauds, leakage of revenue;
 - Promoting transparency, prudence and probity; and
 - Internal control environment

- 3.10 The risk assessment methodology should include a review of the following:

- Latest socio-economic survey of the Centre/ State

- Current Budget & Demands for Grant
- Outcome budgets
- Five year plans and Working Group reports/ Annual plans
- Finance Commission Report
- Annual/ Performance/ Activity Reports of Ministries / Departments/Companies and other information on Government websites
- Major policy announcements/initiatives of Government
- VLC data & Report on State Finances
- Finance & Appropriation Accounts
- Geographical location
- Past audit coverage
- PAC/COPU suggestions
- Court orders
- Audit Advisory Board suggestions
- Reports of Legislative Committees
- Changes in legislation
- Replies to questions given to the Legislature
- Past Audit findings/ Inspection Reports
- Media reports and visibility of topics
- Trend of expenditure and /or receipts

Preparing Annual Compliance Audit Plans

- 3.11 The exercise, as described above, would help in creating risk profile of the apex auditable entities as well as audit units under these entities. Based on their risk profile, the audit units should be prioritised for planning and conduct of compliance audits. The risk profile of the audit units should be considered vis-à-vis the audit capacity of the field office- in terms of availability of resources, and an annual Audit plan of compliance audits to be taken up and completed during the year should be prepared by each field office.

The field offices under the IA&AD conduct financial audits, performance audits and compliance audits each year and the Annual Audit Plan of each office shall therefore be prepared by adopting a holistic approach of covering Apex Auditable Entities/Audit Units for each type of audit and leveraging common processes. The Annual Audit Plan of each office would therefore indicate the Apex Auditable entities/Audit Units for which compliance audits would be conducted. The outcome of analysis of sanctions and vouchers by the Financial Audit Wing, detailed processes of which are provided in the Financial Attest Auditing Guidelines for audit of State Government Accounts and other existing manuals and instructions, can be leveraged for planning compliance audits.

- 3.12 It must be the endeavour of the field offices to ensure coverage of all Apex Auditable Entities in a reasonable period of time, between three to five years. The risk profile of the audit units would have to be reviewed and updated periodically to assess continued maintenance or to consider revision in the risk profile assigned to the apex auditable entities and audit units based on new intervening developments, changes and increase/decrease in irregularities noticed by various stakeholders, etc.

- 3.13 The formulation of annual Compliance Audit Plan would therefore require:

- a. Updating the Audit Universe such that it comprises all units that qualify as audit units. A

separate inventory of implementing units under their respective Audit units may be maintained.

- b. Applying risk assessment methodology to the Apex Auditable Entities for arriving at risk profile of the Apex Auditable Entities and Audit Units under these entities.
- c. Preparing the annual Compliance Audit Plan by selecting audit units after considering available audit resources. This would include a risk based selection of Apex Auditable Entities and an appropriate sample of audit units at various hierarchies and implementing units within each Apex Auditable Entity. The selected sample of units shall be auditable both from the propriety and regularity perspective. Where evaluation of high risk areas/activities against regularity involves complexity and multifarious aspects, a specific subject matter may be selected within the high risk area/activity for evaluation of compliance against regularity.

3.14 *Components of Annual Compliance Audit Plan*

- a. Selection of Apex Auditable Entities and Audit Units that would be taken up for compliance audits;
 - b. Selection of Implementing units under the audit units as necessary;
 - c. Determination of specific subject matter, where considered necessary; and
 - d. Allocation of audit resources for the audits to be undertaken.
- 3.15 With the introduction of risk based approach to planning compliance audits, tempered by the audit capacity of each field office, as envisaged in these guidelines, the question of audit arrears would generally not arise.

4. Planning Compliance Audits

4.1 A compliance audit has to be planned in a manner which ensures that a high quality audit is carried out in an economic, efficient and effective way and in a timely manner. Adequate planning will ensure that appropriate attention is accorded to crucial areas of audit and that potential problems are identified in a timely manner. It is essential that Auditors plan the audit with an attitude of professional scepticism and exercise professional judgement. Further, auditors should possess the knowledge, competence and skills to understand the compliance requirements that apply to the auditable entities.

4.2 After the preparation of the annual Compliance Audit Plan as discussed in Chapter 3, the process of planning for individual compliance audits commences. Individual compliance audit, hereafter means audit of the identified Apex Auditable Entity along with the selected Audit Units.

Planning for individual compliance audits

- 4.3 Planning for individual compliance audits includes preparing the audit strategy and an audit plan. Preparation of audit strategy for the identified audit entity would include:
- An understanding of the auditable entity and its internal control environment, including the statutory, regulatory and legal framework applicable to the auditable entity and the applicable rules, regulations, policies, codes, significant contracts or agreements etc;
 - An understanding of relevant principles of sound public sector financial management and expectations regarding the conduct of public sector officials for propriety related issues;

- Identification of the intended users, including responsible party and those charged with governance;
- Consideration of materiality and risk assessment including suspected unlawful acts or fraud;
- Determining the scope of audit with reference to the selected specific subject matter, if selected, as well as proprietary concerns;
- Development of audit objectives for the specific subject matter, if selected;
- Identification of audit criteria for specific subject matter;
- Sampling considerations, specifically for implementing units below the selected audit units; and
- Considerations related to direction, supervision and review of the audit team(s).

4.4 Once the audit strategy is in place, the audit plan could be prepared. The plan for the identified apex auditable entity would include:

- Description of selected audit units;
- Sample selection of implementing units under the selected audit units;
- Extent of audit in each selected unit;
- Timing of audit;
- Formation of audit team/s (in case more than one audit team is needed for the auditable entity);
- Assignment plan detailing the duties of the audit team members;
- Planned audit procedures; and
- Potential audit evidence to be collected during the audit.

4.5 Both the overall audit strategy and the audit plan should be documented in the audit file. Planning for individual compliance audits is a continual and iterative process. The overall audit strategy and plan are therefore required to be updated as necessary throughout the audit.

Scope of Audit

4.6 The scope is the boundary of audit. It defines “what to audit”, “who to audit”, “where to audit” and “which period to audit”.

- What to Audit - The propriety issues are to be seen in all units selected to be audited. However, the selected specific subject matter for regularity audit would define the scope for “what to audit” and would also determine the criteria.
- Who to Audit - The issue of “who to audit” is decided by the predetermined annual compliance audit plan as discussed in Chapter 3 that specifies the auditable entity and selected audit units below the auditable entity.
- Where to audit - brings us to selection of units for audit within the auditable entity, and also to the selection of transactions, areas etc. Sampling decisions would be crucial for this stage.
- Which period to Audit - the period of audit to be covered would have to be determined as per the risk assessment. In case of audit units, the period of audit should ordinarily cover period from the previous audit to the current period. However, specific circumstances may exist where current risk assessment reveal areas of concern that warrant coverage of period included in previous audit(s). In case of implementing units, the period of audit to be covered would correspond with the audit period of audit units.

Compliance Audit Objectives

4.7 The overall Compliance Audit Objectives can be summarized as below:

- To assess whether the subject matter adheres to the formal criteria arising out of the laws, regulations and agreements applicable to the auditable entity;
- To assess whether the general principles of sound public sector financial management and ethical conduct have been adhered to; and
- Report the findings and conclusions to the responsible party, those charged with governance, legislature and/or other parties as appropriate.

4.8 The particular objectives of a compliance audit for the identified apex auditable entity are to be derived from the scope of audit. Illustrative and not comprehensive, instances of scope and detailed audit objectives of compliance audits are given below:

Compliance audit scope	Detailed audit objectives
Contracting and procurement	• Verify whether procurement was carried out as per extant rules and in accordance with delegated financial powers. • Verify whether financial propriety was ensured during the stages of tendering, evaluation and award of contract.
Tax receipts	• Verify whether assessments were in accordance with the relevant tax laws and rules thereunder. • Verify whether the assessed demands were collected and properly accounted for.
Establishment audit	• Verify whether payments in respect of salaries and other entitlements were in accordance with the relevant rules and instructions.
Availability of infrastructure in Health Department	• Verify whether health center has been set up in accordance with specified population norms. • Verify whether the necessary infrastructure facilities (medical equipment, operation theatre, UPS, water supply, stock of drugs, etc) have been provided as per Indian Public Health Standards (IPHS). • Verify whether the complement of doctors and other staff are as per IPHS.
Plant efficiency	• Verify whether the usage of power, fuel are as per approved norms. • Verify whether plant shutdowns are as per approved norms. • Verify whether the production is as per the prescribed scale. • Verify whether the installed capacity of the plant is designed as per regulatory approvals. • Verify whether the operation of plant complies with environmental norms.

Corporate social responsibility	• Verify whether corporate social responsibility framework is as per regulatory approvals. • Verify whether activities of corporate social responsibility areas per corporate policy. • Verify whether the corporate policy is in consonance with relevant regulations and DPE guidelines.
Audit of sanctions	• Verify whether the sanction is within the general or express powers delegated to the sanctioning authority. • Verify whether the criteria for sanction such as - availability of funds, determination of physical targets, objects of expenditure and accounting procedure- have been adhered to.
	• Verify whether the sanction is not split to avoid obtaining sanction of a higher authority. • Verify whether sanction is conflicting with general principles of public sector financial management or other orders /instructions.

Criteria

- 4.9 Criteria are the benchmarks used to evaluate or measure the subject matter consistently and reasonably. The criteria provide the basis for evaluating audit evidence, developing audit findings and conclusions. Criteria may be formal, such as a law or regulation, terms of a contract or agreement or less formal such as a code of conduct, principle of propriety or they may relate to expectations regarding behaviour. Generally, criteria for regularity audits would therefore emanate from specific authorities while criteria for propriety issues would emanate from the General Financial Rules of the Government of India and those codified in the corresponding State Financial Rules.

The criteria should have the following characteristics:

- Relevant** – relevant criteria provide meaningful contributions to the information and decision making needs of the intended users of the audit report.
- Reliable** – reliable criteria result in reasonably consistent conclusions when used by another auditor in the same circumstances.
- Complete** – complete criteria are those that are sufficient for the audit purpose and do not omit relevant factors. They are meaningful and make it possible to provide the intended users with a practical overview for their information and decision making needs.
- Objective** – objective criteria are neutral and free from any bias on the part of the auditor or on the part of the management of the auditable entity.
- Understandable** – understandable criteria are those that are clearly stated, contribute to clear conclusions and are comprehensible to the intended users.
- Comparable** – comparable criteria are consistent with those used in similar audits of other agencies or activities and with those used in previous audits of the entity.
- Acceptable** – acceptable criteria are those to which independent experts in the field, auditable entities, legislature, media and the general public are generally agreeable.
- Available** – criteria should be made available to intended users so that, they understand the nature of audit work performed and the basis for the audit report.

4.10 ***Understanding internal controls***

Understanding internal controls is normally an integral part of understanding the entity and the relevant subject matter. The CAG's Regulations on Audit and Accounts, 2007 explain that the auditor should examine and evaluate the reliability of internal controls. In compliance audit, this includes understanding and evaluating controls that assist the executive in complying with laws and regulations applicable to the auditable entity. The type of controls that need to be evaluated depends on the subject matter, nature and scope of the particular compliance audit. In evaluating internal controls, auditors assess the risk that the control structure may not prevent or detect material non-compliance. The internal control system in an entity may also include controls designed to correct identified instances of non-compliance, presence and effectiveness of institutionalised mechanisms such as Internal Financial Adviser system, Internal Audit system etc.

Auditors should obtain an understanding of the internal controls relevant to the audit objectives and test controls on which they expect to rely. The assurance derived from the assessment of internal controls will assist the auditors to determine the confidence level and hence, the extent of audit procedures to perform. This would also determine the sample size of implementing units to be selected as well as the sample selection of transactions etc.

Materiality

- 4.11 Materiality consists of both quantitative and qualitative factors. Materiality is often considered in terms of monetary value but the inherent nature or characteristics of an item or group of items may also render a matter material. As mentioned in Chapter 2, determining materiality is a matter of professional judgement and depends on the auditor's interpretation of the users' needs. A matter can be judged material if knowledge of it is likely to influence the decisions of the intended users. The CAG's Regulations on Audit and Accounts, 2007 state that in formulating audit opinion or report, the auditor should inter-alia give due regard to the materiality of the matter keeping in view the amount, nature and context. In performing compliance audits, materiality is determined for

- a) Planning purposes;
- b) Purposes of evaluating the evidence obtained and the effects of identified instances of non-compliance; and
- c) Purposes of reporting the results of the audit work

- 4.12 During the planning process, information is gathered about the entity in order to assess risk and establish materiality levels for designing audit procedures. Issues that may be considered material even if the monetary value is not significant would include the following:

- a) Fraud;
- b) Intentional unlawful acts or non-compliance;
- c) Incorrect or incomplete information to executive, the auditor or to the legislature (concealment);
- d) Intentional disregard to the executive, authoritative bodies or auditors; and
- e) Events and transactions made despite knowledge of the lack of legal basis to carry out the particular event or transaction.

Risk assessment

4.13 Risk assessment is an essential part of performing a compliance audit. Due to the inherent limitations of an audit, a compliance audit does not provide a guarantee or absolute assurance that all instances of non-compliance will be detected. Inherent limitations in a compliance audit may include factors such as:

- a) Judgement may be applied by the executive in interpreting laws and regulations;
- b) Human errors;
- c) Systems may be improperly designed or function ineffectively;
- d) Controls may be circumvented; and
- e) Evidence may be concealed or withheld

4.14 In performing compliance audits, auditors assess risks and perform audit procedures as necessary throughout the audit process. This is done in order to reduce audit risk to an acceptably low level in the particular circumstances, so as to obtain reasonable assurance to form the basis for the auditor's conclusions. The risks and the factors that may give rise to such risks will vary depending on the particular subject matter and circumstances of audit. Results of the risk assessment would again affect the sampling considerations.

Risk assessment considerations with regard to fraud

4.15 As a part of audit, auditors should identify and assess fraud risk and gather sufficient appropriate evidence related to the identified fraud risks by performing suitable audit procedures. As mentioned in Chapter 2, while detecting fraud is not the main objective of compliance audit, auditors should include fraud risk factors in their risk assessments and remain alert to indications of fraud when carrying out their work. If the auditor comes across instances of non-compliance which may be indicative of fraud, the auditor should exercise due professional care and caution so as not to interfere with any future legal proceedings or investigations.

4.16 Planning audit procedures

Planning audit procedures involves designing audit procedures to respond to the identified risks of non-compliance. The exact nature, timing and extent of audit procedures to be performed may vary widely from one audit to another. Nonetheless, compliance audit procedures in general involve establishing the relevant criteria and then measuring the relevant subject matter information against such criteria.

4.17 After determination of the scope of audit, development of audit objectives, identification of relevant criteria for measuring the selected subject matters, when specifically selected for an apex auditable entity or across auditable entities, both for regularity and propriety issues, auditors should prepare a **Compliance Audit Design Matrix** for the identified apex Auditable entity in the following format.

Compliance Audit Design Matrix

Audit objective/Sub objective	Audit questions on selected subject matters	Audit criteria	Data collection and analysis method	Audit evidence

- 4.18 The Compliance Audit Plan would detail out the selected Apex Auditable Entity, the selected Audit Units and the Implementing Units. However, the selection of sample of transactions within the audit units may be necessary for detailed scrutiny. When compliance audit is planned and conducted based on a top down and department centric approach, sampling for selection of transactions may have to be conducted at multiple levels. This multi stage sampling typically involves the following:
- Selection of transactions from the selected Audit Units falling directly under the chain of command of the selected Apex Auditable Entity (either in whole or in part depending upon the selected specific subject matter) relevant to evaluation of the selected subject matters for regularity and propriety audits respectively; and
 - Selection of transactions from the Implementing Units, as considered necessary, relevant to evaluation of the selected subject matters for regularity and propriety audits respectively.
- 4.19 Statistical sampling may be adopted for selection of transactions, which would enhance the level of verifiable audit assurance. Accountants General may exercise professional judgement with regard to adoption of a suitable sampling methodology depending upon the selected subject matters, audit objectives being pursued and the envisaged scope of audit, as per extant instructions.

Compliance auditing in digital environment

- 4.20 In case of departments/ sectors where e-governance has taken roots and transactions are being conducted in virtualised environments, digital auditing can also be adopted by the audit teams. Digital auditing facilitates looking at whole of the population for outliers or unexpected variations. Such outliers can be taken up for detailed scrutiny. Data analytical tools can be of immense help here.

Team composition

- 4.21 Audit team(s) with an appropriate team composition should be constituted for each audit. As mentioned in Chapter 2, the audit team should collectively possess the knowledge, skills and expertise necessary to successfully complete the audit. This includes an understanding and practical experience of the type of audit being undertaken, familiarity with the applicable standards and authorities, an understanding of the auditable entity's operations and the ability and experience to exercise professional judgement. The work allocation for each member of the audit team should be clearly delineated and it must be ensured that each member understands his/her role in the audit team. Appropriate arrangements should be ensured for providing direction, supervision and review of audit teams. In some cases, it may be possible to conduct the audit of the apex auditable entity and its selected audit units by one dedicated team.

However, in case of large entities, it may become necessary to constitute multiple teams for audit of the apex auditable entity and its selected audit units. In such a scenario, a lead team may be constituted from amongst the audit teams, which should be entrusted with the responsibility of providing a cohesive and synergised approach to compliance audit. The lead team in such cases may also be required to provide guidance, liaison support to other teams throughout the audit process and also consolidate audit findings of all other audit teams to enable achieving a holistic analysis and a reasoned conclusion.

Intimation to the auditable entity

- 4.22 After the overall strategy and audit plan as discussed above have been drawn up intimation should be provided to the identified auditable entity (executive) and all other audit units down the line regarding the audit being taken up. The intimation to the executive should include the scope of audit, audit objectives being pursued, subject matters that have been selected, criteria that would be used to evaluate the subject matters, designed sampling of audit units /implementing units. The intimation should indicate the composition of audit team(s), duration and schedule of audit and should solicit the requirements from and co-operation of the executive for the smooth conduct of audit.

5. Conducting compliance audits

- 5.1 Conduct of audits start after the finalisation of audit strategy and audit plan. Conduct of audits is about gathering evidence, evaluating evidence, forming conclusions, documenting the audit process and communicating with the auditable entities.

Audit evidence

- 5.2 Audit evidence is the information used by the auditor for arriving at the audit conclusions. Auditors design and apply appropriate audit procedures to obtain sufficient and appropriate audit evidence in order to form a conclusion or opinion as to whether a subject matter complies, in all material respects, with established criteria.

The CAG's Regulations on Audit and Accounts, 2007 state that the auditor shall verify compliance with applicable laws, rules and regulations and highlight deviations, if any (Regulation 29(4)). Further, the auditor has to obtain competent, relevant and reasonable evidence to support his/her judgement as well as conclusions regarding the organisation, programme, activity or function under audit (Regulation 168).

- 5.3 In the planning phase, as mentioned in Chapter 4 (para 4.10) auditors review the internal controls and institutional arrangements established by the auditable entity to prevent, detect, and rectify instances of noncompliance. Based on this review auditors identify control risks and other risks and keep these in consideration while they start gathering audit evidence. The audit procedures to be applied would depend on the particular subject matter and criteria and auditors' professional judgment. When the risks of noncompliance are significant and auditors plan to rely on the controls in place, such controls are required to be tested. When controls are not considered reliable, auditors plan and perform substantive procedures to respond to the identified risks. Auditors perform additional substantive procedures when there are significant

risks of non-compliance.

- 5.4 The compliance auditor will often need to combine and compare evidence from different sources in order to meet the requirements for sufficiency and appropriateness of audit evidence. Professional judgment needs to be exercised in considering the quantity and quality of available evidence when performing the engagement, in particular when determining the nature, timing and extent of procedures. Sufficiency and appropriateness of audit evidence:
- 5.5 The sufficiency and appropriateness of evidence are interrelated. Sufficiency is the measure of the quantity of evidence. The quantity of evidence needed is affected by the risks of the subject matter information being non-compliant or prone to compliance deviation (i.e. the higher the risks, the more evidence is likely to be required) and also by the quality of such evidence (i.e. the higher the quality, the less may be required). Obtaining more evidence, however, may not compensate for its poor quality. In assessing the sufficiency of evidence, the auditor needs to determine whether enough evidence has been obtained to persuade the intended users that the findings are reasonable. The need for further evidence is weighed against the cost and time needed to collect it.
- 5.6 Appropriateness is the measure of the quality of evidence; that is its relevance, its validity and its reliability in providing support for the auditor's conclusion.
- Relevance refers to the extent to which the evidence has a logical relationship with, and importance to, the issue being addressed;
 - Validity refers to the extent to which the evidence is a meaningful or reasonable basis for measuring what is being evaluated. In other words, validity refers to the extent to which the evidence represents what it is purported to represent; and
 - Reliability refers to the extent to which the evidence is consistent when measured or tested and includes the concepts of being verifiable or supported. The reliability of evidence is influenced by its source and by its nature. While recognising that exceptions may exist, the following generalisations about reliability of evidence are useful, when:
 - It is obtained from sources outside the responsible party;
 - It is obtained directly by the auditor e.g. by observation, inquiry and verification of the application of a control, by substantive checks;
 - It exists in documentary form whether paper, electronic or other media; and
 - It is obtained from different sources.
- 5.7 The auditor's professional judgment as to what constitutes sufficient and appropriate evidence is influenced by factors as the following:
- Significance of a potential non-compliance or compliance deviation and the likelihood of its having a material effect, individually or when aggregated with other potential non-compliance, on the subject matter information;
 - Effectiveness of the responsible party's responses to address the known risk of noncompliance or compliance deviations;
 - Experience gained during previous audit with respect to similar potential non-compliance or compliance deviation; and Results of procedures performed, including whether such procedures identified specific noncompliance or compliance deviation.

Gathering and Evaluating Evidence

- 5.8 The evidence gathering and evaluation is a simultaneous, systematic and an iterative process and involves:

- a) Gathering evidence by performing appropriate audit procedures
- b) Evaluating the evidence obtained as to its sufficiency (quantity) and appropriateness (quality)
- c) Re-assessing risk and gathering further evidence as necessary

5.9 The evidence gathering and evaluation process should continue until the auditor is satisfied that sufficient and appropriate evidence exists to provide a basis for the auditors' conclusion.

Gathering Evidence

5.10 Audit evidence is gathered using a variety of techniques such as the following:

- **Document scrutiny** - This is the predominant mode of obtaining audit evidence and involves scrutiny of a wide variety of documents – Cabinet Notes, Expenditure Finance Committee minutes and recommendations, agenda and minutes of Board of Directors files, cash books and accounting records, reports etc.
- **Physical inspection/site visits**-This involves inspection of physical assets (eg a dam, road, bridge, stores and stock etc). Generally such inspection is conducted jointly with departmental personnel to ensure acceptability to the audit findings. Where the auditable entity does not co-operate with physical inspection, the fact of such non-cooperation may be appropriately documented and reported to the top management of the auditable entity, but the physical inspection may continue nevertheless by the audit team on its own. Photographs taken during physical inspection/site visits are an acceptable form of evidence, provided the location and date of photograph are amply clear.
- **Observation**-Observation involves looking at the process or procedure being performed. In performing compliance audit, this may include looking at how transactions are processed in real time by staff of the auditable entity, including processing of information and transactions in an IT system.
- **Questionnaires**- This involves seeking information from relevant persons within the auditable entity through issue of a formal questionnaire to elicit further information and gather relevant audit evidence.
- **Surveys**- This involves interaction with persons outside the auditable entity to get the information from the affected parties or the beneficiaries of programmes/ schemes, as the case may be. This would involve careful selection of the survey sample, formulation of an appropriate survey questionnaire, collation and analysis of the survey responses. Evidence gathered from surveys would be corroborative in nature to support evidence gathered by conventional techniques.
- **Confirmation** - Confirmation is a type of inquiry and involves obtaining, independently of the auditable entity, a reply from a third party with regard to some particular information – for example confirmation of balances from the banks.
- **Re-performance** - Re performance involves independently carrying out the same procedures which have already been performed by the auditable entity. This can be carried out either manually or by computer assisted audit techniques. Where highly technical matters are involved experts may be involved for re- performance.
- **Analytical procedures** - Analytical procedures involve comparing data, or investigating fluctuations or relationships that appear inconsistent. Data analytics tools, statistical techniques or other mathematical models could also be used in comparing actual with expected results.

Evaluation of Evidence

5.11 Audit evidence, collected through above mentioned audit procedures, is to be evaluated against

the relevant, already identified criteria. This involves consideration of evidence collected vis-à-vis the subject matter information as well as the written responses obtained from responsible officers of the auditable entity against the applicable criteria. The evaluation process enables auditors to assess whether the subject matter information is, in all material aspects, compliant with the identified criteria.

What constitutes material non-compliance is a matter of professional judgement and includes consideration of the circumstances, quantitative and qualitative aspects of the transactions or the issues concerned. Auditors consider a number of factors in applying professional judgement to determine whether or not the non-compliance is material. Such factors may include the following:

- Extent and importance of amounts involved, which include both monetary values and other quantitative measures;
- Nature of the non-compliance;
- Cause leading to the non-compliance;
- Possible effects and consequences of the non-compliance;
- Visibility and sensitivity of the program in question; and
- Needs and expectations of the legislature, public and other users of audit reports

5.12 After evaluating the evidence and considering its materiality, the auditor should decide how best to conclude in the light of the evidence collected, which would be the supporting key documents and arrive at audit conclusions. While evaluating evidence auditors can find that audit evidence is conflicting i.e. while some evidence supports the subject matter information other evidences seem to contradict it. In such situations, auditors need to weigh the extent and credibility of conflicting evidence in order to reach a conclusion or collect more evidence to resolve the conflict.

5.13 Audit conclusion should clearly bring out the nature and extent of non-compliance, cause of such non-compliance, its materiality and also the effect of non-compliance, if possible. The audit conclusions in case of regularity issues should also indicate whether non-compliance is a solitary one-off case, or wide spread systemic issue in the auditable entity.

5.14 Auditors are encouraged to prepare an Audit Findings matrix in the following format. The Audit Findings matrix is an extension of audit design matrix as discussed in para 4.17. The Audit Findings matrix is intended to provide a link between the audit objectives, criteria, evidence gathered and evaluated and the audit findings that emerged on evaluation of the selected subject matters, if specifically selected, both for regularity and propriety issues. This should include all findings - both positive and negative findings. The Audit Findings Matrix has to be prepared for each audit unit.

Audit Findings Matrix				
Audit objective /Sub objective	Audit questions on selected subject matters	Criteria	Audit Evidence	Conclusions

Documentation

5.15 Documentation of audit evidence supports audit conclusions and confirms that the audit was carried out in accordance with relevant standards. CAGs Auditing Standards on Audit evidence state that

Auditors should adequately document the audit evidence in working papers, including the basis and extent of planning, work performed and the findings of audit. Working papers should contain sufficient information to enable an experienced auditor, having no previous connection with the audit, to ascertain from them the evidence that supports the auditor’s significant findings and conclusions.

5.16 The **Standards** further add that “Adequate documentation is important for several reasons. It will

- confirm and support the auditor’s opinion and report;
- increase the efficiency and effectiveness of audit;
- serve as a source of information for preparing reports or answering any enquiries from the auditable entity or from any other party;
- serve as evidence of the auditor’s compliance with Auditing Standards;
- facilitate planning and supervision; and
- provide evidence of work done for future reference”

5.17 Documentation should take place throughout the entire audit process. The confidentiality of documentation should be maintained and they should be retained for a period sufficient to meet the professional, legislative and legal requirements as mentioned in para 2.8 of Chapter 2 of the guidelines.

5.18 Documentation in compliance audits should comprise

- (a) Audit file and
- (b) Working papers.

The Audit file for each compliance audit may include documentation relating to the audit strategy, scope and methodology, sample selection, nature and timing of planned audit procedures, audit design matrix, supervision and monitoring the progress and quality of audit, audit findings matrix, conclusions reached and the significant professional judgements made in reaching those conclusions. Audit file may also include discussions of significant matters with management, those charged with governance and others.

Audit file, maintained in one or more folders or other storage media in physical or electronic form, therefore contains documents that summarises the specific compliance audit engagement. Audit file should be properly indexed, referenced with and supplemented by the set of working papers.

Working papers for each compliance audit comprise of all documents collected during the field audit process. They include the documents relating to the nature timing and extent of audit procedures that were performed by individual members of the audit team, details of contracts/ agreements that were examined etc, evidences that were gathered, evaluation of evidences, consideration of written responses from responsible officials of the auditable entities, supporting key documents and the process of arriving at the results of audit procedures – audit findings and conclusions. The working papers could also be in one or more folders and should be similarly indexed and referenced. Working papers serve as a link between the field work and the audit report and should therefore be complete and appropriately detailed to provide a clear trail of audit.

5.19 Some of the broad characteristics of working papers are set out below:

- Completeness and accuracy: Provide support to audit conclusions.

- Clarity and conciseness: Facilitates understanding the entire audit process without need for any supplementary examination.
- Legibility and neatness : Applies particularly to photocopies.
- Relevance: Working papers should be restricted to matters, which are important, pertinent and useful for the intended purpose.
- Ease of reference: Working papers may be organised in volumes in a manner that facilitates easy reference. An omnibus, easy to follow, index may be created for all the volumes with a proper narration to broadly explain their contents. Each of the volumes may further be internally indexed.
- Ease of review: Working papers should contain cross references to audit memoranda, discussion papers, audit observations, field audit report and the compliance audit report as the case may be to enable Accountants General and supervisory officers to link the working papers to audit findings and conclusions.
- Complete audit trail of analysis: Working papers should provide a complete trail of the audit procedures performed, evidence that were gathered and evaluated, audit findings and conclusions that were drawn. This should contain evidence for positive findings as well.
- Documentation of significant audit findings.

Communication with the auditable entity

- 5.20 Good communication with the auditable entity throughout the audit process will help make the process more effective and constructive. Communication takes place at various levels and at various stages – during initial planning, conduct of audit and reporting as mentioned in para 2.9 of Chapter 2 of this guidelines, which should be retained for future reference. During planning phase – the audit strategy, suitable audit criteria and other elements of planning should be discussed with the appropriate level of management and those charged with governance. Regular interaction needs to be maintained throughout the audit conduct phase – to make enquiries of relevant persons, communicate any significant difficulties being encountered in audit and significant instances of non-compliance to the appropriate level of management or to those charged with governance.
- 5.21 Audit teams should also hold entry meeting(s) with the heads of audit units before the commencement of audit. During these meetings, the audit team should explain the purpose, objectives of audit, timelines and cooperation expected from the head of the audit unit. Similarly at the close of audit, the audit team leader or the Group officer in charge should also hold an exit meeting with the officer in charge of the audit unit to discuss the audit findings and request responses. The minutes of the exit meeting should be prepared and shared with the audit unit and acknowledgement requested.
- 5.22 If auditors come across instances of non-compliance, which may be indicative of unlawful acts or fraud, due professional care and caution needs to be exercised so as not to interfere with the potential future legal proceedings or investigations and respond appropriately as mentioned in para 2.15 of Chapter 2 of the guidelines. Auditors may communicate their findings to the appropriate level of Management or to those charged with governance and then follow up to ascertain whether appropriate action has been taken.

6. Reporting compliance audits

CAG's Regulations on Audit and Accounts, 2007 (Regulation 205) state that the form, content and time of submission of audit reports shall be decided by the CAG.

- 6.1 Reporting is an essential part of any audit as through this process the results of audit are presented to the intended users on the responsible party's compliance with the stated criteria. Compliance audits involve reporting the deviations from the applicable criteria and violations of the applicable rules, regulations etc., so that corrective actions may be taken, and those responsible for such deviations or violations could be held accountable for their actions.
- 6.2 Auditors should consider materiality for reporting purposes and adhere to the principles of completeness, objectivity, timeliness and contradictory process while reporting.
- The principle of completeness requires the auditor to consider all relevant audit evidence before issuing a report;
 - The principle of objectivity requires the auditor to apply professional judgement and scepticism in order to ensure that all reports are factually correct and that findings or conclusions are presented in a relevant and balanced manner;
 - The principle of timeliness implies preparing the report in due time; and
 - The principle of a contradictory process implies checking the accuracy of facts with the apex auditable entity and incorporating responses from responsible officials as appropriate.

Forms and Content of Reports

- 6.3 The top down, risk based approach to conducting compliance audit, as described in earlier chapters, is envisaged to provide a department centric view of the extent of compliance. As the compliance audit involves evaluation of both regularity and propriety aspects, as discussed in earlier chapters, Auditors are required to report results of audit on both these aspects. The audit findings on the selected specific subject matter are to be relied upon for providing the audit conclusion on the extent of compliance. Other audit findings noticed during the conduct of audit are to be reported separately.

As the compliance audit is conducted at various levels of the organisational hierarchy and needs to be reported to the responsible party, those charged with governance, and the legislature, the form of reports to present compliance audit findings and conclusion would have to address these perspectives. Therefore, Auditors shall present the results of compliance audit in the following reports.

- **Inspection Report**
- **Departmental Appreciation Note⁶**
- **Compliance Audit Report**

Inspection Reports⁷

- 6.4 On completion of audit, an Inspection Report presenting all the findings – both positive and negative – shall be issued within 30 days of completion of audit to each of the selected Audit Units with a copy to the corresponding next higher level in the organisational hierarchy and to the lead team if constituted. The findings pertaining to implementing units shall be included in the Inspection Report of the respective Audit Units. A period of four weeks may be allowed to the Audit Units to provide responses to the audit findings contained in the Inspection Report.

6.5 The Inspection Report of an audit unit should provide a perspective of the unit level compliance and may comprise the following parts:

- **Part I – Introduction-** This part may commence with an overview of the audit unit and may provide its functional/geographical jurisdiction, budget, financial performance and a perspective of the relative significance of the unit in the overall hierarchy of the department in pursuit of organisational goals. This may be followed by a brief explanation of the scope of audit, the sampling procedure followed and the audit sample – including the implementing units, the subject matter(s) selected and the sources of criteria that have been adopted to evaluate the selected subject matter(s). It may indicate that the audit has been conducted in accordance with the applicable Auditing Standards of CAG.

Part II – Audit findings—This part shall contain all findings – both positive and negative findings that pertain to the audit unit and may be arranged in two distinct parts - Part IIA and IIB - the first part comprising significant audit findings relating to evaluation of the regularity related subject matter(s)/ specific subject matter(s) and propriety related subject matters and the second part – IIB comprising other incidental findings relating to both regularity and propriety aspects. The audit findings should be organised in decreasing order of materiality and significance, if possible.

Presentation of audit findings shall conform to the Auditing Standards and other reporting principles enunciated in this chapter and clearly bring out the applied criteria, the results of evaluation of the subject matter against the criteria highlighting the cause and effect relationship. Audit findings may also appropriately indicate the extent of non-compliance and whether they involve systemic issues or represent isolated cases of non-compliance.

⁶ Where considered necessary

⁷Even though compliance audits conducted in accordance with these guidelines are not in the nature of an inspection, the existing terminology of Inspection Report is continued because of its historical import.

- **Part III – Follow up on findings outstanding from previous reports**– This part may indicate the progress of settlement of audit findings outstanding from previous Inspection Reports and list out the findings that continue to be outstanding.
- **Part IV– Best practices** – Any good practices or innovations, if noticed, during the course of audit may be mentioned.
- **Part V – Acknowledgement**– This part may contain the acknowledgement of the extent of audit units’ cooperation in all matters including production of records called for in Audit. It may also contain details of persons holding the leadership positions in the audit units.

6.6 The responsibility of drafting the Inspection Reports shall vest with the respective audit team and that of review and approval with the respective Group Officer in field offices.

Departmental Appreciation Note

6.7 A Departmental Appreciation Note may be issued to the Apex Auditable Entity (Department/ Sector) where a specific subject matter has been selected to assess the extent of compliance from a departmental perspective or the Accountant General intends to draw attention of the executive towards system weaknesses etc. A consolidation of audit findings presented through the Departmental Appreciation Note would enable appreciation of both the audit findings that form the basis for Auditor’s conclusion on compliance by departments as well as the audit findings that would feature as standalone findings. The Departmental Appreciation Note shall be issued to the Head of the Department typically the Principal Secretary, for initiating remedial measures with a copy provided for information to the Secretary Finance, Chief Secretary - the next higher level charged with governance and to Headquarters Office.

6.8 The Departmental Appreciation Note may comprise the following features:
Title: Departmental Appreciation Note on compliance audit of (name of the Apex Auditable entity)

Introduction: This part may commence with a broad overview of the Department, the organisational goals, governance structure, jurisdiction, and challenges of the Department, financial and operational performance, which may be followed by a broad description of the high risk areas and the related internal controls to enable the responsible party/intended users to appreciate the factors that were considered by auditors while selecting the area for compliance audit during the year.

Objectives and scope: A brief explanation of the objectives and scope of audit should be provided.

Audit findings: This part shall contain all significant audit findings – both positive and negative findings aggregated from all audit units and may be arranged in two distinct sections – the first section comprising audit findings relating to evaluation of the

selected subject matter(s), and the second section comprising audit findings on other subject matters and other incidental findings

These findings may be organised in decreasing order of materiality and significance. The audit findings included in the Departmental Appreciation Note, which could potentially feature in the next level of reporting through the Compliance Audit Report (discussed in para 6.10 to 6.12 below) should be clearly indicated to the responsible party.

Conclusion: Depending upon the extent and pervasiveness of compliance of the selected subject matter observed during audit, auditors may provide conclusion of compliance of the selected subject matter with the applied criteria. Further based on the veracity and pervasiveness of findings relating to adherence of sound financial management principles and ethical conduct and other findings, Auditors may conclude, as appropriate, on the efficiency and effectiveness of internal controls in the areas audited.

Acknowledgement: This part may contain acknowledgement of the extent of Department's cooperation in all matters including production of records.

- 6.9 The responsibility of drafting the Departmental Appreciation Note may vest with the Audit team and that of approval with the Accountant General in field offices. In cases where multiple teams were deployed for audit of an Apex Auditable Entity and a lead team has been identified for conduct of compliance audit, lead team may draft and finalise the Departmental Appreciation Note, for approval by the respective Accountant General.

Compliance Audit Report

- 6.10 The Compliance Audit Report represents the last phase of reporting the results of compliance audits and shall feature significant audit findings which require the attention of the legislature and other intended users including the public at large. Presently, the significant audit findings that could potentially feature in the Compliance Audit Report are communicated to the Apex Auditable Entity by issuing Draft Paragraphs and/or Statement of Facts. The significant audit findings would therefore emerge from the Inspection Reports, Draft paragraphs, Statement of Facts and from the Departmental Appreciation Notes containing conclusion if any on a specific subject matter, which shall be carried forward for reporting in the form of a Compliance Audit Report of the CAG of India.

To ensure objectivity of the audit findings and conclusions of the Compliance Audit Report, confirmation of facts and figures by the Apex Auditable Entity and incorporation of responses of the responsible party is very crucial. Auditors shall therefore ensure that facts and figures are accepted by the Apex Auditable entity and shall pursue responses from the Apex Auditable Entity.

- 6.11 The responsibility of preparing and ensuring the quality of the Compliance Audit Report before it is submitted to CAG for approval would be with the head of the field audit office.
- 6.12 The Compliance Audit Report could be brought out as a separate Audit Report or

alternatively could be included as distinct Chapter(s) in a consolidated Report with findings of other types of audit. The decision with regard to the manner of featuring the compliance audit report shall vest with the respective DAI/ADAI.

Follow up

- 6.13 A follow up process facilitates the effective implementation of corrective actions and provides useful feedback to the Apex Auditable Entity/ audit units and at the same time facilitates the auditors to plan future audits. The need for follow up will vary with the nature of non-compliance and the particular circumstances. While some findings pointing out deviations from authorities and violations of principles of sound financial management may have to be followed up at the audit unit level the audit findings warranting systemic changes may have to be followed at higher levels of the organisational hierarchy. Further some findings may be fully/partially accepted by the apex auditable entity/ audit units while there may be findings that have not been accepted by the apex auditable entity/ audit units.
- 6.14 The following process shall be adopted by field offices for follow up of audit findings and conclusions included in the Inspection Report and the Compliance Audit Report:

Inspection Report

The outstanding paragraphs of previous Inspection Reports shall be reviewed during the conduct of audit and their status included in the current Inspection Report as envisaged in para 6.5 above. The responses to paragraphs included in the Inspection Report shall be pursued by regular reminders to the respective audit units. There shall be a regular interaction with the Departmental Audit Committees⁸ to review and settle old paragraphs as per extant orders.

Compliance Audit Report

The receipt of explanatory notes/ Action Taken Notes (ATNs) to the paragraphs that have appeared in the Compliance Audit Reports shall be monitored in all field offices and Heads of Department shall be impressed upon to send explanatory notes/ATNs within the prescribed time frame as per extant orders.

Accountants General may encourage the Heads of Department to send suo moto replies to all observations which have appeared in the Compliance Audit Reports but have not been discussed by the Public Accounts Committee/Committee on Public Undertakings.

⁸ Departmental Audit Committees are constituted in all Departments of the Government headed by the Secretaries of the respective Department