

FOR INTERNAL USE IN INDIAN AUDIT AND ACCOUNTS DEPARTMENT ONLY

**MANUAL OF CENTRAL AUDIT
VOLUME II
GAZETTED AUDIT
(SECOND EDITION)**

ISSUED BY:

**THE PRINCIPAL ACCOUNTANT GENERAL (C&CA), KERALA,
THIRUVANANTHAPURAM**

Preface

This is the second edition of the Manual of Central Audit – Vol II – (Gazetted Entitlement) issued in accordance with Paragraph 2.2 of the Comptroller and Auditor General’s Manual of Standing Orders (Administrative), Vol. I.

The instructions in the Manual are supplementary to those in various codes and Manuals issued by the Government and the Comptroller and Auditor General of India. All members of the office are expected to be conversant with the contents and procedures laid down in this Manual.

The responsibility for keeping this Manual up to date rests with Integrated Audit Unit II Section in charge of Gazetted Entitlement Audit and for this purpose that section should issue correction slips from time to time in consultation with the Co-ordination Section (Audit) wherever necessary.

Suggestions for improvement are welcome.

Sd/-

Thiruvananthapuram

Dated 13.11.2009

S. NAGALSAMY

Principal Accountant General (C&CA), Kerala

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CHAPTER I

CONSTITUTION, CONTROL AND DUTIES

1.01. Introduction

The Comptroller and Auditor General of India derives his authority and functions mainly from the provisions of Articles 149 to 151 of the Constitution of India. Article 149 provides that the C&AG of India shall exercise such powers and perform such duties in relation to the accounts of the Union and the States and of any other authority or body as may be prescribed by or under any law made by the Parliament. Parliament passed the necessary legislation namely the C&AG's (Duties Powers and Conditions of Service) Act, which came into force w.e.f 15th December 1971. The duties entrusted to the C&AG under the provisions of this Act fall broadly under two categories, namely those relating to (i) compilation and keeping of accounts and (ii) audit. Sections 10 to 12 of the Act deal with the responsibility of C & AG in relation to compilation of accounts of the Union and the State, while Section 22 enables the Central Government to make rules after consultation with the C&AG for carrying out the provisions of the Act in so far as they relate to maintenance of accounts. The provisions relating to audit are embodied in the Sections 13 to 21 and 23 and 24 of the Act.

[Paras 1.1.1, 1.1.2, 1.1.3 of M.S.O. (Audit)]

Consequent on restructuring of the offices of the State Accountants General w.e.f 1st March 1984, the A & E functions and Audit functions are discharged by separate Accountants General. A section in A & E office, generally called as General Treasury Section or group receives the district accounts of all treasury transactions. Another section called Works Accounts section or group receives the monthly accounts from Public Works Offices, while the monthly accounts rendered by Forest Offices are received in yet another section or Group. A fourth section or group attends to the issue of advices to the bank for adjustment between the balances of Central and State Government. The documents received from treasuries are checked and passed on to the departmental compilation section for detailed compilation and preparation of the monthly classified abstract. Similarly, from departmental

accounts received, Departmental classified abstract are prepared monthly. Thereafter the schedules and vouchers are sent to the sections concerned for posting in prescribed registers and ledger cards. Posting of vouchers in GE Sections has been discontinued w.e.f 8.5.2007. The other documents which are to be disposed of by the compiling sections are filed in those sections.

[Para 3.1.1, 3.1.2 of M.S.O (Audit)]

1.02. Audit Objectives and Scope

The primary objectives of Central Audit are to

1. Check whether vouchers are in the prescribed form and have been prepared according to the extant rules.
2. Scrutinize whether the rules and orders issued by Government themselves are intravires
3. Examine whether the contract agreements are definite and precise and are based on standard practices.
4. Examine whether the sanctions have been issued by the competent authority.
5. Check the monthly accounts and related schedules were received from the Public Works and Forest divisions and
6. Check whether traveling allowance, medical, establishment and other bills are arithmetically correct and conform to the relevant rules and regulations.

Subject to the relevant provisions of the DPC Act, the Principal Accountant General is responsible to the C & AG for the audit of all transactions which are brought to account by the AG (A & E) and by the departmental accounting authorities.

[Para 3.1.3, 3.1.4 of M.S.O (Audit)]

CHAPTER II

GENERAL PRINCIPLES

2.01. Gazetted Officers

There is no precise definition of the term Gazetted Office. The conditions of service of the State Government employees are prescribed in the various rules, mainly the K.S.R, K.S.S.R special rules and orders issued there under. Subsidiary rules called Special Rules have also been issued by the Government in respect of several departments. The special rules give among other things, name of the post, qualification for appointment to the post, method of appointment, recruitment to the post, period of probation etc. The general rules and special rules classify the employees broadly into two classes viz. State service and subordinate service. The posts included in the State Service are deemed to be gazetted posts and those in subordinate service, non-gazetted posts and holders of state service posts in a cadre capacity are Gazetted Officers. Those holding a post in revised scale of Rs 10,790-11,910 introduced in Eighth Pay Revision dated 25th March 2006 are deemed to be Gazetted officers. Also officers specifically declared as Gazetted by the government are treated as Gazetted officers. Personal staff of ministers etc, recruited from outside and appointed in a post carrying a scale of pay of Rs 10,790 -11,910 are deemed as Gazetted Officers.

2.02. General

The General principles and process to be followed in Gazetted audit are detailed in the C&AG's M.S.O (Audit) Chapter 2.

Claims preferred by the gazetted Government servants fall mainly under the following categories.

- i. Pay
- ii. Travelling Allowance
- iii. Compensatory Allowance and Honorarium
- iv. Advances [pay, purchase of conveyance , PF etc]
- v. Medical reimbursements

The audits of these categories of claims are mainly conducted with reference to the rules and regulations governing their conditions of services framed by the competent authorities.

2.03. System of Payment

Payment to gazetted Government servants is arranged either at treasury (authority being issued to the Accounts Offices concerned for authorizing the treasury in case where treasury is not within the jurisdiction of AG(A&E) or through disbursing officers like Public Works, Forest Divisional Officers. In case of departments having a separate Pay and Accounts Offices, by the PAO concerned.

In the case of gazetted officers whose pay and allowances are authorized to be drawn in regular establishment pay bills without an authority from any of the above mentioned authorities, the pay, leave salary and allowances, advance etc. are drawn and disbursed by the respective heads of offices. In other cases, specific authorization in the form of pay slips from any one of the above mentioned authorities regulate payments at treasuries or banks. The connected records like, history of services, leave accounts, personal files, LPCs etc. are maintained by respective authorities.

[Para 3.2.1 to 3.2.3 of MSO (Audit)]

2.04. Audit objectives and scope

The objectives of audit are to ensure that

- i. The claim is against the sanctioned post to which the Government servant has been appointed and of which he is actually in charge and is carrying on his duties and responsibilities.
- ii. The claim is in order and is admissible according to the financial rules applicable to the claimant.
- iii. The claim as admissible has been adjusted expeditiously in the initial accounts maintained by the drawing and disbursing officer and booked in the Classified Accounts to be rendered to the treasury, PAO or Accounts Officer, as the case may be and wherever applicable and

- iv. The claim is a legitimate charge for which funds have been provided.

[Para 3.2.4 of M.S.O (Audit)]

2.05. Source Documents

The important source documents to be checked by audit are the following

- i. Pay slips and other similar authorizations issued by the competent authorities, Last Pay Certificates, Sanctions in respect of Dearness Allowance and other Allowance issued from time to time by the competent authorities, history of services and personal files, in respect of audit of pay bills.
- ii. Sanctions of the competent authorities to tour programmes, pay entitlements as reflected in the relevant authorization. TA claim register, budget allotment files etc. in the case of audit of traveling allowance claims.
- iii. Service books.
- iv. Leave accounts.
- v. Sanctions to payment of fee, honoraria or other compensatory allowances.
- vi. Register of reimbursement of medical expenses to gazetted officers.
- vii. Gazetted Payment Registers.

[Para 3.2.7 of M.S.O (Audit)]

2.06. Audit Approach

Audit has to provide assurance that claims preferred are in accordance with the entitlements and rules in force. If, during a sample check in audit, the incidence of incorrect application of financial rules and other irregularities are found significant, the approach of substantive testing, namely check of all claims should be adopted so as to be in a position to conclude that the irregularities are wide spread and not confined only to one or two individual cases. This approach should then be extended to other auditee units of

Department both horizontally and vertically to gain assurance on the extent of the irregularity.

[Para 3.2.8 of M.S.O (Audit)]

2.07. Duties and responsibilities of Central Audit Parties (Gazetted Entitlements)

The duties and responsibilities of the members of C. A. P are broadly outlined as follows:

a. Assistant Audit Officers

- i. Co-ordination and General supervision of work of audit parties.
- ii. Selection of vouchers for audit and review.
- iii. Review of vouchers audited by Senior Auditors/Auditors.

b. Senior Auditors/Auditors

- i. Audit of TA bills including LTC bills of gazetted officers.
- ii. Audit of Medical reimbursement bills of gazetted officers.
- iii. Audit of advance bills of gazetted officers.
- iv. Listing of vouchers for audit/review and cases for checking.
- v. Audit of pay bills of gazetted officers.
- vi. Audit of other miscellaneous vouchers not specifically listed.
- vii. Any other routine work or other work entrusted by Assistant Audit Officer.

[Annexure 1 to Chapter 3 M.S.O (Audit)]

Each member of Central Audit Party, including the Assistant Audit Officer will be individually responsible for the duties entrusted to him. Normally, auditors should be able to finalise audit memos on their own, however, they may seek the guidance of Assistant Audit Officer on important or doubtful cases.

The Assistant Audit Officer should determine the extent of independence to be allowed to each member of the party with reference to his experience, qualities and capacity to act independently. Final audit memos will be sent to IAU Section, only after the Assistant Audit Officer has vetted them.

The Assistant Audit Officer will ensure that all members of the Central Audit party perform their duties promptly, regularly and efficiently. Besides selecting, on the spot, the vouchers and records to be audited and reviewed, he will be responsible for the audit as a whole, guiding the staff under him and always keeping himself posted with the progress of audit

[Para 3.1.16, 3.1.17, 3.1.18, 3.1.19 of MSO (Audit)]

2.08. Time Schedule for audit

As a general rule, Central Audit of vouchers pertaining to a month should be conducted as soon as the monthly accounts are closed. Any departure from this general instruction is permissible only in special circumstances and with express sanction of Principal Accountant General.

[Para 3.1.9 of M.S.O (Audit)

The AG (A & E) and Principal Accountant General are expected to work in close co-ordination and co-operate mutually in conducting the Central Audit Work entrusted to the latter, having regard to the common objective of improving efficiency, effectiveness and timely performance of the functions entrusted to them. Where voucher level computerization is introduced, the output data available in various packages, satisfying the requirements of audit scrutiny should be made use of fully. This will help in analysing the nature of payments and in identifying the broad areas of irregularities. Based on such analysis, further decisions could be taken in regard to the sample size of vouchers under the respective categories for detailed audit scrutiny. Statistical sampling techniques should be adopted to facilitate an objective approach in audit.

[Para 3.1.13, 3.1.14 of MSO (Audit)]

Issues for audit scrutiny

2.09. Audit of Vouchers

Adherence to the following requirements should be verified in the course of detailed audit of vouchers in support of payments.

- i. The vouchers should be in the prescribed form, in original and duly acknowledged by payee in token of receipt.
- ii. Vouchers should be numbered with reference to the schedule of list of payments, schedule dockets or other accounts as the case may be
- iii. Individual amounts detailed in the vouchers should add up to the totals and totals indicated in both words and figures
- iv. The voucher should bear a pay order signed by the treasury officer where the vouchers are encashed at treasuries, or by the disbursing officer concerned in other cases. In cases, where payment is made in a bank, the voucher should contain the pay order of the authorized, Government officer, where required under the rules.
- v. Stamps bearing the word 'Paid' should have been affixed on the vouchers.
- vi. There should be no erasures on the vouchers and the officer concerned should have attested individually all corrections and alterations on every occasion that they were made.
- vii. No payment should have been made on a voucher or order signed by a subordinate instead of the head of the office himself or on a voucher or order on which only a facsimile signature has been stamped/ affixed. The sanctioning authority or a gazetted Government servant duly authorized for the purpose should have also certified all copies of sanctions.
- viii. A treasury voucher paid by transfer should be stamped as having been so paid, the head of account to which it has been credited should also have been noted on the voucher.

- ix. The deductions on account of subscription to PF & Income Tax should have been made wherever applicable
- x. No bills pertaining to pay and allowance, not claimed within one year of its becoming due (or such other period as may be prescribed in this behalf) should be admitted without sanction of AG (A & E) in cases where the rules of Government so prescribe.

[Para 3.1.20 of M.S.O (Audit)]

After audit, the voucher or account concerned should be en faced with the word 'Audited' in red ink over the initials of the person who conducted the audit.

[Para 3.1.21 of MSO (Audit)]

CHAPTER III
AUDIT PROCEDURE

3.01. Receipt of Vouchers

As per GE Sectional Order No.GE 1/A/15-369/Posting/2008-09/Sectional Order No.38 dated 02.02.09, a G.E Voucher management group has been formed to deal with all matters relating to GE vouchers. Monthly GE vouchers shall be received by the group, from DAE/VLC sections including branch offices. After indexing serially, these shall be transferred to audit on requisition. On completion of audit, vouchers shall be returned to section for bundling, indexing and transferring to old records.

3.02. Audit by IAU/CAP

i. The Central Audit work will be carried out every month by Central Audit Parties. IAU II shall Co-ordinate and pursue all supporting functions like drawing up audit programmes of the parties, issue of audit certificates to A & E Sections concerned, auditing sanctions follow up work like maintaining objection books, selecting potential material for Audit reports etc.

Note : Transmission of vouchers from one office to another is likely to result in their loss or misplacement. The vouchers should not, therefore be taken to the office of the Principal Accountant General for conducting Central Audit.

[Para 2.1 of MICA]

ii. Copies of sanctions issued by the Government and subordinate authorities will be received by IAU II section where they will be examined in accordance with the relevant provisions of M.S.O (Audit). Objections arising out of audit of sanctions should be communicated to the department concerned with a copy to the Accountant General (A & E) and their settlement closely watched.

iii. There should be close co-ordination between IAU II section and Central Audit Parties under it. The results of scrutiny of all sanctions should be made readily available to the latter before actual central audit of transaction takes place. It is the duty of the IAU II section to supply the relevant sanction

files along with important points to Central Audit Parties when such parties take up audit.

iv. Each member of Central Audit Party including the Assistant Audit Officer shall be individually responsible for the duties entrusted to him. Normally auditors should be able to finalise audit memos on their own; but on important or doubtful cases, they may seek the guidance of the Assistant Audit Officer.

Note : The Assistant Audit Officer should determine the extent of independent action to be allowed to each member of the party with reference to his experience, quality and capacity to act independently. Finally audit memos will be sent to IAU II Section only after they are vetted by AAO.

v. Assistant Audit Officers in charge of the Central Audit Party will ensure that all members of the party perform their duties promptly, regularly and efficiently. He will be responsible for the audit as a whole guiding the staff under him and always keeping himself posted with the progress of audit.

vi. The selection of vouchers and records to be audited and reviewed will be made by the Assistant Audit Officer in charge of the Central Audit Party on the spot. The selection register shall be sent to relevant IAU section along with completion certificates and the audit memos/notes. Form of audit certificate (Certificate of completion of audit) is given as Annexure I.

[Para 2.7 of MICA]

3.03. Submission of Voucher for Review

The vouchers after audit should be submitted to the Assistant Audit Officer who will review all the vouchers required to be reviewed and pass the objections on the vouchers.

The Assistant Audit Officers while reviewing the audited vouchers should note the particulars of the documents reviewed in the column 'documents' and enter against each item important errors, serious omissions irregularities etc. noticed during the review. It is the duty of the reviewing officer to make sure that all the documents are submitted to him for review. In addition to the prescribed quantum of review, all vouchers on which

objections have been raised must also be reviewed by reviewing officer. In the review register, the reviewing officer should record whether in his opinion audit done is satisfactory or not.

The auditors' replies to the remarks in the review register with the further remarks of the reviewing officer should be submitted to IAU II.

After audit and review are over, the Central Audit Party will forward the selection Register, the completion certificate and the audit notes/memos (in triplicate) to the IAU II who will thereafter deal with the audit notes/memos and all subsequent correspondence. After scrutiny and editing of the audit notes/memos where necessary, the IAU section will send them in convenient batches every month to the officers/departments concerned with a copy to the AG (A & E)

[Para 3.1.30 of MSO(Audit)]

CHAPTER IV
AUDIT OF GAZETTED ENTITLEMENTS

4.01. Introduction

Pay and allowances of government servants may be broadly classified into

- a. **Effective charges:** ie. charges incurred while the officers are actually on duty.
- b. **Non- Effective charges:** ie. Charges incurred, while officers are not on active duty but on training/leave/ transit/under suspension etc.

The audit conducted in respect of these claims is based on the following documents.

- i. Orders creating the post
- ii. Orders regarding appointment, leave, transfer, training etc. and
- iii. Certificates or reports when charges of a post has been assumed, relinquished or resumed.

4.02. a. Effective charges

As regards effective charges, important points to be looked into during the course of audit are :

- i. that the post in respect of which pay and allowance are claimed has been duly sanctioned by competent authority and the period of claim is covered by such sanctions.
- ii. That the government servant is entitled to the pay and allowances claimed, by being duly appointed to the post and by actually holding for the entire period for which the pay and allowance are claimed.
- iii. That the pay and allowance claimed are at the rates admissible under the rules or sanctioned by special orders of competent authority.
- iv. That the requisite documents in support of deductions accompany the bill and

v. That the pay and allowance are not allowed beyond the age at which the Government servant is required to retire by the rules, for the period, of any, by which his service has been extended by competent authority.

b. Non-Effective Charges

In respect of non-effective charges, important points to be looked into are :

i. that the absence from duty is warranted by the rules in the service regulations.

ii. that the period of actual absence does not exceed what is permissible under the rules or regulations in force and has been sanctioned by competent authority; and

iii. that the allowances claimed are at the rates warranted by the rules in the service regulations or other rules issued by competent authority.

4.03. Verification of claims

The rates claimed in Gazetted officer's bill should be compared with those shown in the money columns in the entitlement register. It should be seen that no pay and allowances is drawn for any period subsequent to the date on which the terms of the post expires or on which the government servant is to quit service or for any period up to which pay and allowances have been disbursed to him, according to the Last Pay Certificate.

4.04. Overstay of leave or joining time

An officer is not entitled to pay and allowances during the period of overstay of leave or joining time unless the period is regularized as leave or joining time as the case may be under orders of competent authority. For admitting the claims for such periods in audit, it should be verified with reference to the postings of charge certificates and other orders, that overstays have been regularized.

4.05. Issues for audit Scrutiny

a. Pay and allowances

In cases where the pay and allowances of gazetted officers are drawn in regular establishment pay bills by the heads of offices, the procedure prescribed for audit of establishment pay bills will be followed mutatis mutandis for the audit of pay bills relating to such gazetted officers.

In all other cases, audit will essentially consist in verifying.

- i. the title of Government servant to the pay drawn by him
- ii. that the pay has been claimed against a duly sanctioned post to which the Government servant has been appointed and of which he is actually in charge and the amount claimed is admissible as per rule;
- iii. that the necessary sanction of funds have been subsequently received in cases where payment have been allowed by the District Magistrate under the provisions of State Treasury Rules in the absence of the relevant sanctions or provisions of funds.
- iv. that no pay has been admitted for a Government servant beyond the date of his attaining the age of superannuation or on the expiry of a term of extension of service sanctioned by competent authority.
- v. that the amounts drawn are in accordance with the payments authorized.
- vi. that the bill is supported by a medical certificate in case of first appointment
- vii. that except in case of first appointment, every first payment to an individual by a Disbursing Officer is supported by a Last Pay Certificate.
- viii. that income tax has been deducted and other recoveries have been made in accordance with rules.
- ix. That in the case of a Government servant on leave, who does not personally receive payment of leave salary, a life certificate is

attached to the bill or the bill is endorsed to a well known bank or agent who has executed a general bond of indemnity for the refund of any over payment and

- x. that the payments are recorded in the Gazetted Entitlement Register.

[Para 3.2.9 and 3.2.10 of M.S.O (Audit)]

4.06. Pay Fixation

In cases where Accountant General (A & E) is responsible for the discharging of functions relating to the entitlement of gazetted officers, their pay is fixed by his office on first appointment or on appointment to a new post on a different scale of pay or when the scale of pay of posts held by the officers is revised. In other cases, pay fixation in similar circumstances is done by Head of Office or by the Accounts Officers concerned in the department having separate Accounts organization. It should be verified in audit that pay fixation in the latter cases has been done correctly in accordance with rules applicable in each cases.

[Para 3.2.11 of M.S.O (Audit)]

4.07. Compensatory Allowances, Fees and Honoraria

In auditing sanctions to the grant of any compensatory allowance, fee or honoraria to Government servants, the following general conditions should be kept in view.

- i. unless otherwise distinctly provided, the whole time of a Government servant is at the disposal of the Government which pay him and he may be employed in any manner required by proper authority without any claim for additional remuneration whether the services required of him are such as would ordinarily be remunerated from the Consolidated Fund of India, or of a State or of a Union Territory Administration or from a Local Fund.

- ii. The authority granting or permitting a Government servant to receive any honorarium or fee is required to pay due regard to the principle enunciated above and to also record reasons justifying the grant of additional remuneration to the Government servant concerned.

iii. The amount of compensatory allowance is to be so regulated that it is not on the whole a source of profit to the recipient.

[Para 3.2.12 of M.S.O (Audit)]

4.08. House rent and other compensatory allowances

Eligibility to House Rent and other compensatory allowances are determined with reference to the rules and orders relating to them. It should be seen in audit that :

- i. the amounts drawn are in conformity with the rules and orders and
- ii. the claims are supported by the prescribed certificates, if any.

[Para 3.2.13 of M.S.O (Audit)]

4.09. Reimbursement of expenditure on Medical attendance

Gazetted Government servants who draw their pay and allowances on the basis of the authorizations issued by the AG (A & E) draw their claims relating to re-imburement of expenditure incurred on medical attendance and treatment in salary bills without any prior authority from the Accountant General. In scrutinizing these bills in audit, it should be verified that

- i. the claims are in accordance with the rules and orders of Government and
- ii. they are duly supported by proper certificates receipts and vouchers.

[Para 3.2.14 of MSO (Audit)]

4.10. Travelling Allowance Bills

The following should be looked into by Audit in the audit of travelling allowance bills.

- i. The journey was necessary and authorized by general or special orders of 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.

The responsibilities for the scrutiny of travelling allowance bills are shared between the Controlling Officers and the Audit Officers because some of the checks prescribed above cannot be independently exercised by the Audit Officers. 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.

In majority of cases, counter signature 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 counter signature by the proper authority, or the signature of the drawing officer, when a bill does not require counter signature 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 the bills have been scrutinized properly by these officers.

In cases where the mode of travel, class of accommodation, rates of daily allowance etc. are determined on the basis of 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.

[Para 3.2.15, 16, 17, 18 of M.S.O (Audit)]

4.11. Passage Concessions

Gazetted Officers who are entitled to passage concessions will broadly fall under the following categories.

- i. Officers entitled to passage concessions under certain State Government rules

- ii. Officers of the Indian Foreign Service and other members and staff serving in Indian missions and posts abroad who are entitled to Home leave Passage and Children's Holiday passages and
- iii. Contract Officers entitled to passages under the terms of their contract.

The passage accounts are maintained by the Accounts Officers. Audit of claims relating to these concessions should be undertaken with reference to the terms and conditions governing their admissibility prescribed in relevant rules or the contracts.

[Para 3.2.19 of M.S.O (Audit)]

CHAPTER V

QUANTUM OF CENTRAL AUDIT AND REVIEW

5.01. The quantum of Central audit to be followed will be the same as was in force prior to the re organization of offices, except to the extent indicated in the Manual of Instructions for Central Audit and the Manual of Standing Orders (Audit).

8 1/3 % of pay fixation cases of Gazetted officers are to be checked vide Annexure 6.2.1 of Manual Instructions for Central Audit. The check will however be limited to cases of fixation in different scales of pay vide Headquarters letter No.1525/TA/1/199-83-KW (VII) dated 24.11.1984.

Current review by Assistant Audit Officer is limited to 10 *per cent* of each Auditor's work. Post review has been discontinued. The relevant provisions of C&AG's Secret Memorandum of Instruction regarding the extent of Audit stand modified accordingly.

CHAPTER VI
MISCELLANEOUS

6.01. Test check of rent statements

The rent statements in respect of Government residential buildings occupied by Gazetted Officers received for check of pay etc. of the officers as shown therein should be checked by the auditors who audit the pay and allowances of the officers included therein, with reference to the entries in the Entitlement Register etc. In token of check, the auditors should affix their initials against the items checked. Any discrepancy noticed during the check should be taken up with the authorities responsible for realisation of rent.

6.02. Regulation of probation of Officers under Kerala State Subordinate Service Rules:

- a) Probation of Officers for whom no Special Rules have been prescribed is covered by the provisions of G.O (MS) 188 dated 6.05.1966 which came into force from 6.5.1966. In the case of Officers who were regularly appointed/promoted prior to that date and for whom no Special Rules prescribing probation were issued prior to the issue of G.O.(MS) 188 dated 6.5.1966, no probation is necessary in view of the protection contemplated in Rule 35(a) and 35(b) of KSSR.
- b) Officers who were regularly appointed/promoted prior to the date of coming into force of the Special Rules, *inter alia*, prescribing probation need not also undergo any probation, wherever there was no separate rules prescribing probation on the date of appointment/promotion in view of the protection contemplated in Rule 35(a) of KSSR.
- c) Officers appointed/promoted to a post which was subsequently included in a service (ie. after the issue of Special Rules) should be considered as approved probationers, if they had been regularly appointed to the post between the date of introduction of the Special Rules and the date of issue of orders prescribing probation, provided they had been on duty in the post for the full period prescribed for

probation. Those who were not on duty in the post for the full period prescribed for probation will have to remain on probation for the balance period from the date of orders prescribing probation. In their cases receipt of orders regarding satisfactory completion of probation should be watched.

6.03. Special Recovery Register

A combined register and broadsheet should be maintained to enter all amounts to be recovered, which do not find a place in the objection books or in some other prescribed register and which not being recoveries of amounts charged to special head "Advances" will not come under review in the Annual Review of balance. The recovery of amounts of a miscellaneous nature such as contributions from Municipalities, recoveries on account of services rendered to private parties and other recoveries, arising from special orders etc. should be watched through this register. The register should be submitted to the Branch Officer on the 5th of each month for scrutiny. The Assistant Audit Officer and Audit Officer should see that the register is properly maintained and prompt action is taken for the recovery of the amounts.

6.04. Register of insufficient and irregular sanctions

Two registers in Form M.S.O. (Audit) 7 should be maintained to record insufficient or otherwise irregular sanctions accorded by (i) Government; and (ii) other authorities as required in paragraph 7.2.3 of M.S.O. (Audit). These registers should be submitted to the Branch Officer on the 15th of each month. The register should be submitted to the Principal Accountant General quarterly on the 15th of April/July/October/ January.

6.05. Register of Financial Irregularities

A register in Form S.Y.286-A should be maintained to record cases of financial irregularities which are of sufficient importance for possible mention in the Audit Report. The Branch Officer should take a special interest and direct the sections to include all the important cases in the register at the earliest opportunity. The several stages of progress in regard to the removal of irregularities such as report to Government, preparation of the preliminary and final draft paragraphs etc. should be continuously watched through this

register. The register should be submitted to the Branch Officer on the 15th of each month.

Draft Paras for inclusion in the Audit Report should be prepared by the IAU II Section with due regard to the principles enunciated in the M.S.O. (Audit). All draft paras, after approval by the Deputy Accountant General, should be sent to the Report Section for further action.

6.06. Treasury Irregularities

A Review on the working of the treasuries has to be submitted annually to the State Government. For this purpose, the errors and defects noticed in the course of audit and review should be recorded in a register, which should be written up from an error list maintained for the purpose by each auditor. Full details of the irregularities and the action taken until final settlement of the irregularity should be noted in the register. The register should be submitted to the Branch officer every month on the 15th and should be sent to Co-ordination Section on the 16th to enable that Section to make a note of the important irregularities, defects etc. which deserve inclusion in the annual review.

6.07. Annual Review

The award of a treasury irregularity should be communicated to the District Treasury Officer as well as to Co-ordination Section. In case this award is subsequently cancelled on receipt of explanation from the Treasury Officer, this fact should also be communicated to Co-ordination Section.

6.08. Double claims

All double claims detected in audit should be brought to the notice of the Principal Accountant General.

6.09. Report on arrears (Monthly Arrear Report)

A report detailing the state of work and extent of arrears in the Section in a month should be submitted in the prescribed form to the Deputy Accountant General (Audit) and the Principal Accountant General on the 7th of the following month. The instructions contained in the M.G.P. should be followed for the preparation of this report.

6.10. Calendar of returns

The receipt and despatch of returns on the due dates and / the disposal of various items of work in the IAU II Section are watched through the calendar of returns prescribed in the M.SO. (Admn). The calendar of Returns to be maintained by IAU II Section is given in Appendix I.

Annexure –I

(Referred to in Para 3.02)

FORM OF AUDIT CERTIFICATE

Certificate of completion of audit and review by CAP

Month of AuditSection

Period of Audit fromto

Treasury/Dept.	Total No. of officers	Total Number of vouchers				
		Salary	T.A	Med.	Others	Total

Name of Sr.Adr. with signature	<u>No. of Vouchers Audited</u>				<u>No. of Voucher reviewed by AAO</u>			
	Salary	TA	Med	others	Salary	TA	Med	Others

Details of Audit objection enclosed

- i. No. of audit objection and the total money value :
- ii. Nature of objection :
- iii. Name of Adr./Sr. Adr./AAO who initiated the objection :
- iv. Prospects of developing the objection into a D.P :
- v. Any other points noticed during audit :

Certified that the audit of Vouchers for the month.....pertaining to GE have been completed.

AAO/ CAP

APPENDIX I

CALENDAR OF RETURNS

Name of return	To whom due	When due
Section I –		
Returns to outside office	NIL	
Section II		
A. Annual	Returns to other sections within the office	
1. Report of write off with statement of sanctions	Rep(Civil)	30 June
2. Statement of mis-appropriation and losses	-do-	31 August
3. Statement of objections over six months	-do-	15 October
4. Statement of unsettled objections in respect of check of classification of vouchers	FAA	15 July
5. Target and Achievements	AG Sectt	5 th March 3 rd April
B. Half yearly		
1. Material for the digest of important and interesting cases	Co-ordn & AG Sectt	1 st April 1 st October
2. Register of good work done by auditors	DAG	1 st June 1 st December
3. Report on Results of audit and registration of objection	FAA	15 April 15 October
4. Report on cases relating to fraud & corruption	Co-ordn	25 th April 25 th October
5. Half yearly arrear report	DAG/Co-ordn	5 th April 5 th October
6. Statement of objections over six months	Co-ordn	15 April 15 October
7. Objections statement showing results of Audit and objections	Co-ordn & AG Sectt	15 April 15 October
C. Quarterly		
1. QAR regarding use of Hindi	Hindi Cell	7 April 7 July 7 October 7 January
2. Review of defalcation and losses register	ITA	5 April 5 July 5 October 5 January
3. Report on Target and achievements	DAG/Co-ordn	13 April 13 July 13 October 13 January
4. Report on Quality of Central Audit	DAG/Co-ordn	5 April 5 July 5 October 5 January
5. Report on No. of units/vouchers audited in a quarter	Co-ordn AG Sectt	15 April 15 July 15 October 15 January

6. Register of programme	DAG	5 April 5 July 5 October 5 January
7. PDP Register	AG Sectt	5 April 5 July 5 October 5 January
8. Ranking the performance of audit offices	DAG(AB)	7 April 7 July 7 October 7 January
9. Register of insufficient and irregular sanction	PAG(Au)	15 April 15 July 15 October 15 January
D. Monthly		
1. SO Note Book	BO	1
2. Incumbent Register	-do-	5
3. Closing of attendance register	-do-	5
4. Calendar of returns	DAG	7
5. Monthly arrear report	-do-	7
6. Pending list	-do-	7
7. Closing of objections book	BO	5
8. Closing of Half margin register	-do-	5
9. CAP Control Register	DAG	5
10. Register of wanting vouchers from A&E	DAG	7
11. Progress Report on supply of vouchers	Co-ordn	5
12. Progress Report on functioning of IAUs/CAPs	Co-ord	5
13. Register of volume of work done	BO	10
14. Register for noting important audit points for local verification	BO	10
15. Register for irregular and insufficient sanction	BO	15
16. PDP Register	DAG	15
17. Register of GOs on delegation of powers	BO	15
18. Register of Disciplinary proceedings	BO	15
19. Special Recovery Register	BO	15
20. Register of Defalcation and losses	BO	15
21. Register of write off	BO	15
22. Register of treasury irregularities and other irregularities (Financial irregularities)	BO	15
23. Register of important and interesting cases	BO	15
24. Sanctions issued in relaxation of rules	BO	15
25. Despatch Register	BO	18
26. Register of codes and manuals	BO	15
27. Progress Report on functioning of CAP and IAU II	Co-ordn	15
E. Weekly		
1. Purport Register	BO	7

		14 21 28
2. Transit Register Urgent Transit Register	BO	7 14 21 28
3. Register of urgent letters	BO	7 14 21 28
4. Register of complaint to DAG	BO	7 14 21 28
5. Calendar of returns	BO	TUESDAY
6. Register of Reports	BO	7 14 21 28
7. Register of inspection of auditor's table	BO	MONDAY