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INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
NORTHERN RAILWAY, NEW DELHI - 110001

OFFICE MANUAL
Vth EDITION

Preface to Fifth Edition.

This Office Manual has been issued under Para 120 of the Railway Audit Manual and Para 5.9 of Perspective Plan 2003-2008. It contains instructions subsidiary to those in Railway Audit Manual and the Comptroller & Auditor General of India's Manuals of Standing Orders.

All orders and instructions received up to 31.03.2007 and Guidelines of ASOSAI and INTOSAI for dealing with fraud and corruption have also been incorporated in this Manual.

Any error or inaccuracy coming to notice may kindly be brought to the notice of Central Section so that this may be rectified in the next edition.

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(M. K. BISWAS)
Principal Director of Audit

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CHAPTER – I

CONSTITUTION OF THE OFFICE

1.1 ORGANISATION

The Comptroller and Auditor General of India is the head of the Indian Audit & Accounts Department and is the final authority in India. The Principal Director of Audit, Northern Railway is responsible to the Comptroller & Auditor General in respect of Administrative matters directly and in respect of Audit through the Dy. Comptroller & Auditor General (Railways). The Principal Director of Audit, Northern Railway is assisted by Group Officers. The various Sections and Branch Offices constituting the Office of the Principal Director of Audit are indicated in the organizational chart given below:-

**CHART SHOWING THE ORGANISATIONAL SET-UP OF OFFICE OF
THE PRINCIPAL DIRECTOR OF AUDIT**

	Direct Charge	Supervisory Charge
Principal Director of Audit	1. Internal Test Audit 2. Report Section	All
Director(Hdqrs.)	1. Workshop co-ordination Section 2. I.T. Security	Sr. AuO/AuO 1. All Divisional Audit Offices 2. Administration 3. Appropriation 4. General Section 5. EDPA Section 6. Hindi Section 7. Training Section 8. Performance Audit 9. RDSO/LKO
Dy. Director	CRIS	Sr. AuO/AuO 1. All Workshop Audit Offices 2. All Traffic Audit Offices 3. All Construction Audit Offices 4. Stores Audit Section 5. Central Section 6. E&PI Section 7. IHQ Section 8. Costing Cell 9. Expenditure Section 10. Railway Electrification/LKO (Camp offices of LKO and UMB)
OSD COFMOW	Direct Charge through Sr. AuO/ COFMOW	1. DMW/Patiala 2. RCF/Kapurthala

1.2 FUNCTIONS

The extent of the administrative control, jurisdiction, functions and duties of the Principal Director of Audit of Zonal Railways are mentioned in paragraph 3, 4 & 7 of the Railway Audit Manual. The Principal Director of Audit, Northern Railway is also responsible to the Deputy Comptroller & Auditor General of India (Railways) for the Audit of:

- (i) the accounts of receipt & expenditure of the Northern Railway, the Railway Board and its attached offices, the Indian Railway Conference Association and the Railway Recruitment Boards for whom the Financial Adviser and Chief Accounts Officer, Northern Railway is the Officer;
- (ii) the accounts of the Research, Design and Standards Organisation, including its subordinate offices, for which an independent accounting organization has been set up at Lucknow under an Executive Director Finance.
- (iii) the accounts of the Railway Electrification office at Lucknow and camp office at Ambala..
- (iv) the accounts of Central Organisation for Modernisation of Workshops, New Delhi for which an independent accounting organization has been set up under a Financial Adviser and Chief Accounts Officer;
- (v) the accounts of Diesel Modernisation Works set up at Patiala for which an independent accounting organization has been set up under a Finance Advisor and Chief Accounts Officer at Patiala.
- (vi) the accounts of Construction Organisation, Northern Railway, Delhi for which an independent accounting organization has been set up under a Financial Adviser and Chief Accounts Officer;
- (vii) The accounts of Rail Coach Factory set up at Kapurthala for which an independent accounting organization has been set up under a Financial Adviser and Chief Accounts Officer.
- (viii) Centre for Railway Information System (CRIS)

- (ix) the expenditure on the establishment and charges relating to the offices of the Principal Director of Audit, Eastern, South Eastern, North Eastern, North East Frontier Railways and Railway Production Units.

Note:-

1. Each auditing section is responsible for carrying out the inspection of offices falling in its jurisdiction, except the inspections of HOD's at Headquarters which are conducted by the IHQ (Cell) at Baroda House. The Principal Director of Audit may, at his discretion allot some important inspections to be carried out by I.T.A. Section.
2. The Concerned Divisional Audit Office is also responsible for auditing the Expenditure of the Railway Recruitment Boards. Railway Recruitment Cell (Group 'D') is to be audited by E&PI Section, Baroda House.
3. The E&PI Audit Section is also responsible for auditing the Expenditure of Rail Claims Tribunals over Northern Railway.
4. The inspection of COM's office, Baroda House, New Delhi is done by Sr. Audit Officer/CA-SE, Road, New Delhi.

1.3 CONTROL

The Principal Director of Audit is overall in charge of the office. He/She is assisted by one or two Group Officers, 28 Sr. Audit Officers/Audit Officers at various offices at Delhi/New Delhi, Headquarters and field offices at out stations. The detailed distribution of work among the Gazetted officers and the Non-Gazetted staff is done by the Principal Director of Audit from time to time subject to the general directives issued by the Comptroller & Auditor General of India.

From August 1987, an Audit Officer is functioning as Secretary to the Principal Director of Audit in addition to his normal duties.

Since March 1988, the Comptroller & Auditor General of India has approved creation of a separate post of Sr. Audit Officer (Reports) relieving the Audit Officer (Central) of the work of Report Section and entrusting the Sr. Audit Officer (Central) the functions of the Secretary to Principal Director of Audit.

The duties of the Secretary are as under:

1. Assisting the Principal Director of Audit, in connection with the correspondence which is personally handled by the Principal Director of Audit by collection of relevant data from various sections whenever ordered by the Principal Director of Audit.
2. Assisting the Principal Director of Audit in the examination of arrear reports submitted by various branches and watch on clearance of major items of arrears.
3. Investigation and working out details of important new proposals initiated by or referred to the Principal Director of Audit and collecting of information from various sections required by the Comptroller & Auditor General of India etc. at short notice.
4. Maintaining duplicate copies of all important sanctions received from Comptroller & Auditor General of India required for the personal information of the Principal Director of Audit.
5. To bring to Principal Director of Audit's special notice of control returns not being submitted to him/her by various sections and reasons therefore and suggesting remedial action and also pursuing them till they are finally put up.
6. Detailed investigation of cases relating to any section as and when marked by the Principal Director of Audit.
7. Examination of cases of complaints regarding delayed payment of settlement dues, arrears, pay fixation, increment etc., as and when brought to the notice of the Principal Director of Audit and reporting progress thereof to the Principal Director of Audit periodically.
8. Attending to official visitors and listening to their complaints/grievances sympathetically and keeping a note of this, also to put them on record and send them to the concerned Director/ Group Officers. He will keep a watch on such cases through a diary. He will also bring to the notice of the Principal Director of Audit such cases of complaints as remain undisposed off for a period of over one month.
9. He will also be responsible to compile and send all returns to the Comptroller & Auditor General of India's office which relate to the complaints which have been so far prescribed or may be prescribed in future.
10. Review of working of particular section(s) of the office as and when marked by the Principal Director of Audit.
11. He will also conduct surprise checks of the sections getting reports on bottlenecks in their working and suggesting remedial action.
12. He will generally act as multipurpose officer on behalf of the Principal Director of Audit as befits a Secretary.

1.4 GRADATION LIST

(a) A gradation list of officers and staff as on 1st March of every year should be prepared for the general information of the office. The list should be forwarded in triplicate to the Comptroller & Auditor General before 15th June of every year.

(b) The pay scales (Central Civil Services Revised Pay Rules 1996) attached to the Group 'A', 'B', 'C' and 'D' posts are as under:

Group 'A'	Principal Director of Audit	Sr. Administrative Grade	Rs. 18400-500-22400
	Director	Jr. Administrative Grade	Rs. 14300-400-18300 or 12000-375-16500
	Dy. Director	Sr. Time Scale	Rs. 10000-325-15200
Group 'B'	Sr. Audit Officer		Rs. 8000-275-13500
	Audit Officer		Rs. 7500-250-12000
	Asstt. Audit Officer		Rs. 7450-225-11500
	Personal Secretary to Principal Director of Audit		Rs. 6500-200-10500
Group 'B' Non Gazetted	Section Officer		Rs. 6500-200-10500
	Supervisor		Rs. 6500-200-10500
	Welfare Assistant		Rs. 6500-200-10500
	Stenographer Grade-I		Rs. 5500-175-9000
Group 'C'	Sr. Auditor		Rs. 5500-175-9000
	Stenographer Grade-II		Rs. 5000-150-8000
	Auditor		Rs. 4500-125-7000
	Stenographer Grade-III		Rs. 4000-100-6000
	Clerk/Typist		Rs. 3050-75-3950-80-4590
	Record Keeper (SG)		Rs. 3050-75-3950-80-4590
	Record Keeper		Rs. 2750-70-3800-75-4400
Group 'D'	Junior Gestetner Operator		Rs. 2610-60-2910-65-3200-70-4000
	Daftry		Rs. 2610-60-2910-65-3200-70-4000
	Senior Peon		Rs. 2610-60-2910-65-3200-70-4000
	Peon including Farash		Rs. 2550-55-2660-60-3200

Note

- The Sr. Audit Officer posted against the temporary post of Dy. Director is entitled to a charge allowance of Rs. 600/- p.m.

1.5 POWERS OF THE PRINCIPAL DIRECTOR OF AUDIT AND THE DIRECTOR/GROUP OFFICERS

The Principal Director of Audit is authorized to exercise all powers of a Head of Department under Fundamental and Supplementary Rules, General Financial Rules etc.

(Authority: Comptroller & Auditor General of India's letter No. 1383-Admn. II/C-7-AC, Ar. G (Admn.)/55 dated 29.05.1955.)

The itemized list of powers exercisable by the Principal Director of Audit is given in Appendix-I.

In terms of Rule 3 of the Delegation of Financial Powers Rules, 1958 read with S.R. 2 (10), the Director/Group Officers (Admn), has been declared as the Head of the office for the purpose of Financial Rules of Government. The delegated powers exercisable by him/her as Head of the office are given in Appendix II.

(Authority: P.O.O. No. 22 dated 16.07.1955 and P.O.O. No. 27 dated 12.10.1955)

An Officer appointed to perform the current duties of an appointment can exercise administrative or financial powers vested in the full-fledged incumbent of the post but he cannot exercise statutory powers, whether those powers are derived direct from an Act of Parliament (e.g. Income Tax Act) or Rules, Regulations and Bye-Laws made under various articles of the Constitution (e.g., F.R.s C.C. & A. Rules, C.S. Rules, Delegation of Financial Powers Rules etc.)

(Authority: Ministry of Home Affairs O.M. No. F.7/14/61-Estts (A) dated 24.01.1963 received under Comptroller & Auditor General of India's endorsement No. 285-Admn.-I/718-62 dated 15.02.1963.)

1.6 POWERS OF Sr. AUDIT OFFICERS/AUDIT OFFICERS and SECTION OFFICERS (AUDIT)/ASSTT. AUDIT OFFICERS

The powers of Sr. Audit Officer/Audit officer and Section officer (Audit)/Asstt. Audit officer are given in App.II (a) and II (b) respectively.

CHAPTER - II

DEPARTMENTAL REGULATIONS – GENERAL

2.1 TRAVELLING ALLOWANCE

The officers and staff of the Railway Audit Department (including the officers of the I.A. & A.S. serving in the Department) are governed by the rules in Chapter XVI of the Indian Railway Establishment Code, Volume-II, as amended from time to time.

2.2 TRAVELLING ALLOWANCE FOR THE ROAD JOURNEY IF CONVEYANCE PROVIDED BY OUT AGENTS

(See Para 17 of Railway Audit Manual)

2.3 INSPECTION CARRIAGES

The supply of reserved or inspection carriages of Gazetted Officers is regulated by the rules and orders issued by the General Manager, Northern Railway.

2.4 FREE PASSES & PTOs

(See Paras 15, 16 & 88 of Railway Audit Manual and also see Railway Servants (Pass) Rules, 1986 and Northern Railway Pass Manual)

- (i) Officers and staff of the Railway Audit Department including officers of the I.A. & A.S., serving in the department are entitled to the privilege of Passes and PTOs irrespective of their date of joining the department. The scale of Passes/PTOs and the rules governing their issue are the same as applicable to Railway servants from time to time.

(Authority: Railway Board's letter No. E(G) 85P 95-20 dated 14.04.1960 received under A.D.A.I. (Railways) endorsement No. 564-RAII/T-17-23/58 dated 18.04.1968).

- (ii) In the case of Officers of the I.A.&A.S. when proceeding on long leave i.e., leave exceeding four months, passes and P.T.O.s are admissible provided they have completed not less than one year service in the Railway Audit Department and provided also that the Comptroller & Auditor General of India declares in each case that the officer will probably return to a Railway Audit or Account Office on the expiry of his leave. When proceeding on short leave (leave not exceeding four months) passes and PTOs can be issued to them, irrespective of their length of service in the Railway Audit and Accounts Department.

(Authority: Railway Board's letter No. E(G) 58PS 5-20 dated 14.04.1960 and A.D.A. I. (Railways) endorsement No. 711-RA11/T17-23/58 dated 19.05.1960).

- (iii) In the case of an Indian Audit and Accounts Service officer serving in the Railway Audit Branch who proceeds on leave not exceeding four months, passes and PTOs, can be issued during or before the leave period. While the passes and PTOs, so issued already, can be availed of during the leave period, and the joining time immediately following the leave can also be considered as part of the four months limit for purposes of availability of Fresh Passes to be availed during leave, cannot be issued either before or during the leave period after it becomes known that on expiry of the leave the officer is being posted to an office other than a Railway Audit or Accounts Office.

(Authority: A.D.A.I. (Railways)'s endorsement No. 512-RAI/T17-2/63 dated 16.02.1973).

- (iv) The officers of the I.A. & A.S. working in the Railway Audit Department will not be granted certificates to enable them to obtain travel concessions on Railways outside India.

(Authority: Railway Board's letter No. E(G) 58PS 5-20 dated 14.04.1960)

- (v) The Section Officer Apprentices are eligible for the issue of Passes and PTOs in accordance with the rules applicable to Apprentices (other than Special Class Apprentices) on the Northern Railway.

(Authority: A.D.A.I. (Railways)'s endorsement No. 685-RAII/T17-23/58 dated 17.05.1960).

- (vi) In the case of Civil Audit and Accounts staff on deputation to the Railway Audit Offices, passes and PTOs on the scale admissible to Railway employees from time to time, may be issued to them only when the period of deputation is expected to last one year or more.

(Authority: A.D.A.I. (Railways)'s endorsement No. 781-RAII/T17/23/58 dated 03.06.1960).

For the purpose of determining the class of passes admissible to the deputationists, their deputation special pay is to be counted as "salary".

- (vii) (a) The staff on deputation to 'Non-Railway Department would be eligible for full benefits of privilege passes including school passes and PTOs for periods not exceeding four years.

(Authority: Para 64(c) (i) of Northern Railway Pass Manual).

- (b) Where the officer continues on deputation beyond four years, pass privilege may be continued only if the employee is prepared to bear the cost of passes actually issued. Where the employee is not prepared to bear the cost, the employee shall be entitled only to privilege passes, if any, on the same scale as if he had retired from Railway Service on date on which he completes four year of deputation.

(Authority: Para 64(c)(ii) of Northern Railway Pass Manual).

- (viii) The Officers and staff of the Railway Audit Department including the Officers of the I.A. & A.S. serving in the Department are also entitled to passes of the following nature to the extent and under the conditions governing their issue to Railway employees.

- (a) School passes
- (b) Transfer passes
- (c) Free residential card passes/concessional season tickets over sections on which admissible.
- (d) Passes for transport of motor cars.
- (e) Settlement Passes.
- (f) Post retirement complementary passes (except to Officers of the I.A. & A.S. in respect of whom each case will be dealt with by the Railway Board on merit.)
- (g) Metal and Card Passes.
- (h) Misc. passes over the home line only as admissible to Railway employee under the home line Pass Rules.

(Authority: Railway Board's letter No. E(G) 58PS 5-20/1 dated 08.06.1961 received under Comptroller & Auditor General's endorsement No. 2257-RA11/T17-72/60 KW dated 3.7.1961).

- (i) Special passes on sports accounts for participating in sports organized by the General Sports Committee of the Indian Audit and Accounts Department.

(Authority: Railway Board's letter No. E(TRG) 63PS 5-20-1 dated 15.01.1963).

Note:

1. School passes are to be issued only in cases where the children are studying at a place away from the headquarters of the employee i.e. no school pass is allowed if the child is studying at the headquarters of the employee.

(Authority: Railway Board's letter No E(Trg)1-70PS 5-1/11 dated 25.03.1970).

- 2 (a) (i) All Gazetted Officers appointed on or after 1.8.1969, including those holding honorary rank of Gazetted Officers except those who held gazetted status prior to 1.8.1969 will now be eligible only to first class white passes instead of white First Class 'A' Passes and have to pay full difference between first class 'AC' and first class for travel in first class 'A' compartments. The luggage allowance will remain the same as admissible on first Class 'A' Passes and the holder will be permitted to travel by rail car over Kalka-Shimla section. Gazetted Officers appointed on or after 1.8.1969 and eligible for first class white passes may be issued metal pass with inscription "post 1.8.1969" and they will pay full difference when traveling by first class AC, unless otherwise eligible to travel by first class A.C.C. for self while on duty under the normal rules. Officers who are issued duty card passes will also pay the full difference.

(Authority: Railway Board's letter No. E(W) 80PS5-1/9 dated 24.08.1981 received under A.D.A.I. (Railways) endorsement No. 1014-RAIII/T/197/17-116/81 dated 29.09.1981 and Railway Board's letter No. E(W)80PS5-1/9 dated 26.11.1981).

- 2 (a) (ii) With effect from 08.04.1985, all Gazetted Officers of the Railway irrespective of their dates of entry into gazetted cadre including those holding honorary rank of Gazetted Officers would be entitled to First Class 'A' Passes/PTOs.

(Authority: Railway Board's letter No. E(W) 85PS5-1/21 dated 08.04.1985).

- 2 (b) All Gazetted Officers while performing rail journey on official duty can take their families (wife and children as covered under the Pass Rules) on Duty Passes issued to them, subject to the stipulation that they will be permitted to reserve on Duty Passes only two berths, or coupe in train service within which they have to manage. For this purpose, they need not be accompanied by their spouse.

(Authority: Railway Board's letter No. E(W) 785PS5-1/2 dated 31.12.1979).

- 2 (c) In partial modification of the instructions contained in their letters No. E(W)78PS5-1/2 dated 31.12.1979 and E(W)82PS5-1/13 dated 31.08.1982 the Ministry of Railways has decided that all Gazetted Officers while performing rail journey on official duty can take their families (wife, children as covered under the Pass Rules) on Duty Passes, issued to them subject to the stipulation that they will be permitted to reserve on duty Passes four berths in train service or four seats in their car when the journey is a day journey or is made chair car service.

These orders will not apply to travel by Rajdhani Express for which separate instructions exist.

(Authority: Railway Board's letter No. E (W) 80PS5-1/9 dated 19.05.1983).

(ix) The Railway Audit Staff shall not be entitled to the following concessions which are admissible to railway servants only –

- (i) Passes on first appointment.
- (ii) Passes to office bearers of Staff Associations of the Railway Audit Department.

(Authority: Railway Board's letter No. E(G)58PS5-20/1 dated 8.6.1961).

(x) (i) The Passes and P.T.O's will be issued by the Principal Director of Audit irrespective of home or foreign line. It is not necessary for the Principal Director of Audit to accord prior personal approval to the issue of Passes and P.T.O's Specified Gazetted Officers, Section Officers (Audit) are authorized to issue them on behalf of the Principal Director of Audit.

(Authority: D.R.A.'s D.O. No. 781-RAII/T17-23/58 dated 03.06.1960 and Comptroller & Auditor General's letter No. 3482-164-RAI/2-2/73 dated 04.10.1973).

(ii) Consequent on restructuring of cadres in I.A. & A.D. w.e.f. 01.03.1984 and upgradation of Section Officers as Asstt. Audit Officers (Group-B Gazetted) the powers to sign both the home line and foreign line passes/P.T.O's for Group 'B' including Audit Officer, Group 'C' and Group 'D' have been delegated to Asstt. Audit Officers.

(Authority: CAG's D.O. No. 682-RAIV/17-4/84 dated 16.12.1985 circulated vide 'G' Branch circular No. G/10-18/Pass-84 dated 27.01.1986).

The nominated section will also maintain the Passes/ P.T.O.s account as such staff, which will be checked, independently every month by another Section Officer/Asstt. Audit Officer nominated by the Issuing Officer. The accounts maintained by the General Section at Headquarters will be checked monthly by the Section Officer/Asstt. Audit Officer/ITA The results of the check alongwith a class-wise statement indicated in chronological order the Passes and PTOs alongwith supporting number of Passes/PTOs etc. issued during a month should be submitted in the register kept for the purpose by the Section Officer/Asstt. Audit Officer who checks these passes etc. independently, for the confirmation of the Principal Director of Audit in the prescribed proforma by the 10th of each month.

(Authority: Para 88 of Railway Audit Manual and P.O.O. No. 103 dated 21.04.1965 as amended by Circular No. R/8-14/1/68 dated 20.03.1969).

PROFORMA PARA 2.4 (x) (ii)

Pass/P.T.O. No.	Date of Issue	Class	Nature of the pass	From	To	Period of availability	Party for whom issued	Design-nation of the employees	Station
1	2	3	4	5	6	7	8	9	10

(xi) The services rendered by an officer under a foreign Government will count for grant of post retirement complementary passes if the borrowing government or the officer himself gives Pension/P.F. Contribution; otherwise, the period of Foreign Service will be treated as 'dies-non'.

(Authority: Ministry of Railways (Railway Board) U.O.I. No. E(W) 78PS5-15 dated 31.05.1978).

(xii) If a non-Gazetted employee on deputation gets proforma promotion as Gazetted officer under Next Below Rule, he will be entitled to six sets of passes. (Authority: General Manager (P)'s letter No. 8P/9-xii dated 24.10.1981).

2.5 CARD PASSES

All card passes will be issued by the Headquarters Office. Card passes should remain in the custody of the Branch Officer concerned but, at places where the Branch Officer is not headquartered, these should be kept in the custody of the senior most Section Officer/Asstt. Audit Officer of the branch. A register of movements of card passes must be maintained as prescribed in para 24 of the Northern Railway Pass Manual.

(Authority: Railway Board's letter No. E(G) 58-PS5-20/1 dated 14.04.1960, received under A.D.A.I. (Railways) endorsement No. 554-RAII/T-17-28/58 dated 18.04.1960, A.D.A.I. (Railways) endtt. 685 PAII/T17-23/58 dated 17.05.1960, A.D.&A.I. (Railways)endtt. No. 711-RAII/T17-23/58 dated 19.05.1960 and Dy. D.R.A.'s D.O. No. 781-RAI/T17-23/58 dated 03.06.1960).

Note: All the Card Passes available for station to station over Northern Railway or over more than one division were withdrawn with effect from 24.06.1981. Hereafter only cheque passes were to be issued for interdivisional journey on official duty.

(Authority: Railway Board's letter No. E(W)81PS5-12 dated 13.04.1981, General Manager (P)'s letter No. 37P/0/1 dated 23.04.1981 and Audit Officer (G) letter No. G/10-19/1/80 dated 24.06.1981).

2.6 COMPLEMENTARY PASSES TO WIDOWS/WIDOWERS OF RAILWAY AUDIT STAFF

It has been decided by the Ministry of Railways (Railway Board) that the widow/widower of Railway Audit Staff shall w.e.f. 01.01.1989 (i.e. in case of those employee who were in service on 01.01.1989 and died while in service on or after 01.01.1989 and retired or died on or after this date) be entitled to the facility of passes on a limited scale in lieu

of surrender of two sets of PTO's by each Railway Audit employee per year so long as he is in railway service on the same terms & conditions as laid down in Railway Board's letter No. E(W)85PS5-8/2 dated 30.06.1987. The detailed instructions in this regard are contained in Railway Board's letter of even No. dated 23.02.1989.

2.7 COMPLIMENTARY PASSES TO RAILWAY AUDIT STAFF ABSORBED IN PUBLIC SECTOR UNDERTAKINGS

Ministry of Railways (Railway Board) have decided to grant the facility of post retirement Complimentary Passes to Railway Audit Staff on their absorption in Public Sector Undertakings as are granted to railway employee on such absorptions. This facility will, however, not be available in respect of cases of absorptions in Govt. Departments till they finally retire from such Govt. Departments as similar is the case with Railway employee absorbed in Govt. Department.

(Authority: CAG's letter No. 58-RAIV/T/17/12/85 KW-11 dated 8.11.89 circulated under 'G' Branch endorsement No. G/10-26/89 dated 21.11.1989).

2.8 COUNTING OF PAST SERVICE RENDERED IN THE CIVIL OFFICES FOR DETERMINING THE CLASS OF ACCOMMODATION

The concession of eligibility for first class Pass/PTO on crossing the pay of Rs. 5000 allowed to the Railway Audit Staff who have been appointed prior to 01.08.1969 is not admissible to those appointed in civil offices prior to 01.08.1969 and subsequently appointed to Railway Audit Department on transfer basis. In those cases the pay limit of Rs. 5375/- will apply) and those appointed during the period from 01.04.1987 to 01.02.1999 will be eligible for 1st Class pass if drawing pay of Rs. 7250/- or above or those who are in a scale, the minimum of which is Rs. 6500/-.

(Authority: CAG's letter No. 991-RAIII/RA.II/T/17-12/77 dated 17.09.1982 and Railway Board's letter No. E(W)87/06/781/3 dated 27.03.1987).

2.9 QUARTERLY REVIEW OF PASSES AND PTOs.

For each of the unit/branches the designated Sr. Audit Officer/Audit Officer will review and submit a report to General Section, by 7th of April, July, October and January of every year in respect of Passes and PTOs issued by that unit/branch during the previous quarter. All reports in this regard will be consolidated in General Section for submission to PD (Railways) by 15th of the above months.

No Officer/Staff of Audit Department will obtain Passes/PTOs from any offices/branches of Railway Administration under any circumstances. Violation of these orders by any of the officers/Staff will be viewed seriously.

Authority:- POO No. 240 dated 19.09.2005

2.10 MEDICAL ATTENDANCE

(i) The officers and staff are governed by the Central Services (Medical Attendance) Rules, 1944 as amended from time to time. They are entitled to reimbursement of medical expenses incurred in connection with the treatment of themselves and members of their family as defined in the said rules.

(ii) However, officer and staff working at Headquarters (New Delhi) are governed by the Central Government Health Scheme. C.G.H.S. dispensaries are functioning at different places within the Municipal limits of Delhi/New Delhi, Sahadhra, Meerut, Ghaziabad, and Lucknow. All those employee who are residing within the localities covered under C.G.H.S. dispensaries prescribed, are governed by C.G.H.S. A compulsory monthly contribution on a graded scale shall be levied on all entitled classes of Government servants.

(Authority : Director General of Health Services circular No. 35-1./76-CGHS dated 25.02.1976 (Page 24 of file No. A/V/15/CGHS)

(iii) As per the compilation of CGHS (Orders and Instructions), a Government servant cannot opt out of the CGHS if he/she is eligible to be covered under the scheme.

(Authority : Director General of Health Services letter NO. 12011-1/83-CGHS dated 28.01.1993 (Page 183 of file No. A/V/15/CGHS).

(iv) Normally, the Railway Audit Staff are not eligible for Medical Attendance in Railway Hospital except to the extent provided in Railway Board's Circular letter No. E/46-ME-39/3 dated 24.06.1946 (Para 18-Railway Audit Manual). However, Comptroller & Auditor General of India has clarified even though the normal entitlement of an employee in Railway Audit is the Central Services (MA) Rules or the CGHS (where in operation), the employee can exercise an option to avail of the Railway Medical facilities for himself and dependents in terms of para 18 of Railway Audit Manual. An employee will be governed either by Railway Medical facilities or Civil Medical facilities but not both simultaneously. The option once exercised is final except where there is a change of residence or station on account of transfer.

(Authority : Comptroller & Auditor General of India's letter No. 3309-NGE/1/112-78 dated 24.09.1980 (Page 65 of file No. AUA/V/15/Pt.V/ Correspondence).

2.11 TRANSFER OF CHARGE BY THE PRINCIPAL DIRECTOR OF AUDIT

(Para 21 of the Railway Audit Manual)

(a) The memorandum referred to in Para 1.19.1 of the Manual of Standing Orders (Administrative) Volume-I will be prepared by the Central Section after obtaining necessary material from the Branches/Sections and Divisions

sufficiently in advance of the date of relief of the outgoing Principal Director of Audit. The list of keys valuables and secret documents mentioned in Para 1.19.2 of the Manual of Standing Orders-(Administrative) Volume-I should also be attached to the Charge Report.

In respect of such of the cases included in the charge report as are already under correspondence with the Comptroller & Auditor General of India, particulars of the latest communications received from his office should invariably be given in each case in the charge report.

The annexure dealing with important cases may be bifurcated as under:

- (i) Cases started at the instance of the Comptroller & Auditor General/Additional Deputy Comptroller and Auditor General (Railways).
- (ii) Cases taken up by the Principal Director of Audit.

(Authority : Additional Deputy Comptroller & Auditor General of India (Railways) letter No. RAI/AII-3/58 dated 2nd April, 1957 and 2005-RAI/II-2/59 dated 10th July, 1959).

On the occasion of each transfer, a certificate of making over and taking over charge should be prepared by the Administration Section for signatures by the relieved and the relieving Officer and a report sent to the Comptroller & Auditor General of India and A.D.A.I. (Railways) and advices also sent to (i) Principal Director of Audit, Central Revenue, (ii) Principal Director of Audit, Central Revenue (I.R.L.A.) Group, (iii) The General Manager, Northern Railway, (iv) The Financial Adviser and Chief Accounts Officer, Northern Railway, (v) The Principal Director of Audit, Central Railway and (vi) The Audit Officers in charge of the various Divisions/Branches.

- (b) To facilitate prompt action in Comptroller & Auditor General's office on the various portions of the handing over memorandum, the memorandum should be prepared in five parts dealing with:

- (i) Matters relating to I.A.&A.S. Officers.
- (ii) Matters relating to Audit Officers.
- (iii) Establishment matters relating to confidential issue.
- (iv) Establishment matters not of a confidential nature.
- (v) Others matters.

Part (i) should be sent to Assistant Comptroller & Auditor General (P), Part (ii) to Director (G.E.II), Part (iii) and (iv) to Asstt. Comptroller & Auditor General (N) and Part (v) to Director (TAII)

(Authority : Comptroller and Auditor General's confidential letter No. 2024-I-AO(TAII)/75 dated 16.06.1975).

2.12 PRIVATE WORK

(See paras 3.36.1, 3.36.2, 10.16.1 of Manual of Standing Orders (Administrative) Vol-I)

- (a) Honorary work of social or charitable nature or occasional work of literary, artistic or scientific character may be undertaken by an officer without the special permission of the Comptroller & Auditor General who should however, be consulted before any very important or onerous unpaid duties are assumed.

Note: Remunerated private work is governed by Fundamental Rules.

- (b) No officer should act as correspondent honorary or paid, occasional or regular to newspapers and journals or edit any newspapers or any other periodical publication without the previous permission of the Comptroller & Auditor General. Before giving permission of Comptroller & Auditor General will consult the Central Government in the Ministry of Home Affairs so as to ensure uniformity of practice between all Ministries. No officer should become a member of any Committee or Board of Management of Institutions which are under the audit control of the Comptroller and Auditor General. Cases where this is proposed should be referred to the Comptroller & Auditor General.
- (c) Member of the clerical staff are not permitted to undertake the audit of accounts or other similar private work otherwise than under the rules framed by the Central Government under Rule 47 of Fundamental Rules.

Principal Director of Audit should act in accordance with the following principles in exercising the powers conferred by these rules.

1. The remuneration granted for such work should not be excessive in relation to a clerk's pay.
2. The previous sanction of Comptroller & Auditor General should be obtained before any such Government servant is allowed to undertake for remuneration the work of maintaining or supervising the accounts of an institution.

Note: The financial extent upto which the Principal Director of Audit may permit the members of clerical staff to undertake private work has been specified in Section B and item I of Section C of Comptroller & Auditor General's Manual of Standing Orders (Administrative) – Volume-II.

2.13 REVERSAL OF ORDERS

(See para 25 of Railway Audit Manual)

The Principal Director of Audit may not, without the permission of the A.D.A.I. (Railways) reverse any deliberate or important orders issued by any of his predecessors.

2.14 BROADCAST TALKS BY GOVERNMENT SERVANTS

(See Paras 3.37.1 and 3.37.2 of Manual of Standing Orders (Administrative) Volume-1)

The instructions contained in paras 3.37 of the Manual of Standing Orders (Administrative) Volume I Second Edition on the subject should be followed.

2.15 LITERARY CONTRIBUTION BY GOVERNMENT SERVANTS TO NEWSPAPERS AND PERIODICALS

(See Rule 8 of the C.C.S. (Conduct) (Rules, 1964)

Any Gazetted Officer of the department wishing to contribute articles to newspapers and journals or to become a correspondent should notify his intention to the Comptroller & Auditor General of India and await his orders before taking any action in the matter.

2.16 PRACTICE OF ANY FORM OF MEDICAL TREATMENT

Permission to undertake medical practice during spare time should be granted by the Head of the Department only to persons who held recognised qualifications under any system of medicines and are registered under the relevant law of the State concerned and they undertake to do such practice on charitable basis, without detriment to the official duties.

(Authority: Ministry of Home Affairs O.M. No. 25/4/64-Ests(A) dated 29.02.1964 received under Comptroller & Auditor General's endorsement No. 472-Audit/388-63 dated 17.03.1964.)

2.17 TRANSFER OF SERVICE OF A GOVERNMENT SERVANT FROM THE GOVERNMENT OFFICE OR DEPARTMENT TO ANOTHER

Transfer of the service of a Government servant from one Government Office or Department to another is regulated by the "Government Servants Application for Posts (Central Services) Rules", relevant provisions of which are reproduced below:-

"An applicant for appointment to a Central Service or to any post in a Central Service shall not be eligible for appointment, if he is in government service in India, and has applied without the consent of the Head of the Office in which or the Department of the Government under which he is employed." "Permission to a Government servant employed in a Central Service to apply for, or for transfer of his service to a post in another department or office of the Central Government or in a department or office under the control of a State Government or a Chief Commissioner, shall not be granted except in such cases and in such circumstances, as may from time to time be specified by order of the Central Government."

Application for transfer to outside department should be submitted at least a fortnight ahead of the date of their reaching destination so that the Administration Section may have sufficient time to deal with such applications.

Note: Consequent on restructuring of cadres, unilateral or mutual transfer from the Accounts stream to Audit stream has ceased (c.f. para 4.18 A)

(Authority : C.A.G.'s letter No. 4444-N-3/84/Zone – 4 dated 12.12.1985).

2.18 RESIDENTIAL ACCOMMODATION

The Railway Board have decided that although bungalows and quarters cannot be built specifically for the Railway Audit Department, the Railways should take into consideration the demand of this department also in planning their programme for building quarters except at places where the Directorate of Estate takes the responsibility for providing houses for the Audit Department. They have also decided that the existing railway quarters may similarly be allotted to the Railway Audit Staff as availability and circumstances may permit. In all such case, the Audit Staff should vacate the railway quarters when they cease to be Railway Audit and are posted to non-Railway Department at the same or another station.

The non-Gazetted staff of this office posted at Delhi and New Delhi are eligible for accommodation from the Estates while the Gazetted officers posted at these places are eligible for accommodation from the Northern Railway pool.

(Authority : Railway Board's letter No. 53/W/190/28 dated 5.2.1955, No. 59/WII/RR/45 dated 28.11.1960, Asstt. Director of Estates D.O. No. 13(9)/61/(i)-COOO dated 24.7.1961 and Railway Board's letter No. 59-W2/QR/45 dated 1.2.1968).

The allotment of Railway quarters to the officers and staff of Railway Audit Department is on the basis of the same criterion as applied to the Railway Staff in the matter of recovery of rent, water charges, electric charges etc.

(Authority : Railway Board's letter No. F(X)1/59-RN5/2 dated 9.7.1959).

2.19 USE OF HOLIDAY HOMES BY OFFICERS AND STAFF OF THE RAILWAY AUDIT DEPARTMENT

The officers and staff of the Railway Audit Department are permitted the use of Holiday Homes in the same way as officers and staff of the Railway according to the usual priority etc.

(Authority: A.M.F., Ministry of Railways, New Delhi's D.O. No. E(W)64-WR2-7 dated 17.7.1964 received under A.D.A.I. Railway's endorsement No. 2081-RAI/17-14/63 dated 25.7.1964).

2.20 CONDUCT AND DISCIPLINE ETC.

(See para 62 of Railway Audit Manual) and paras 3.31 of Comptroller and Auditor General's Manual of Standing Orders (Administrative) Volume-I.

All member of this office are governed by the Central Civil Services (Conduct) Rules, 1964 and the Central Civil Services (Classification, Control and Appeal) Rules 1965. Copies of these rules should be kept up-to-date by the Administration Section for general reference in the office.

2.21 CONVICTION OF GOVERNMENT SERVANTS IN COURTS OF LAW

(See GOI-1 below Rule 19 of Central Civil Services (CCA) Rules, 1965)

It shall be the duty of the Government servant who may be convicted in a Criminal Court to inform his official superiors of the fact of his conviction and the circumstances connected therewith, as soon as it is possible for him to do so. Failure on the part of any Government servant so to inform his official superiors will be regarded as suppression of material information and will render him liable to disciplinary action on this ground alone apart from the penalty called for on the basis of the offence on which his conviction was based.

Dismissal etc. in cases of conviction is not be automatic; each case should be examined on its merits, and orders imposing the appropriate penalty passed only where the charges against the Government servant on which his conviction is based show that he was guilty of moral turpitude or of grave misconduct which is likely to render his further retention in service undesirable or contrary to public interest.

(Authority: Ministry of Home Affairs O.M. No. 25/70/49-Ests dated the 20th December 1949).

2.22 PETITIONS AND MEMORIALS

(See paras 3.39 of Manual of Standing Orders (Administrative) Volume-I).

1. The instructions dealing with the submission of petitions to the President are contained in the Ministry of Home Affairs notification No. 40/5/50-Estas/(B) dated 8.9.1954 as amended from time to time.

Note:

- a. Petitions and memorials addressed to the President should be submitted to the Comptroller & Auditor General in duplicate.
 - b. Copies of memorials addressed to the President should not be forwarded by the memorialists direct to him as such a practice is not authorized by the rules for the submission of memorials.
2. The instructions for the submission of representations etc. by the staff are contained in the Government of India, Ministry of Home Affairs O.M. No. 25/34/68-Ests(A) dated 20.12.1968 received under Comptroller & Auditor General's endorsement No. 83-NGE.III/6-69 dated 8.1.1969.

Government servants and other including former Government servants have sometimes quoted copies in their representations, appeals etc., Government circulars including those marked Secret, notes and other information from files, which they were ordinarily not expected to have seen or to have retained. Communication of such documents etc. to and their retention by unauthorized persons is not only improper but also involves contravention of Rule 11 of the Conduct Rules and Section 5 of the Official Secrets Act, 1923. Contravention of the provisions of the Act and the Conduct Rules mentioned above can also be dealt with departmentally under the relevant discipline rules and may well justify the imposition of a suitable penalty with reference to the facts and circumstances of each case.

(Authority: Ministry of Home Affairs O.M. No. 25/54/53-Ests dated 12.04.1954 received under Comptroller & Auditor General's endorsement No. 849-Admn. 1/256/-54 dated 13.05.1954).

3. Representation for grace marks from candidates who have failed in the Section Officers Grade Examination should not be forwarded to the Comptroller & Auditor General.
4. Representations about questions papers set in the Section Officers Grade Examinations, which are devoid of substances, should be discouraged. The representations on the subject will not be considered by the Comptroller & Auditor General, unless it can be shown that the questions were (a) ambiguous or misleading or (b) outside the scope of the syllabus.
5. No Notice should be taken of a representation on service matters submitted by relative of a Government servant. The only exceptions may be in cases in which because of the death or physical disability etc. of the Government servant, it is impossible for the Government servant himself to submit a representation.
(Authority: Ministry of Home Affairs O.M. No. F.25/21/63-Ests(A) dated 19.09.1963 received under Comptroller & Auditor General's endorsement No. 1135-NGE. III/232/63 dated 30.08.1963).
6. List of appeals, memorials, petitions etc. addressed to the Comptroller & Auditor General with held by the Principal Director of Audit for the quarters ending March, June, September and December should be submitted to the Comptroller & Auditor General by the 15th April, July, October and January respectively. Nil return need not be submitted.

(Authority: Comptroller & Auditor General's endorsement No. 1589-NGE.I/dated 7.9.1964).

CHAPTER - III

DEPARTMENTAL REGULATIONS – GAZETTED OFFICERS

3.1 GENERAL

The Regulations applicable to the Gazetted Officers in respect of appointment, leave, transfer, superannuation etc., are contained in Chapter IV of the Railway Audit Manual and in Chapter III and IV of the Manual of Standing Orders (Administrative) Volume-I Second Edition.

3.2 LEAVE INTENTIONS OF IA&AS OFFICERS

(See Para 3.29.1 of the Manual of Standing Order (Administrative) Volume-I).

A statement of leave intention of IA&AS Officers should be submitted half yearly to the Comptroller & Auditor General of India by 1st June and 15th October each year for the period between October and March and between April and September, respectively.

The statement should be submitted in Form given at the end of Chapter 3 of the Manual of Standing Orders (Administrative) Volume-I.

3.3 LEAVE

(See Paras 3.29.1, 3.29.2 & 4.9.2 of the Manual of Standing Orders (Administrative) Volume-I).

The Principal Director of Audit is empowered to grant:

- (A) Leave to officers in the Junior Administrative Grade (including Assistant Director of Audit and equivalent) and officer in the Senior Scales – 45 days
- (B) Other IA&AS Officer-60 days subject to adequate internal arrangement and the following further conditions:
 - (i) The Accountant General/Principal Director of Audit etc. is satisfied that work will not suffer by the absence of the officer on leave. (ii) It is possible to make adequate internal arrangement so that work of the office as a whole does not suffer.
 - (ii) It is possible to make adequate internal arrangement so that work of the office as a whole does not suffer.
 - (iii) If the Accountant General/Principal Director of Audit needs a substitute in place of the officer proceeding on leave, prior approval of headquarters office should be obtained before leave is sanctioned.
 - (iv) Head of field offices may also grant leave of all kinds except special disability leave, study leave and leave not due upto 180 days to the temporary Assistant Accountants General/Assistant Directors serving under them and in the office under their control subject to local arrangements.

Note: 1. If leave be refused in any case a report of the reasons for the refusal should be made to the headquarters office.

Note: 2. All grant of leave and the date of departure on and return from leave shall be reported to the headquarters office.

Note: 3. The instructions will not apply in cases where orders transferring officers have been issued by Comptroller & Auditor General of India. In such cases separate orders of the Comptroller & Auditor General should be obtained before relieving officers proceeding on leave. This applies even if the leave had been actually sanctioned on a date before the receipt of transfer orders.

3.4 CONFIDENTIAL REPORTS

(See Para 33 of Railway Audit Manual and Paras 3.30, 3.30.2 and 10.11 of Manual of Standing Orders (Administrative) Volume-I).

To enable The Principal Director of Audit/Group Officers to write the character rolls of the Gazetted officers, who have worked under them for not less than 3 months during each financial year, the dealing Auditors/Sr. Auditors/Section Officers/Asstt. Audit Officers of the Administration Section will be personally responsible for seeing that the blank forms (Manual of Standing Orders (Administrative) Volume-III) are laid before them by the 31st March of each year, together with a copy of any instructions subsidiary to those contained in the Railway Audit Manual and Manual of Standing Orders issued by the Comptroller and Auditor General of India or by the Government of India from time to time.

The Confidential Reports of Section Officer/Asstt. Audit Officers/Audit Officers/ Sr. Audit Officers in Form No. 5, Auditor/Sr. Auditors in Form 7, PS/steno in Form 8 and Clerks/Record Keepers in Form 9 (Manual of Standing Orders (Administrative) Volume-III) are to be kept by the Principal Director of Audit.

3.5 FAREWELL PARTIES AND ACCEPTANCE OF GIFTS

While a farewell entertainment of a substantially private and informal character may be held in honour of Senior Officers and others on the eve of their retirement or transfer, as permitted under the Central Civil Services (Conduct) Rules and gifts of trifling values (as defined in the above rules) presented and accepted on such occasions, it is hardly healthy or desirable to allow the acceptance of gifts by officers from the staff. The entertainments or gifts on such occasions should be strictly confined to the limits permitted under the Conduct Rules and subject to the prior permission of the Government, wherever such permission is necessary.

(Authority: Govt. of India's Decision No. 1 below rule 13 of CCS (Conduct) Rules 1964 and Ministry of Home Affairs O.M. No. 25/40/58-Ests(A) dated 24.7.1958 received under Comptroller & Auditor General's No. 2894-NGE.II/258 dated 9.8.1958 and Ministry of Home Affairs O.M. No. 25/22/62-Ests(A) dated 21.12.1962 received under Comptroller & Auditor General's letter No. 2311-NG.II/329-62 dated 10.12.1962).

3.6 DECLARATION REGARDING PROPERTY

The declarations regarding immovable property required to be made under the Central Civil Services (Conduct) Rules by the officers of the Indian Audit and Accounts Services should be submitted to the Comptroller and Auditor General in January each year and should show the position as on 1st January of the year for which it is sent.

The Sr. Audit Officers/ Audit Officers/Asst. Audit Officers will submit the declarations to the Principal Director of Audit. These will be kept in the custody of the Deputy Director (Admn) after they have been received and results put up to the Principal Director of Audit.

3.7 PAYMENTS TO GAZETTED OFFICERS

All payments to Group "A" Officers will be made as per POO No. 244 dated 19.04.2006 and payments to Group "B" Officers will be made by the offices in which they are employed.

3.8 CONSOLIDATED HALF YEARLY DISTRIBUTION LIST OF THE OFFICERS OF IA&AS AND OTHER TELEPHONE NUMBERS ETC.

Necessary material for the consolidated list is to be sent to the Comptroller & Auditor General of India in the prescribed form on the first working day of the months of April and October each year.

(Authority: C.A.G.'s letter No. 2492-GE1/88-63 dated 20.06.1964).

3.9 CONFIRMATION

In suppression of all the existing orders, w.e.f. 01.04.1988 confirmation will be made only once in the service of an official which will be in the entry grade. Confirmation has been delinked from the availability of a permanent vacancy in the grade. In other words, an officer who has successfully completed the probation may be considered for confirmation.

The detailed instructions in this regard are contained in CAG's letters No. 2536-NGE-III/43-88 dated 20.07.1988 as amended/classified from time to time.

CHAPTER – IV

DEPARTMENTAL REGULATIONS – ESTABLISHMENT

4.1 GENERAL

The rules regarding recruitment promotion, pension, transfer, retirement, communal representation and writing up of Confidential Reports etc. of non-Gazetted staff are contained in Chapter – V of Railway Audit Manual and Chapter V, VI and VIII of the Manual of Standing Orders (Administrative) Volume – I.

4.2 (a) PENSIONABLE STATUS OF STAFF

All staff/officers recruited up to 31.12.2003 will be governed by CCS (Pension) Rules 1972 and staff/officers appointed from 01.01.2004 will be governed by New Pension Scheme.

(b) NOMINATION FORMS UNDER THE REVISED PENSION RULES

(See Para 37 of Railway Audit Manual)

The nomination forms in respect of all staff/officers should be kept in the personal custody of the Director/Deputy Director in charge of Administration Section.

4.3 COMPENSATORY (CITY) AND HOUSE RENT ALLOWANCE

The drawal of Compensatory (City) and House Rent Allowance is regulated in accordance with the orders issued by the Government of India, Ministry of Finance

(Authority : Circular No. Admn/10-47/64, dated 28.10.1965).

4.4 DEARNESS ALLOWANCE

Dearness Allowance shall be paid to Central Govt. employees as per the rates notified by the Central Govt. from time to time.

4.5 APPOINTMENT OF SUPERVISORS IN AUDIT OFFICES

A regular scheme of appointment of Supervisors has been introduced in Audit Offices w.e.f. 01.04.1989. The salient features of the scheme are as under:-

- (i) The cadre will be local.
- (ii) The number of posts will be calculated @ 8% of regular sanctioned posts of Section Officers as on 1.3.1989.
- (iii) The number of posts of Section Officer will correspondingly get reduced from the same date.
- (iv) The posts will be filled up from the respective feeder cadre of Sr. Auditors/Auditors.
- (v) The number of posts would not be increased for another five years.
- (vi) The posts shall be Group 'B' Non-Gazetted on the standard Scale of Rs. 6500-200-10500.
- (vii) The post is a selection-cum-seniority post and all orders of Govt. of India as applicable to IA&AD issued from time to time on the procedure for filling of selection-cum-seniority post will apply.
- (viii) The post will be filled up by promotion failing which by transfer on deputation.
- (ix) Orders on reservation for SC/ST in services are not applicable being single post cadre.
(Authority No.360/2/11/2002/Estt./Res./ MOP (PG&P) DOPI dated 30.5.2002 received under Headquarters circular No.27/NGE/2002 dated 11.6.2002.
- (x) Supervisors will not be eligible for promotion as Asstt. Audit Officers.
(Authority: C&AG's letter No. 290-N-2/154-88 dated 14.3.89.
- (xi) In addition to one aforesaid regular sanctioned post, promotion to the cadre of Supervisor may be made as a temporary measure against the vacancies taken together in the cadres of AAuO and SO, to the extent of 12% of the regular sanctioned posts of Section Officers.
(Authority: C&AG's letter No. 409-N-2/47-90 dated 24.09.1991 and No. 141-NGE-2/47-90 dated 13.03.1992.

4.6 (i) DEPUTATION OUTSIDE IA&AD

Deputations, including those on foreign service terms of officers and staff are governed by the general conditions laid down in Ministry of Personnel, Public Grievances & Pension O.M. 2/29/91-Esstt (Pay-II) dated 05.01.1994.

The following is the rate of Deputation (Duty) Allowance :

- (a) 5% of basic pay subject to a ceiling of Rs. 500/- for transfer within the station; and
- (b) 10% of basic pay subject to a ceiling of Rs. 1000/- in other cases, provided that the basic pay plus the deputation (duty) allowance shall at no time exceed Rs. 22400/- p.m.

(Authority : Ministry of Personal Public Grievances & Pension O.M. No. 2/29/91-Esstt. (Pay-II) dated 05.01.1994) and No. 2/8/97-Esstt. (Pay-II) dt. 11.03.1998.

While the initial selection for deputations on Foreign Service Audit Officers, Asstt. Audit Officers and Section

Officers, will be done by the Comptroller & Auditor General, the formal sanctions to the transfer on Foreign Service as well as to extension of tenure on Foreign Service to Central/State Governments etc. will be issued by Principal Director of Audit.

In respect of members of staff deputed on foreign service terms, contributions towards pension and leave salary are to be recovered.

4.6(ii) DEPUTATION WITHIN IA&AD

In order to have uniformity in all the offices, it has been decided that the cases of deputation within IA&AD in respect of Sr. Audit/Accounts Officers, Group 'B' & 'C' staff shall be regulated by payment of deputation special allowance as below :-

- (a) Except in the cases of transfer to J&K, Maharashtra, at Mumbai City, Assam, Nagaland and other States in the North East Region, Sikkim, Gujrat at Ahmedabad where the rate of special allowance will be 15% of the revised basic pay, the grant of deputation special allowance shall be regulated in terms of Department of Personnel & Training O.M. No. 2/8/97-estt. (Pay-II) dated 11.03.1998.
- (b) The drawal of deputation special allowance shall continue without limitation in regard to the tenure of deputation.

Eligibility for the grant of deputation special allowance would remain as hither to force viz.

- (a) The transfer should be in public interest.
- (b) The transfer should be outside the state or within the state but outside the circle of Audit. The Hqrs. office in partial modification of their circular letter No. 66/NGE/98 (No. 1283-NGE(App)/50-98) dated 3.12.1998 under their Circular No. 30/NGE/2000 (No. 721-NGE (App)/22-2005 dated 10.07.2000) have decided that the persons deputed to ex-cadre E.D.P. posts under the same cadre control may also be allowed the benefits of deputation special allowance, in relaxation to the condition laid down in Para 3 of above circular dated 03.12.1998.
- (c) The Govt. servant is not under the terms of his service liable to such transfer.

4.7. REPRESENTATION ROSTER

The instructions relating to the representation of Scheduled Castes and Scheduled Tribes in services in respect of promotion and direct recruitment are contained in DOPT O.M. No. 36012/2/96-Estt. (Res) dated 02.07.1997 as amended/clarified from time to time and CAG's letter No. 124-NGE (App)/3-2004 dated 26.02.2004.

The Reservation Roaster Register will be kept in the personal custody of the Audit Officer (Admn.). The Director (Admn.) will ensure that each case of recruitment/substantive appointment is immediately noted in this register over the signatures of the appointing authority. The Administration Section will make an entry in this register at the time of issue of Staff Office Order regarding the recruitment/ substantive appointment.

4.8(A) RECRUITMENT TO THE CLERICAL CADRES (AUDITORS/CLERKS AND STENOGRAPHERS)

The recruitment in the above cadres in the offices of the IA&AD is done by the Staff Selection Commission, Department of Personnel and Administrative Reforms, New Delhi which at present has 5 regional offices to feed the requirements in the different offices located in various States/Union Territories. The Staff Selection Commission will generally held test for recruitment to various cadres during July-August every year and the results may be announced by the end of the year. The panels will thus be available for recruitment in January-February of the following year. The panel will be common for various organizations including IA&AD, the requirements of which are catered to by the Staff Selection Commission.

The appointing authority in the IA&AD will intimate the number of anticipated vacancies both in general and reserved categories which may be filled up in the following calendar year in the month of January every year to the Commission in New Delhi with a copy endorsed to concerned Regional Office.

On receipt of the list of the persons, alongwith dossiers of each person in original, recommended for appointment by the Commission, the Office of the principal director the Principal Director of Audit will check the original certificates of the candidates and issue offers of appointment.

The transfer liability must be brought to the notice of the person concerned at the time of offering the appointment and he should be required to give an undertaking in writing to the effect that in case he is appointed, he accepts the transfer liability.

The new pension system introduced w.e.f. 01.01.2004 vide Ministry of Finance, Deptt. of Economic Affairs, ECB & PR Divisions Notification bearing F.No. 5/7/2003-ECB&PR dated 22.12.2003 received under Comptroller & Auditor General's endorsement No.5-Audit(Rules)/44-2001/Vol.I(3)2004 dated 20.01.2004 may also be brought to the notice of new entrants.

(Authority : Comptroller & Auditor General's letter No. 149-NGE-II/51-61 dated 20.1.1962 and 533-NGE-III/51-NGE-II dated 24.2.1979).

4.8 (B) UNILATERAL OR MUTUAL TRANSFERS FROM THE ACCOUNTS STREAM TO AUDIT STREAM.

The scheme of unilateral transfer in all cases within IA&AD and from Ministry/Departments to IA&AD has been dispensed with vide C&AG's Circular No. 24-NGE/97, No. 1005-N(App)/24-97 dated 27.08.1997.

There is no specific instructions regarding mutual transfer within the same stream. However, such transfers are being done based on certain terms and conditions mutually agreed by both the officials. Their seniority is fixed in terms of C&AG's letter No. 2200-N-III/41-65-II dated 13.09.1965. As regards the mutual transfer of Clerks between Accounts office and Audit Office, the transferee from Audit Office to Accounts office and vice versa, has to forgo the benefits of any Departmental Examination passed in his parent office and he will have to pass the such examination afresh applicable in new offices, vide C&AG's office letter No. 1702-N.III/11-88/Zones-6-Vol. dated 03.07.1990.

The direct recruitment of Auditors and Clerks/Typists shall be regulated in accordance with the "Recruitment Rules 1988" Circulated vide CAG letter No. 768-N/47-88 dated 26.8.88 and 851-N.2/68-85 dated 23.4.88 respectively as amended from time to time.

4.9 RECRUITMENT OF GROUP 'D' STAFF

The recruitment of Group 'D' in various cadres viz. Peon, Sr. Peon, Daftry, Junior Gestetner Operator is made through the agency of Employment Exchange in accordance with the IA&AD (Group 'D' Posts) Recruitment Rules 1988" The Salient features of these rules are :

- (a) **Peons:** By direct recruitment.
- (b) **Sr. Peon, Daftry :** By promotion from amongst the peons with four years service in the grade on seniority basis subject to rejection of unfit.
- (c) **Jr. Gestetner operator :** By promotion on seniority basis subject to rejection of unfit of daftry/Sr. Peon with 3 years service in the grade who have proficiency in operating and maintaining duplicating machines and electric stencil matter.
- (d) The probation of period shall be 2 years for direct recruits.
- (e) The Departmental Promotion Committee shall consist of an Audit Officer/Asstt. Director Incharge of Administration and two Audit Officers of which one officer will be from one office other than the one in which the promotions are considered. The senior most officer will be the Chairman.

(Authority: Comptroller & Auditor General's letter No. 820-N-2/51-88 dated 14.09.88).

4.10 COMPETENT AUTHORITY FOR SIGNING THE APPOINTMENT ORDERS

There should be a formal 'Order of appointment' as distinct from an 'Offer of appointment'. The staff office order regarding appointment to the post of Auditor/Clerk, staff will expressly state that the appointment has been made by the Director (Hqrs.) or when this is not practicable, by any other officer signing for the Director (Hqrs.). In such cases, however the officer signing should ensure that the appointment has been formally approved by the appointing authority and the fact recorded on the file. In no case, should the appointment order be issued by an officer higher than the appointment authority. The appointing authority for Group 'D' staff is Audit Officer (Admn.).

(Authority : Comptroller & Auditor General's endorsement No. 581-GE-II/9-58 dated 27.02.1958).

4.11 PLURAL MARRIAGE

- (i) No person who has more than one wife living or who having a spouse living, marries in any case in which such marriage is void by reason of its taking place during the life-time of such spouse, shall be eligible for appointment to service.
- (ii) No woman whose marriage is void by reason of the husband having a wife living at the time of such marriage or who has married a person who has a wife living at the time of such marriage, shall be eligible for appointment to service; provided that the Central Government may, if satisfied that there are special grounds for so doing, exempt any person from the operation of this rule.
- (iii) A declaration regarding plural marriage on the standard form should be obtained from every entrant to Government Service.

(Authority: Rule 21 of CCS (Conduct) Rules, 1964).

4.12 FILLING UP OF POSTS OF STENOGRAPHERS (4000-100-6000).

The recruitment to the cadre of Stenographers in the above scale shall be in accordance with the IA&AD (Stenographers) Recruitment Rules 1988. The salient features of these rules are :

- (a) The post is a 'Selection-cum-seniority one and is Group 'C', Non-Gazetted Ministerial.
- (b) The probationary period is 2 years for direct recruits.
- (c) The method of recruitment is 80% by direct recruitments and 20% by promotion of clerks who have qualified the Limited Departmental Competitive Examination for promotion of Stenographers, specified by the Comptroller & Auditor General of India.
- (d) Departmental Promotion Committee shall consist of Sr. Dy. A.G./Dy. A.G. or an officer of equivalent rank in charge of Admn., any other Sr. A.G./Dy. A.G. or an officers of equivalent rank from an office other than the one in which the promotion are considered and one Audit Officer.

(Authority : CAG letter No. 785-N-2/90-84 dated 1.9.1988.)

4.13 FILLING OF THE POST OF STENOGRAPHER GRADE-II

The recruitment/promotion of Stenographer Grade-II in the grade of 5000-150-8000 is regulated in accordance with the IA&AD (Stenographer Grade-II) Recruitment Rules 2003. The salient features of these rules are:-

- (i) The post is a General Central Service-Group 'C' Non-Gazetted Ministerial.
- (ii) The post is required to be filled up by promotion failing which by deputation in accordance with the eligibility criteria laid down in the Recruitment Rules.
- (iii) The D.P.C. consists of Sr. D.A.G./D.A.G. or an officer of equivalent rank incharge of Administrative group, any other Sr. D.A.G. or an officer of an equivalent rank and one Audit Officer.

(Authority: Comptroller & Auditor General's letter No. 230-NGE (App)/ 38-99 dated 26.03.2003.

4.14 FILLING UP OF THE POST OF STENOGRAPHER GRADE-I

Scale Rs. (5500-175-9000)

The recruitment is regulated in accordance with the IA&AD (Stenographer Grade-I) Recruitment Rules 2004. The salient feature of these rules are :

- (a) The post is a 'non-selection' one and is Group B' Non-Gazetted Ministerial.
- (b) The probationary period is two years.
- (c) The post is required to be filled in by promotion out of Steno Grade-II in the grade of 5000-150-8000 with 3 years regular service in the grade failing which by deputation from the office of Central Government having qualification prescribed in recruitment rules.
- (d) The D.P.C. shall consist of the Cadre Controlling Officer of the rank of Principal A.G. as Chairman, Sr. D.A.G./D.A.G. or an officer of equivalent rank in Administration Group and Sr. Dy. A.G./D.A.G. or an officer of equivalent rank as members.

(Authority : Comptroller and Auditor General's letter No. 396-NGE(App)/84-99 dt. 21.06.2005

4.15 FILLING UP OF THE POST OF PRIVATE SECRETARY Scale Rs. (6500-200-10500)

The recruitment is regulated in accordance with the IA&AD (Private Secretary) Recruitment Rules 1988. The salient features of these rules are:

- (a) The post is a 'non-selection' one and is Group 'B' Gazetted.
- (b) The probationary period is two years.
- (c) Method of recruitment is by promotion in accordance with eligibility conditions as prescribed in the Recruitment Rules – failing which by transfer on deputation.
- (d) D.P.C. shall consist of a cadre controlling officer of the rank of A.G. and two officers of the rank of D.A.G. of which one will be from an office other than the one in which the promotion is considered.

(Authority: Comptroller & Auditor General's letter No. 1237-GE-II/83-87 dated 28.3.89).

4.16 FILLING UP OF THE POST OF WELFARE ASSISTANT, GENERAL CENTRAL SERVICE GROUP 'B', NON GAZETTED, MINISTERIAL

The recruitment is regulated in accordance with the IA&AD (Welfare Assistant) Recruitment Rules, 2002. These rules provide:

- (i) The post shall be in the scale of Rs. 6500-200-10500.
- (ii) The method of recruitment shall be transfer on deputation as per condition prescribed in 'Recruitment Rules'.
- (iii) The period of deputation shall ordinarily not exceed 3 years.

4.17 PROMOTION OF CLERKS TO THE AUDITOR GRADE

In accordance with the IA&AD (Auditor) Recruitment Rules 1988 circulated by Comptroller & Auditor General's circular No. 768-N.2/47-88 dated 26.8.88, the promotion of clerks to Auditors cadre is regulated as under:-

- (a) 40% of posts by promotion of clerks/typists with 5 years regular service in the grade on seniority basis subject to rejection of unfit.
- (b) 10% of posts by promotion of graduate clerks/typists with 3 years continuous regular service on passing the Departmental Examination for Auditors or clerks/typists, passing the S.O.G.E. Part-I.
- (c) 50% of posts by Direct Recruitment as per Recruitment Rules.

The interse ranking of those who qualify in the examination will be in the order of their interse seniority, those qualifying in any earlier examinations ranking enblock higher than those who qualify in a later examination. Group 'D' Officers will rank enbloc below clerks of same batch.

Clerks/typists promoted on seniority basis are required to pass the Departmental Examination within such time limit and within such chances as prescribed by the Comptroller & Auditor General of India, failing which the promotee will be reverted to clerks/typists grade.

The promotees shall have to pass the Departmental Examination for Auditors within three years of his promotion i.e. in 6 chances but if an examination is held within 90 days of the promotion he may not take it instead take the six consecutive examination held thereafter. Qualification Pay of Rs. 60/- per month for passing Departmental Examination for Auditors will be admissible to them w.e.f. the date of appointment as Auditor.

(Authority: C&AG's Circular No. NGE/25/2000, No. 72-NGE (App)/40-99 dated 31.05.2000.

The element of Rs. 60/- as qualification pay is required to be taken into account for the purpose of fixation of pay in the event of promotion/appointment to the post of Senior Auditor.

(Authority: Ministry of Finance, Department of Expenditure O.M. No. 9(7)-E-III (A)/98 dated 5.8.99).

4.18 PROMOTION AVENUES FOR GROUP 'D'

The cadre of 'Record Keeper (Ordinary)' Rs. 2750-4400 with a functional Selection Grade (Rs. 3050-4590) limited to 20% of posts has been introduced w.e.f. 01.03.1984. Record Keepers with minimum of three years of regular service in the grade will be eligible for promotion to functional selection grade on seniority cum-fitness basis. This will be promotional post for all Group 'D' with 7 years service and possessing the middle school pass qualification and appointments to this grade will be made on seniority-cum-fitness basis. 15% posts in group 'D' will be upgraded as Record Keepers. The Principal Director of Audit will himself upgrade 10% of the posts of all categories in Group 'D' under intimation to Headquarters (BRS). The recruitment/promotion of Record Keepers/Selection Grade Record Keepers (Ordinary) is regulated in accordance with the 'IA&AD' (Record Keeper) Recruitment Rules as amended from time to time.

The existing qualifying test for Daftries has been abolished after exhausting the existing panel. Promotion to Daftries grade will hereafter be made on seniority-cum-fitness basis.

In view of introduction of a new promotional avenue for Group 'D' the scheme of promotion through the existing departmental qualifying examination for non-matriculate Group 'D' for promotion as Clerks has been abolished from 1984. The minimum service eligibility for matriculate Group 'D' for appearing at the Limited Departmental Competitive Examination for promotion as clerks will be five years continuous service on the first day of the month in which the examination is held. The standard of the Limited Departmental Competitive examination for matriculate Group 'D' has been upgraded from 1984.

(Authority: Paras 3.13.1., 3.13.2, 3.13.3 and 4.4. of Manual of Instructions for Restructuring of Cadres in IA&AD and CAG's letter No. 106-M. 2/74-83 (I) dated 10.10.1984).

The Graduate Group 'D' staff on completion of three years service shall be eligible to take Departmental Examination for Auditors and on passing the same shall be promoted as Auditors in the scale of Rs. 4500-7000 against 10% Departmental Examination quota.

(Authority : Comptroller and Auditor General's letter NO. 768-N-2/47-88 dated 26.8.88)

4.19 OATH OF ALLEGIANCE

(See Para 6.2.13 of Manual of Standing Orders (Administrative) Volume-I)

All government servants should take an oath of allegiance to the Indian Republic. The form of the oath is as follows:

"I _____ do swear that I will be faithful and bear true allegiance to India and to the Constitution of India as by law established, that I will loyally carry out the duties of my office. So help me God."

Conscientious objector to oath taking may make a solemn affirmation to the same effect.

The oath/affirmation should be taken/made before the Head of the Department or office as may be appropriate or a Gazetted Officer who may be authorised in this behalf.

4.20 VERIFICATION OF CHARACTER AND ANTECEDENTS OF EMPLOYEES.

(See Para 6.2.12 of Manual of Standing Orders (Administrative) Volume-1).

The orders issued from time to time regarding verification of character and antecedents of the applicants should be consulted invariably for compliance before appointments are made.

4.21 CHARACTER CERTIFICATES AND FILLING UP OF ATTESTATION FORM

Every candidate appointed in office should be required to produce a certificate of character from two Gazetted Officers of the Central or State Govt. or a stipendary magistrate in the prescribed form. He should also fill in the prescribed questionnaire form. If a candidate is unable to do so, his antecedents should be verified. A certificate of character from the Head of the Educational Institution last attended and a similar certificate from the previous employer, if any, is also to be produced by the candidate. If, however, he is not in a position to produce certificate of character from the Head of the Educational Institution, he may be required to produce only a certificate from a Gazetted Officer duly attested by a stipendary 1st Class Executive Magistrate, District Magistrate or Sub-Divisional Magistrate.

The recruits to Group 'D' service should produce at the time of appointment only one character certificate on the prescribed form from a Gazetted Officer and the prescribed attestation form duly filled in by him and attested by a responsible person.

(Authority : Home Department No. 20/58//45-Ests(s) dated 7th February, 1948 and Ministry of Home Affairs O.M. No. F.53/4-60-Ests.B dated the 17th May, 1960).

4.22 DATE OF BIRTH

1. Every person newly appointed to a service or a post under Government shall at the time of the appointment declare the date of birth by the Christian Era with as far as possible confirmatory documentary evidence such as a Matriculation Certificate, Municipal Birth Certificate and so on. If the exact date is not known an approximate date shall be given.

2. The actual date or the assumed date determined under Rule 80 shall be recorded in the History of Service, Service Book, or any other record that may be kept in respect of the Government servant's service under Government and, once recorded, it cannot be altered, except in the case of a clerical error, without the previous orders of a Department of the Central Government or an Administrator.

(Authority : Rule 79 of General Financial Rules)

3. If a Government servant is unable to state his exact date of birth but can state the year or year and month of birth, the 1st July or the 16th of the month, respectively, shall be treated as the date of his birth.
4. If he is only able to state his approximate age, his date of birth shall be assumed to be the corresponding date after deducting the number of years representing his age from his date of appointment.
5. When a person who first entered Military employ is subsequently employed in a Civil Department, the date of birth for the purpose of the Civil employment shall be the date stated by him at the time of attestation, or if at the time of attestation he stated only his age, the date of birth shall be deducted with reference to that age according to sub-rule (2) of this rule. (Authority : Rule 80 of General Financial Rules)

4.23 MEDICAL CERTIFICATE OF FITNESS ON FIRST ENTRY INTO GOVERNMENT SERVICE.

(See Para 42 of Railway Audit Manual)

The instructions on the subject are given in Supplementary Rule 3, 4 and 4-A. The certificate of physical fitness should be obtained by a candidate for appointment in office from the Medical Officer requested by the Deputy Director of Audit to examine him.

Before issuing a final appointment order, the candidate should be informed that he is proposed to be employed subject to his being found physically fit and if he accepts the offer, his medical examination should be arranged by the appropriate medical authority. On receipt of acceptance of offer by the candidate, a requisition should be issued to the appropriate medical authority requesting him to examine the candidate and to forward the medical certificate and his bill for such examination directly to this office. On receipt of the fitness certificate, the final appointment order should be issued to the candidate.

(Authority: Comptroller & Auditor General's letter No. 259-Admn.II/136-57, dated the 12th February, 1958)

The charges involved on account of reimbursement of medical examination fee would be at the rates laid down in Appendix X of the Hand Book on Medical Examination issued by the Ministry of Health and would be debited to the sub-head 'Allowances and Honoraria.'

(Authority: Ministry of Health O.M. No. F5(II)-23/57-M-II, dated 12.05.1960, received under Comptroller & Auditor General's endorsement No. 1461-AC/318-62 dated 15.12.1962).

4.24 LEAVE RESERVES

Leave reserve in respect of Section Officers' cadre is provided for in the Auditors' cadre in Audit offices and in Accountants' cadre in A&E office vide para 6.4.1

A leave reserve at 10% of the sanctioned permanent and temporary strength of (i) Audit Officers, Asstt. Audit Officers, Section Officers, Sr. Auditors/Auditors is permitted in Auditors' cadre and for Clerks in Clerks' cadre in audit offices and (ii) of Accounts Officers, Asstt. Accounts Officers, Section Officers, Sr. Accountants, Accountants is permitted in Accountants' cadre and for clerks (including typists, machinists, Comptometer Operators) in Clerks' cadre in A&E Offices and the leave reserve at the same percentage on the permanent and temporary strength of stenographers and Record Keepers is permitted in the stenographers' and Record Keepers' cadre respectively.

To provide for vacancies caused by the members of Group 'D' staff proceeding on regular leave, a temporary leave reserve at 7 ½ per cent of the net sanctioned permanent and temporary strength (excluding Record Keepers and the leave reserve in Group 'D') may be created in Group 'D' cadre.

(Authority: Paras 5.13, 6.4 & 8.6 of MSO (Admn.) Volume-I).

4.25 TERMS AND CONDITIONS TO BE OFFERED TO TEMPORARY STAFF

Detailed instructions about the conditions of service of temporary Government servants are contained in the Central Government Civil Services (Temporary Service) Rules, 1965, as modified from time to time.

4.26 TRAINING OF NEWLY APPOINTED OFFICIALS AND OFFICIALS APPEARING IN DEPARTMENTAL EXAMINATIONS

(See para 9.2.8 and 9.2.9 of M.S.O. (Administration), Volume-I)

The Comptroller & Auditor General of India attaches great importance to the systematic training of newly recruited staff and Section Officer Grade Examination Service personnel. The course should cover all details pertaining to office procedure and routine in addition to the main principles of audit of all the branches of Railway transactions such as Establishment, Engineering Works, Workshop Stores, Traffic etc., and the Code rules regulating them. Wherever there is a separate Training Superintendent he will maintain an official diary of his work and submit the same to Principal Director of Audit. The detailed syllabus of studies and the actual method of training should also be approved by Principal Director of Audit before hand. Candidates appearing in Departmental Examinations will be imparted training according to the syllabus.

4.27 TRANSFER

(See paras 57 & 59 of Railway Audit Manual & Para 5.10 of MSO (Admn) Volume-I)

No Auditor/Sr. Auditor will be allowed to remain in the same seat for more than 3 continuous years with out the specific approval of the Group Officer incharge of Administration Section and in the same section for more than 5 continuous years without the specific approval of the Principal Director of Audit. A person having worked in a seat or section for the prescribed period should not be posted again on the same seat or in the section after a short interval.

(Authority: Comptroller & Auditor General letter No. 215-PC (Coord.)/3-87 dt. 17.11.1987.)

The transfers of the Asstt. Audit Officers/Section Officers require the previous approval of the Principal Director of Audit.

As good Asstt. Audit Officers/Section Officers will normally be promoted as Audit Officers in course of time, it will be in the interest of public service that they are not kept on the same seat for long in a particular section, and that they should be given an opportunity to gain experience of work done in the various branches of the office. They should therefore, be posted in rotation and it should be so arranged that no SECTION OFFICER/Asstt. Audit Officer normally remain in any particular section for more than two years. To ensure this, a review should be made annually be the Branches and Divisions in the month of March and the result of this review with remarks, if any, sent to the Administration Section in the first week of April each year. The result of review and final orders passed thereon by the Group Officer incharge of Administration Section Principal Director of Audit and action taken in connection therewith should be kept on record in the Administration Section for perusal by the Deputy Comptroller and Auditor General of India (Railways) during his visits.

(Authority : Comptroller & Auditor General's letter No. 215-PC (Coord)/3-87 dt. 17.1.1987)

4.28 CONFIRMATION OF SECTION OFFICER

CONFIRMATION OF DIRECTLY RECRUITED SECTION OFFICERS

Directly recruited Section Officer (Probationer) are to be appointed to the regular post of Section Officer and confirmed in Section Officer's cadre from the date of their satisfactory completion of two years of probation or the date of their passing the Part-II of Section Officer Grade Examination whichever is later subject to finding them otherwise fit as per their performance reflected through ACRs.

(Authority CAG circular No.39/NGE/2000, No.1015/NGE(App.)/65-96 dated 27.9.2000)

4.29 CONFIDENTIAL REPORTS AND CHARACTER ROLLS

Instructions in regard to the submission of confidential reports and the procedure for communication of adverse comments are contained in Paras 3.30, 5.11, 10.11.4 and 8.7 of the manual of Standing Orders (Administrative) Volume-1. The confidential reports of Sr. Auditors/Auditors/Clerks will be written by the Asstt. Audit Officers/Section Officers and will be submitted to the Branch Officer in charge of the Section who will sign them after adding such remarks as he may consider necessary.

The reports signed by the Branch Officers will be submitted to the Director/Principal Director of Audit in supervisory charge of the respective division or branch, who will sign them after adding such remarks as he considers necessary. All these reports will, thereafter, be sent to the Director (Admn.) who will submit the reports in respect of the Asstt. Audit Officers/Section Officers to the Principal Director of Audit.

A record of the prescribed punishments (e.g. censure, reduction to a lower post etc.) imposed on a Government servant as a result of disciplinary proceedings should invariably be kept in his Confidential Roll. Further, on the conclusion of disciplinary proceedings, if it is decided not to impose any of the prescribed punishments, but to administer only a warning or reprimand etc., a mention of such warning etc. should also be made in the Confidential Roll. (Authority : Ministry of Home Affairs Office Memorandum No.39/12-59 Estt.(A) dated 23.4.60).

The confidential reports on the members of Section Officer Service will remain the custody of the Principal Director of Audit. A list showing the names of Assistant Audit Officers/Section Officers of whom reports have been submitted to the Principal Director of Audit will be sent by each Branch Officer to the Director (Admn.) in the 1st week of April each year. The Assistant Audit Officer/Section Officer (Admn.) will carefully scrutinize the lists with the Gradation List and bring to the notice of the Audit Officers concerned cases in which reports have not been written and get the omissions supplied. He will also lay before the Principal Director of Audit a copy of the latest instructions on the subject, if any.

The Confidential Reports of Senior Auditors/Auditors, Clerks, Stenos and Group 'D' staff will be kept in the personal custody of the Director (Admn.)

There is no objection to supply the photocopies of confidential Reports in respect of Section Officers and original confidential Reports in respect of Sr. Auditors if S.O. desired by the borrowing Govt. Department. The borrowing department should however, be required to send to the Principal Director of Audit, a copy of their annual report on each SECTION OFFICER and Senior Auditors/Auditors, Stenos, Clerks sent to them whenever necessary. (Authority : DRA's letter No.E9/12/41 dated 20.3.52)

4.30 PREMATURE RETIREMENT OF CENTRAL GOVERNMENT SERVANTS

The detailed instructions regarding premature retirement of Central Government Servants indicating the relevant rules the procedure and guidelines for reviewing the cases of Government employees covered under these rules are

contained in Government of India. Department of Personnel and Administrative Reforms, Ministry of Home Affairs O.M. No. 25013/14/77-Estt(A) dated 5th January, 1978 and Rule 48 and 48-A of CCS (Pension) Rules, 1972.

In accordance with the provisions of Fundamental Rules 56 (J), the appropriate authority has the absolute right to retire, if it is necessary to do so in public interest, any Government employees as follows:

- (i) If he is in Group 'A' or 'B' service or post in a substantive or temporary capacity and has entered Government service before attaining the age of 35 years, after he has attained the age of 50 years.
- (ii) In any other case, after he has attained the age of 55 years provided that in the case of a Group 'D' official, such action can be taken if he entered service after 23rd July, 1966.

In other words, a Government servant belonging to Group 'A' and 'B' who has entered Government service after attaining the age of 35 years, and officers belonging to Group 'C' and 'D' can be prematurely retired after they have attained the age of 35 years with the exception of Group 'D' officials, who entered service on or before 23rd July, 1966.

In addition, a Government servant in Group 'C' or post who is not governed by any pension rules, can also be retired after he has completed thirty years service, under F.R. 56(1).

In order to ensure that the review is undertaken regularly and in due time, the Administration Section is required to maintain a suitable register of employees under its control, who are due to attain the age of 50/55 years or complete 30 years service as the case may be. This register should be scrutinized at the beginning of every quarter by Dr. Director (Administration) and the review undertaken according to the following schedule:

Quarter in which review is to be made	cases of employees who will be attaining the age of 50/55 years or will be completing 30 years of service or 30 years of service qualifying for pension as the case may be in the quarter indicated below to be reviewed.	
1.	January to March	July to September of the same year.
2.	April to June	October to December of the same year.
3.	July to September	January to March of the next year.
4.	October to December	April to June of the next year.

4.31 STAFF ASSOCIATIONS

The Government of India, Department of Personnel and Training have framed rules called 'The Central Civil Services (Recognition of Service Association) Rules, 1993' received under Comptroller & Auditor General's endorsement No. 449-N4/40-93 dated 9.12.1993.

The orders passed by the Principal Director of Audit on the communication addressed to him by the recognised service associations should be communicated to the Association concerned.

4.32 DEPARTMENTAL EXAMINATION FOR AUDITORS

(Para 60 - Railway Audit Manual and Paras 9.4.8 of Manual of Standing Orders (Admn.) Vol. I and M.I.R. 4.3.1., 4.3.2. and 4.3.3.)

All direct recruits as well as Clerks/Typists promoted as Auditors should pass the Departmental Examination which is a pre-requisite for confirmation and promotion as Senior Auditor. The examination will be held twice a year in February and August each year. Proposals should be put up to Principal Director of Audit in December and June for nominating the Officers for setting all the 3 question papers. The dates of the examination will be determined by the Principal Director of Audit. The syllabus for the examination is given below:

PAPER	DURATION	MAXIMUM MARK
Paper I – Railway Audit	2 ½ Hours	100
Paper II – General Rules Procedure	2 ½ Hours	100
Paper III – Revenue Audit (Railways)	3 Hours	100

Note: Candidates will be declared to have passed if they obtain 40% of marks in each of the papers. A candidate who fails to pass the examination but obtains in any paper at least 50% of marks will be exempted from appearing again in that subject.

(Authority: Comptroller and Auditor General's MSO (Admn.) Vol-1 Para 9.4.8)

The honorarium will be admissible to the examiners for setting question papers and evaluating of answer scripts at the prescribed rates amended from time to time.

If the amount of honorarium computed on the above basis is less than Rs. 10/-, an amount of Rs. 10/- will be granted as Honorarium.

(Authority: Comptroller and Auditor General's MSO (Admn.) Vol-I Para 9.11.2)

Auditors who have rendered at least one year service as on 1st February and 1st August are eligible to appear in the examination. Auditors transferred from other offices who have already passed the examination in their offices need not sit for the examination again. The Principal Director of Audit may at his discretion condone deficiencies in the prescribed service upto a limit not exceeding two months.

Each Auditor is allowed maximum of six chances to pass the examination Each successive examination held after the completion of one year service will count towards this number, irrespective of the fact whether he is appearing in the examination or not. Two additional chances may be considered by Principal Director of Audit in deserving cases. Failure to pass the examination within the stipulated chances will entail discharge from the service in case of Direct Recruitment

Clerk/Typists promoted as Auditors will also have to clear this examination within 6 chances. Failure to pass the examination will entail reversion to the Clerk/Typist cadre.

(Authority: Comptroller & Auditor General's MSO (Admn) Vol-I, Para 9.4.2)

Auditors reverted to Clerk/Typist cadre for failure to pass the Departmental Examination will on re-promotion be treated as on fresh appointment and no weightage for previous service as Auditor will be given. He will be allowed the prescribed number of chances again to pass the examination. Promoted Clerk/Typist who fail to pass the Departmental Examination and are reverted are also allowed further three chances to appear in the Departmental Examination while serving as Clerk/Typists. These chances should be availed of within two years of their reversion.

(Authority: Comptroller and Auditor General's MSO (Admn) Vol-I Para 9.4.2)

4.33 SECTION OFFICER'S SERVICE

Appointment to the cadre of Section Officers is made by promotion of Officials of Group "C" of the Railway Audit Offices who have passed the Section Officer's Grade Examination.

4.34 SECTION OFFICER'S GRADE EXAMINATION

Section Officers Grade Examination is held once a year, on the dates fixed by the Comptroller & Auditor General. Persons who have put in a minimum of three years service as on 15th November in one or more of the following capacities will be eligible to take the examination.

- i. As a Clerk/Typist, Auditor, in an Audit Office.
- ii. As a Stenographer or Steno-Typist in an Audit Office.

Condonation not more than 2 months deficiency. in the minimum qualifying service required for appearing in the examination may be recommended to Headquarters.

The maximum number of chances for Part-I of the Section Officer's Grade Examination will ordinarily be 6. Indefinite number of chances in Part-I shall, however, be allowed to those candidates who secure 30% marks in aggregate in any two of the last six chances availed of by them.

There will be no limit to the number of chances for Part-II of the examination.

4.35 SELECTION AND TRAINING OF CANDIDATES FOR SECTION OFFICERS GRADE EXAMINATION.

After the results of the Section Officers Grade Examination are announced, names of intending candidates for the next examination should be obtained in the prescribed proforma.

A Preliminary Test will be conducted for those who are appearing for he first time to select the candidates who will be allowed to sit for the examination. The test will consist of two papers each of three hours duration – one on "General English/General Hindi and Constitution of India" And the other on "Omnibus Paper (without books) covering the subjects on Establishment and Expenditure, prescribed for Part-I of Section Officers Grade Examination.

Candidates qualified in the Preliminary Test but not appearing for the examination should again pass the Preliminary test if he is to appear for the examination in the subsequent year.

Lectures will be given to the Section Officer's Grade Examination candidates for Part-I and II Examination by Asstt. Audit Officers and Audit Officers nominated by the Principal Director of Audit. The number of lectures in each subject and honorarium to be paid shall be in accordance with the instruction of Headquarters. The lectures should be not less than 75 minutes duration.

(Authority: Comptroller & Auditor General's MSO (Admn) Vol-I Para 9.2.8)

4.36 STATEMENT OF CANDIDATES FOR SECTION OFFICERS GRADE EXAMINATION.

A list of candidates eligible for Section Officers Grade Examination Part-I and II, approved by the Principal Director of Audit, will be sent in the form prescribed in Para 197 of the Manual of Standing Order (Admn.) Vol-I so as to reach Comptroller & Auditor General's Office by 15th August each year. An indication whether a particular candidate belongs to Scheduled Caste or Scheduled Tribe should be given. The following information should also be indicated invariably in the list of candidates.

In the case of a candidate who has secured the concession of another chance in Part-I of the Section Officer's Grade Examination, by virtue of his having secured 30% of marks in the aggregate in any one of the last two chances, actually availed of by him, the month and year of that examination, the index number then allotted and the marks obtained

should be indicated against his name in the 'Remarks' column of the statement. The list compiled by the Administration Section should be checked in detail by a Section Officer/Assistant Audit Officer and Audit Officer other than those who are responsible for the compilation. As soon as an advice is received from the Comptroller & Auditor about the programme of the examination and the Index Numbers allotted to the candidates, the candidates should be notified and a copy of the instructions also supplied to them. Candidates who secure exemptions marks in two subjects in Part-I will be allowed to take the third subject along with Part-II Examination. Candidates who have passed Group-I of the final examination of I.C.W.A., will be exempted from Accountancy paper in part-II.

(Authority : Comptroller & Auditor General's MSO (Admn) Vol-I, Para 9.2.3.)

4.37 WITHDRAWAL FROM THE EXAMINATION

Candidates who wish to withdraw from the examination, whether Part-I or Part-II, should apply for permission to do so before the lists of eligible candidates are sent to Comptroller & Auditor General.

Applications received afterwards will not be considered unless there are very compelling reasons in support of the request. Permission to withdraw one's name should be applied for in any case before the commencement of the examination.

(Authority : Comptroller and Auditor General's MSO (Admn.) Vol-I Para 9.2.10.1)

4.38 CONDUCT OF THE EXAMINATION

The examination will be conducted by the IA&AS Officers nominated by Comptroller and Auditor General. A list showing the particular of candidates who have been allowed by the Principal Director of Audit to withdraw from the examination should be forwarded to Comptroller & Auditor General after the examination is over.

4.39 GRANT OF LEAVE TO SECTION OFFICERS GRADE EXAMINATION CANDIDATES FOR PREPARATION.

Leave may be granted to Section Officers Grade Examination candidates for preparation subject to administrative convenience and with due regard to the principle enunciated in S.R. 232.

4.40 PASSES AND TRAVELLING ALLOWANCE TO SECTION OFFICERS GRADE EXAMINATION CANDIDATES.

The Section Officers Grade Examination is treated as an obligatory examination for the purpose of Traveling Allowance. Journeys performed in connection with the examination are treated as journeys on tour. No daily allowance will, however, be paid for the days of halt at the place of examination. Traveling Allowance for the journeys may be given only for the first two attempts of a particular examination.

(Authority: Para 1656 of Indian Railway Establishment Code Vol-II).

4.41 SENIORITY IN SECTION OFFICERS CADRE

The promotion of Section Officers Grade Examination passed Auditor is based on the recommendations of the Departmental Promotion Committee constituted for the purpose, taking into account the extant orders on reservation roaster.

4.42 REVENUE AUDIT EXAMINATION FOR SECTION/OFFICERS/ ASSISTANT AUDIT OFFICERS

A departmental examination called "Revenue Audit Examination for Section Officers/Asst. Audit Officers" of the Railway Audit Department has been introduced from the year 1974.

The examination will consist of 2 papers each of 3 hours duration and carrying 150 marks each. (Paper I deals with Income Tax and Paper II deals with Revenue Receipts of the Department). The minimum marks required for a pass in the examination will be 40% in each paper but candidates who obtain 50% or more marks in any paper will be exempted from appearing in that paper in the subsequent examination. The examination will be held once a year on the dates to be determined by the Comptroller & Auditor General.

(Authority : Comptroller & Auditor General's MSO (Admn) Vol-I Para 9.3)

4.43 CONDITIONS OF ELIGIBILITY TO SIT FOR THE EXAMINATION

Revenue Audit Examination is held for Section Officers/Assistant Audit Officers once in a year along with SOG Examination. It is optional for the Section Officers/AAOs to appear in this examination.

(Authority : Comptroller & Auditor General's MSO (Admn) Vol-I Para 9.3.1)

4.44 MAXIMUM NUMBER OF CHANCES

The maximum number of chances allowed for passing this examination will be 6 (six) without any age restriction. Permission accorded to appear in any particular examination shall count as one chance irrespective of the fact whether the candidate actually sits for the examination or not, unless he is specifically allowed by the Head of Office to withdraw his candidature. Such withdrawal shall not be allowed unless the circumstances of the case fully justify the concession. Permission to withdraw one's candidature should be applied for as early as possible and in any case before the commencement of the examination.

(Authority: Comptroller & Auditor General's MSO (Admn) Vol-I Para 9.3.3)

4.45 INCENTIVE TO CANDIDATES PASSING THE EXAMINATION.

Such of those Section Officers/Assistant Audit Officers who pass the Revenue Audit Examination will be allowed one advance increment in the Section Officer/Assistant Audit Officer's scale (as the case may be) in which the pay is drawn at the time of writing the examination taking effect from the day following the last day of the examination. The next increment will accrue on the normal date of increment of each official. In the case of Assistant Audit Officers passing this examination, the advance increment has to be sanctioned by the Comptroller & Auditor General.

(Authority: C.A.G.'s M.S.O. (Admn) Vol-I Para 9.3.4)

4.46 TRAINING OF CANDIDATES

The Section Officers/Assistant Audit Officers who desire to appear in the examination would be given intensified training. The training will be in the form of concentrated full time course spread over a period of 10 working days consisting of 25 lectures. Training will be arranged by the Director General of Audit, Central Revenues (DGACR), New Delhi.

4.47 TRAVELLING ALLOWANCE TO THE CANDIDATES FOR TRAINING

The candidates who have to proceed for the training to a centre at a place other than their Headquarters will be entitled to Travelling Allowance as on tour and the period of training will be treated as duty.

(Authority: Para 1685 of Indian Railway Establishment Code-Vol-II)

4.48 INCENTIVES FOR ACQUIRING HIGHER QUALIFICATIONS

The scheme regarding grant of advance increments on acquiring common qualifications viz. A.I.C.A./I.C.W.A./Company Secretary, has been replaced by one time lump sum incentive as under subject to fulfillment of conditions prescribed under C&AG's Circular No. NGE/57/2000, No. 897-NGE/Entt/26-96 dated 22/26-12-2000.

	Qualification	Lump sum amount of incentive
I.	On passing Final Examination of :-	
	1. Institute of chartered Accountants of India	8,000.00
	2. Institute of Cost & Works Accountants of India.	8,000.00
	3. Institute of Chartered Financial Analysts of India	8,000.00
	4. Institute of Company Secretaries of India	4,000.00
II.	On passing Inter mediate/Part-I Examination of :-	
	1. Institute of Chartered Accountants of India	4,000.00
	2. Institute of Cost & Works Accountants of India	4,000.00
	3. Institute of Chartered Financial Analysts of India	4,000.00
	4. Institute of Company Secretaries of India	2,000.00
III.	Post Graduate Degree in Computer Science/Computer Application/Information Technology	10,000.00
IV.	Degree in Computer Science/Computer Applications/ Information Technology	8,000.00
V.	P.G. Diploma in Computer Science/Computer Application/Information Technology	6,000.00
VI.	Diploma or equivalent in Computer Science/Computer Application/Information Technology.	4,000.00

Beside above re-imbusement of registration fee/course fee/examination fee for undertaking following professional courses by Group 'B' and 'C' employees of IA&AD, is also allowed after probation period subject to fulfillment of certain conditions.

1. Certified Information System Auditor (CISA).
2. Certified Internal Auditor (CIA).
3. Cost Accountancy (ICWA).
4. Certified Financial Analyst (CFA).
5. Certified Fraud Examiner (CFE).

(Authority: C&AG's Circular No. 53/NGE/2001, No. 582/NGE/Entt/5-2001 dated 31.10.2001.

4.49 STATEMENT OF CANDIDATES PERMITTED TO APPEAR IN THE EXAMINATION.

Particulars of candidates permitted to appear in the examination should be intimated to Comptroller & Auditor General in form No. 'J' given in Annexure II (Comptroller and Auditor General's letter No. 266-Exam/102-72 dated 3.6.1974).

Immediately after the close of the examination, a certificate to the effect that all the candidates who were allowed to appear in the examination had completed the prescribed course of training should be furnished to Comptroller and Auditor General.

4.50 DEPARTMENTAL EXAMINATION FOR PROMOTION AS STENOGRAPHER

A Limited Departmental Competitive Examination for Clerk/Typists for promotion as Stenographers will be held once a year in the month of August. Any permanent or temporary regularly appointed Clerk/Typist who has completed 2 years continuous service as Clerk/Typist in IA&AD and who has passed the Matriculation examination will be eligible to appear in the examination.

The crucial date to determine the eligibility will be the first day of the month in which the examination is held. The candidates will be allowed 4 chances in all to pass the examination. 20% of the vacancies in the cadre of Stenographers will be filled in from Clerk/Typists who qualify in this examination. Points 1, 6, 11 and 16 in the 20 point roster will be filled in by these departmental candidates. The examination shall consist of 2 parts viz., Part A – Written Test and Part B – Shorthand Test. The subject of the examination, time allowed, the maximum marks for each subject and the standard and the syllabus will be as follows :

Part 'A' – Written Test :

Subject	Time allowed	Maximum Marks
Paper I General English	1 hour	75
Paper II Easy	1 hour	50
Paper III General Knowledge	1 hour	75

(Minimum qualifying marks will be 40 % in each of the papers)

Part 'B'

Short-hand Test in English/Hindi (80 words per minute)	10 Minutes passage	200
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(Minimum qualifying marks will be 55%)

(Authority : Comptroller & Auditor General's MSO (Admn.) Vol-I Para 9.5)

4.51 LIMITED DEPARTMENTAL COMPETITIVE EXAMINATION FOR MATRICULATE GROUP 'D' STAFF FOR PROMOTION AS CLERKS/TYPISTS

(i) Group 'D' staff who are Matriculates and who have put in 3 years continuous service on the first day of the month in which the examination is held are eligible to appear for this examination. The examination will consist of 3 written papers on :

		Duration	Maximum Marks
1.	English/Hindi	2 hours	100
2.	Arithmetic tabulation	2 hours	100
3.	General knowledge and Office procedure	1 hour	100

(ii) The pass marks required is 40% in each of the 3 papers. The number of chances shall be limitless. The candidates who pass the written papers of the examination become eligible for promotion as Clerks/Typists. Candidates securing 45% marks in any paper(s) would be exempted from appearing in that paper(s) in subsequent examinations.

(Authority : Comptroller & Auditor General's letters No. 341 – Exam/161-83 dated 30.04.1984 and No. 691 – Exam/161-83 dated 5.7.1984 and 833 – Exam/161-83 dated 23.7.86 and No. 242-Exam/161-83 Vol.II dated 23.4.1987).

(iii) Failure to qualify in the type test by Clerk/Typist – Adverse effects :

Promotee Group 'D' should not be reverted for failure to qualify in the requisite type test. However, such of the candidates who do not qualify in the prescribed type test would not earn any increments nor become eligible for confirmation and promotion. They are also not eligible to appear at any departmental examination on passing of which

promotion is given, i.e. Section Officer's Grade Examination etc. They are however, eligible for exemption from passing the type test on their reaching the age of 45 years.

On passing the type test, their increments held over will be released but arrears prior to passing are not payable. If any period of probation is prescribed in the post of Clerk/Typist, such post period of probation cannot be deemed to have been successfully concluded, till the type test is passed.

In cases where exemption from type test is granted either on reaching the age of 45 years or on medical certificates, or on medical certificates, the above mentioned disabilities due to non-passing of type test will cease to be operative on such exemptions.

(Authority : Comptroller & Auditor General's MSO (Admn) Vol-I, Para 9.6).

4.52 INCENTIVE EXAMINATION FOR SENIOR AUDITORS

A Scheme of Incentive Examination for Senior Auditor with one year service in the grade on the 1st of month in which the examination is scheduled to be held has been introduced in IA&AD w.e.f. April/89 on "Finance, Accounts and Audit." The examination will be conducted by the Head of the Department in the rank of A.G.'s on the dates fixed by them every year in April. The maximum marks shall be 100. The paper shall be of 2 ½ hours duration without books. No departmental training shall be provided to the candidates also no books will be supplied which are priced publication and the candidate should make their own arrangement for the books. The candidate qualifying the examination with 50% marks shall be eligible for the grant of one advance increment in the grade.

(Authority : Comptroller & Auditor General MSO (Admn) Vol-I Para 9.8)

STATEMENT OF CANDIDATES FOR REVENUE AUDIT EXAMINATION FOR SECTION OFFICERS (RAILWAY AUDIT BRANCH) TO BE HELD IN _____.

S. No.	Name of the candidate	Date of birth	Year of passing SOGE Exam. with Index Number		No. of Examination at which already appeared with Index Number		Year in which already appeared at the examination and Index No. then allotted		Subject(s) in which already exempted the marks secured, the year of examination in which the exemption was secured and the Index No. then allotted.	Remarks.
			Year/ Index No.	Year/ Index No.	Year/ Index No.	Year/ Index No.	6 (a)	6 (b)		
1	2	3	4 (a)	4 (b)	5 (a)	5 (b)	6 (a)	6 (b)	7	8

CHAPTER – V

OFFICE PROCEDURE

5.1 Hours of work

(See Para 82 of Railway Audit Manual)

The office observes the same hours of work as the Accounts Office, Northern Railway.

5.2 In the Headquarters office where Asstt. Caretakers have been provided, it is their responsibility to see that the office, including the officers' rooms are opened and cleaned early in the morning and are properly closed in the evening. For this purpose, Asstt. Caretakers will attend office from 8 A.M. to 12 Noon and 3 P.M. to 7 P.M.

The Daftries posted in the Headquarters office will attend office at 9.30 A.M. and clean the ink stands, ink pots and pens of staff as well as of officers. They should also see that the rack in each officer's room is adequately supplied with forms and that the code books etc. are properly maintained.

The peons should attend office 15 minutes before the usual time, unless in any special case their attendance is required earlier than that hour. In the branches where there is no Caretaker/Daftry, their duties should also be performed by the peons.

The Group 'D' staff will remain in attendance in the evening until the section to which they are attached is entirely closed.

Cases of neglect of duty on the part of the Group 'D' staff, including Daftries and Asstt. Caretakers, should be reported by the Asstt. Audit Officer/Section Officer (Audit) concerned to the Branch Officer.

5.3 No clerical or Group 'D' staff should leave his seat during office hours without the permission of his Asstt. Audit Officer/Section Officer (Audit) nor should a Section Officer (Audit) do so without the sanction of his Branch Officer except during lunch time. Any staff found absent from his seat without permission shall be liable to the disciplinary action.

5.4 PUNCTUAL ATTENDANCE

All members of the staff should attend office punctually. Importance should be attached to punctuality of attendance persistent late attendance should not be condoned. The Asstt. Audit Officer/Section Officer (Audit) should close the Attendance register 10 minutes after the opening of the office and should promptly submit it to the Branch Officer. The latter should ensure that the attendance register is closed and submitted to him at the prescribed time. Such members of the staff as attend office late should mark their attendance in the presence of the Gazetted Officer-in-charge specifically noting the time of their arrival in the attendance register.

(Authority: Comptroller & Auditor General's letter No.2038-Admn.I,339-59 dated 13.7.1959).

5.5 LATE ATTENDANCE

Half a day's casual leave should be debited to the Casual Leave Account of an employee for each late attendance, but late attendance upto an hour on not more than two occasions in a month may be condoned by the competent authority, if he is satisfied that it is due to unavoidable reasons like illness in the family, a cycle puncture, late running of buses/trains etc., if such a course does not ensure punctual attendance, suitable disciplinary action may be taken against the defaulter in addition to debiting half a day's casual leave in his casual leave on each occasion of such late attendance. The practice of allowing a Government Servant to attend office late (i.e. practice of late coming with permission) should cease forthwith.

The attendance register should be closed at the end of each month and the number of late attendances of each employee during the month should be worked out in the attendance register itself. It should then be placed before the Asstt. Audit Officer/Section Officer (Audit) for condonation, or debiting half a day's casual leave for each absence to the employee's account, as the case may be.

The Branch Officer/Section Officer (Audit)/Asstt. Audit Officer should be very particular in scrutinizing the attendance registers. The lunch hours must also be very scrupulously observed, even by the Branch Officer/Section Officers (Audit)/Asstt. Audit Officer themselves. The Branch Officers should also carry out surprise checks periodically.

(Authority: Ministry of Home Affairs' Office Memorandum No.60/17/64 Ests(A) dated 4.8.1965 copy received under Comptroller & Auditor General's letter No.1940-NGE.I/194-65 dated 11.8.1965).

The Branch Officer in the case of Section Officers (Audit)/Asstt. Audit Officers and the Section Officers (Audit)/Asstt. Audit Officer in the case of Sr. Auditors/Auditor, Clerks, Typists, Record Keepers/Selection Grade Record Keepers and Group 'D' staff may condone late attendance due to late running of trains, of such staff who travel on suburban tickets when satisfied that the late attendance was entirely due to the late arrival of train by which the particular staff have to travel for attendance in the office. The condonation of late attendance will not be counted for computing the limit of two late attendance during the month as mentioned in the previous paragraphs.

(Authority : Principal Director of Audit's orders dated 19.3.68 read with Ministry of Home Affairs' U.O.No.1955-NGE.I/149-67 dated 7.9.1967 received under Comptroller & Auditor General's endorsement No.1507-NGE/149-67 dated 18.6.1968.)

If an official who has no casual leave to his credit, comes late without sufficient justification and the administrative authority concerned is not prepared to condone the late coming, but does not, at the same time, propose to take disciplinary action, it may inform the official concerned that he will be treated as on unauthorized absence for the day on which he has come late, and leave it to the official himself either to face the consequences of such unauthorized absence or to apply for earned leave or any other kind of leave due and admissible for the entire day, the same may be sanctioned by the competent authority.

(Authority : Ministry of Home Affairs Department of Personnel and Administrative Reforms No.28034/3/82 Ests(A) dated 5.3.82 received under Comptroller & Auditor General's endorsement No.1053-NGE.I/62-78 dated 30.3.1982.)

5.6 HOLIDAYS

(See Paras 83 to 84 of Railway Audit Manual)

The Headquarters office observes the same holidays as are observed by the Office of the General Manager, Northern Railway and the Branch Offices observe the holidays followed in their respective local Accounts Offices. The list of holidays (other than Sundays) to be observed by the Headquarters office should be sent, in duplicate, to the Comptroller & Auditor General of India on or before 15th of December each year. Modifications, if any, arising after the submission of the list should also be promptly intimated to the Comptroller & Auditor General of India. Likewise, the Branch Offices should also send by 15th December, to the Headquarters office, the list of holidays to be observed by them.

In addition to the closed holidays as notified from time to time, each employee is permitted to avail himself of any two restricted holidays to be chosen by him out of the list of such holidays declared by the Government/Railway Administration. The restricted holidays can be prefixed or suffixed to regular leave or casual leave.

(Authority : Comptroller & Auditor General's letter NO.719-NGE.I/202-62 dated 30.4.64).

Whenever an office order regarding holidays or early closing of the office is received from the Comptroller & Auditor General of India, or the General Manager, the state of work in the office should be ascertained and the orders of the Principal Director of Audit obtained.

5.7 CLOSING OF OFFICE ON THE DEATH OF HIGH DIGNITARIES

As it may not be possible for the Comptroller & Auditor General of India, as the head of the Indian Audit and Accounts Department, to issue orders in time to all his subordinate office located in different parts of the country, the announcement for the closing of offices etc. made by the All India Radio on the death of high dignitaries should be treated as authentic.

(Authority: Ministry of Home Affairs Office Memorandum No.3/16/59-Pub.II dated 12.5.1969 received under Comptroller & Auditor General's endorsement No.1474-Admn.II/262-60 dated 19.8.1960)

5.8 LEAVING HEADQUARTERS

(See Paras 40 and 44 of Railway Audit Manual)

When an employee wishes to leave Headquarters during Casual Leave and/or holidays, he should obtain prior approval of the competent authority for doing so. Address during such absence from Headquarters should invariably be left with the office. Grant of Passes and P.T.O.'s does not imply permission to leave Headquarters, which should always be obtained separately. The Branch Officer is competent to accord such permission.

During regular leave also, the leave address should be left with the office, but no formal permission to leave Headquarters is necessary. Any change in address during such leave due to whatever reason should, however, be intimated to the office.

(Authority: Comptroller & Auditor General's letters No.1958-NGE.I/280-59 dated 15.9.1959 and 278-NGE.I/37.60 dated 13.2.1960.)

Note: These orders also apply to those employees who are residing away from the Headquarters and coming to Headquarters daily from their residence located at outstations.

(Authority: Comptroller & Auditor General of India's letter No.24903-NGE.I/280-59 dated 21.1.1959)

5.9 CASUAL LEAVE

(See Para 85 of Railway Audit Manual and Section 8(2) of Appendix 3 to the Posts and Telegraphs Compilation of Fundamental Rules, Volume-II.)

- (a) Casual Leave is not earned by duty. Subject to a maximum of 8 days in calendar year, w.e.f. 1st January 1998 casual leave may be granted as and when occasion arise by the Section Officer (Audit)/Asstt. Audit Officer to Sr. Auditors/Auditors, Clerks, Typists, Record Sorters, Selection Grade Record Sorters and Group 'D' staff upto a maximum of 5 days and by a Branch Officer to Section Officer (Audit)/Asstt. Audit Officer, Sr. Auditor, Auditor, Typists, Record Sorters, Selection Grade Record Sorters, Clerks and Group 'D' staff upto a maximum of 8 days. Restricted holiday may also be sanctioned in continuation of casual leave for 5/8 days by the Section Officer (Audit)/Asstt. Audit Officer and Branch Officer respectively and this will not count for computing the limit of 5/8 days. Permission to leave Headquarters may be granted by the Section Officer (Audit)/Asstt. Audit Officer upto the period they are empowered to grant casual leave.

(Authority : DOPT OM NO.12/9-94-JCF dated 14.1.1998.)

- (b) Casual Leave can not be claimed as of right and its grant is subject to the exigencies of public service, casual leave should be very sparingly sanctioned and should not ordinarily exceed three or four days at a time but in special circumstances it may be granted upto five days in one spell subject to the provisions made in these paras. If applied for on account of ill-health it should, if so desired by the Deputy Director or Principal Director of Audit, be supported by a medical certificate if it is for more than three consecutive days.

(Authority : Comptroller & Auditor General's letter No.3720-NGE.i 233-53 dated 3.11.1953).

- (c) Casual leave exceeding 5 days may not be allowed at any one time. The Principal Director of Audit may, however, waive this condition in individual cases if he considers that there are exceptional circumstances justifying a relaxation in this regard. Public holidays and Saturdays on which the office remains closed, falling within a period of casual leave will not be counted as part of the casual leave. Such holidays etc. can be prefixed or suffixed to such leave.
- (d) On the transfer of an individual from one section to another, the fact of the transfer should be recorded in his casual leave account and an extract there from showing the number of casual leave, restricted holidays, compensatory leave etc. availed of, should be sent to the new section or office for record in the casual leave register of the latter. In case an employee is transferred to an outside office, the above information should be sent to Administration Section for mentioning the details of casual leave, restricted holidays etc. in the Last Pay Certificate.
- (e) The casual leave account will be kept in a register to be maintained by each Section/Branch. While sanctioning the casual leave the Section Officer (Audit)/Asstt. Audit Officer/Branch Officer should simultaneously attest the entries of the casual leave in the register. Where the casual leave is sanctioned by the Principal Director of Audit or the Deputy Director a certificate that it has been entered in the casual leave register should be furnished by the Section Officer (Audit)/Asstt. Audit Officer/Branch Officer to the sanctioning authority immediately on receipt of the sanction.

In order to watch the due receipt of this certificate, the stenographers concerned will keep a note of each case of casual leave sanctioned by Principal Director of Audit/Deputy Director and institute suitable enquiry from the branch concerned in the even of non-receipt of a certificate within a week.

- (f) There may be occasions when a Government Servant may have some urgent private work which does not require a full day's casual leave e.g. when he has to go to Railway station to receive a friend or relation, or to a dispensary to have himself or a member of his family treated. In such cases, half a day's casual leave, if applied for, may be granted and the practice of allowing a Government Servant to attend office late or to leave office early (i.e. practice of coming late or going early with permission) should cease forthwith.

For the grant of half day's casual leave, the lunch interval is to be the dividing line i.e. a person who take half a day's casual leave for the forenoon session is required to come to office at 1.30 P.M. Similarly if a person takes leave for the afternoon session, he can be allowed to leave office at 1 P.M. In office which follow different hours of work/lunch time, the Head of the office may decided as to what should be the dividing line for the grant of half day's casual leave.

There is no objection to the grant of half a day's casual leave, in conjunction with full day or day's casual leave, if so applied for. Likewise, even when the casual leave at the credit of a Government Servant is in terms of a full day or days, there is no objection to the grant of half day's casual leave in conjunction with full day's or several days casual leave.

(Authority: Government of India, Ministry of Finance, Office Memorandum NO.60/17/64-Ests(A) dated 4.8.1965).

5.10 COMPENSATORY LEAVE AND OVERTIME ALLOWANCE

(See Para 86 of Railway Audit Manual)

The staff who are required to perform duty for the full prescribed hours of work on Sunday (or other weekly or fortnightly of-days or Saturdays) should, as a rule be granted compensatory leave in lieu of the full day's work and paid overtime allowance or prescribed rates for the excess time put in by them minus one hour. In cases where an employee is required to work for half a day or less e.g. from the time the office opens till lunch time, two such half day's should be taken as equivalent to one full day for the purpose of grant of compensatory leave. Where necessary half a day's compensatory leave may be given.

Cash compensation in the form of overtime allowance for duty on such days may be granted only in very exceptional circumstances where the Head of the Department is satisfied and certifies that it is not possible to grant compensatory leave. In calculating overtime allowance on off days, Saturday and holidays, actual time taken for lunch break should be deducted.

(Authority: Government of India, Ministry of Finance Office Memorandum No.F.9(II)-EII(B)/64 dated 2.3.1965).

The number of days of compensatory leave earned will be separately noted in red ink in the Casual Leave Register in the account of the person concerned under the dated initials of the Gazetted Officer and the grant of leave also noted therein. The accumulation of compensatory leave will not be subject to any limit but such leave should be allowed within a month of its becoming due.

(Authority: Ministry of Finance, Office Memorandum No.F.9(17)-E.II(B)65 dated 27.11.1965.)

Compensatory leave granted in lieu of duty performed by Government servant on Sundays or any other closed holidays may be allowed to be prefixed or suffixed to regular leave or casual leave subject to the conditions laid down in Supplementary Rule, 209.

(Authority: Ministry of Finance (Department of Expenditure) Office Memorandum No.F2XI(13)ESTIV(A)/63 dated 19.11.1963 received under Comptroller & Auditor General's endorsement No.1974-Audit/313-63 dated 2.12.1963).

Where overtime allowance is payable to a Government Servant for the overtime work performed by him, he shall not be entitled to receive any other remuneration (whether in the form of conveyance charges or compensatory leave or otherwise), in respect of such overtime work, provided that where a Government Servant has been recalled from his residence to perform overtime work, the competent authority may allow conveyance charges to such a Government Servant in addition to the overtime allowance admissible to him.

(Authority: Government of India, Ministry of Finance, Office Memorandum No.F.9(5)EII(B)/60 dated 1.6.1961).

The Administration Section should send a quarterly return to the Comptroller & Auditor General showing the expenditure incurred on overtime allowance during the quarters ending August, November, February and May.

The total overtime allowance payable to a Government Servant in any month should not exceed one third of his monthly 'emoluments'.

(Authority: Government of India, Ministry of Finance, Office Memorandum No.F.9(5)-EII(B)/60 dated 1.6.1961).

The overtime allowance is taxable under Section 15 read with Section 17 of the Income Tax Act, 1961 and Income Tax should be deducted at source.

(Authority: Letter NO.225/3/62-IT dated 16.1.62 from the Central Board of Revenue, New Delhi).

5.11 GRANT OF SPECIAL CASUAL LEAVE

- (a) Special Casual Leave may be granted to Central Government servants for a period not exceeding 30 days in any one calendar year for:-
- (i) attending coaching or training camp under Raj Kumari Amrit Kaur coaching or training scheme;
 - (ii) attending coaching or training courses at National Institute of Sports, Patiala;
 - (iii) participation in mountaineering expeditions;
 - (iv) attending coaching camps in sports organized by National Sports Federation/Sports Boards recognized by All India Council of Sports; and
 - (v) participating in trekking expeditions;

The Government of India have decided that the Government Servants who are selected to attend coaching camp in sports organized by the National Federation, Sports Boards, recognized by the All India Council of Sports, Ministry of Education and Youth Services may also be granted special casual leave not exceeding 30 days in one calendar year.

Note 1 : In the case of Central Government Servants who are selected for participating in sporting events of national/international importance the period of the actual days on which they participate in the events as also the time spent in traveling to and from such tournaments/meets may be treated as duty. Further if any preparation Coaching Camp is held in connection with the above mentioned events and the Government Servant is required to attend the same, this period may also be treated as on duty.

Note 2 : The quantum of special casual leave for period not exceeding 30 days in a calendar year allowed to Central Government employees for purpose indicated at items (i) to (v) in the above Para will cover also their attending the pre-selection trials/camps connected with sporting events of National/International importance.

(Authority : Government of India, Cabinet Secretariat Department of Personnel Office Memorandum NO.27/2/70-Ests(B) dated 14.4.1971 received under Comptroller & Auditor General's endorsement No.114-Audit/73-69 dated 25.6.1971 and Government of India, Ministry of Personnel and Training Administrative Reforms and Public Grievances and Pensions, Department of Personnel and Training's letter No.6/1/85-Ests(Pay-I dated 16th July, 1985 received under Comptroller & Auditor General's endorsement No.631-Audit/1/101/85 (82) dated 10.9.1985).

- (b) Special Casual Leave to the office bearers of the recognized service associations in the Indian Audit and Accounts Department may be allowed up to a maximum period of ten days in a calendar year for participation in the activities of the association. The grant of such special Casual Leave is, however, subject to exigencies of the public service.

(Authority : Comptroller & Auditor General's letter No.552-NGE.1/20-6-/1 dated 17.3.1960).

Note : The maximum period of ten days special Casual Leave in a calendar year has been increased to 20 days in a year vide Ministry of Labour, Employment and Rehabilitation Office Memorandum No.B-12011/8/70/LWZ (1) dated 11.3.1971 received under Comptroller & Auditor General's endorsement No.750-NGE.II/10-71 dated 14.4.1971.

- (c) Persons who are selected or sponsored for attending coaching or training courses at the National Institute of Sports, Patiala, may be granted special Casual Leave for a period not exceeding 30 days in any one calendar year. The period of absence in excess 30 days should be treated as regular leave of the kind admissible under the relevant leave rules applicable to the person concerned. For this purpose, Government Servants may, as a special case, be permitted to combine special Casual Leave with regular leave.

(Authority : Government of India, Ministry of Home Affairs Office Memorandum No.46/23/62 Ests(A) dated 26.12.1962, copy circulated under Comptroller & Auditor General's No.223-Audit/192-62 dated 8.2.1963.)

- (d) The Government Servants who appear in Hindi Prabodh/ Praveen/ Pragma examinations and Hindi Typewriting and Hindi Stenography examinations may be granted special Casual Leave for the days on which they have to take these examinations subject to the condition that a candidate will not be allowed to such leave more than two occasion for same examination. In case of a candidate taking a third chance, no such privilege will be allowed and the candidates concerned will have to make their own arrangements for leave on the dates of the examinations.
- (e) The Central Government Servants who having joined the Lok Sahayak Sewa have won certificates of Merit and are required to participate in the Republic Day Parade held annually in Delhi may be granted special Casual Leave (i) for a period not exceeding 14 days for their stay in Delhi in connection with participation in the Republic Day Parade, plus (ii) for the minimum period required for their journey from the Headquarters of the Government Servants to Delhi and back.

(Authority : Government of India, Ministry of Home Affairs Office Memorandum No.46/5/58 Ests(A)-I dated 20.6.58, received under Comptroller & Auditor General's endorsement No.1427-A/251-58 dated 7.7.58).

- (f) The special Casual Leave granted to Central Government Servants for joining the Territorial Army vide Ministry of Home Affairs Office Memorandum No.25/19/19-Ests. Dated 7.7.1950 may be allowed to be combined as a very special case with regular leave. Such special Casual Leave will not be granted in combination with ordinary leave.

(Authority : Ministry of Home Affairs Office Memorandum No.46/1/58-Ests.(A)(1) dated 17.12.1958).

- (g) As special Casual Leave is not recognised form of leave nor is a Government Servant on special Casual Leave treated as absent from duty, it is not permissible to combine special Casual Leave with regular leave. Special Casual Leave may, however, be combined with ordinary Casual Leave in the following cases:-
 - (i) To attend department examinations viz. Assistant/Assistant Superintendent/Stenographers etc., examinations for the Hindi Examinations conducted under the Hindi Teaching Scheme of the Ministry of Home Affairs, and
 - (ii) To office bearers of service associations for attending Annual General Meeting etc.

(Authority : Ministry of Home Affairs Office Memorandum No.46/1/58-Ests(A)(ii) dated 17.12.1958).

- (h) The Government Servants who being the members of the Indian Institute of Public Administration are required to participate in the meetings of the Institute and are residing outside Delhi may be granted special Casual Leave not exceeding 6 working days in each calendar year plus the minimum period required for the journeys to attend the authorised meetings of the Institute and back.

(Authority : Ministry of Home Affairs Office Memorandum No.46/11/62 Ests(A) dated 21.6.1962 received under Comptroller & Auditor General's endorsement No.1176-NGE.I/19-1962 dated 4th July, 1962).

- (i) Special Casual Leave may be granted to Government Servants to appear at departmental promotion examinations which are neither obligatory nor entail a condition or preferment in Government service. Special Casual Leave will, now however, be admissible to departmental candidates for appearing at the open competitive examinations held by the Union Public Service Commission. Staff Selection Commission e.g. Combined Services Examination, Stenographers Examination, Lower Division Clerk's Examination, Assistant Examination etc. for direct recruitment, Special Casual Leave for the departmental promotion examination will cover the actual duration of the examination concerned plus the minimum period required for the journey to and from the examination centre nearest to the Headquarters station. Where such examination is held outside at Headquarters, Government Servants can combine Special Casual Leave (but not with regular leave) for the purpose. The power of granting Special Casual Leave under these orders will be exercised by the Head of the Department concerned.

(Authority : Ministry of Home Affairs Office Memorandum No.46/26/63-Ests(A) dated 2.12.1965 received under Comptroller & Auditor General's endorsement No.163-Audit/365-63 dated 28.1.64).

- (j) The member delegates, managing committee members and office bearers of co-operative societies (formed exclusively with Central Government Employees) who are posted outside the Headquarters of the society may be granted Special Casual Leave upto a maximum period of 10 days in a calendar year plus the minimum period required for the journey to attend such meetings. Members of co-operative societies whose by-laws provide for attending annual general meetings/special general meetings through delegates, will be eligible for this concession. However, if the members are required to participate in any meeting outside the Headquarters of the society for the purpose of electing their delegates, they may be granted special Casual Leave. The power of granting Special Casual Leave under those orders would be exercised by the Head of the Department. Special Casual Leave under these orders will be allowed to be combined with regular leave. Sundays/Holidays intervening to the period of Special Casual Leave will not be ignored but will be counted for the period of Special Casual Leave.

(Authority : Ministry of Home Affairs Office Memorandum No.46/22/63-Ests(A) dated 14.1.1964 received under Comptroller & Auditor General's endorsement NO.163-Audit/365-63 dated 30.1.64).

(k) **SPECIAL CASUAL LEAVE TO THE SERVING STENOGRAPHERS TO APPEAR FROM OUTSTATIONS AT THE STENOGRAPHERS EXAMINATION PRESCRIBED FOR THE GRANT OF ADVANCE INCREMENTS**

The absence of such employees for the days on which they take the examination plus the minimum period required for the journey to and from the examination centre may be treated as Special Casual Leave in terms of Ministry of Home Affairs' Office Memorandum No.46/26/63-Ests(A) dated 2.12.1963 copy received under Comptroller & Auditor General's endorsement No.2033-Audit/292-63 dated 10.12.1963.

(l) **SPECIAL CASUAL LEAVE TO GOVERNMENT SERVANTS WHO UNDERGO STERILISATION OPERATION, UNDER THE FAMILY PLANNING SCHEME**

The Central Government employees who undergo sterilisation operation (vasectomy or salpingectomy) under the Family Planning Scheme may be grant Special Casual Leave not exceeding six working days to enable them to take some rest after the operation. These order will apply to all regular industrial and non-industrial Central Government Servants.

(Authority : Ministry of Home Affairs' Office Memorandum No.46/3/59-Ests(A) dated 6.10.59 received under Comptroller & Auditor General' letter No.1514-NGE.I/33-64 dated 2.9.64.)

(m) **INCENTIVE TO CENTRAL GOVERNMENT SERVANTS WHO ARE MEMBERS OF ST.JOHN AMBULANCE BRIGADE**

The Central Government Servants may in suitable cases be permitted by the Heads of Offices etc. concerned to enroll themselves as members of the St. John Ambulance Brigade and to receive the necessary training subject to the condition that the grant of permission in such cases would not interfere with the efficient discharge of official duties by the Government Servant concerned. In regard to the treatment of the absence of the Government Servant from duty while receiving training, it was decided that in cases where Government Servants who may be permitted to join the brigade are required to undergo necessary training etc. during office hours, there would be no objection to the period of training etc. being treated as Casual Leave to the extent such leave is due and to the extent such leave is not due as Special Casual Leave. Further Special Casual Leave not exceeding three days per annum may be allowed to Government Servants who are members of the brigade to cover their absence on any special duties e.g. first aid posts organised by the brigade in fairs and on important occasions that may be assigned to them by the brigade provided that:-

- (i) such duties are performed during office hours on working days; and
- (ii) if the duties so performed extend only to half a day, only half day's Special Casual Leave should be allowed.

(Authority : Ministry of Home Affairs' Office Memorandum No.F.5/21/40-Ests dated 31st May, 1949, Government of India, Cabinet Secretariat (Department of Personnel) Office Memorandum No.F.27/5/70-Ests(B) dated 12.1.1971 received under Comptroller & Auditor General's endorsement No.274-Audit/213-70 dated 25.2.1971).

(n) **GRANT OF SPECIAL LEAVE OF 20 DAYS IN A YEAR FOR UNION WORK FOR RECOGNISED UNIONS/ASSOCIATION OF CENTRAL GOVERNMENT EMPLOYEES**

The Ministry of Home Affairs vide their Office Memorandum No.273/69-Ests(B) dated 8.4.1969 decided that the following facilities of Special Casual Leave might be provided to recognised Unions/Associations of Central Government Employees to carry on their activities:-

- (i) Those office bearers of recognised service associations/unions of Central Government Employees who are getting Special Casual Leave upto a maximum of 10 days in a calendar year for participation in the activities of associations may be allowed Special Casual Leave subject to the same conditions as contained in the Ministry of Home Affairs' Office Memorandum No.24/33/59-Ests(B) dated the 4th January, 1960 upto a maximum of 20 days in a year.
- (ii) Special Casual Leave upto 10 days in a calendar year will be admissible to outstation delegates/members of executive committee of a recognised All India Association/Federation to attend its meeting.
- (iii) Special Casual Leave upto 5 days in a calendar year would be admissible to local delegates and local members of executive committees of all recognised associations/ unions/federations for attending meetings of the associations/unions/federations.

Those who would be availing of Casual Leave in their capacity as office bearer under (i) above would not be entitled to avail of leave separately in their capacity as delegate/executive committee member under (ii) and (iii).

The above facility may be extended to the office bearers of recognised trade unions also as indicated in Para (1)(c) of Ministry of Home Affairs' Office Memorandum No.18/21/ZRI dated 9th May, 1961.

(Authority : Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) Office Memorandum No.B-12011/8/70.LWZ(1) dated 11.3.1971 received under Comptroller & Auditor General's endorsement No.750-NGE.III/10-77 dated 11.4.1971).

(a) **GRANT OF SPECIAL CASUAL LEAVE TO A GOVERNMENT SERVANT WHO UNDERGO STERILISATION OPERATION UNDER THE 'FAMILY PLANNING SCHEME'**

In cases where the Government Servants having undergone sterilisation operation could not recover within the prescribed period of Special Casual Leave admissible owing to the operation turning septic, necessitating further leave on

medical advice the Head of Department/Office concerned may grant Casual Leave or regular leave as applied for the Government Servant concerned in those cases only where leave in excess of the admissible Casual Leave has been recommended on medical advice and a medical certificate from the appropriate medical authority under the leave rules, applicable to the Government Servant concerned in support of the leave is produced. In no case, Special Casual Leave should be allowed to be combined with Casual Leave as well as with regular at one time. Special Casual Leave should be combined either the Casual Leave or regular leave in such cases. These orders will take effect from the date of issue.

(Authority: Office Memorandum No.46/6/65-Ests(A) dated 24.6.1965).

(p) **GRANT OF SPECIAL CASUAL LEAVE TO A MALE GOVERNMENT SERVANT WHOSE WIFE UNDERGOES A PURPERAL TUBECTOMY OPERATION UNDER THE FAMILY PLANNING PROGRAMME**

A regular industrial and non-industrial Central Government male employee whose wife undergoes such an operation may be granted Special Casual Leave upto 7 days. This will be subject to production of a medical certificate from the doctor who performed the operation to the effect that the presence of the Government Servant is essential for the period of leave to look after the wife during her convalescence after operation. Past cases decided prior to the issue of these orders will not be re-opened.

(Authority : Office Memorandum No.27/3/71-Ests(B) dated 18.9.1971 from Government of India, Cabinet Secretariat, Department of Personnel addressed to all Ministries/Departments of Government of India, received under Comptroller & Auditor General's endorsement No.1231-Audit/122-71 dated 4.10.1971.)

5.12 QUARANTINE LEAVE

Any member of the office establishment who has any of the infectious disease detailed in Note 2 Below Section V(3) of Appendix 3 of Fundamental Rules and Supplementary Rules in his family or house-hold should report the matter to the office at once. The report should be accompanied by a medical certificate from a Medical or Public Health Officer stating the date of presence of the infectious disease in the family or household of the person concerned. If any one is found concealing such a case, he will be severally dealt with. The person reporting such a case will not be allowed to attend office from the date mentioned in the certificates furnished by him until he has produced another certificate to the effect that all danger of infection has passed. The period of absence from duty in the above circumstances will be dealt with under the rules regulating the grant of quarantine leave prescribed in Section V(3) of the aforesaid Appendix.

5.13 CHARGE REPORT OF SUBORDINATE STAFF

(Para 117 of Railway Audit Manual)

Wherever an Asstt. Audit Officer/Audit Officer (Audit), Sr. Auditor/Auditor/ Typist/Clerk goes on leave or is transferred, a complete list of all papers including books of reference, stationery or furniture under his charge should be recorded in a Charge Report register. The state of work upto the time of his relief with particular reference to all important items requiring immediate or special attention, as also the arrears, if any, together with the reasons for arrears, should be explicitly mentioned in the Charge Report Register which should be put up to the immediate supervisor by the person taking over charge. Unless this is done, both the relieving and the relieved person will be held responsible for any arrears or irregularities subsequently discovered. The booklet Secret Memorandum of Instructions regarding the Extent of Audit (Railway and Civil), and Card passes, Confidential files, and keys etc. in the possession of the Section Officer (Audit)/Asstt. Audit Officer/Sr. Auditor should be handed over to the successor and the fact mentioned in the charge report. The relieving Section Officer (Audit) should satisfy himself as to the accuracy of the inventory of tools and plant and sectional library handed over.

5.14 ASSTT. AUDIT OFFICER/SECTION OFFICER'S (AUDIT) REGISTERS

A register should be maintained in each section for recording brief particulars of all important cases, where any points or development of an important nature, or implementation of any important orders are required to be watched. The register should be divided into the following parts:-

- (a) Appropriation Accounts and Audit Reports containing points to be watched during the check of Appropriation Accounts;
- (b) Inspections containing points to be watched and examined at local inspections;
- (c) Test Audit containing points to be watched in the course of continuous test Audit.

The entries in each part should be made in the following forms:-

Reference to orders the points to be watched	Brief notes describing dated initials of the Section Officer (Audit)/Asstt. Audit Officer	A brief note of the final disposal (with dated initials of the Section Officer (Audit)/Asstt. Audit Officer
1.	2.	3.

Register should be reviewed quarterly and should be put up to the Branch Officer on the 10th of March, June, September and December each year. On a change of incumbency, the register should be handed over to the successor and a mention should be made in the charge report. The succeeding Section Officer (Audit)/Asstt. Audit Officer should particularly review the register to acquaint himself with the work in the section.

5.15 REGISTER OF POINTS TO BE WATCHED

(See Para 111 of Railway Audit Manual)

A register of points to be watched should also be kept by each Auditor/ Sr. Auditor. This will be handed over to the successor whenever there is a change and a mention should be made by the relieving Auditor/Sr. Auditor in his handing over notes.

5.16 SECTIONAL REGISTER

(See Para 110 of Railway Audit Manual)

Each section should maintain a register to serve as a permanent record of orders affecting the duties of that section. In this register, the sanctioned strength of the section and the section and the nominal roll with status, qualifications, home address of each member, the date of his posting and relief, specimen signatures and initials, the prescribed duties of the section as a whole and of each individual member thereof, a complete list of the books comprising the sectional library, and orders which affect the section individually (not general orders which apply to all sections alike) should be entered. The register should be put up quarterly on the 10th of March, June, September and December every year to the Branch Officer.

Note : The specimen signature and initials of each individual member should also be recorded against the entry indicating his duties in the Sectional Register.

(Authority :Comptroller & Auditor General's Confidential letter No.3930-Admn.I/419-58 dated 29.12.1959)

5.17 REGISTER OF IMPORTANT ORDERS

(See Para 98 of Railway Audit Manual)

The general orders relating to an Audit Branch will be noted in this register which will be kept at Headquarters as follows:-

1.	Establishment	E&PI Section
2.	Expenditure	'X' Section
3.	Workshops	Workshop Co-ordination Cell
4.	Stores & Catering	Stores Section
5.	Appropriation Accounts & Accounting Procedure	Appropriation & Books Section
6.	Traffic	TA/CA, SE Road, New Delhi
7.	Office Establishment	Admn. Section

This register should be put up to Branch Officer in the 1st week of each month.

5.18 RAILWAY PUBLICATIONS

(See Paras 113 and 114 of Railway Audit Manual and Para 2.14 of Manual of Standing Orders (Administrative) Volume-I).

Members of the office should take keen interest in the study of Railway Publication which should be kept upto date. Loss of 'Secret Memorandum of Instructions (Railway Audit), Secret Memorandum of Instructions (Civil) and Manual of Standing Orders (Technical) is a serious matter and orders from the Comptroller & Auditor General's office should invariably be obtained before writing off such loss and taking action against the staff at fault. Each case of loss of other books should be dealt with on merits.

5.19 OFFICE MANUAL

(See Para 81 of Railway Audit Manual)

The Manual should be kept upto date. The sections receiving the original letter which require any change in the Office Manual are responsible for submission of the Draft Correction Slip with the approval of Branch Officer to Central Section for obtaining the approval of the Principal Director of Audit for its incorporation in the Office Manual. The correction slips shall be got printed quarterly, as far as practicable, from the Railway Press by General Section which shall supply the printed correction slips to the Additional Deputy Comptroller & Auditor General of India (Railways) and others to whom the Manuals have been supplied.

Symbol © with the name of the proprietor of the copyright and year of publication should be printed at the back of the title page of all publications of this office printed or reprinted after 21.11.1958.

(Authority: Comptroller & Auditor General's letter No.695-Admn.II/557-58 dated 16.3.59).

5.20 MAINTENANCE OF PROCEDURE OFFICE ORDERS FILES

(See Para 81 of Railway Audit Manual)

Instructions which are to remain in force for a limited time or are not important enough for inclusion in the Manual may be issued in the form of procedure office orders.

Each section of the office will maintain a Procedure Office Order file of its own. The file should be kept up-to-

date and the Procedure Office Orders issued from time to time should be filed in it. Each Procedure Office Order should be treated as a receipt and the action taken on it should be shown on the note side of the file.

5.21 ISSUE OF STAFF OFFICE ORDERS

Staff Office Orders regarding sanction of leave, increments, etc. are issued by Administration Section and copies serially numbered are pasted in a separate register maintained for the purpose.

5.22 CALENDAR OF RETURNS

(See Para 97 of Railway Audit Manual and Paras 1.15.1, 1.15.2 of Manual of Standing Orders (Administrative volume-I).

The Calendar of Returns which will be maintained inform SY264, will remain with the Section Officer (Audit)/Asstt. Audit Officers Incharge of each section who should watch the regular submission of returns, registers etc. Each member of the staff shall be personally responsible to see that the returns etc. pertaining to his seat are submitted in time. Explanations should be recorded for each case of delay in submission of the returns etc.

Any additions or modifications due to orders affecting the various classes of work should be carefully made in the Calendar of Returns and the Section Officer (Audit)/Asstt. Audit Officer will be responsible for seeing that the Calendar of Returns is at all times complete and up-to-date. In the case of returns due to the Additional Deputy Comptroller & Auditor General of India (Railways)/Comptroller & Auditor General which are consolidated in the Headquarters office, the report should be dispatched so as to reach Headquarters office sufficiently in advance of the due date.

The actual date of passing a return due for dispatch or completion of an item of work should be entered in the column of the month concerned in the Calendar of Return, personally by Section Officer (Audit)/Asstt. Audit Officer at the time each return is passed or the item concerned is completed. The date of actual dispatch of a return to be sent out should also be noted below the date of passing the return e.g. 5/6th July will indicate that the return was passed by him on the 5th July and was actually dispatched by the dispatcher on 6th.

Great care should be taken to see that the time table for all returns and for other items of work is carefully observed. If for special reasons, a return due to an outside authority is likely to be delayed by more than one day, it shall be the duty of the Section Officer (Audit)/Asstt. Audit Officer to submit an explanation of the cause of such delay for the information of the Gazetted Officer Incharge.

A suitable record should be kept in the Calendar of Returns of all papers and files required to be placed before the Additional Deputy Comptroller & Auditor General of India (Railways) during his visit. A record should also be kept separately of the particulars, with due and actual dates of submission of occasional returns or reports to the Principal Director of Audit, the Additional Deputy Comptroller & Auditor General of India (Railways)/Comptroller & Auditor General or any other authority.

The Calendar of Returns should be prepared weekly by the various Divisions and Branches and submitted to their Branch Officers on every Monday or on their visit to the Branch as the case may be. All sectional Calendar of Returns should also be submitted to the Principal Director of Audit for inspection on the second Monday of each month.

The Section Officer (Audit)/Asstt. Audit Officer will be personally responsible to make entries of the dates at the time of submission of the Calendar of Returns in such a manner so that each item of the Calendar of Returns comes under such test check once a year. The Branch Officer should also indicate the item test checked by him.

(Authority : Office Order No.C/162 dated 7.10.1971).

5.23 PROGRESS REPORT

To enable the Principal Director of Audit to review monthly the state of work in the various branches and sections of the office. A progress report for each section will be submitted in the form prescribed vide Annexure 'I' so as to reach Central Section not later than the 5th of each month without fail. The Central Section will consolidate these reports and submit the consolidated report to the Principal Director of Audit on the 12th of that month.

5.24 INFORMATION TO OUTSIDERS

Information connected with office matters should not be given to an outsider, whether a Government Servant or a private person, and no clerk or member of another office should be allowed to have access to any of the office records unless permission to the effect has been obtained from the Gazetted Officer concerned. The files or books which an outsider is permitted to examine should be examined in the presence of the Auditor/Sr. Auditor responsible for these records. On no account should any record of documents be removed from the office.

(Authority : Director of Audit's orders dated 18.2.64 on Confidential File NO.DCA/Confdl./2/65).

5.25 TAKING WORK HOME.

(See Para 115 of Railway Audit Manual)

No files or documents should ordinarily be taken to home by Non-Gazetted staff. If under very pressing circumstances any files or documents have to be taken home, prior permission of the Branch Officer must be obtained in writing and kept on record. In respect of Confidential Files, such permission should be obtained from Group Officer concerned. An indispensable condition for granting such permission would be the safe transit of the files is ensured by the officer concerned. In case he is not convinced about the safe transit of of files or documents, such permission should be

withheld. When the files or documents are brought back to office, a remark about their return should be given by Branch Officer over his dated initials on permission slip itself.

(Authority:- director of Audit's orders dated 18.02.1964 on Confidential file No. DCA/Confdl./2/65)

5.26 SMOKING IN OFFICE

Smoking in office rooms or corridors of the office building is absolutely prohibited and Section Officer (Audit)/Asstt. Audit Officers will see that this rule is strictly observed.

5.27 MONTHLY OVERHAUL

The Section Officer (Audit)/Asstt. Audit Officer should at least once a month and without previous notice overhaul thoroughly the papers on their assistants' tables, rack, drawers, almirahs etc. to ensure that nothing has escaped or escapes disposal. This is necessary because they are personally responsible for the supervision and control of the whole work of their sections. It is not desirable always to rely wholly on the statement, often in very general terms, of their assistants, that the work is up to date or that there are 'no arrears'.

The Section Officer (Audit)/Asstt. Audit Officer will incur grave responsibility, if they fail to bring to notice any serious delay or mislaying of papers or vouchers which they may discover. Order, neatness and system are also taken into account in deciding promotion or the grant of increment.

5.28 TIDINESS AND INSPECTION OF OFFICE ROOMS

The following rules should be strictly observed:-

- (i) Every Section Officer (Audit)/Asstt. Audit Officer/Auditor/Sr. Auditor and Clerk should arrange his table properly every evening before he leaves his office.
- (ii) No files, registers or papers may be kept on the floor
- (iii) As far as practicable, no papers of any sort (vouchers, files, cases, blank forms, etc.) should remain on any one's table when he leaves office in the evening. Vouchers, and files and cases should be restored to the rack or almirah where from they were taken. Codes and reference books should be locked in drawers or placed neatly in the almirahs.
- (iv) Waste papers should be placed in the receptacles provided for the purpose and not thrown about the floor.
- (v) The almirahs should be kept locked during office hours, and definite persons should be responsible for each key.
- (vi) Section Officer (Audit)/Asstt. Audit Officer should see that the racks, shelves etc. in the rooms have been regularly dusted. They should bring to the notice of the Gazetted Officer Incharge all reasonable requirements of their sections in the matter of repairs of broken chairs or tables and similar matters and should see that all almirahs are locked in the evening.

Great importance should be attached to tidiness, as it is an indication of careful and methodical work. Every Section Officer (Audit)/Asstt. Audit Officer and Office Superintendent must realise that he is personally responsible for ensuring the observance of these instructions and for the tidiness of the room in his charge and he should not allow any one to leave it till he has tidied the table and papers etc. belonging to him. Gazetted Officers are also recommended occasionally to inspect the room occupied by their sections.

5.29 SUGGESTIONS FOR REDUCTION AND SIMPLIFICATION OF WORK

Section Officer (Audit)/Asstt. Audit Officer, Auditors/Sr. Auditors and Clerks are invited to place any suggestions they may wish to make for the improvement or simplification of work.

With a view to stimulating original thinking amongst members, efficiency and productivity the Comptroller & Auditor General of India has approved the introduction of the scheme of cash awards formulated by the Government of India in the Indian Audit and Accounts Departments. Accordingly, members of the staff (including officers) making suggestions for improvement in audit, accounting and house keeping procedures, which contribute to the economy, efficiency or increased effectiveness or operations will be suitably rewarded in the shape of cash awards.

It is, therefore, laid down, that the names and designations of the members of the staff with details of suggestions alongwith the recommendations of the Branch Officer indicating how it contributes of operations should be furnished to the Audit Officer(Administration) by name every half year, so as to reach him by 1st June and 1st December each year. The suggestions will be examined by a Screening Committee consisting of Deputy Director, Admn./Divisions and Audit Officer (Administration) and those accepted for implementation will be eligible for cash awards under this scheme. Suggestions which are considered good enough for commendation to other offices will be intimated to the Comptroller & Auditor General of India. (Authority: Comptroller & Auditor General's letter No.8-O.M./4-71 dated 16.1.1971 circulated vide letter No.Admn/10-38/76-Cir. Dated 13.4.1971).

5.30 OFFICER'S MEETINGS

With a view to improving efficiency and to enable the Principal Director of Audit to keep in touch with the state of work in every branch of the office, monthly meetings of all Gazetted Officers will be held in the Headquarters office in accordance with the time schedule and roster given as under:-

- | | |
|--|------------------------------|
| 1. All Divisional Audit Officers, Audit Officer/RDSO, RCF & RE | April, July, Oct., January |
| 2. Traffic Audit Officers, COFMOW, Workshop DMW-PTA | May, August, Nov. & February |

3. Audit Officer posted at Baroda House June, Sept., Dec. and March

These meetings will aim at :-

- (1) To ascertain the achievements of each Audit Officer with regard to Draft Paras, Epitomes, important irregularities etc.
- (2) To discuss the difficulties in achieving the annual targets assign to each Audit Officers.
- (3) To ascertain the problems, if any, with each Audit Officer and how best to come over them,
- (4) To know the welfare of the staff.
- (5) Any new suggestions for improving the quality of work.

The minutes of meeting will be recorded and issued to all concerned.

(Authority : Principal Director of Audit's letter No.C/10-28/86 dated 19.9.88.)

5.31 LABELING OF REGISTERS

All the registers in use should have label on counter cover showing the name of the section, authority for its submission and the date on which it is to be submitted, as well as the number allotted to it in a Calendar of Returns. On the inner side of the top cover, a copy of orders, instruction of office orders in accordance with which register is maintained should also be posted.

5.32 OPENING AND UPKEEP OF FILES

(See Paras 2.42.1, 2.43.1 OF Manual of Standing Orders (Administrative) Volume-I.)

Files should be maintained according to subject, general orders being kept separate from correspondence relating to individual cases governed by those orders, Section Officers (Audit)/Asstt. Audit Officers and Auditors/Sr. Auditors should pay special attention to this and take orders on doubtful points.

The major and minor heads according to which the files will be classified are given in Appendix III. Any additions and alternations to these heads will require the approval of the Dy. Director. The number of each file will indicate the Code initial of the section to which it relates, the major and minor head and the year in which opened.

Each Branch or Division will keep an Index Register of files in which all files opened in a year will be entered. When a file is closed and transferred to the list of recorded cases, a remark to that effect should invariably be given against the file concerned in the Index Register. The register will be put up to the Gazetted Officer for inspection on the 15th April and October each year.

The correspondence should be placed in the file on the right hand side and the notes on the left hand side. Both sides should be separately page numbered. Whenever reference is invited to a certain page in the notes, it should be mentioned as P-N if it relates to the note sheets side and P-C when it relates to the correspondence portion. The page should not be folded. There should be no noting on the letters under disposal.

Both sides of office notes or drafts should be used. In cases where the paper is thin and both sides can not be used, there is no objection to notes or drafts being written on one side only.

5.33 CORRESPONDENCE

The rules for correspondence in Para 2.17.1 of the Manual of Standing Orders (Administrative) Volume-I and Para 90 of Railway Audit Manual should be observed mutatis mutandis. Ordinarily, no communication on any important matter addressed to the Additional Deputy Comptroller & Auditor General of India (Railways) or higher authorities may be issued unless signed by the Principal Director of Audit. When the Dy. Director/Director or other officer issues an important communication to the Comptroller & Auditor General's office with the concurrence of the Principal Director of Audit the facts should be indicated on the letter itself. The idea is that all communications should be issued with the full knowledge of the Principal Director of Audit, particularly in respect of cases involving errors or delays etc. so that the Comptroller & Auditor General's office may know that in all such cases suitable action has been taken and remedial measures adopted by the Principal Director of Audit when ever necessary. The Dy. Director/Director may sign communications of a routine nature addressed to the Additional Deputy Comptroller & Auditor General of India (Railways) or higher authorities. All letters to the Comptroller & Auditor General except those of a routine nature should be issued over the signature of the Principal Director of Audit. Dy. Director/Director may sign the letters during the absence of Principal Director of Audit from Headquarters as 'for Principal Director of Audit'. All such papers should be put up to the Principal Director of Audit for approval later on either in camp or after return of the Principal Director of Audit to Headquarters.

Particular attention should be paid to the wording of all outward communications embodying audit objections. The language used should invariably be polite and inoffensive. The bonafide of the officers concerned should not be questioned, even by implication. The officer signing the communication, or any higher officer who may have approved the draft, shall be held personally responsible for any violation of this instructions. Where an objection is sufficient importance or is likely to develop into one, or where the personal conduct of any senior officer is likely to be subsequently impugned, the draft should be approved by the head of the office or by a senior officer in supervisory charge.

Letters issued by the Branch Officer should be signed by them in their own capacity as Principal Director of Audit, Deputy Director of Audit, Audit Officers etc. and not 'for Principal Director of Audit'. The form 'for Principal Director of Audit' should only be used when the Principal Director of Audit has already approved the draft and for some reason or other is unable personally to sign it.

Signatures on letters, documents etc., should be legible and in all cases the name of the officer signing them should always be typed below the written signatures ('Para 2.33.1 of the Manual of Standing Orders (Administrative) Volume-I.

5.34 CORRESPONDENCE BETWEEN THE VARIOUS BRANCHES AND DIVISIONS OF THE OFFICE

Correspondence from one branch or division of the office to another must be over the initials of the Gazetted Officer. If an officer happens to be away from the office and a fair copy is signed by a Section Officer (Audit)/Asstt. Audit Officer he should record it as a post script that the office copy has the approval of the officer concerned for whom he signs. Whenever possible the file itself should be sent so as to obviate correspondence between the Sections and Branches. From Head Office to Branches, sections and divisions, an endorsement may be signed by the Section Officer (Audit)/Asstt. Audit Officer on behalf of the officer provided the office copy of the endorsement has been approved by the officer concerned and the endorsement states 'for information'. If an endorsement purports to convey anything beyond the words 'for information' it should be signed by the officer concerned.

(Authority : Para 2 of the Minutes of the Audit Officer's Meeting held on 9th Dec., 57).

5.35 CORRESPONDENCE BETWEEN AUDIT OFFICE AND ACCOUNTS OFFICE

Section Officer/Assistant Audit Officers may sign requisitions for vouchers or documents to be obtained from the Accounts Office or Memo or purely routine matters e.g. reminders, notes returning documents etc. section Officers/Assistant Audit Officers are not authorised to sign letters which are intended for Accounts Office or any other office.

5.36 TELEGRAMS AND EXPRESS LETTERS

Para 2.24 of MSO (Administrative) Volume-I and Para 91 of Railway Audit Manual).

Telegram should not be issued except in very rare cases. As far as possible, Railway telegrams should be issued.

5.37 REGISTRATION AND DISTRIBUTION OF INWARD CORRESPONDENCE

(a) COMMUNICATION RECEIVED FROM THE COMPTROLLER & AUDITOR GENERAL OF INDIA, AND ADDITIONAL DEPUTY COMPTROLLER & AUDITOR GENERAL OF INDIA (RAILWAYS) AND THE MINISTRY OF RAILWAYS (RAILWAY BOARD)

The dak covers received in the Headquarters office from Comptroller & Auditor General of India, Additional Deputy Comptroller & Auditor General of India (Railways) and the Ministry of Railways (Railway Board) should be received and opened by the Receipt and Dispatch Clerk, who should count the number of communications and record it under his dated initials on two separate circulation slips, one for letters received from Comptroller & Auditor General of India (Railways) and the other for letters received from the Railway Board, and submit all the communications and the circulation slips, duly secured with a tag, in separate dak pads, to the Principal Director of Audit and the Deputy Director.

The officer who takes out any letter from the dak pad at the time of perusal of the dak for taking immediate action, where so warranted, should get it registered in the Central Diary and note that fact of removal of the particular letter on the circulation slip.

The Dak pads, after circulation will be received by the Section Officer (Audit)/Asstt. Audit Officer/Central for marking on each communication the section responsible for its disposal. The Section Officer (Audit)/Asstt. Audit Officer/Central will immediately pass on the Dak Pads to the Receipt and Dispatch Clerk for registration of all these communications in two Central Diaries, one for the letters received from the Comptroller & Auditor General of India, and Additional Deputy Comptroller & Auditor General of India (Railways) and the other for the letters received from the Railway Board. The diarizing of the communications should be done on the date on which they are received in the office.

After registration of all the communications in the respective Central Diaries, they should be immediately passed on to the Section Officer (Audit)/Asstt. Audit Officers concerned, for getting them diarised in the sectional diaries. In respect of the communications received from Comptroller & Auditor General of India, Additional Deputy Comptroller & Auditor General of India (Railways) the acknowledgement of the Section Officer (Audit)/Asstt. Audit Officer concerned should be obtained in the Central Diary. The Section Officer (Audit)/Asstt. Audit Officer receiving these communications should immediately on their receipt from the Receipt and Dispatch Clerk, distribute them to the Auditors/Sr. Auditors concerned whose acknowledgements should be obtained in the Sectional Diary. No communication should be left undistributed on any account. When the Section Officer (Audit)/Asstt. Audit Officer is absent, the communications pertaining to his section should be received from the Receipts and Dispatch Clerk by the senior most Auditor/Sr. Auditor in the Section, and when any concerned Auditor/ Sr. Auditor of the section is absent, the communication should be kept by Section Officer (Audit)/Asstt. Audit Officer with himself and their disposal arranged by distributing the same amongst other Auditors/Sr. Auditors. The disposal of these communications should not be kept over the plea of absence of the concerned Auditors/Sr. Auditors.

(b) LETTERS RECEIVED FROM ACCOUNTS DEPARTMENT, OTHER DEPARTMENTS OF THE RAILWAY, OTHER RAILWAY OFFICES, AUDITING UNITS ETC. i.e., OTHER THAN THOSE RECEIVED FROM THE COMPTROLLER & AUDITOR GENERAL OF INDIA , ADDITIONAL DEPUTY COMPTROLLER & AUDITOR GENERAL OF INDIA (RAILWAYS) AND THE RAILWAY BOARD

At Headquarters office, the dak covers will be received and opened by the Receipts and Dispatch Clerk. The letters will be sorted out section-wise and placed in separate dak pads kept for each section. At other offices where a

Receipts and Dispatch Clerk is posted, a similar procedure will be followed. At offices where a Receipts and Dispatch Clerk is not posted, an Auditor/Sr. Auditor may be nominated to open the dak covers. The dak pad will be submitted to the Branch Officer, or the Section Officer (Audit)/Asstt. Audit Officer Incharge where no officer is stationed.

All the dak pads should be promptly returned to the Receipts and Dispatch Clerk, who should immediately on their receipt, diarise all the letters in the Inward Diaries which should be maintained section wise. The Receipts and Dispatch Clerk should pass on these diaries with the letters registered therein to the Section Officer (Audit)/Asstt. Audit Officer of the section concerned. The Section Officer (Audit)/Asstt. Audit Officer of the section concerned. The Section Officer (Audit)/Asstt. Audit Officers should mark the letters for the dealing Auditors/Sr. Auditors, distribute them and obtain their acknowledgements in the diary.

Any letter taken out from the Dak Pad by the officer and handed over to the Section Officer (Audit)/Asstt. Audit Officer for immediate action should first be got registered in the Sectional Inward Diary.

The Section Officer (Audit)/Asstt. Audit Officer would be personally responsible for any letters left undistributed at the end of the day on which they are received. The letters marked for an Auditor/Sr. Auditor who is absent should be kept by the Section Officer (Audit)/Asstt. Audit Officer himself and their disposal arranged within the prescribed period.

- (c) D.O. letters addressed to the Principal Director of Audit will be opened by him personally or in his absence by the officer next to him. In the latter case important letters should be put up to him immediately on his return. Confidential and Secret letters addressed to the Principal Director of Audit by name shall invariably be opened by the Principal Director of Audit. When he is not in office, such letters shall be sent to him wherever possible, or await his return and till then remain in the custody of the next officer.
- (d) When the inward dak is submitted to the Branch Officer, they should give proper guidance and indication for suitable disposal on the receipt themselves wherever possible, before passing them on to the sections.

(Authority : Comptroller & Auditor General's letter No.3955-Admn.I/604-60 dated 26.12.1960).

- (e) Secret and Confidential letters in the name of the Principal Director of Audit/Dy. Director/Director will be entered in a separate register maintained for the purpose by the stenographer to the Principal Director of Audit/Dy. Director/Director and handed over by him to the Branch Officer, or the Section Officer (Audit)/Asstt. Audit Officer concerned, where necessary. Steno to Principal Director of Audit/Dy. Director/Director will be responsible to ascertain the final disposal of each letter from the Branch Officer or the Section Officer (Audit)/Asstt. Audit Officer concerned and to prepare weekly/fortnightly progress reports for submission to the Principal Director of Audit/Dy. Director/Director .
- (f) No letter, unofficial note, application, file or any other document received in the office should remain unregistered. All such documents will be entered in the Sectional Receipt Register, and disposal watched.
- (g) Separate Sectional Receipt Registers will be kept for :-
 - (a) Communications from the Comptroller & Auditor General of India/Additional Deputy Comptroller & Auditor General of India (Railways).
 - (b) Communications received from the Railway Board.
 - (c) Communications other than those at (a) and (b) above (excluding reminders) and;
 - (d) Reminders.

The Central Diary No. (D.D. No.) and sectional Receipt Register No. (R.R. No.) on letter entered in (a) above may be distinguished by pre-fixing the letters 'P' (for priority) and 'R' (for reminder).

5.38 DISPOSAL OF INWARD CORRESPONDENCE

Letters should be disposed off in proper files. The following heading should be given in red ink before any note is written.

“PUC R.R. No. Dated Page (C)”

When there is a direction by the Principal Director of Audit or a Gazetted Officer on a letter, the same should be attended to immediately and the notes disposing of the letters should open with a copy of those remarks.

Ordinarily there should not be more than two notes on a case before the file is put up to the Gazetted Officer i.e. one by the Auditor/Sr. Auditor and the other by the Section Officer (Audit)/Asstt. Audit Officer.

Queries raised by the Branch Officer should as far as possible, be personally dealt with by the Section Officer (Audit)/Asstt. Audit Officer concerned.

It should be so arranged that ordinarily no case passes through more than two levels before final orders are passed. It is not, however, desirable that promoted officer with less than six years Gazetted service (both as Audit Officer and Assistant Director of Audit) be allowed to put up papers direct to the Principal Director of Audit. However, direct recruits in the sixth year of service have been considered as senior enough to dispose of cases.

If an officer (of either category) after the period of service indicated above, still happens to be a Branch Officer, he can put up paper directly to the Principal Director of Audit without routing them through the appropriate Deputy Director in the interest of expeditious disposal of cases.

(Authority: Comptroller & Auditor General's letter Nos.3955-Admn./1/604-60 dated 26.12.1960 and 3807-Admn.I/604-60 dated 25.11.1962).

All communications received by various sections should, as far as possible, be dealt with on the date of their receipt. The maximum time taken for disposal of communications from the Comptroller & Auditor General of India, Additional Deputy Comptroller & Auditor General of India (Railways) and the Railway Board should be seven days. The disposal of other letters should not take more than 10 days. No communication shall be treated as filed without obtaining the specific orders of the Gazetted Officer.

Cases of the following nature on which no action is necessary may be filed under the orders of the Section Officer (Audit)/Asstt. Audit Officer Incharge.

- (a) Copies of the Government of India's and Railway Board's letter received from the General Manager on which no action is to be taken.
- (b) Miscellaneous circulars etc. received from the Government of India, which do not relate to the Railway Departments.
- (c) Acknowledgement of Audit Notes.
- (d) Correction slips to lists of telephone.
- (e) Other miscellaneous routine matters, including ad-interim replies, 'nil' statements, replies received from divisions or branches in response to a circular letter till all replies are received, Staff Office Orders, received from Accounts Office and letters received from Divisions forwarding Traveling Allowance Bills and journals of Accounts for post-audit, unless there is something special to be brought to the notice of the Gazetted Officer Incharge.

Gazetted Officers, Section Officer (Audit)/Asstt. Audit Officers, Auditors/Sr. Auditors and Clerks should sign in full and not merely initial all the notes and drafts which are put up by them.

(Authority : Letter No.C/7-4/64 dated 29.5.1964)

Copies of letters of general nature will be supplied to all the Gazetted Officers by the Office Superintendent (General) or the section concerned, as the case may be. Letters which relate to a particular branch will be sent, in original to that branch for necessary action. Copies of other letters will be supplied only if they concern the section/division.

All communication on which final action has to pend for some time and consequently can not be disposed off finally within the prescribed time, should be entered in a register of pending cases to be maintained by each section in two parts one for communications received from the Comptroller & Auditor General of India/Additional Deputy Comptroller & Auditor General of India (Railways) and second for other communications. The register should provide columns, inter-alia for recording Serial No., letter No. and date, from whom received, brief particulars of the communications, reasons for keeping it pending, date of reminders issued, date of next action and remarks etc. The date of next action should be entered in lead pencil, which can be rubbed out when the action has actually been taken. When the communications is no longer pending, the entry should be neatly scored out cover the initials of the Section Officer (Audit)/Asstt. Audit Officer.

Section Officer (Audit)/Asstt. Audit Officer s Incharge of sections, are responsible for seeing that the register is properly maintained and submitted to the Branch Officer by the 5th of each month with a summary prepared in the following form, and a certificate, recorded by the Section Officer (Audit)/Asstt. Audit Officer that reminders have been issued, where necessary.

Balance from the previous month

(With serial numbers).

Number of cases added during the month.....

(With serial numbers).

Total :.....

Number of cases removed during the month.....

(With serial numbers).

Balance (Serial numbers of outstanding cases to be given).....

The preparation of a summary will not be necessary if the number in the pending list is small.

This register is distinct from the Register of Outward letters prescribed in Para 5.40 etseq which is intended to record letters initiated by a section and to which reply is to be received. Consequently there should not be an occasion to enter any case, already entered in the Register of Pending Cases, in the Register of Outward Letters also.

The entering of a letter in the above register will require the approval of the Branch Officer. Letters entered in the register will not be shown as outstanding in the Arrears Report.

The disposal of letters will be recorded in the Inward Diaries from the notes side of the file. For this purpose every note should end by a recommendation either to file the PUC, or to keep it pending. In the latter case, after approval, the dealing clerk will note the serial number of the Register of Pending Letters in the Inward Diary, and later on, when such communications are finally disposed off, references to the file in which they are finally dealt with should be recorded in the Register of Pending Cases. The record of file no. and/or reference to register of pending cases in the Inward Diaries should be made only when necessary action has been taken on the communication and this should be done under the dated initials of the dealing Auditor/Sr. Auditor.

5.39A) ARREARS IN CORRESPONDENCE

A weekly report of outstanding Inward letters should be prepared by all Divisions/branches in the Sectional Inward Diaries and submitted to their Branch Officers on every Friday showing the position of letters received during the previous week but not disposed off upto the date of preparation of the report. Where the Branch Officer is not Headquartered, at the same place, the report should still be prepared on every Friday and communicated to the Branch Officer by means of a letter, the Diaries being submitted to him on his periodical visit.

Note : The report should be prepared in the following proforma.

	English	Hindi	Total
Opening balance as on
Received during the week (..... to.....)
Total
Disposed off
Balance outstanding on

(Authority : Office Order No.C-179 dated 10.1.79)

In respect of letters received from the Comptroller & Auditor General of India/Additional Deputy Comptroller & Auditor General of India (Railways) a copy of the weekly report should also be sent to the Audit Officer General on every Friday in the following proforma, with adequate steps to ensure that the report reached the Audit Officer (General) on the following Monday without fail. Nil report need not be sent.

Weekly Report of letters received from the Comptroller & Auditor General/Additional Deputy Comptroller & Auditor General of India (Railways) upto the week ending.....

	English	Hindi	Total
(i) Last Balance Outstanding
(ii) Number received during the week
(iii) Total
(iv) No. disposed off upto the date of preparation of the report
(v) Balance outstanding

Details of letters included in (i) and (ii) above.

S.No.	C.D. No. and date	Subject	Particulars of disposal (File No. dated of disposal/reply etc.)	Reasons for non-disposal (if outstanding)	Steps taken for clearance (to be given in respect of outstanding letters only.)	Remarks
1	2	3	4	5	6	7

On the basis of weekly reports received from the divisions/branches, the Audit Officer (General) will indicate the disposal of each letter in the Central Diary Register of letter received from the Comptroller & Auditor General of India/Additional Deputy Comptroller & Auditor General of India (Railways) and submit the Diary with a consolidated report to the Principal Director of Audit on every Tuesday.

(B) Monthly report on the disposal of letters.

A report on the disposal of inward letters in each section is required to be submitted to Principal Director of Audit every month through Central section by 20th of each month. This position should be submitted for letters received from 1st of the month to 30th/31st of the month and not disposed of by 15th of the following month in the following proforma.

**Proforma showing disposal of letters received from _____ to _____ as on _____ in _____
Section**

Particulars	Opening balance	Received	Total	Disposal	Pending	15 days & below	Above 15 days	More than one month old	More than three month old	Remarks
1	2	3	4	5	6	7	8	9	10	11
CAG										
PDA (HQ)										
Others										

Authority:- Office order No. C-242 dated 15.10.1998 amended by Office order No.C-254 dated 16.09.2003.

5.40 REMINDERS TO AND DISPOSAL OF OUTWARD LETTERS

All references made by a section to other offices/sections to which replies are required should be recorded in a separate register to be maintained for the purpose. The register should be named 'Register of Outward Letters' and maintained in the following form. The reference recorded in the 'Register of Pending Cases' prescribed in Para 5.38 above, should not find place in this register

REGISTER OF OUTWARD LETTERS

S.No.	Letter No. and date	Subject	To whom issued	Date of reminders	Date of receipt of replies
1	2	3	4	5	6

When the outward reference recorded in the Register is finally closed, the relevant entry should be neatly scored out over the initials for the Auditor/Sr. Auditor. The register should be put up to Branch Officer on the 5th every month with a summary in the following form and a certificate that the reminders have been issued where due.

Opening balance	Items entered in the Register during the month	Items closed during the month	Items outstanding	Initials of Auditor/Sr. Auditor/ Section Officer(A)/Asstt. Audit Officer/Branch Officer	Remarks
1	2	3	4	5	6

Note: - The Register of outward letters may be maintained separately for each Auditor/Sr. Auditor in the section.

5.41 REGISTER OF REMINDERS

(See Para 102 of the Railway Audit Manual)

All the reminders received from the Comptroller & Auditor General of India/Additional Deputy Comptroller & Auditor General of India (Railways)/Principal Director of Audit/Central Revenues/other Principal Director of Audit, Financial Adviser and Chief Accounts Officers etc. after Principal Director of Audit's/Deputy Director perusal, should immediately be entered in the Inward Reminder Register of the Section concerned by the Receipt Clerk of the Headquarters office in case of sections located at Headquarters. If the reminder relates to outlying divisions/branches or the other branches located in Delhi/New Delhi, it should immediately be sent to the branch concerned by the dispatcher of the Headquarters office. On receipt of the reminder in the divisions/branch, it will be the responsibility of the Receipt Clerk to submit the same to the Branch Officer. After perusal, the name of the dealing Auditor/Sr. Auditor will be marked by the Section Officer (Audit)/Asstt. Audit Officer. The Receipt Clerk will then enter the reminders in the Inward Register and deliver it to the Auditor/Sr. Auditor concerned. It will be the responsibility of the Section Officer (Audit)/Asstt. Audit Officer concerned to put up the disposal of the reminder to the Branch Officer within two days of its receipt in the section. If for any exceptional circumstances, a reminder cannot be finally disposed of within the prescribed period, an interim reply should be sent immediately. The register should be reviewed twice a week by each divisions/branch and submitted to the Branch Officer on each Monday and Thursday with a report duly prepared therein, of the reminders remaining undisposed off for more than 2 days. The second and subsequent reminders should be submitted with the register and the connected file, to the Principal Director of Audit through the supervising Deputy Director within three days of their receipt.

5.42 DELAYS IN REPLIES FROM ACCOUNTS OFFICE ETC.

(See Para 116 of Railway Audit Manual)

In order to speed up the disposal of Inspection Reports and specific reports, the following procedure should be followed:-

If a reply is not received within six weeks from the date of issue of such reports a reminder to the Accounts Office should be issued. If no reply is received within a fortnight of the issue of this reminder, a second reminder should go. In case a reply is still not received, a D.O. reference should be made by the Officer Incharge of the section or branch to

the Accounts Officer concerned, and if despite the issue of the D.O. no reply to the report is received, the delay should be brought to the notice of the Accounts Officer concerned personally, if possible. If in spite of this, the delay in the disposal continues, the case should be submitted to the Principal Director of Audit either for speaking personally to the Financial Adviser and Chief Accounts Officer, or sending a D.O. by name to him. The note to the Principal Director of Audit should clearly show (a) when the report was sent, (b) the first reminder was sent, (c) when the second and subsequent were issued and (d) when the D.O. was sent.

If the issue of the D.O. by the Principal Director of Audit to the Financial Adviser and Chief Accounts Officer does not expedite the disposal of the above report and the delay is more than one year, the case should be put up for Principal Director of Audit's orders whether a special report may be made to the Additional Deputy Comptroller & Auditor General of India (Railways).

5.43 UPKEEP, WEEDING AND DESTRUCTIONS OF RECORDS

(See Para 96 and Appendix 1 of Railway Audit Manual and Chapter X of Manual of Standing Orders (Admn.) Volume-I)

Detailed instructions are given in Appendix (IV) to this Manual.

ANNEXURE I (SEE PARA 5.23)

Report of the state of work in	_____		
Division/Branch/Section on	_____		
		Hours	Minutes
1.	Arrears due to arrears in Accounts Office (Statement -I)		
2.	Arrears due to non-availability of vouchers (Statement-II)		
3.	Arrears in Audit Office. (Statement - III)		
4.	Statement of letters received from Additional Deputy Comptroller & Auditor General of India (Rlys.) during the month (Statement - IV) (to be appended with the Arrear Report for the months of April, June, September and December)		
5.	Statement showing the position of inspections (Statement - V)		
6.	Statement showing the position of Post Review by Gazetted Officer (Statement -VI)		
7.	Statement giving the brief resume of the more important items of arrears (Statement -VII) (to be appended with the Arrear Report for the months of March, June, September and December only)		
	Total

Certified that to the best of knowledge and belief, the state of work in this office for the month of was generally upto date and that the test audit and other work required to be completed by the end of the month were completed with the exception for the items (assessed in terms of man hours) detailed and explained in the statements enclosed).

Section Officer/Asstt. Audit Officer

Branch Officer

No.

Dated:-

Forwarded to Central Section, Baroda House, New Delhi.

Note:- In case information to be furnished in respect of a particular statement is 'NIL', this fact may merely be indicated in this sheet and the blank tabulated statement should not be enclosed.

STATEMENT - I

Statement showing the particulars of arrears in _____ Audit Office due to arrears in Accounts Office for the month ending _____ 200

S.No.	Particulars of arrears	Month of Accounts	Arrears in terms of Man Hours. Hours Minutes	Target date for clearance	Remarks
1	2	3	4	5	6

Branch Officer

STATEMENT - II

Statement showing the particulars of arrears in..... Audit Office..... due to non-availability of vouchers from Accounts and Administrative offices upto the end of

Note:- The vouchers should be arranged chronologically according to the month of Audit/Review shown in column 5.

S.No.	Requisition No. and date	Particulars of vouchers requisitioned. (Accounts Bill No. and Date to be given in each case)	Month of		Arrears in terms of Man Hours				Date on which the matter was brought to the personal notice of the Accounts Office	Result of the personal efforts made to get the voucher and reason advanced by the office for not giving the vouchers in time	
			Accounts	Audit Review	In respect of Prev. Month		Total				
				Hrs.	Mts.	Hrs.	Mts.	Hrs. .	Mts		
1	2	3	4	5	6	7	8	9	10	11	12

Branch Officer

STATEMENT - III

Statement showing the particulars of arrears in _____Audit Office _____ due to the arrears in Audit Office proper for the month ending _____ 200

S.No.	Particulars of arrears (Accounts Bill No. and date should be given)	Month of Accounts	Arrears in terms of man hours. Hours Minutes	Target date of clearance	Remarks
1	2	3	4	5	6

- (i) Continuous Test Audit
- (ii) Review and Original Audit
 - (i) Current Reviews:
 - (a) Section Officer/Asstt. Audit Officer
 - (b) Gazetted Officer
 - (ii) Post Review
 - (a) Section Officer/Asstt. Audit Officer
 - (b) Gazetted Officer
- (iii) Original Audit:
 - (a) Section Officer/Asstt. Audit Officer
 - (b) Gazetted Officer
- (iv) Inward letters over 30 days old
 - (i) Comptroller & Auditor General
 - (ii) Railway Board
 - (iii) Others

Branch Officer

STATEMENT - IV

Statement showing the position of outstanding letters received from the Comptroller & Auditor General of India, Additional Deputy Comptroller & Auditor General of India (Railways) for the period ending _____ 200

S.No.	Letter No. and date	Subject	Brief reasons for non-disposal	Date by which likely to be disposed off
1	2	3	4	5

Branch Officer

STATEMENT - V

Statement showing the position of Inspection in Audit Section _____ for the month of _____ 200

Total No. of inspections to be conducted in the year		Total No. of inspections due to be carried out upto the end month under report i.e. commencing from April each year.		Total No. of inspections carried out to the end of the Previous month		Particulars of offices out of Col.3 whose reports were not issued upto the end of month under report indicating the date of completion of inspection brief reasons for delay	Total No. of inspections to be carried out during the current month as per approved programme with the names of the offices		Total No. of inspection carried out during the current month indicating the name of the offices inspected	Name of the offices whose reports were issued by the end of the month indicating no. of the Paras included in P-I, Pt.II-I. Reports and Spl. Letters etc. against each office alongwith date of their issue	No.of Pt.I, Pt.II Inspection Reports not issued within 15 days/one month) for Pt.I & Pt.II I/Rs. Respectively out of those mentioned in column	No. of inspections still to be done		No. of inspection in arrears		Brief reason for the arrears and steps taken to pull up the same
Sup.	N.Sup.	Sup.	N.Su p.	Sup.	N.Su p.		Sup.	N.Su p.				Sup.	N.Su p.	Sup.	N.Su p.	
1		2		3		4	5		6	7	8	9		10		11
(a)	(b)	(a)	(b)	(a)	(b)		(a)	(b)				(a)	(b)	(a)	(b)	

Branch Officer

STATEMENT - VI

Statement showing the position of Post Review by Gazetted Officer of _____ Division/Branch for the month of _____ 2000

- (a) Unit No.
- (b) Particulars of Unit selected
- (c) Date of advice of audit
- (d) Date of completion of the review
- (e) Date of issue of objection
- (f) Details of arrears, if any
- (g) Reasons for arrears

Branch Officer

STATEMENT - VII

(To be appended with the Progress for the month of March, June, September and December only)

Statement giving the Brief Resume of the more important items of arrears

Category of Arrears i.e. whether the arrears are due to arrears in Accounts or arrears are due to non- availability of vouchers or the arrears exist in Audit Office proper	Items of arrears	Arrears (Col.2) expressed in terms of mandays	Period to which arrears relate	Detailed reasons for the proposed existence of arrears	Steps taken or proposed to be taken for clearance of arrears	Date by which arrears are likely to be cleared
1	2	3	4	5	6	7

Branch Officer

CHAPTER – VI

OFFICE ADMINISTRATION

6.1 DUTIES AND RESPONSIBILITIES

This section deals with the personnel and administrative matters relating to the office which are generally indicated below:-

(a) Administration

- (i) Recruitment, appointment, transfers, promotions, deputations, grant of leave and grant of advances etc., of staff upto The PDA Sr. Audit Officer's grade.
- (ii) Section Officer's Grade Examination, and other departmental examination.
- (iii) Maintenance of Service Registers and Leave Accounts.
- (iv) Preparation of Pension Papers.

(b) Bills

- (i) Settlement of personal claims of the members of staff including officers.
- (ii) Passing of miscellaneous bills.
- (iii) Maintenance of Recovery Registers.
- (iv) Preparation of salary bills.

(c) Budget and control over Expenditure

- (i) Preparation of temporary staff proposals, Budget proposals.
- (ii) Registers of expenditure and their reconciliation.
- (iii) Submission of Control Statements and other returns to Comptroller & Auditor General of India.
- (iv) Appropriation Accounts relating to the accounts of this office.

(d) Welfare

- (i) Welfare Assistant: To assist the Welfare Officer. A post of Welfare Assistant is operated in the Administration Section. He is entrusted with the following duties:-

(a) Staff matters:

- (i) Assisting the Welfare Officer is looking into the difficulties or grievances of members of the staff and arranging for personal hearings, wherever possible.
- (ii) Providing assistance to members of the staff who become suddenly ill or those who are chronically ill. To assist staff members in securing accommodation facilities in Hospital and to help, in case of need, families of persons on protracted tour.
- (iii) Helping, where essential, the members of the staff in securing admission of their children in schools, colleges and other educational institutions.
- (iv) Assisting staff members in connection with staff welfare, such as Co-operative stores, Canteens, Benevolent fund etc. as may be entrusted from time to time. Liaison with staff Benevolent Fund Committee in providing financial help.
- (v) Initiating action for providing immediate monetary relief to the members of the bereaved family in case of death while in service.
- (vi) Ensuring that payment of settlement dues of retiring officials etc. are effected promptly by the day following the date of retirement by contacting the concerned Accounts Officers and the pension payment orders are also issued expeditiously by the Accounts Officers.
- (vii) Attending to the complaints regarding the delays in the payment of dues to the members of staff and ensure that such payments are effected promptly.
- (viii) Assistance to staff members in arranging for procurement of life saving drugs.
- (ix) Helping the staff to obtain blood from blood banks in urgent need, promoting donation of blood.
- (x) To attend to representation of Group 'D' personnel.

(b) Cultural and Recreation Activities

- (i) To act as liaison in conducting Inter-Audit/Central Government Employees Welfare Coordination Committee Tournaments in various games arranged by the IA & AD/CGEWCC.
- (ii) To encourage players to participate in games.
- (iii) Liaison with the Recreation Club.
- (iv) To help in issuing notices regarding grant of permission to staff for leaving office early to attend sports events and for closing of office as a mark of respect of deceased employees, arranging for condolence meetings and despatch of condolence resolution to the families of the deceased.
- (v) Any other work that may be entrusted by the Principal Director of Audit.

All applications from the staff should be dealt with expeditiously according to the urgency of each case. Under no circumstances shall an urgent case be left over for more than three days.

6.2 REGISTER OF ESTABLISHMENT SANCTIONS (SECRET)

A register of establishment sanctions will be maintained in the Administration Section in the following columns, separately for temporary and permanent sanctions:-

- (i) Serial No.
- (ii) Number and date of sanction.
- (iii) Name of the sanctioning authority.
- (iv) Date of commencement of sanction.
- (v) Date of termination of sanction (for temporary establishment).

DETAILS OF ESTABLISHMENT SANCTIONED

- (vi) Gazetted Officers.
- (vii) Section Officers (Audit)/Asstt. Audit Officers.
- (viii) PS to Principal Director of Audit.
- (ix) Welfare Asstt.
- (x) Sr. Auditor/Auditor.
- (xi) Clerks/Typists.
- (xii) Asstt. Care Taker.
- (xiii) Record Keepers/Selection Grade Record Keepers.
- (xiv) Stenographers Grade I, II and III.
- (xv) Leave Reserves (a) Auditor (b) Clerk/Typists (c) Group 'D' Staff.
- (xvi) Training Reserve.
- (xvii) Group 'D' staff, Daftry including selection grade Daftries, Asstt. Caretakers, Peons/Farrash and Junior gestetner operator.

REMARKS:-

An entry in the register should be made immediately on the receipt of the sanction or issue of staff office order and should be attested by the Audit Officer (Admn.). The register should be reviewed by the Asstt. Audit Officer (Admn.)/Section Officer (Admn.) and put up to the Audit Officer (Administration) every half year in April and October.

6.3 SERVICE RECORDS

(See para 81 of General Financial Rules)

Every step in the official life of an employee should be entered in the Service Record, maintained according to Supplementary Rules `197 to 205. There should be no erasure or overwriting in the Service Book. All corrections should be neatly made and properly attested. A note of any departmental examination passed by a Government servant should also be made in his Service Book.

It is the duty of every Government servant to see that his Service Book is properly maintained so that there may be no difficulty in verifying his service for pension. The members of the office staff may examine their Service Books in the presence of a Gazetted Officer. If any member of the staff finds that his Service Book is not written up-to-date or that any necessary entry has been omitted or wrongly made, he should report the matter to the Audit Officer/Administration and have the mistake rectified or the defects removed. As a token of scrutiny and acceptance of entries in the Service Book, each member of the staff should sign his name in relevant column of the Service Book and the officer who supervises the scrutiny will also endorse his signatures in token of his having supervised the scrutiny.

All the service books should be kept in an almirah, the key of which should be in the custody of Asstt. Audit Officer/Admn./Section Officer (Audit)/Admn. A register of service books should be kept upto date by keeping a record of all the service books sent of the Audit Office or other offices. In the month of April each year, all the service books should be counted and verified with the register to see that no service book is missing and that the entries in the register are upto date. A certificate should then be recorded and put up to the Principal Director of Audit by the 10th April each year. A note to this effect should be kept in the Calendar of Returns of the Administration Section.

The service books of officiating/confirmed Group 'B' officers and staff should be kept by the Administration Section. Whenever an officer or staff is transferred from this office to another, the Administration Section should record in the service book of the employee concerned under the signature of Audit Officer/Administration the result of verification of service with reference to pay bills in respect of the whole period during which the government servant was employed in this office before forwarding the service book to the new offices, where the service have been transferred.

6.4 LEAVE

Leave applications for regular leave in the prescribed form should be sent to Administration Section where the leave applied for is beyond the power of the Branch Officer sufficiently early and in any case not later than 10 days in advance of the date from which the leave is required. In the case of extension of regular leave or conversion of casual leave into regular leave exceeding the powers of Branch Officer, the application should be sent direct as early as possible to the Administration Section and a copy thereof sent simultaneously to the Divisional Audit Officer/Branch Officer concerned to enable him to send his recommendations to the Deputy Director. or Principal Director of Audit so that the order whether the extension is sanctioned or not may reach the applicant within the period of his original leave.

The application should contain full information with specific reference to the following points:-

- (i) The exact nature of leave should be mentioned particularly where grant of commuted leave on medical certificate is requested.
- (ii) The Branch Officer while recommending leave should categorically state (a) whether leave applied for is recommended with or without a substitute and in the latter case arrangements made to carry out the urgent and important work of the absentee (b) in case any restricted holiday is to be affixed, the admissibility or otherwise of the same.
- (iii) Address during leave should be mentioned and subsequent change, if any, reported to the office immediately. The applications of all non-gazetted staff for leave exceeding the powers of Branch Officer for other than disability leave will be dealt with finally by the Head of Office. The application of leave to Group 'B' Gazetted Officers and for the grant of disability leave to all non-gazetted and gazetted Group 'B', will be sanctioned by the Principal Director of Audit. The Principal Director of Audit, has however, delegated his powers to the Deputy Director (Admn.), to sanction leave to Group 'B' Officers w.e.f. 19.9.1984 under S.No.1 of the first schedule to the CCS Leave Rules, 1972. He has further delegated his powers to Audit Officer/Admn. to sanction earned leave to Asstt. Audit Officer upto 15 days without substitute w.e.f. 1.3.1985.

(Authority: The Comptroller & Auditor General of India's letter No.1835-GEII/109-84 dated Nil S.O.O. No.253-NR/84-85 dated 13.9.84, The Comptroller & Auditor General of India's letter No.2991-GE.II/109-84 dated 5.1.1985 and Staff Office Order No.410-NR/84-85 dated 1.3.1985).

The instructions regarding the submission and acceptance of Medical Certificate are given in para 41 of Railway Audit Manual. The following instructions should be observed for combining of holidays with leave on medical certificate:

(I) IF THE FITNESS CERTIFICATE IS OF THE DATE ON WHICH THE GOVERNMENT SERVANT RESUMES DUTY OR THE DATE JUST PRECEDING THE DATE OF JOINING

The holiday may be treated as part of the leave and not allowed to be suffixed.

(II) WHEN THE FITNESS CERTIFICATE IS OF THE DATE JUST PRECEDING THE HOLIDAYS

The holiday may be allowed to be suffixed provided the Government servant makes a request in this respect.

(III) WHEN THE FITNESS CERTIFICATE IS OF A DATE INTERVENING THE HOLIDAYS

The entire period of holidays may be treated as part of leave.

The admissibility of leave will be verified by the Administration Section immediately on receipt of application from the Divisions/Branches and the orders of the sanctioning authority obtained for the grant of leave or otherwise. A staff office order will be issued to Financial Adviser and Chief Accounts Officer/Accounts Officer and Branch Officer concerned. A copy of the Staff Office Order should invariably be posted/filed in the staff office Register and personal file of the employee concerned. The dates of proceeding on the return from leave will be noticed on the office order from the reports which each office is required to send to the Administration Section on the date an employee goes on or returns from leave. Necessary entry should simultaneously be made in the leave account and Service Record of the employee concerned over the initials of Section Officer (Audit) (Administration).

Note:- A copy of the leave order is not to be endorsed to Audit Officer vide Comptroller & Auditor General of India's confidential letter No.511-RAI/17-3/64 dated 20.2.1965.

Applicants for leave of any kind must attend office to make over charge of their papers etc. unless prevented by an infectious disease and certified to be unfit to attend office. When an employee cannot attend office, a memorandum stating as completely as possible, the state in which the work is left by him should be submitted. A Group 'D' official who is on sick leave for more than 15 days may be asked to undergo medical examination by an authorised medical attendant and before he is permitted to resume duty to obtain a certificate that he is not suffering from any communicable disease.

(Authority: D.R.A.'s No.G-2-7/38 dated the 6th November, 1939)

Every member of the office establishment should on return from leave, report himself for duty to the Gazetted Officer Incharge of the section from which he proceeded on leave unless ordered otherwise. The Administration Section is required to take orders of the Principal Director of Audit about the posting of a man on leave at least three days before he is due to resume duty on the expiry of his leave, if it is proposed to post him in a section other than the one from which he proceeded or if his reporting for duty in the section from which he proceeded on leave necessitates the transfer of another man from that section who might have been sent to officiate in his place or posted in that section in the resultant vacancy.

Leave applications from staff on the verge of retirement should be scrutinized with special care. In cases where there is an obvious intention to evade the rules, leave other than leave preparatory to retirement should be refused.

6.5 LEAVE ACCOUNTS

- (i) The entries regarding leave taken by an employee are made in a leave account. The leave accounts are maintained in Form 2 (Rule 15) of CCS (Leave) Rules, 1972. In writing up the leave accounts, the instructions given in the forms should be carefully followed. As each Service Book is opened, a form of leave account should be appended thereto and the name of the Government servant, his date of birth, date of commencement of service etc. should be recorded therein. On receipt of application for leave, the leave account of the applicant should be made upto date preceding the date from which he wishes to proceed or has proceeded on leave. After the columns 'Leave Earned' and

Leave at Credit' have been written up, the certificate of title to leave will be recorded before the leave application is put up to the sanctioning authority. The entry regarding the period of leave availed should be made in the leave accounts after the receipt of the joining report from the division/branch concerned. All entries should be made under the initials of the Section Officer (Audit) (Admn.). An entry should also be made simultaneously in the Service Book.

(ii) Leave accounts of staff transferred from other offices to this office should be checked and attested by the Office Incharge of Administration Section immediately on receipt in this office so as to ensure that they have been correctly prepared by the office in which the staff served prior to their transfer.

(Authority: CCS (Leave) Rules, 1972).

6.6 REGISTER OF VARIOUS KINDS OF SPECIAL LEAVE TO NON-GAZETTED GOVERNMENT SERVANTS

A register in the form prescribed in the Government of India, Ministry of Finance, Office Memorandum No.7(204)-EVI/50 dated 2.1.1960, may be maintained in the Administration Section. Various kinds of special leave (e.. Special disability leave, hospital leave, maternity leave, study leave, leave not due, commuted leave etc.) granted to non-gazetted Government servants from time to time should be recorded therein.

(Authority : Government of India, Ministry of Finance, Office Memorandum No.7(204)-EVI/59 dated 2.2.1969 received with the Comptroller & Auditor General of India endorsement No.60-Amn.II/538-58 dated 29.1.1960 and Government of India, Ministry of Finance, Office Memorandum No.7(204)-Ests.IV/59 dated 3.5.1960 received with Comptroller & Auditor General of India's endorsement No.915-Admn.II/538-58 dated 24.6.1960).

6.7 UPKEEP AND EXAMINATION OF SERVICE RECORDS AND LEAVE ACCOUNTS

These will be maintained centrally in the Administration Section for the entire Northern Railway Audit Staff.

The Assistant Audit Officer/Admn./Section Officer Audit (Admn.) of the Administration Section will submit a certificate to the Branch Officer on the 10th of each month stating that the orders issued in the previous, month regarding promotion, reversions transfers and leave etc. have been incorporated in the Service Book or leave account of the employee concerned as the case may be.

All Service Registers and leave account of the staff will be thoroughly checked in April each year by the Assistant Audit Officer/Admn./Section Officer Audit (Admn.) selected for the purpose. The Assistant Audit Officer/Admn./Section Officer Audit (Admn.) will complete the check by the end of April and place on record the result of his check for the perusal of the Principal Director of Audit.

6.8 ANNUAL VERIFICATION OF THE SERVICE OF PENSIONABLE STAFF

(See para 81 of the General Financial Rules 1963).

The Service Books of the pensionable staff should be taken up for verification in April every year by the Administration Section which, after satisfying from the relative salary bills that the service (permanent, provisional, temporary or officiating) of the Government servant concerned is correctly recorded in his Service Books, should record it in a certificate in the following form to be signed by a Gazetted Officer.

"Service verified upto (Date) from..... the record from which the verification is made".

A certificate to the effect that service rendered by all members of non-gazetted staff of the office during the preceding financial year have been verified and Certificate or Verification recorded in the respective Service Books, should be furnished to the Principal Director of Audit by the 31st July every year.

(Authority : Para 5 of Government of India, Ministry of Finance (Department of Expenditure) Memo, No.F-7(6)-EV/58 dated 8th March, 1959 and Comptroller & Auditor General of India's letter No.285-NGE.I/209-59-1 dated 3.12.1959 and No.7873-NI/68-81 dated 20.9.1982).

In case any portion of service can not be verified from the office records, it should be distinctly stated that for the excepted periods (naming them) a statement in writing by the Government servant as well as a record of the evidence of his contemporaries is attached to the book. An entry in regard to this check should be made in the Calendar of Returns of the Administration Section.

6.9 PERSONAL FILES

Personal Files for all members of staff and the Gazetted Officers should be opened by Administration Section. These should contain all papers concerning the individuals in whose name these are opened. All orders regarding appointment, grant of leave transfers, punishments, representations, applications, joining reports etc. will be filed therein after the orders are made known to the individual concerned.

All the personal files will remain under lock and key in the custody of the Assistant Audit Officer (Admn./)Section Officer (Admn.). No personal file will be sent out without the written permission of Audit Officer (Admn.).

6.10 INCREMENT

The procedure for the drawl of increments is given in para 10.7.1 of Manual of Standing Orders (Administrative) Volume I (Third Edition) and 103 of the Railway Audit Manual (Fifth Edition). The instructions contained in Comptroller & Auditor General of India's letter No.30 RS/19-Admn.(3)/49 dated 2nd April, 1951 received under Principal Director of Audit's endorsement No.E.8-23/51 dated 22nd June, 1951 should be seen. The register of increments should be maintained

in sets of registers for the permanent and temporary staff respectively and pages allotted for different categories of staff viz. Section Officer (Audit), Auditors, Clerk/Typists, etc. in each Register. If in any case, the Branch Officer concerned recommends and the Officer empowered to withhold increments accepts that the case calls for stoppage of next increment, proceedings as required under the C.S. (C.C.A.) Rules, should be started immediately and a decision taken before the next increment actually becomes due.

6.11 GRANT OF ADVANCE AT THE AGE OF SUPERANNUATION

Advances for purchase of conveyance etc. should not be granted to Government servants unless they can be repaid before the normal date of retirement from service.

6.12 T.A. BILLS

Consequent upon the computerization of Pay Rolls of Audit Staff, it has become necessary to adhere to the programme as fixed by the Accounts Branch for counter signing, verification and inclusion of T.A. claims in 'Input Form' for incorporation in the Salary Bills. Accordingly, following procedure shall be followed strictly by all Audit Officers with immediate effect.

1. The T.A. Journals (both Group Officer 'B' only and non-gazetted) will after recording the amounts both in words and figures and verification by respective Accounts offices will be submitted by the divisions/branches to The PDASr. Audit Officer (Admn.) so as to reach him by the 3rd of the month following the month to which they relate with a forwarding letter certifying that the claims have been checked and found correct. Necessary entry to this effect may also be made into Calendar of Returns. The T.A. Journals thus submitted by the divisions and branches will be received by The PDASr. Audit Officer/Admn. in Headquarters office, Northern Railway, Baroda House, New Delhi.
2. In respect of Group 'B' officers and staff at Headquarters office (Baroda House), the T.A. Journals will be sent direct to the Admn. Section. The Administration Section will get the T.A. Journals verified by the offices of FA & CAO/EG and FA & CAO/E, Baroda House, New Delhi.
3. After receiving the verified copies of the T.A. Bills, the dealing Auditor/Sr. Auditor in Administration Section will get them passed by competent authority and pass on the bills to the bills preparing Auditor/Sr. Auditor.
4. On receipt of verified and passed copies of the T.A. Journals, the dealing Sr. Auditor/Auditors preparing the bills will ensure that the amount is invariably included in the 'Input Form' for incorporating in the salary bills to be submitted to Electronic Data Processing Centre on the 18th/19th of every month.

Note :- In respect of staff whose pay is less than Rs.4750/- per month both the copies of the T.A. Journals are sent to Administration Section for arranging payment.

(Authority: P.O.O. No.144 dated 8.3.1973)

6.13 REGISTER OF RECOVERIES

A recovery register should be maintained by the establishment Sr. Auditor/ Auditor in which all recoveries to be made from the staff on account of loans of Co-operative Societies, Advances, court attachments etc. and all other recoveries that may be authorised to be made through the Service Bills should be recorded as and when an event for recovery occurs. Separate pages would be set apart for each kind of recovery. Suitable remarks should be made against each item every month to indicate that necessary recovery has been made. Every entry in the register should be initialled by the Section Officer (Audit) (Administration). The register should be put up to the Audit Officer (Administration) on the 20th January, April, July, October.

A statement indicating the recoveries made on account of rent for quarters allotted to the staff of the office by the Directorate of Estates is required to be sent to the Director of Estates on the 5th of every month. For this purpose, a separate register is maintained in Administration Section to record the recovery made from the allottees through the Service Bills of each month.

The total amount recovered from the staff as noted in this register should agree with the total of recoveries as appearing in the pay bills drawn during each month. The register should be submitted to the Audit Officer/Administrative by the 7th of each month.

In terms of para 18 of CGEGIS, 1980, the Head of office shall ensure that group wise register of members is maintained in Form 9 and is kept upto date.

6.14 INCOME TAX

The amount of income Tax to be deducted from staff whose income is taxable is calculated in December every year and Income Tax schedules are sent to respective Accounts Offices in January/February for verification. The Administration Section will obtain declaration, regarding savings made/to be made by them in November/December each year. The copies of policies of Insurance or other savings should be obtained later on in support of declarations made by them. A note of such verification should be kept by The PDASr. Section Officer/Assistant Audit Officer (Admn.).

6.15 Preparation of Pay Bills

(See Para 68 of Railway Audit Manual)

Consequent upon the computerisation of Bill preparation on Northern Railway wef 01.07.1973 and switch over

to processing on Payroll and Inter related Modules (PRIME) since July 2004 all the input related to Pay Bill is done by the Bill passing staff directly the PCs loaded with PRIME which are available at EDP Branch of the Northern Railway at Baroda House. Each Bill passing staff has been provided with their own username and password.

Data entry of input by Bill passing staff is to be done from 2nd of every month to 15th of that month. No entry is allowed or entertained after this date. As data entry is done by Bill passing staff themselves no ARD is being done. As such Bill passing staff will do the entry with utmost care.

Processing of Data is completed by 18th and salary slips with related vouchers and summaries is distributed by 19th of every month.

Authority:- Sr. EDPM/NR's letter No. 2004-DPMS/IMPL/PRIME/AFRES/II dated 26.07.2005

(B) Procedure for preparation of salary bills in respect of Group 'A' officers of IA&AD posted in Northern Railway :-

The system of drawal and disbursement of salaries in respect of Group 'A' officers posted in any office of IA&AD in Delhi through IRLA under control of Accountant General (Audit), Delhi, has been discontinued w.e.f. 01.04.2006 and Departmentalized Accounting System is to be switched over there from. In this system the salaries and other claims in respect of Group 'A' officers will be drawn and disbursed by DDOs as is being done in respect of other Gazetted/Non-gazetted officers/officials of this office. However, the control of Pay and Accounts Office will remain with Accountant General (Audit), Delhi, New Delhi and GPF Accounts of Group 'A' officers will be maintained by them.

In view of the new Accounting System enumerated above the FA&CAO/EG, Northern Railway, Baroda House, New Delhi will act as DDO in respect of Group 'A' officers of this office. The disbursement of salaries may be done direct to the Saving Bank Accounts of concerned officer through Electronic Clearing Scheme (ECS) to avoid delay in payment.

All other payments except salaries are to be made through Supplementary Bills.

The cheques pertaining to monthly subscription towards GPF, will be sent to Pay and Accounts Officer, office of Accountant General (Audit) Delhi, DGACR Building, I.P. Estate, New Delhi by the FA&CAO/EG for crediting into GPF Account No. allotted by the C&AG of India.

In order to avoid any lapse and to ensure proper accounting Sr. Audit Officer/Appropriation will monitor and co-ordinate in the matter.

Authority:- C&AG's office order bearing No. 8080 OE&Bills/Estt./86-2005 dated 29.12.2005 and this office POO No. 244 Dated: 19.04.2006,

6.16 SIGNING OF BILLS

The Master Data for regular bills and the bills prepared annually as mentioned in Para 6.15 shall be signed by the Audit Officer/Administration, Specimen signatures of the Officer signing the bills should be furnished to the Accounts Officer as required vide para 68 of Railway Audit Manual.

The authority sanctioning the expenditure should be mentioned in the contingent bills and pay orders etc.

All bills in which arrears of pay are claimed shall be prepared manually and shall contain a certificate to the effect that the arrear drawn in the bill have not been drawn in any other bill (main or supplementary) previously and will not be drawn hereafter.

6.17 LAST PAY CERTIFICATE

Whenever a member of the office is transferred to any outside department, a last pay certificate will be prepared by the Admn. Section and sent to the office to which he has been transferred. Simultaneously, copies thereof should be endorsed to the Principal Director of Audit, Central Railway and Financial Adviser and Chief Accounts Officer, Northern Railway. The Accounts Office to which two copies will be sent will send one copy to the concerned Accounts Officer after counter-signatures.

The rules for the preparation of last pay certificates are contained in Appendix 4 to Compilation of the Treasury Rules Volume II read with Note (2) below Rules 2390 of Compilation of the Treasury Rules Volume I. The form of the last pay certificate is given in Annexure to Appendix 4 of the compilation *ibid*.

6.18 DETERMINATION OF MAXIMUM SALARY ATTACHABLE BY A CIVIL COURT

The instructions on the subject are contained in Rules 225 to 229 of the Compilation of the Treasury Rules Volume I. In cases where the attachable proportion of the salary or allowance of an officer is already being withheld and remitted to a court in pursuance of a previous and unsatisfied order or a attachment, the office appointed by the appropriate government should return the subsequent order to the court with a full statement of all the particulars of the existing attachments. As the courts order of attachment is a judicial order, it is not proper to carry out correspondence with the court in regard to the validity of the order.

An officer who wishes to object to the attachment should do so by making a formal application to the court either personally or through the Central Government pleaders.

(Authority: Ministry of Law, Department of Legal Affairs, O.M. No.F34(I)-61-J dated 17.8.1961 and dated 6.12.1962, received under Comptroller & Auditor General's endorsement No.2076-Admn.II/310-62 dated 6.12.1962).

With effect from 4th September, 1963 the first Rs.1000/- and two third of the remainder of the salary shall be exempted from being attached. Certain allowances forming part of the emoluments of the Government servant have been exempted from attachment. The details of these allowances are as under:-

- (i) All kinds of Travelling Allowances.
- (ii) All kinds of conveyance Allowances.
- (iii) All allowances granted for meeting the cost of
 - (a) Uniforms and
 - (b) Rations
- (iv) All allowances, granted as compensation for higher cost of living in localities considered by Government to be expensive localities including Hill Stations.
- (v) All House Rent Allowances.
- (vi) All allowances granted to provide relief against the increased cost of living.
- (vii) A foreign allowance or in the case of Heads of Diplomatic Missions, Frais de-representations, assigned to Officers serving in post abroad.
- (viii) Children's Education Allowance (whether described as such or in any other manner).
- (ix) All amounts paid by way of reimbursement of medical expenses.
- (x) Dearness Pay, which is really a part of the dearness allowance (Notes 2 and 3 below Rule 74 CCA (ROP) Rules 1983).

(Rule No.225 of Central Treasury Rules – Volume-I)

In cases where officials take advances for purchase of scooter/construction of a house and do not utilize for the purpose for which they are drawn, it has been decided that as per provisions contained in 215 of CTRs there is no bar to recover the entire pay and allowances of a Government servant who fails to purchase a motor car/other conveyance and or acquire/build a house as stipulated in the relevant sanction orders, till the entire money advanced with interest including penal interest, if any, are recovered, in addition, suitable disciplinary action may also be initiated against the defaulting Government servant.

(Authority: Comptroller & Auditor General's letter No.2039-N.I/71-83 dated 15/26-12-1986).

6.19 ISSUE OF AN IDENTIFICATION MEMO

If a matter of the office does not happen to be present on the pay day to receive payment of his salary etc. he should ordinarily make his own arrangements to satisfy the Cash Department that he is the real claimant. In cases, however, in which the employee concerned anticipates any difficulty in establishing his identity, or the Cash Department insists on the production of an Identity Memo, the same will be issued to him on the form given below:-

“This is to certify that (the person) _____ who has signed on the reverse/who has applied his thumb impression on the reverse, is an employee of _____ section or ranch or division of this division. His pay was drawn in _____ the date on which the pay of the staff for the month of _____ was disbursed.

6.20 LEAVE SALARY AND PENSION CONTRIBUTION IN RESPECT OF THE RAILWAY AUDIT PERSONNEL LOANED TO THE GOVERNMENT AND OTHER STATUTORY BODIES, CORPORATION ETC. OTHER DEPARTMENTS OF THE CENTRAL GOVERNMENT

As the expenditure of the Railway Audit Department is met from the Railway Estimates, the orders issued by the Government of India, Railway Department, Railway Board in their letter No.E.40WA264(2) dated 14.8.1940, as subsequently modified in their letter of the same No. and dated the 18th September, 1945, regarding recovery of leave salary and other contributions in respect of Railway Personnel, apply in the case of Railway Audit personnel as well.

(Authority: Director of Railway Audit's No.E9-11/49 dated the 14th October, 1949 of the Accountant General, Food, Relief and Supply, New Delhi).

With a view to facilitate the recovery of foreign service contribution in time, all the terms and conditions of a Government servant's transfer to foreign service must be settled well in advance in consultation with the foreign employer and communicated to the Government servant concerned before the Government servant is released to take up the foreign service.

(Authority: Ministry of Finance (Department of Expenditure) O.M.F.I.(39)-EIV(A)/60 dated 3.9.60 received under Comptroller & Auditor General's endorsement No.3174-RAI/20-5/60 dated 7.12.1960).

The receipt of Foreign Service contribution will be watched by the Accounts Officer of Railway concerned. The check of rates of contribution will be done by respective audit offices. Certificate regarding leave and amount of leave salary admissible will be issued by the Administrative Offices viz. The Principal Director of Audit from whose office the Government servants proceed on foreign service.

(Authority: Comptroller & Auditor General's letter No.2664-NGE.III/390-61 dated 15.9.1971 and No.10-NGE.III/245-63 dated 4.1.1964).

In respect of Railway Audit offices, the entries in the service book in respect of events in the official career of Government servant, such as drawal of increments, and also entries relating to proceeding to the reversion from foreign

service would be recorded by the office of the Principal Director of Audit from where the person proceeded on foreign service.

(Authority : Comptroller & Auditor General's letter No.10-NGE.III/246-63 dated 4.4.1964 and No.1159-NGE.III2245-68 dated 28.5.1965)

When a Government servant in quasi-permanent service as defined in the Central Civil Services (Temporary Service), Amendment Rules 1965 is transferred to foreign service; contributions for pension and leave salary or for pension alone, as the case may be, should be recovered as in the case of permanent Government servant from time to time in accordance with the orders issued under F.R. 116.

(Authority : Ministry of Finance Office Memorandum No.F-1(7)E.IV/49 dated 6.1.1950)

While advising the conditions of deputation to the borrowing department, it should be stated that no accelerated promotions are to be given to the deputationists by the borrowing department without consulting this office. For this purpose a watch should also be kept over the pay drawn by deputationist from time to time in other Govt. Department or Statutory Corporations etc., so as to ensure that the concurrence of this office is obtained before the deputationist is given accelerated promotions by the foreign employer.

(Authority: Comptroller & Auditor General of India's letter No.2085-NGE.III/85-59 dated 16.8.60)

6.21 COMMUNAL COMPOSITION STATEMENTS

These should be prepared in accordance with the instructions laid down by the Government of India from time to time and thoroughly scrutinised by the Section Officer/ Assistant Audit Officer before submission to the [The PDASr. Audit Officer/Admn.](#)

6.22 STATEMENT OF ADVANCES OF PROVIDENT FUND

A statement showing sanctions to the grant of advances from the General Provident Fund and other advances during the month together with the reasons for which and the rules under which advances are sanctioned will be sent to the Audit Officer, Principal Director of Audit, Central Railway every month. 'Nil', statement need not be sent.

6.23 STATEMENT OF RECOVERIES OF ADVANCES

A statement showing the recoveries of advance granted to the Gazetted and Non-Gazetted establishment will be prepared by the Administration Section and sent to the Principal Director of Audit, Central Railway, monthly in following proforma:

List of recoveries made from the pay bill of the office of the _____ Northern Railway on account of advances for the month.

S. No.	Name and designation of the employee	Nature and amount of the advance granted	Amount of advance recovered through the salary bill for	Balance	Remarks
1	2	3	4	5	6

6.24 BUDGET AND REVISED ESTIMATES

The instructions contained in Paras 74 to 77 - Railway Audit Manual and Chapter IX of Comptroller & Auditor General's Manual of Standing Orders may be seen.

The Budget Estimates and Revised Estimates in respect of Group 'A', 'B', 'C' and 'D' posts and office expenses shall be prepared in the following forms :-

1. Group 'B'/Non-Gazetted forms 'A' to 'E' Establishment.
2. Group 'A' Officers Forms 'F' to 'I'.

While formulating the monetary estimates, the following instructions may be kept in view, besides those issued from time to time.

The provisions for men-in-position should be accurately estimated.

Provision for those posts out of the vacant ones which can be filled-in-during the remaining part of the year should only be proposed. Provision for additional posts should not be made in the estimates. No provision for additional posts under the head "Travel expenses" should be made.

The requirement under the head "Salaries" should be computed with reference to actuals for the first 6 months and under other heads on the basis of actuals for the 5 months.

Provisions for the purchase of items like accounting Machines, Staff car, Water Coolers, Grand-in-aid etc. should be separately indicated.

Provisions for Cash Awards to employees under the Hindi Teaching Scheme may be provided under the sub-head "Other Charge" and shown distinctly.

Provision for special construction works and ancillary requirements should be made under the sub-head "minor works".

Explanations for variations should invariably be furnished in the estimates.

The estimates of funds required under the head "salaries" in the Budget will be framed on the basis of trends over the preceding 3 years taking into account other relevant factors like changes in rates of pay, allowance number of posts and their filling and economy instructions issued from time to time. With effect from 1987-88 provision for "Festival Advances" should be made under salaries. The provision will be on a net basis i.e. net of recoveries under the head "salaries". (CAG's letter No.1653-BRS/1-80 dated 11.6.80, 2903-BRS/315-86-1 dated 4.8.86, 3982-BRS/315-86-1 dated 27.10.86 and 1036-ACI/171-86 dated 26.9.86).

6.25 ESTIMATES FOR DEPOSITS AND LOANS, PENSIONARY CHARGES

(See paras 78 and 79 of Railway Audit Manual)

6.26 REGISTER OF EXPENDITURE

(General Financial Rules 66)

All Pay Travelling Allowance and other bills relating to claims of staff for each month classified under the detail heads of account should be posted in this register. The bills should be serially numbered and entered in the register before the fair copies of the bills are put up for signature of the Branch Officer.

6.27 CONTROL STATEMENTS

(Paras 11.12 to 11.15 of Manual of Standing Orders (A) Volume I) 3rd Edition.

The Comptroller & Auditor General controls the expenditure under the major head "2016 Audit" incurred in the several Audit and Accounts Officers. Principal Directors of Audit are responsible to keep the expenditure within the limits of appropriation. For the purpose of exercising proper control over expenditure, a monthly review of expenditure as specified in Paras 11.12 to 11.15 of the Manual of Standing Orders (Administration) Vol.-I should be prepared commencing from the month of September, and sent to the Comptroller & Auditor General. The monthly review of expenditure in respect of Group 'A' officers and Group 'B'/non-gazetted establishment should be prepared separately. The monthly review of expenditure is required to reach the Comptroller & Auditor General's office by the middle of the month succeeding that to which they relate.

Only the amount of bills which have been actually passed for payment in a particular month should be shown in column 3 of the monthly review of expenditure.

As the accounts of a particular month are not generally closed before the due date for the submission of the control statement, statement of expenditure booked as also the expenditure proposed for inclusion by Accounts Office in the accounts of that month has to be ascertained. This expenditure, and not the expenditure as noted in the Expenditure Register, should be included in Column 3 of the control statement.

The purpose is to review the expenditure up-to-date and adopt special measures to limit the expenditure on items which tend to exceed the estimate, or approach Comptroller & Auditor General for a supplementary provision. The control statement upto January due by 15th February, should be specially scrutinised to surrender any unwanted provision.

6.28 APPROPRIATION ACCOUNTS

After the close of the accounts for years, the Appropriation Accounts of the expenditure pertaining to this office booked to the Civil Head "2016 Audit" will be prepared. In preparing the Appropriation Accounts, Instructions issued by the Principal Director General of Audit, Central Revenues should be followed.

The accounts will be compiled in the proforma prescribed in Para 4 of the Comptroller & Auditor General's Manual of Standing Orders (Technical) Volume II. The explanations for variations should conform to the explanation given in the various control statements, especially the last control statement. After approval by the Principal Director of Audit, the accounts will be forwarded to the Director General of Audit, Central Revenues, by the dates advised by him. Copies of the Appropriation Accounts will be endorsed to the Comptroller & Auditor General and General Manager (Budget).

The Audit certificate in the form prescribed in Para 8 of Railway Audit Manual is furnished by Director General of Audit/Central Revenue in respect of expenditure relating to Group 'A' officers and by Principal Director of Audit, Central Railway in respect of Group 'B' and Non-gazetted establishment.

6.29 APPROPRIATION ACCOUNTS OF PENSIONARY CHARGES

The Appropriation Accounts in respect of pensionary charges will be compiled and sent to the Financial Adviser and Chief Accounts Officer, of this Railway.

6.30 STAFF PROPOSALS

The staff proposals should be sent to the Comptroller & Auditor General of India by 25th July every year. To ensure the submission of the proposals by the due date, various sections and Branch Offices should forward their proposals to the Administration Section by 25th June or by any other date prescribed by the Administration Section, together with the detailed statistical data in triplicate. The justification for the existing strength of additional staff required should be supported by data on the basis of monthly average of work done in May, June, January, February and March (excluding March final and supplementary accounts of the preceding financial year).

The following general instructions should be strictly adhered to in formulating the proposals;

1. The prescribed standard time for each item of work has to be adopted.

2. Items for which no standards are fixed by the Comptroller & Auditor General of India should be exhibited in a separate statement adopting adhoc standards.
3. The standard per auditor should be taken as 237 days/1900 man-hour per annum and 277 dys in case of 6 days offices.
4. The man-hour statistics compiled by the Section Officer /Assistant Audit Officer of the section concerned should be got checked independently by another Section Officer /Assistant Audit Officer nominated for the purpose and reviewed by the Branch Officer (Administration). The man-hour statistics for the whole office should be test checked by Assistant Audit Officer (ECPA). A certificate to the effect that the statistical data prepared by the respective sections has been duly checked independently by a Section Officer /Assistant Audit Officer should be given in the letter forwarding the staff proposals to Comptroller & Auditor General of India.

On receipt of the proposals supported by man-hours statistics from the sections and Branch Offices, the Administration Section should submit a note to the Principal Director of Audit indicating the particulars of posts proposed for creation and continuance. Where the increase or decrease in work load as compared with the previous year is not more than 5% detailed staff proposals need not be forwarded to Comptroller & Auditor General of India.

However, a certificate indicating that there is no reduction of staff based on work load and as such the existing strength may be allowed to continue may be sent to Comptroller & Auditor General of India. In case the increase in work load and particular group or groups justifies more staff (and the work load has increased by more than 5% as compared with the previous year) proposals may be sent for sanction of additional staff for this particular group or groups. In all such cases, reasons for variation by more than 5% as compared with the work load during the previous 2 years may be given. Only the posts approved by the Principal Director of Audit for creation and continuance should be included in the staff proposals to be submitted to the Comptroller & Auditor General of India. The proposals should be submitted in four parts.

- Part I Proposals based on the prescribed standard rates of work, taking the group/section as a whole.
- Part II Proposals pertaining to various sections in respect of which work standards norms have not been prescribed.
- Part-III Proposals for posts required for casual/seasonal items of work as well as those pertaining to the continuance of the existing posts which have been sanctioned on adhoc basis.
- Part IV Proposals for additional posts to cater to anticipated increase in work on the basis of average increase in work during the preceding 3 years..

The following statements should also be furnished with the staff proposals:-

- (i) A summary of the proposals in the form enclosed to Comptroller & Auditor General's office circular letter No.1766-BRS/185-78 dated 24th June, 1978.
- (ii) A statement showing the group/section-wise distribution of the regular sanctioned strength (both permanent and temporary) other than casual posts as on 1st March.
- (iii) A statement of regular temporary posts for which provision is proposed to be made in Revised Estimate and Budget Estimates in the form enclosed to Comptroller & Auditor General of India's circular letter No.1393-BRs/87-65 dated 29th June, 1965.
- (iv) A statement indicating clearly the additional posts proposed on work standard/norms for the different groups/sections.
- (v) Full details of the existing permanent posts held in abeyance together with the justification for their continued retention or otherwise.
- (vi) Full details of supernumerary/shadow/deputation special deputation reserves posts and the necessity for their retention.
- (vii) Staff position statement in Forms 14 and 15 of the Comptroller & Auditor General of India's Manual of Standing Orders (Administrative) Volume I showing the total staff provided in the current year's budget, additional posts proposed for creation during the year and the total requirements for the succeeding year.
- (viii) A brief note indicating the availability of qualified persons and how the additional posts proposed for inclusion in budget/revised estimates are proposed to be filled up during the years.

As the posts of Section Officers are based on the number of posts of auditors, man-hours statistics for posts of Section Officers need not be submitted. The Administration Section while consolidating the man-hours statistics will work out the total number of posts of Section Officers for the entire office. In doing so, the yard sticks laid down in Comptroller & Auditor General's letter No.2484-RAI/8-3/64 dated 26th August, 1964 has to be applied. However, if additional posts of Section Officer/Assistant Audit Officers are required based on separate norms for inspection, review of contracts and other items of original work to be done by Section Officer/Asstt. Audit Officer, justification supported by detailed statistics should be furnished by the concerned section to the Administration for consolidation.

6.31 REVIEW OF EXPENDITURE ON ESTABLISHMENT IN AUDIT OFFICES

The instruction in para 11.13 and 11.14 of Manual of Standing Orders (Administrative) Volume-I should be borne in mind. The review is required to reach the Comptroller & Auditor General by the 10th of July each year and should contain the following information in the prescribed forms:-

- Statement I Showing review of expenditure i.e. figures of expenditure for the year alongwith those of the previous year.
- Statement II Showing causes of increase or decrease in expenditure as compared with the previous year separately for permanent and temporary establishment.
- Statement III Showing review of man-power.

The figures in Statement I should be booked figures.

(Authority : Auditor General's No.4241-NGE/435/47 dated 1st September 1948 received under Director of Railway Audit's No.E8-51/48 dated 14.9.1948).

6.32 SUPPLY OF DOCUMENTS TO INSURANCE COMPANIES RELATING TO PERSONAL MATTERS OF GOVERNMENT SERVANT

The Comptroller & Auditor General in consultation with the Government of India has decided that there is no obligation on Government or their officers to supply copies of documents relating to their staff to the Insurance Companies or any one else, and that the request for such copies need not be complied with.

There is however, no objection to furnish the particulars called for by the Life Insurance Corporation in regard to the claims of the employees of the department. The information may be furnished to the extent to which it can be supplied on the basis of official records.

(Authority : Comptroller & Auditor General's letter No.1147-NGE.I/300-59 dated 31.05.60 and Auditor General's No.82 NGE.14-38 dated 21.1.38 copy received under Director or Railway Audit's endorsement NO.E8-4/38 dated 4.2.38).

6.33 COMMUNICATIONS FROM COMMUNAL ORGANISATIONS

The Government of India have decided that the following instructions should be observed in dealing with communal organisations:-

- (a) No notice should be taken by the Government and its officers, local bodies, state-aided institutions etc. of petitions or representations from communal organisations on political matters;
- (b) Interview should be denied to leaders of communal organisations who wish to take representations on political matters. Deputations of such communal organisations should not be received by any office and
- (c) No Government grant-in-aid or patronage in any form should be given to any organisation which indulges in political activities.

For the purpose of the above instructions all activities not concerned with the bonafide religious cultural, social and educational needs of a community are regarded as 'Political'.

(Authority : Ministry of Home Affairs No.24/21/48-Pol.11.8.48, forwarded under the Director of Railway Audit's endorsement No.E3-55/48 dated 8.10.1948).

6.34 COMMUNICATIONS FROM MEMBERS OF LEGISLATURE

The following procedure should be observed in communicating with members of the Legislature on matters concerning the work of Administration of the office:-

- (a) If a member of the Legislature merely ask for information on a point of work or organisation, the same will be supplied, if the Principal Director of Audit considers there is no objection. In important matters however, the Comptroller & Auditor General will, as a Rule be consulted before hand.
- (b) If, however, member of the Legislature writes criticising executive or administrative arrangements, he should be told that he is not at liberty to discuss those arrangements as Principal Director of Audit is responsible for them to the Comptroller & Auditor General to whom any correspondence in this regard should be addressed. In this case if the point under discussion is of any importance, a copy the correspondence should be sent to the Comptroller & Auditor General.

(Authority : Deputy Auditor General's D.O. No.1060 GEE/28/33 dated 16.4.1934 received with Director of Railway Audit's D.O. No.34-E/34 dated 18th April, 1934).

6.35 APPOINTMENTS ON COMPASSIONATE GROUNDS

Appointments in Group 'C' and Group 'D' cadres of dependents of employees who die in harness (while in service) may be considered by the Heads of Department based on the merits of each case under the following circumstances:-

- (a) When a Government servant dies in harness, leaving his family in penury and without any means of livelihood need for assistance and in the event of there being no other earning member in the family.
- (b) The appointment on compassionate grounds of a son/daughter/wife/near relative of a Government servant who dies in harness will be considered even when there is an earning member in the family of the deceased Government servant if Principal Director is satisfied that the grant of the concession is justified having regard to the number of dependents left by the deceased Government Servant, assets and liabilities left by him, income of the earning member etc.

- A. In exceptional cases, the benefit of compassionate appointment may be extended to the son/daughter/near relative of the Government servant retired on medical grounds. This concession will not, however be extended to cases where the Government Servant has retired on or after attaining the age of 55 years in the case of Group 'C' employees and 57 years in the case of Group 'D' employees.
- B. The appointment of son/daughter/near relative of the deceased employee may also be considered by relaxing the minimum educational qualification and maximum age limit, in deserving cases. In the case of appointment of widows of deceased Government servants as peons on compassionate grounds they may be exempted from the requirement of the educational qualification.
- The relaxation of minimum educational qualification will, however, be considered only for appointment at the lowest level i.e. for Group 'D' and Clerks' posts only. In case of failure to qualify the requisite type test, the clerk/typists would not earn any increment, confirmation and promotion till they qualify in the type test.
- C. The number of posts to be ear-marked for compassionate appointments should not exceed substantially and significantly 5% of the vacancies on any particular occasion, after allowing for other reservations like those for Scheduled Caste/Scheduled Tribe/Handicapped persons etc. in each cadre.

Authority:- CAG's letters

- (i) No.33-NGE/99 and 678-NGE(App)/18-99/Vol.V dated 10.6.99.
- (ii) No.NGE/13/2000 and 623-NGE(App)/24-2000/Vol.II dated 1.2.2000.
- (iii) No.NGE/08/2000 and 63/NGE(App)/18-99/Vol.I dated 14.1.2000.
- (iv) No.NGE/36/2001 and 774/N(App)/24-2000/Vol.V dated 12.7.2001.

6.37 RECRUITMENT AGAINST SPORTS QUOTA

Appointment of meritorious sportsmen can be made by the Principal Director of Audit to any post in Group 'C' or Group 'D' as per extent orders of Comptroller & Auditor General.

Recruitment against vacancies reserved for sports quota should be made only after calling for applications from eligible candidates inserting advertisements in the leading News-papers and Employment News. Applications received from meritorious eligible sportsmen before or after the Press advertisement, could also be considered alongwith the applications received in response to press advertisement. (CAG's letter No.482-NGE.III/51/80/Vol.V dated 13.3.1981, 3897-N.III/36-86 Vol.-II date 21.11.1986 and NO.10-NGE.III/36-86 Vol.-V dated 12.1.1988).

Clerk/Typists appointed against sports quota would not earn increment nor become eligible for quasi permanency confirmation and promotion, until he qualifies in the requisite type test. For other conditions regarding adverse affects (for not qualifying in the type test).

(CAG's letter No.301-N.2/46-87 dated 1.4.1987 and circular No.NGE/21/1989 and No.1019-NGE-III/36-86/Vol.V dated 31.3.1989).

6.37 GRANT-IN-AID TO RECREATION CLUB

Grant-in-aid for provision of amenities or recreational or welfare facilities to the staff of the Central Government Departments will be regulated in the manner indicated in Ministry of Home Affairs Office Memorandum No.2/167/59-Welfare dated 10th March, 1961 as amended in Office Memorandum NO.24.2.67 Welfare dated 12.10.62 and Memorandum No.2.8.1967-Welfare dated 11.5.1967. Proposals for annual grant-in-aid should be formulated in accordance.

On receipt of Comptroller & Auditor General's sanction to the payment of grant-in-aid to the clubs of this office located in different branches and divisions the sanction of Principal Director of Audit for the payment of the grant should be obtained. The payment to the Secretaries of the clubs may then be arranged through Pay Orders drawn on various Branches or Divisional Accounts Officers. The Branch Officers of Audit Offices of the club concerned may be required to certify that the amount collected and the grant-in-aid paid has been spent for the purpose for which it is intended by personally inspecting the accounts of the clubs. The receipts for the payment of grant-in-aid may be obtained by the Accounts Officers on the Pay Orders.

In addition, a simple receipt from the secretaries of the clubs may also be obtained for record of the disbursing officers. Registers of grants with the columns given below should be maintained:-

- (i) Serial No.
- (ii) Number and date of sanction letter.
- (iii) Purpose of grant.
- (iv) Conditions, if any, attached to the grant.
- (v) Amount sanctioned.
- (vi) Date of drawal of bill.
- (vii) Whether conditions attached to the grant have been accepted by the guarantee without reservation.
- (viii) Dated initials of the drawing officers.
- (ix) Date of payment to the granted.

(x) Dated initials of the disbursing Officer.

(Authority: Government of India, Ministry of Finance O.M. No. F(I)-EII(A)/67 dated 14.3.57 and F.II(A)/59 dated 20.10.59).

The Recreational Clubs should submit their accounts to the Principal Director of Audit immediately after the close of the financial year in the form given in the Annexure to Comptroller & Auditor General's letter No.890-NGE/III/63 dated 23.4.63 (duly audited by their Internal Auditor).

The accounts should be accompanied by all vouchers. Such of the items of expenditure which are not supported by vouchers should be certified by the President/Secretary/Treasure of the club to the effect that the expenditure was actually incurred and it was not possible to get a receipt.

The accounts of the clubs should then be examined by an auditor nominated by the Principal Director of Audit and signed by the Auditor concerned in the prescribed proforma.

Grant-in-aid for the first quarter of the year will be released in the beginning of each financial year. The balance will be released only after the submission of the accounts for the previous year.

An illustrative list of items on which expenditure can be incurred out of the grant-in-aid is given in Ministry of Home Affairs O.M. No.2/14-61-Welfare dated 7.12.61. The grants are intended only for provision of amenities or of recreational or welfare facilities and would not cover within their scope any compassionate objects such as death benefits.

No expenditure should be incurred out of grants-in-aid for organisation of excursion trips.

Principal Director of Audit is empowered to sanction recurring grant-in-aid for provisions of amenities to the recreation clubs on the terms and conditions stipulated in the Ministry of Home Affairs O.M. No.2/167-59-Welfare dated 10.2.61 subject to budget provision having been made. Copies of the sanctions issued by the Principal Director of Audit should be endorsed on the Comptroller & Auditor General. The expenditure on grant-in-aid is chargeable to the head "2016-Audit-grant-in-aid".

6.38 AUDIT BULLETIN

The Audit Bulletin is issued by the Comptroller & Auditor General quarterly. The material for incorporation in the Audit Bulletin is collected from sections/divisions and a report furnished to Comptroller & Auditor General of India on the 10th of the month following each quarter. The number of copies required should be intimated by the 15th of April, every year.

6.39 MONTHLY REVIEW REPORT ON THE ACTIVITIES OF ADMINISTRATION SECTION

The Administration Section should submit a monthly review report on the activities of that section in the proforma given in Annexure to this chapter. This monthly report should indicate the position obtaining on the last working day of that month and should be put up by 15th of the following month to Principal Director of Audit through Dy. Director.

(ANNEXURE (PARA 6..39))

CHECK LIST

MONTHLY REVIEW OF ACTIVITIES OF ADMINISTRATION SECTION

(Position at the end of the month, to be submitted on the 15th of the following month)

1. Vacancies

- (i) Sr.Audit Officers
- (ii) Audit Officers
- (iii) Assistant Audit Officers
- (iv) Section Officers/Supervisor
- (v) Sr. Auditors
- (vi) Auditors
- (vii) Stenographers
- (viii) Clerk/Typists
- (ix) Record Keepers
- (x) Daftries
- (xi) Peons/Sepoys
- (xii) Safaiwals

2. Promotions Due

- (i) Sr.Audit Officers

- (ii) Audit Officers
- (iii) Assistant Audit Officers
- (iv) Section Officers/Supervisor
- (v) Sr. Auditors
- (vi) Auditors
- (vii) Clerk/Typists
- (viii) Record Keepers
- (ix) Daftries

3. Confirmation Due

- (i) Auditors
- (ii) Stenographers
- (iii) Clerk/Typists
- (iv) Peons/Sepoys
- (v) Chowkidars
- (vi) Safaiwals

4. Deputaitonists (Due to Return within 6 months)

5.(a) Examinations

1. Revenue Audit Examination for Section Officers/Assistant Audit Officers
 2. Section Officers Grade Examination
 3. Departmental Examination for Auditor/Incentive examination for Auditors/ Sr. Auditors.
 4. Type Test.
 5. Limited Departmental Examination for Matriculate Group 'D'.
- (b) Examinations to be arranged
 - (c) Preliminary Tests held for SOGE candidates

6. Preparation of Penal Due

- (i) Sr. Audit Officers
- (ii) Audit Officers
- (iii) Assistant Audit Officers
- (iv) Section Officers/Supervisor
- (v) Sr. Auditors
- (vi) Auditors
- (vii) Clerk/Typists
- (viii) Daftries
- (ix) Record Keepers

7. Budget

- (a) Current Year
- (b) Revised Estimates (Next Year)
- (c) Control Statements
- (d) Reconciliation of monthly expenditure
- (e) Grants-in-aid (Recreation Club)

8.(a) Number of Fresh Appointments

- (i) Auditors
 - (ii) Stenographers
 - (iii) Clerk/Typists
 - (iv) Group 'D'
- (b) Number to be trained
 - (c) Opening service books

- (i) Audit Officers
- (d) Gradation List
- (e) Opening of Service Book of New Appointees
- 9. Rosters**
- (a) Are Rosters upto date and authenticate?:
- (b) Indicate details of dereservation proposals pending with C&AG. :
- 10. Claims**
- (A) Sanctions**
- (a) List cases if any of increments not sanctioned in respect of Sr. Audit Officers/Audit Officers, Asstt. Audit Officers/Section Officers/Supervisors, Stenos, Clerks/Typists, Record Keepers, Daftries and Group 'D'.
- (B) Drawals**
- Certified that there are no outstanding personal claims except for the following:-
- (i) More than six months old :
- (ii) More than three months old :
- (iii) Between One and three months :
- (iv) Less than One month :
- 11. Quarterly Review of Officers who attain age of 50 to 55 years/or put in 30 years in service.**
- 12. Verification of Service/Leave Accounts:-**
- (a) Pensionable staff including recovery of foreign service contribution to whom due and when last done:
- (b) Settlement of cases of Officers and staff to be undertaken 6 months prior to retirement:
- (c) Pension, DCRG, GPF, Encashment of leave to retired personnel due during the month:
- 13. Complaints from Staff and Representations from Staff Associations.**
- (i) Opening Balance :
- (ii) Fresh Receipts :
- (iii) Disposals :
- (iv) Closing Balance :
- 14. Hindi Returns:**
- (i) Quarterly return :
- (ii) Half yearly return :
- (iii) Hindi Meetings :
- (iv) Reports from Hindi Rashtra Bhasha Committee :
- 15. Outstanding References:**
- (i) Ministry :
- (ii) C&AG :
- (iii) Other Offices :
- 16. Submission of Calendar of Returns:**
- (i) due and Actual Date of submission :
- (ii) Delayed Returns :
- 17. Record Management:**
- Maintenance and Destruction of Records due and actually done.

CHAPTER – VII

GENERAL MATTERS

7.1 FUNCTIONS OF THE GENERAL SECTION

The General Section is entrusted with the supervision and management of records, correspondence, typing, receipts and dispatch and other general work of the office including all matters relating to the following:

(a) Indent, receipt, distribution and accountal, of

1. Stamp and stationary
2. Liveries and Dead Stock
3. Handling of Imprest Cash
4. Control and distribution of Group 'D' staff
5. Maintenance of office Cycles
6. Sale of old Newspapers
7. Upkeep and maintenance of Central Library
8. Distribution of books & codes to staff
9. Purchase and repairs of typewriters, duplicating machines
10. Fax machines, Telephones and all connected matters
11. Engagement of Casual Labour
12. Correspondence regarding office accommodation

(b) The detailed instructions in this regard are given in the following sub-paragraphs :

1. The Incharge of General Section will keep a careful watch on registering and dispatch work for avoiding delay in the circulation and distribution of inward letters and in the issue of outward letters.
2. The Incharge will be responsible for timely indent and custody of stationary.
3. The work relating to recoupment of Cash Imprest Account will also be the responsibility of the Incharge of General section and cash will be in the custody of Branch Officer.
4. The Group 'D' staff attached to Headquarters Office will be under the direct supervision of the Incharge of General Section. Their transfer and posting from one section to another section will be controlled by Admn. Section. Peons attached to sections and officers, such Sr.AuO/SOs/AAuOs will be their controlling officers for the purpose of their movement and day to day work. AAuOs/SOs should also see that the peon attached to their sections are properly dressed and they carry out their duties efficiently.
5. The Junior Gestetnor Operator and all typists headquartered at Baroda House will function under Incharge of General Section.
6. All Sections in Baroda House will send their typing material to the incharge/General Section who in turn will distribute the work among the different typists working under him.
7. The register of work done by Junior Gestetnor Operator and the typists will be submitted to the incharge daily, once in a week to the Audit Officer/G and once in a month to the Dy. Director / Hdqrs.
8. The Incharge shall also be responsible for all work relating to repairs and maintenance of all type writers and photo copy machine.
9. Problems relating to typing and photocopy work in other units in Delhi shall be attended to by the Incharge under specific instructions from Audit Officer/General.

7.2 PASSES AND P.T.O.s

(See para 88 of Railway Audit Manual)

On receipt of pass and P.T.O. books from the Railway Administration the continuity of foil number should be checked and a certificate to the effect recorded on the cover of these books and the Stock Register should be kept in the custody of a Gazetted Officer nominated for the purpose. However, the books in use may be kept in the custody of Incharge/G section, if deemed necessary by the Principal Director of Audit on practical considerations. Verification of all blank foils of books in stock or in use should be done half yearly and a certificate to this effect recorded in the Stock Register. Verification should also be done every time when there is change in incumbents responsible for the custody of the books and a certificate to this effect recorded in the stock register by the persons handing over and taking over charge respectively. Stock Register should be preserved permanently.

The instructions issued by the Railway Board or the Railway Administration from time to time about the issue of passes and P.T.O.s and the maintenance of the record in connection therewith should be strictly observed. The Northern Railway Pass Manual and the Railway Servants (Pass) Rules,1986 should be kept corrected up to date.

(Authority: Comptroller and Auditor General of India's letter No. 1457-RAI/T/17-61/69 dated .4.4.1970)

In the declaration forms submitted by the staff for the purpose of eligibility of family member/dependent relatives for passes/P.T.O.s the date of birth of the person concerned should invariably be shown in all cases where age is the criterion for determining the eligibility e.g. sons, dependent brothers, dependent sisters etc. The periodicity for calling the declaration forms should not exceed 5 years. It should be ensured that the employee informs the pass issuing authority as and when there is any change during the period of 5 years in the composition of his family and the declaration form already obtained should be updated. In the application forms also, the relevant question regarding the person being wholly dependent on and residing with the employee should invariably be answered when the dependent relatives are included in the applications.

(Authority : C/8-17/64 dated 18.08.1964 and Railway Board's letter No.II (W)78PS5-1/18 dated 29.9.1980 received under Comptroller and Auditor General's endorsement No.946-RAII/T/17-2/77 dated 28.11.1980).

Application for passes and P.T.O.s should be sent so as to reach the section at least 7 days before the date from which they are required. The admissibility of the passes and P.T.O.s will be verified by the Senior Auditor/Auditor/Incharge/G Section with reference to the pass rules and the accounts of the employee concerned before putting up the applications for sanction. In verifying the admissibility of school passes, it should be stated whether the school is recognized by the Government.

The issue of a privilege or a School Pass or P.T.O. will be duly entered in the account of the individual concerned and the entry will be initialed by the person signing the pass or P.T.O. the particulars regarding number of children or dependent relatives will also be noted at the top of the account of each employee.

When an employee is transferred from one office to another, the number of passes and P.T.O.s granted to him during the calendar year should be intimated to the office to which he is transferred.

When used or unused passes are sent to the Issuing Office, they should be forwarded with a covering memo and an acknowledgement for the same obtained.

7.3 LOSS OF SUBURBAN TICKETS

The loss of suburban tickets should be reported to the Station Masters concerned to enable them to issue instructions to the ticket collecting staff to guard against their fraudulent use, copy of the report being sent to Dy.FA&CAO/TA,S.E.Road, New Delhi. The General Manager's office need not be advised (General Manager's No.91-P/26-9 dated 25.05.1979).

7.4 PERMANENT ADVANCE

Imprest has been sanctioned for this office for meeting petty contingent payments. It is distributed as follows :

1.	Headquarters office	Rs. 500.00
2.	Divl.Audit Offices DLI, FZR, LKO, MB & UMB @ Rs.150/= each	Rs. 750.00
3.	W/Shops Audit Offices CB, AMV, ASR, JUDW, GZB, @ Rs.150/- each	Rs.750.00
4.	Traffic Audit Offices JUC @ Rs.150/- & TA/SE Rd. Rs.200/-	Rs.350.00
5.	Audit Offices of RDSO/LKO, DMW/PTA @ Rs.150/-	Rs.300.00
6.	COFMOW	Rs.300.00
7.	Const. K.Gate I, II & III	Rs.200.00
8.	RCF/HSQ	Rs.150.00
		Rs.3300.00

(Authority: Page 5N, 6N & 157 of file No.G/17-7/95 KW)

7.5 CONTINGENT EXPENDITURE

The Principal Director of Audit has authorized the following Gazetted Officers under him to incur expenditure on contingencies to the extent shown against each.

1. Officer in charge of General Section Headquarters Office upto Rs.40/- in each case.
2. All other Sr. Audit Officers/Audit Officers upto Rs.20/- in each case.

No contingent expenditure exceeding the above limits will be incurred without the prior sanction of the Dy. Director/Director or Principal Director of Audit.

(Authority : File No. G/17-7/72KW P/58N) order dated 03.02.90 of PDA

Whenever a contingent voucher is received, it will be verified with reference to the details and an endorsement of acceptance will then be made on the vouchers. In case the payment is to be made from the office cash imprest, it will also bear a 'Pay Order'. The endorsement of acceptance or the 'Pay Order' as the case may be, will be signed by the Gazetted Officer-in-charge.

All payments from the office imprest will be noted in the Cash Imprest Account, which will be closed on or about the 25th of every month. An office copy of the Cash Imprest Account will be retained and the original forwarded to the Accounts Office over the signature of the Gazetted Officer-in-charge for recoupment before the end of the month so as to ensure the inclusion of the transactions in the month's account in which payments were made.

7.6 EXPENDITURE ON LIGHT REFRESHMENT AT FORMAL, INTER DEPARTMENTAL AND OTHER MEETINGS AND CONFERENCES.

The Heads of Offices may incur expenditure on light refreshment including snacks viz. biscuits, cashew nuts etc. at formal interdepartmental meetings and other meetings of staff Committees and with representatives of recognized associations, convened by the Heads of Offices subject to a maximum of Rs.5/- per head per official meeting for tea and Rs.50/- per head per official meeting for lunch subject to Rs.2000/- p.a.

(Authority : Comptroller and Auditor General's letter/circular No.61/NGE/2001 No.1391-NGE(App)/58-2001 dated 27.12.2001

7.7 REGISTER OF CONTINGENT EXPENDITURE

The register will be posted under the detailed heads mentioned below :

1. Postage
2. Purchase and repair of office furniture
3. Indents for Stationery and forms
4. Other office and miscellaneous expenses
 - (i) Books & periodicals
 - (ii) Hot weather establishment
 - (iii) Liveries of Group 'D' staff
 - (iv) Telephone and Trunk call charges
 - (v) Upkeep of typewriters and cycles
 - (vi) Maintenance and upkeep of computers
 - (vii) Miscellaneous

Cash payments will be posted from the imprest account and other cash vouchers sent to Account Office for arranging payments. All transfer payments should be noted in the register at the time of accepting the bills. Bills for which debits are expected at a later stage in the year should be noted in a fly leaf pasted to the register. At the end of each month, the register will be closed and a monthly statement showing the detailed expenditure booked against the various detailed heads enumerated above will be sent by each Division/Branch concerned by the 1st of each month to General section for consideration. Each Division/Branch should also send a Monthly Statement of contingent expenditure duly reconciled with Accounts Office (Books Section) records to the General Section after the closing of accounts of each month.

7.8 CASH BOOK

(See Paras 20 and 95 of Railway Audit Manual)

A Cash Book should be maintained by the Incharge/G Section to record all cash transactions. Every entry should be attested by a Gazetted Officer.

All cash remittances to the Treasury should be accompanied by a challan (Form No.TR 6) prepared in triplicate. Two copies of the challan are retained by the Treasury. Such cash remittances are generally in respect of cost of service books and service postage stamps. All other money received in cash should be remitted immediately to the Chief Cashier and Treasurer through Cash Remittance Notes. It should be seen by the Gazetted Officer Incharge General Section that the challans and Cash Remittance Note have been duly acknowledged by the Treasury and the Chief Cashier and bear the seal of the recipient. A copy of the Cash Book is sent monthly to the Accounts office.

7.9 RENT FOR OFFICE ACCOMMODATION

The Railway Audit Department will not charge rent for office accommodation provided by the Railway Administration or interest and maintenance of electric installations in such offices (Railway Board's letter No.084F, dated the 27 January, 1940, received under Director of Railway Audit's No.E8-43/38 dated the 8 February 1940.)

7.10 BOOKS, CODES ETC.

(See paras 2.8 of the Manual of Standing Orders (Admn.) Vol. I)

The instructions for the supply of books and codes either for use in office or as personal copies of Gazetted Officers and Section Officers (Audit) are laid down in Para 92 of the Railway Audit Manual. Subject to the limitations in the Schedule of powers of Principal Director of Audit and other rules and orders of the competent authority, the Principal Director of Audit is authorized to purchase from the allotment for contingencies books and periodicals required for the offices under him. All books of references, gazettes and other printed publications received in the office shall be kept in the custody of a responsible person to be decided by the Branch Officer, who will maintain an up to date catalogue of all

such publications and post all correction slips therein. All issues should be made against receipts which should be returned or cancelled when the book is returned. The discretion to prescribe the list of publications to be issued as personal copies of officers and Section Officers (Audit) is left to the Principal Director of Audit. Accordingly, it has been decided that the following publications may be supplied as personal copies to Officers and Section Officers (Audit). Officer/Section Officer (Audit) are responsible for seeing that all correction slips are pasted in their copies of the codes/manuals.

Names of Books

1. An introduction to Indian Government Accounts and Audit
2. Indian Railway Code for the Mechanical Department(Workshops)
3. Indian Railway Code for the Traffic Department
4. Indian Railway Code for the Stores Department
5. Indian Railway Code for the Accounts Department Part I & II
6. Indian Railway Code for the Engineering Department
7. Indian Railway Financial Code Vol.I & II
8. Indian Railway Establishment Code Volume I and II
9. Comptroller and Auditor General's Manual of Standing Orders(Audit) Second Edition 2002
10. Manual of Audit Instructions
11. Account Code Volume I & II
12. P & T Compilation of the Fundamental and Supplementary Rules Volume I & II
13. Railway Audit Manual
14. Compilation of Treasury Rules of the Central Government Volume I & II
15. General Financial Rules of the Central Government
16. Civil Services Regulations
17. General Provident Fund Rules.
18. Workmen's compensation Act.

Note:

1. Railway Board's publications required either for use in the office or for supply to Gazetted Officers and Section Officers(Audit) as personal copies are obtained free of charge from the Central Publication Branch vide Railway Board's sanction conveyed in their letter No.123-G, dated 26.6.1929.
2. The personal copies of the codes and books of reference issued to Section Officers(Audit) and Gazetted Officers will be returned by them to General Section before retirement from service;
3. On the receipt of a new publication from the Railway Board or any other authority which is not included in the above list, the orders of the Principal Director of Audit should be obtained for its supply to the Gazetted Officers and Section Officers (Audit) as personal copy.

(ADAI(R)letter no. 3966-RG-7-2/61 dt. 7.10.1962)

7.11 SUPPLY OF CODES AT CONCESSIONAL RATES

(See para 2.12 of the Manual of standing orders (Audit) Vol.I)

Priced publications of the Government of India and that of the Comptroller & Auditor General of India will be supplied to the members of the office at 50 percent of the cost price, 25 percent of the cost price will be met from the contingent grant of the office while the remaining 25 percent will represent the discount allowed by the Central publication Branch. The above concession also includes the supply of correction slips and will apply to all Senior Auditors/Auditors in the office whether they may or may not be candidates for the Section Officers Grade Examinations. The sanction of the Principal Director of Audit should be obtained in each case.

(Authority: Comptroller & Auditor General's letter No.T/239-NGE/445-29 dated 2.9.1930 and No.355-NGE.II/245 Codes dated 4.11.1950)

Priced publications of the Central Government and that of the Comptroller & Auditor General together with sets of correction slips thereto may be supplied to Section Officers Apprentices at the rates applicable to the Senior Auditors/Auditors i.e. 50 percent of the cost price. (Director of Railway Audit's No.E9-22/51, dated 30.5.1951)

A proper record of Code books supplied at concessional rates to the prospective candidates for Section Officers Grade Examination and departmental examination should be maintained in General Section to ensure that the books are not supplied more than once at concessional rates.

(Authority: Comptroller and Auditor General's letter No.107-Admn.II/188-58 dated 1.9.1958).

All Code Books etc. will be supplied to the prospective candidates for the Section Officers Grade Examination. While placing demands for such books, the General Section will also take into account, the requirements of such

candidates. In case, any one loses any of the books supplied, double the price of the book lost should be charged from the person concerned.

(Authority: Comptroller and Auditor General's letter No.481-NGE.II/452/51, dated 13.2.1952 received under D.R.A.'s endorsement No.G7-2/51, dated 23.2.1952).

7.12 REGISTER OF CODES AND CORRECTIONS SLIPS

- (a) The General Section will maintain a register of all books of reference received and distributed among the different Branches and Divisions etc. in Form No.Sy.236. All books and correction slips will be brought on this register on receipt and all issues will be accounted for as soon as they are made. The issues should be supported by acknowledgments. The incharge of the G section will be responsible to see that all entries are made in the register as and when a transaction occurs. This register should be shown in the calendar of returns and should be put up on the 1st of each month to the Gazetted Officer.
- (b) The Northern Railway publications supplied to Section Officers (Audit)/Asstt. Audit Officers should not be treated as their personal copies. They should not be taken away by them in case of their transfer to other Railway Audit offices.

7.13 NOTING AND PASTING OF CORRECTION SLIPS

The pasting or noting of correction slips at proper places should be watched the weekly arrear reports.

The Asstt. Audit Officer/Section Officer (Audit) in charge of the section to which the correction slips concern will set forth in a brief note the modifications of rules or orders introduced thereby for the information of the Branch Officers, who in turn, will bring important modifications to the notice to the Principal Director of Audit. The correction slips will then be noted by the Senior Auditor/Auditors with special reference to the Asstt. Audit Officer/Section Officer(Audit) report thereon.

7.14 LIBRARY

Senior Auditors/Auditors in each Branch or Division will be responsible for the proper maintenance of the library. The stenographer attached to the Principal Director of Audit and the Director/Dy. Director will maintain the library of the Principal Director of Audit and the Dy. Director. The annual verification of books referred to in para 92 of Railway Audit Manual will be done by an Asstt Audit Officer/Section Officer(Audit) selected for the purpose in January and the result of verification put up to the Gazetted Officer. The Divisions and Branches will also furnish the certificate of annual verification of the books in their respective libraries to General Section by the 10th of January each year.

7.15 SUPPLY OF LIVERIES

(See Paras 63, 104 and 105 of Railway Audit Manual)

The scale of uniform is regulated under the Northern Railway Dress Regulations. Necessary indent for uniforms will be prepared by the General Section for submission to the Controller of Stores. Northern Railway by the 10th January for Summer Uniforms, and 20th July for Winter Uniforms. A register of uniforms should be maintained upto date by each Division/Branch. Separate pages in the livery register should be allotted for different articles on hand and signature for the receipt of each article being obtained separately and kept on record. In addition to this, separate pages in the register should be allotted to each member of Group 'D' staff and the various articles given to him and for which he is to be held responsible, should be entered against his name, reference being quoted to each page of the register where his acknowledgment for the receipt of the articles in question has been obtained. The incharge of 'G' section will be held personally responsible for keeping this register up-to-date and submitting it to the Gazetted Officer in charge for his inspection half yearly at the beginning of April and October every year.

Group 'D' staff when they proceed on leave preparatory to retirement or actually retire may be allowed to retain the liveries issued to them provided the uniform has outlived more than half of its prescribed life. In cases where the uniform required to be returned is not forthcoming, recovery should be made from the settlement dues of the employee concerned as per orders issued by the Northern Railway Administration.

7.16 WASHING ALLOWANCE

(a) Washing allowance at the rate of Rs.30 per month is admissible to Govt. Servants who are supplied with uniforms at Government expenses

Note: It will be for the Controlling Officers to satisfy themselves that the allowance is actually spent for the purpose for which it is granted. No deductions, whatsoever, of washing allowance need be made for the period of any leave availed of by the employee concerned.

(b) The drawal of washing allowance is subject to the condition that Group 'D' staff keeps their Uniforms neat and clean. If a group 'D' employee does not wear a uniform or does not keep it neat and clean, his allowance may be stopped under the order of Branch Officer concerned which should be communicated to the Administration section for necessary action. Cases where Group 'D' staff are seen without uniform although supplied with, will also be treated as requiring disciplinary action.

(Authority: Principal Director of Audit's order dated 5.9.1962)

7.17 SUPPLY OF STATIONERY AND FORMS

(1) The instructions contained in paragraph of 106 of Railway Audit Manual should be carefully observed. The stationery and the Railway Forms will be obtained from the Controller of Stores, Northern Railway and Civil Forms from the Dy. Controller of Stationery, Calcutta. The Section Officer (Audit) incharge of General section will personally check the indents minutely with due regard to the actual requirements and stock in hand, and should check the articles indented on their receipt with the help of stationery clerk.

(2) The following procedure should be observed for obtaining stationery from the Northern Railway:

“An annual indent will be prepared by the each branch, in duplicate, according to the fixed scale, and the same sent to the General section. Headquarters Office one month in advance of the date fixed by the Controller of Stores, Northern Railway for the submission of such indents. One consolidated indent will then be prepared in General section and sent to the Superintendent, Printing and Stationery Northern Railway so as to reach him by the 31st October each year with instructions to send stationery to each branch direct. The bills in connection with the stationery received from the Superintendent, Printing and Stationery, will be verified by the Gazetted Officer incharge of branch concerned and sent to headquarters office (General Section) for acceptance and return. One copy will be sent to the Store Accounts Office, the other being retained in the General Section with the amount of the accepted bill duly noted over the initials of the Gazetted Officer incharge. Supplementary or special indent, if any, should be sent after obtaining Principal Director of Audit's sanction to the Superintendent, Printing and Stationery direct by the branches and divisions. These indents should be compared on the prescribed forms, reasons being given in the remarks columns provided therein for the purpose. No covering letter need accompany these indents.

(3) A stock register should be maintained in the following proforma to keep numerical account of all items of stationery and forms irrespective of the fact whether they are standardized priced or not, a separate page being provided for each individual item. The issues in all cases should be against formal written requisitions, and the total quantity/No. issued during the month should be posted in the register from these requisitions. Balances for each items should be struck on the last day of the month and should be physically verified with the quantity in hand once a year in January, the results of verification being recorded in the Register over the dated signatures of the Asstt. Audit Officer/ Section Officer (Audit) incharge.

Proforma

NAME OF THE ITEM

Receipt	Month		
Receipt Voucher	No. of quantity received	April, May and so on	Issues
No. and date			No. Balance Issued

7.18 LOCAL PRINTING OF FORMS ETC.

In order to arrange for emergent and unforeseen printings, at short notice, the Principal Director of Audit have been empowered to incur expenditure upto the limits of Rs. 40000.00 per year on printing (including the cost of paper and other binding material) . Such printing work may be got done locally through private agency and charged to the head 'Contingencies' and no approval of the rates by the Chief Controller of Printing and stationery would be necessary.

(Authority: Comptroller and Auditor General's letter No. 3838-NGE.I/84-78 dated 20.12.1979)

7.19 TOOLS AND PLANTS

(See para 108 of Railway Audit Manual)

If any articles of tools and plant is required by any branch/division, the Principal Director of Audit's sanction should be obtained through the general section of headquarter office. The inventory of tools and plant duly checked by actual verification should be sent by the 3rd week of April each year to the General section by each Division/Branch in addition each branch/division should also send a statement showing the sanctioned as well as actual strength as on 1st April in respect of each category of staff viz. Gazetted Officer, Section Officer(Audit), Sr. Auditors/Auditors, Clerk etc. each type of furniture as per scale, furniture actually in stock and the net requirement . In case of non scaled items, a separate statement should be sent to General Section showing the articles in hand and those required, alongwith the justification for their purchase. The above statement on receipt will be checked by General Section with the stock register maintained by that section and the discrepancies noticed should be settled immediately.

Sanction of the competent authority should be taken for the condemnation of articles of furniture as and when such occasion arises. As soon as the sanction has been accorded, papers should be sent to General Section which should correct its register. So long as sanction to condemnation is obtained, no articles should be provided for purchase in anticipation. The proposals in connection with the purchase of furniture for the year concerned should be put up for the Principal Director of Audit's approval by the end of July each year.

(Authority: P.O.O. No. 80 dated 30.3.1961)

The Principal Director of Audit can incur expenditure on the purchase of non scaled items of furniture for the offices under his control upto the limit of Rs. 100000.00 per year. For any expenditure beyond this limit, a prior approval of the Comptroller and Auditor General should be obtained. Proposals to purchase of non scaled items of furniture should be scrutinized by the Principal Director of Audit personally and the purchase of only such items be sanctioned as are considered essential and unavoidable. The purchase of costly articles like steel cupboards, steel racks, etc. should be restricted to the minimum. Steel cupboards should be purchased only to keep valuable and confidential and other important documents which are required to be stored in a secured place. In all cases, the expenditure required to be incurred should be subject to the availability of funds.

(Authority: Comptroller and Auditor General's letter No.3229-NGE.I/81-79 dated 30.10.1979)

SCALE OF FURNITURE

The following scale of furniture has been laid down by the Ministry of Works and Housing etc.

1. Principal Director of Audit

Cotton Durry	1
Woolen Carpet	1
Table Officers	1
Side Table	1
Armed Chair	6
Chair Armless	1
Easy chair	1
Doormat	1
Side rack	1
Hat Stand	1
Book case	1
(Revolving or glazed)	
Foot rest	1

2. Dy. Director/Director

Woollen Carpet	1
(size 12'x 9')	
Table Officers	1
Side Table	1
Side rack	1
Armed Chairs	3
Chair armless	1
Cotton Durry	1
Doormat	1
Hat Stand	1
Book case	1
(Revolving or glazed)	
Foot Rest	1

3. Assistant Director of Audit/Audit Officer

Officers Table	1
Side Table	1
Side rack	1
Chair Armed	2
Chair armless	1
Cotton Durry	1
Book case	1

4. Asstt. Director of Audit /Audit Officer

Table Supdt.	1
Side Rack	2
Armed Chairs	2
Armless chair	1

5. Sr.Auditors/Auditors/Clerks/Stenographers/S.G.Record Keepers/Record Keepers/Daftries

Clerk Table	1
Clerk Chair	1
Side Rack	1 (for Auditor/Steno only)

6. Typist

Table Typist	1
Chair clerk	1

7. Class IV Staff

One stool each

(Authority: Comptroller & Auditor General's letter No.NGE.I/26 dated 15.01.1965)

8. The furniture required for general use of the office such as almirahs, racks, iron safes etc. may be provided with proper sanction according to the requirements of each office without reference to any particular scale.

9. Powers to incur expenditure on the purchase and repairs to furniture subject to budget provision, so far as scale items are concerned, have been delegated to the Principal Director of Audit.

(Authority: Comptroller and Auditor General's letter No. 2073-Admn.II/C7A C.Ar G.(Admn.)/5511. dated 26.8.1958).

7.21 SUPPLY OF FURNITURE AT THE RESIDENCES OF OFFICERS

The Principal Director of the Audit is competent to sanction issue of furniture free of rent at the residences of officers including himself for doing office work at home under clause (a) of Para 1 of Government of India, Ministry of Finance, O.M.No.F1(7)-FGI/54, dated 15.6.1954).

(Authority: Comptroller and Auditor General's letter No. 115-NGE.III/249-54, dated 25.1.1955, and Ex. D.R.A.'s No. E844/55 dated 10.2.1955).

The procedure to be observed in the matter of issue of furniture at the residence of an officer for doing office work is as follows:

- (i) The office will take a receipt from the allottee for the furniture allotted to him with an undertaking to the effect that he will be personally responsible for its safe custody and return in good condition (fair wear and tear excepted.)
- (ii) No non-essential items of furniture such as sofa sets, clocks, electric lamps, almirahs, carpets, durries beds and takhats etc. should be supplied.
- (iii) In cases in which the competent authority issues an order for the supply of furniture in his own favour, a copy of such order should be sent to Audit Officer. In other cases the order should not be sent to Audit Officer but should be preserved in the respective offices and shown to audit at the time of local inspections, if necessary.
- (iv) All such furniture will be borne on the inventory of the office which should prominently be shown in red ink as the items of furniture issued to officers at their residences.
- (v) A stock verification should be carried out annually in the month of January to ensure that the articles of furniture issued are actually in existence and the correct according to the number borne on the inventory of the office.
- (vi) The competent authority should review his orders at least once in two years to see that the number of articles of furniture issued are essential in the interest of office work and no curtailment is possible.
- (vii) A steel almirah for keeping confidential papers etc., may be allowed to where necessary.

(Authority : Comptroller and Auditor General' letter No.1773-NGE.III/100-60 dated 06.07.60) C&AG's letter No.6-90-N-III/68-91/dt.12.4.91.

- (viii) In respect of Officers, who retire or transferred or otherwise quit Government Service, the items of furniture issued to them should be taken back immediately on the occurrence of the above events.
- (ix) Officers under suspension are not eligible for retaining furniture at residence.

(Authority: Comptroller and Auditor General's letter No.644-NGE.I/45-79 dt. 13.3.80)

It has further been decided that the Accounts & other heads of Department can decide about the essential items of furniture required at the residence of officers not withstanding the non-essential items of furniture mentioned at item (ii) above.

(Authority: Comptroller and Auditor General's letter No. 555-NGE.III/25-83 dt.16.2.88)

7.22 TYPEWRITERS PURCHASE AND HIRING OF

- (a) Purchase: Typewriters should be obtained through the Principal Director General Supply and Disposals. The sanction for the purchase should be forwarded along with the indent for supply of machines. The payment of the

bill will be made by the indenting officer direct to the supplying firm or agents.

- (b) Hiring: When a typewriter is required to augment the existing stocks with the office and hiring is resorted to as an interim arrangement, the Principal Director of Audit may sanction an hiring for a total period of 6 months or till the new typewriter is received whichever is earlier. Dy. Director/Director may sanction such hiring upto a period 4 months provided the purchase of additional typewriter has already been sanctioned by the competent authority. In other cases where the hiring of typewriters is proposed without any intention of acquiring a new one (e.g. to cope with temporary increase in work) Principal Director of Audit may sanction the hiring for a period not exceeding 4 months. Hiring of a typewriter in excess of 4 months will require the sanction of the Comptroller and Auditor General.
- (c) Dy. Director/Director in his/her capacity of being the Head of the office is competent to sanction expenditure on the up-keep, service and maintenance of all office machines to the full extent in accordance with the rate contract concluded by the Director General, Supplies & Disposals. The repairs may be done without limit for spare parts as long as such repairs are considered economical.

(Authority: Comptroller and Auditor General's letter No.270-NGE.I/4/134-68 dated 30.4.1969).

7.23 CONDEMNATION/DISPOSAL OF TYPEWRITERS

Principal Director of Audit's sanction may be obtained for condemnation of unserviceable typewriters in case the following conditions are fulfilled:

- (i) The total expenditure incurred on the repairs and replacement of parts throughout the life time of the machine should exceed two thirds of the cost of a machine of the same make, type and size as the machine to be condemned.

Note: It has been decided that in case of typewriter required to be condemned is not on the approval list of the Government of India, Stationery Office, at the time of its condemnation, the price of a new Remington typewriter or of any other typewriter of the corresponding size as covered by the corresponding size as covered by the rate contract entered into by the Government of India Stationery Office, may be taken into consideration for the purpose of item (i) above.

(Authority: Government of India, Ministry of Works, Housing and Supply O.M. No. 34/2/62-5 & P.II dated 10.9.1962, received under Comptroller and Auditor General's Endorsement No.1022-NGE.I/149-60 dated 1.11.1962)

- (ii) The machine has outlived its prescribed life of ten years. Cases not covered by (i) and (ii) above will continue to be referred to the Government of India, Stationery Office, Calcutta for certification as regards their condemnation.

2. While condemning typewriters, the following points should be kept in mind :

- (a) Age of typewriter
(b) Estimated cost of repairs
(c) Expenditure so far incurred on repairs and replacement of parts
(d) Firm's opinion on the general condition of the machine and certificate as to the expected life of the machine after repairs.
(e) The Officer's own opinion
(f) Whether the present condition of the machine is due to normal wear and tear (if parts are missing from the machine, enquiry is to be made and responsibility fixed where necessary before such condemnation).

3. Disposal of condemned typewriters belonging to offices under Principal Director of audit will be done by the Principal Director of Audit himself under his own arrangement to the best advantage of the State, provided the book value of the machine does not exceed Rs.5000/-.

(Authority : Government of India D.G.S. & D., New Delhi letter No. DGS&D/CR-Dip/Misc 71/Dy.523 dt. 17.4.1971).

4. Sale proceeds of condemned typewriters will be credited to the appropriate Head of Account of the office from whose budget allotment the machine was purchased.

(Authority: Comptroller and Auditor General of India's letter No.1074-NGE.I/149 dt.24.5.1960)

7.24 WRITE OFF LOSSES:

The Principal Director of Audit has got full powers to sanction write off of losses as per details given below Irrecoverable losses of Stores and Public Money:

(i) Due to theft, fraud, negligence etc.	Rs.20000/-
(ii) Otherwise than due to theft, fraud, negligence etc	Rs.50000/-
(iii) Losses of revenues and irrecoverable loan and advances	Rs.10000/-

7.25 SERVICE POSTAGE STAMPS

Service Postage Stamps will be obtained by the General Section Head Quarters Office from Local Treasury Officer by placing indents as and when required. The denomination of stamps required should be shown in the indents. A cheque will be obtained from the Financial Adviser and Chief Accounts Officer, Northern Railway in favour of the Local Treasury Officer for the value of the indents and this should be sent alongwith the indents. On receipt of the stamps, the value thereof should be indicated in the Stamp Account Register and the entry initialed by the incharge of 'G' section. The Divisions and Branches will obtain these stamps from General Section for their use. Necessary record of the Service Postage Stamps should be maintained by each Division and Branch in the register provided for the purpose. The Clerk dealing with the dispatch of letters will be responsible for the maintenance of the account of service stamps. The details of balance of the postage stamps on the first of each month should be given in the register. The incharge of 'G' section in Headquarters Office and Asstt. Audit Officer/Section Officer (Audit) in other Branches will ensure on the 1st working day of each month that the account is properly kept and initial the register. It should also be reviewed in the months of January, April, July and October each year by the Gazetted Officer. Service Stamps should not be used when letters can be sent by Railway dak. Receipts issued by the postal authorities in respect of registered letters/Parcels should be posted in the Stamp Account Register in support of entries.

7.26 REPAIRS AND MAINTENANCE OF OFFICE CYCLES

The expenditure on repairs and maintenance of office cycles should be restricted to a maximum of Rs.50/- per financial year per bicycle on an average. Cases involving expenditure by an office in excess of this limit should be reported to the Comptroller and Auditor General of India for necessary sanction.

Peons taking office cycles to their residence are personally responsible for their loss or damage while the cycles are in their custody. Proper acknowledgements of the issue of cycles should be taken from the peons concerned.

(Authority: Government of India Ministry of Finance No.

- (i) 1(3)-E-G.T/49 dated 9 April 1949 and No.1(3)-EGT(52) dt. 22.10.52
- (ii) Ministry of Finance No. F.II(37)-59 dt.5.9.1959
- (iii) Item 2(II) of App. 8 to GFR Vol. II

7.27 ISSUE OF KEYS OF TABLES, CUPBOARDS ETC. AND CUSTODY OF DUPLICATE KEYS

A register will be maintained by the Office Superintendent (General) in which complete particulars of all tables, cupboards, etc. with locking arrangements, such as description, maker's name, printed number, name of the official to whom the furniture is issued and key number will be recorded. The signature of the official to whom the original key is issued will be obtained in this register at the time of initial allotment and whenever there is a change in the person using the furniture. Duplicate keys of tables, cupboards etc. in use by Audit Officers will be kept in the custody of the Deputy Director.

In the event of loss of a key, the official concerned should intimate the same to the Audit Officer (General) and to the Officer with whom the duplicate keys are kept. The duplicate keys will be issued after obtaining the signature of the official in the register maintained.

When replacement for lost keys is obtained, the cost of the same will be recovered from the official responsible for the loss of the original key.

CHAPTER – VIII

GENERAL INSTRUCTIONS REGARDING EXTENT/PROCEDURE OF AUDIT

8.1 PROGRAMME OF AUDIT

The extent to which the audit is to be applied to different classes of Railway transactions, is indicated in the Secret Memorandum of Instructions (Railway Audit) and Appendix to the Chapters on Railway Audit Norms issued by the Deputy Comptroller and Auditor General of India (Railways). The instructions contained in the Railway Audit Manual prescribe the procedure of audit to be applied to the various transactions. These will be supplemented or modified to suit local conditions according to the orders issued by the Principal Director of Audit from time to time. Any important modification in the rules of procedure should be reported to the Deputy Comptroller and Auditor General of India (Railways). The objects of separated audit on Railways and the way in which these objects are achieved are given in Para 119 of Railway Audit Manual. All the items of work including the special items, if any, should be recorded in the Selection Vouchers Register, to be maintained by each auditing section.

8.2 SELECTION OF DOCUMENTS

The relevant instructions are contained in Chapter X of the Railway Audit Manual and Chapter III of the Secret Memorandum of Instructions (Railway Audit)

8.3 REQUISITION OF VOUCHERS AND FILES FOR AUDIT

The procedure laid down in the Joint Audit and Accounts Procedure Office Order No.56 dated 26.9.1962 (reproduced as Annexure I to this Chapter) should be followed by both Accounts and Audit Offices so that there may be no differences between the figures of outstanding vouchers supplied by the two offices to their respective Heads. The register prescribed in the above Procedure Office Order should be properly maintained by each Division/Branch and it should be ensured that all the vouchers requisitioned from the Accounts Office are entered in it and dated initials of the Section/branch supervisor concerned in the Accounts Office are obtained both in token of receipt of the number of requisitions and acceptance of the number of outstanding vouchers. In the case of Service Books, the Divisions/Branches concerned should maintain proper record of receipt and return of Service Books to the Accounts Office so that there is no occasion for complaint from any quarter about receipt/non-return of these documents at a later stage. If the vouchers are not made available to audit, the position should be brought to the notice of the Accounts Officer concerned personally by the Sr. Audit Officer/Audit Officer. If, in spite of personal requests by Sr. Audit Officer/Audit Officer, the vouchers are not made available for audit, he should :

- (i) examine whether the position has been reported by the Accounts Officer to the Deputy Chief Accounts Officer as required under the instructions issued by the Financial Adviser and Chief Accounts Officer.
- (ii) Send a report to the Central Section intimating the result of his personal efforts and the reasons advanced by the Accounts Officer for not giving the vouchers in time. If, however, the arrears are of appreciable magnitude, the facts should be brought to the personal notice of the Principal Director of Audit through the monthly D.O.
- (iii) In case the number of Vouchers not made available to audit is appreciable, the Sr. Divl. Audit Officer / Divisional Audit Officers should send it as an item for agenda for discussion in the Monthly Divisional Officers Meeting, so that the position is brought to the personal notice of the Divisional Railway Manager.

(Authority: Office Order Nos.C-22 dt. 5.7.58 and C-30 dt. 19.8.58)

All the Sr. Audit Officer/Audit Officers will send to their counterparts in Accounts Office, special requisitions indicating the outstanding vouchers in the 3rd week of February, May, August and November each year. Details of the outstanding files requisitioned direct from the Executive Offices would similarly be included in this statement under a separate section. A copy of the special requisition will be endorsed to Central Section who will, then, send a consolidated list of the vouchers outstanding from all Accounts Offices and files of the Executive Offices to the Financial Adviser and Chief Accounts Officer concerned before the end of these months so that it may be possible for the latter to have these outstanding cleared before the report to the Additional Deputy Comptroller and Auditor General of India (Railways) is due. A copy of the requisitions for executive files should also be endorsed to the Accounts Officer concerned for arranging compliance by the Executive Officers.

As regards arrears due to arrears in Accounts Offices, the Central Section will send a consolidated report of the position as at the end of March, June, September and December each year to the Financial Adviser and Chief Accounts Officer concerned in the second week of the following months so that there may be enough time for him to have these arrears cleared before the report for the next quarter is sent to the Additional Deputy Comptroller and Auditor General of India (Railways).

(Authority: C/8-15/63/Q dt. 13.8.64 and 21.9.64)

8.4 AVAILABILITY OF DOCUMENTS

- (i) Paid bills of a month become available for test audit before the 5th of the third following month.

Note: the pension reports verified by the Accounts Office during a month are available in the following month by the end of which their audit should be completed.

- (ii) Station returns and other connected documents are available in the last week of the 4th month following that to which they relate.

8.5 PROCEDURE FOR SELECTION

- (i) In respect of Pay and Travelling Allowance Bills all the departmental units for which the pay bills are prepared and which are recorded as such in the bill passing Sections of the Accounts Department should be ascertained preferably at the commencement of each year from Accounts Departments and the whole field divided into 40 units separately for Gazetted and non-Gazetted Officers as prescribed by the Comptroller and Auditor General of India and one unit from each selected for monthly audit of all such vouchers. The Units may be drawn in such a manner that each one contains drawing (or accounts rendering) officers of more than one department. Where the Principal Director of Audit feels that audit of vouchers in a particular month can be dispensed with to deploy additional staff for local inspections, he may do so. In case of Labour Pay Sheets which need not be checked in Central Audit (Except Workshops), it is sufficient if these are checked during local inspections. However, before returning the paid vouchers to the Accounts Office, posting of Labour Pay Sheets checked during the local inspections should be traced in the works and revenue allocation Registers.

(Authority : Additional Deputy Comptroller and Auditor General of India's secret D.O. letter No.647-590/RAI/8-11/73 dt.5.3.1974).

Note : For percentage please refer to the Secret Memorandum of Instructions regarding the extent of Audit (Railway Audit). Appendix to the Chapters on Railway Audit Norms.

Note:-As per revised Audit Norms, the audit of pay bills of NGOs (other than accounts) will be conducted during local inspection of the respective Deptt.

- (ii) In respect of other vouchers, which are subjected, to percentage check, the first step should be to list out all the vouchers received by the Accounts Department for internal check in the month for which audit is to be conducted, noting the Accounts Bill Nos. and amounts. Then a memorandum should be prepared indicating the total number of vouchers, the percentage to be applied for audit and the number of vouchers to be selected for audit as per random number Generation method. In order, however, to avoid the clerical work involved in listing out such vouchers, the selection may, wherever possible, be made directly from the Register of Bills maintained by the Accounts Department. For that purpose, a memorandum should be prepared indicating the number of bills received for internal check in the month for which audit is to be conducted and the percentage to be applied for the number of vouchers required to be selected for audit. This memorandum together with the 'Register of bills received for internal check' of the Accounts Department, should be submitted to the Branch Officer. The Branch Officer will select bills directly from the Register of Bills indicating in the Memorandum, Accounts Bills Nos. of the bills so selected.
- (iii) In cases of selection of contractor's final bills for reviews, the number of on account bills' alongwith the amount should also be indicated in the Selection Voucher Register and in the list of vouchers so that the Officer selecting the vouchers may be able to judge the relative importance of the final bills and select the really important ones for review.

- Note :
1. The number of bills selected should be rounded off to the next higher integral figure each month.
 2. The department concerned should be indicated against contingent bills, Provident Fund Ledgers etc. noted for selection to ensure that all the departments are covered in a cycle of audit.
 3. The instructions contained in Para 280 of Railway Audit Manual should be borne in mind for selecting bills to be traced into the works and Allocation Register.
 4. If a voucher is selected for audit but is not available in the Branch or Division of the Accounts Office arranging the payment due to its having been sent to another Division or Branch in support of the debit raised, the audit section concerned should bring the particulars of such vouchers specifically to the notice of the corresponding audit section with the remarks that a full check should be conducted by the latter.
 5. For the selection of school fee bills the statement received from the Oak Grove School, Mussorie should also be taken into account.
 6. The register of selection of vouchers should indicate the month in which each periodical item becomes due for audit.
 7. The journal slips should be audited in accordance with Para 278 and 387 of the Railway Audit Manual. In the case of supporting vouchers which fall within a category, the check of which has already been prescribed in Appendix to the Secret Memorandum of Instructions (Railway Audit) and S.No.17 of Chapter 3 & 4 of Appendix to the Chapters on Railway Audit Norms, it is not necessary to check vouchers at the time of scrutiny of the journal slips, but it should be seen that the system of selection ensures the audit of such vouchers, under the proper unit according to the required percentage. In other cases, the supporting vouchers viz. the adjustment memo should be generally scrutinized to verify the correctness and propriety of the adjustment of charges.

In the case of adjustment with other Government Departments and Railways, journal slips are prepared by Books Section of the Accounts Office after getting the supporting vouchers checked and allocated by the various Accounts Sections. In these cases the compilation will be checked by the Books Section of this office whereas the supporting vouchers will be checked by the audit section concerned.

8. The Deputy Comptroller and Auditor General of India (Railways) has observed that to deal with the problem of wanting vouchers which are not made available by the Accounts, a better course would be to write off the arrears in exceptional cases, where it is established to the satisfaction of audit that the vouchers on demand are not being deliberately withheld. Before proposing to dispense with the audit of such vouchers, it must be ensured with reference to the relevant initial records etc. that the claims paid or adjustments or disbursements made through the missing vouchers are prima facie genuine and in accordance with the rules. In doing so, each case to be written off should be reported to Deputy Comptroller and Auditor General of India (Railways) with full details showing how Audit has satisfied itself that the voucher in question has not been deliberately withheld.

Authority Para 127 of Railway audit Manual

In amplification of these instructions, the Deputy Comptroller and Auditor General of India (Railways) has ordered that the investigations relating to vouchers, selected for audit but reported to be missing should cover :

- (a) The verification of the genuineness of the payment with such collateral evidence as may be available (any certificate of payment which the Financial Adviser and Chief Account Officer might have obtained from the officers concerned after such verification as may be prescribed by him, may also be reviewed in this connection).
- (b) A general review of the vouchers for some period immediately before and after the date of the missing vouchers to see that there is nothing to suggest any continued irregularity.

The Deputy Comptroller and Auditor General of India (Railways) has suggested that the bills which have not been passed for payment should not be requisitioned from the Accounts Office until they are passed for payment. If bills not passed for payment are selected (due to incomplete particulars in the Register of Bills or for any other reasons) they should be shown in the Arrear Reports as arrears in Accounts Office and not as arrears owing to non-availability of vouchers by Accounts. A watch should be kept on such vouchers and they should be requisitioned only when it is known that they have been passed for payment so as to preserve the element of 'surprise' in the selection of vouchers.

2. In cases where a fairly large number of documents relating to a particular unit are not available for audit the question of making alternative selection should also be considered in addition to the investigations referred to in the preceding paragraph and a report furnished to the Deputy Comptroller and Auditor General of India (Railways).

(Authority : Deputy Comptroller and Auditor General of India (Railways)'s letter No.897-RAI/A10-3/55/KW dated 14.6.1968, No.1020-RAI/T/1755/59 dated 15.7.1960 and No.1717-RAI/12-49/59 dated 22.6.1960.

9. The selection of pension cases should be made from the Register of sanction to pensions maintained by the Accounts Department. The selection of paid vouchers of death-cum-retirement gratuity should be made from the separate register maintained for that purpose by the Accounts Department similar to the 'Register of Bills received for internal check'."
10. The selection of cases of final withdrawal from state Railway Provident Fund, General Provident Fund etc. and of special contribution to Provident Fund or gratuity under State Railway Provident Fund Rules should be made from the Register of Bills of the Provident Fund Section of the Accounts Department. This register records all payments made under the Provident Fund Rules of the Railway Department including special contribution to Provident Fund and gratuity.
11. The selection of vouchers other than paid vouchers should be made directly from the files of vouchers. Thus the selection of items of Provident Fund deduction for tracing into Provident Fund Card (Individual Ledger Accounts) should be made from the Provident Fund deduction statements received with the Pay Bills.
12. In respect of journal vouchers, lists should be made and the necessary selection got done by Branch Officer in accordance with the percentage laid down in the Chapter 3 & 4 Appendix to the Railway Audit Norms. As per extant orders journal vouchers below Rs. 3,00,000/- may be selected straightaway from accounts records and they need not be listed. Only journal vouchers above Rs.300000/- should be listed.(c.f. Chapter7 Appropriation Audit and Audit of General Books & Accounts)
13. The selection of various items of transactions of Catering Department are made directly from the connected returns submitted by the Catering Units.
14. In respect of bills paid out of station earnings, the selection should be made from the register maintained in the Accounts Office.
15. In making selection of contractor's bills, stores bills and miscellaneous bills, the selecting officers, should ensure that bills of all important contractors and important purchases come under scrutiny sometime or the other and that the same kind of bills relating to the same work or contractor or same type of purchases do not come up for audit month after month. Particular attention should be paid in selecting bills for audit from the category 'Miscellaneous bills' and pay orders' in such a manner that vouchers of various transactions come under audit as otherwise, it is likely that bills for payments to Municipalities and local bodies etc. which are made yearly or half-yearly, may remain unchecked for a long time. It should, therefore, be ensured that such bills are invariably

selected for audit. Miscellaneous Pay Orders below Rs.1000/- need not be listed for selection, which may be made from the Register of Bills' or Abstract of Bills passed for payment.

8.6 REVIEW OF SCHEME OF UNITS

(See Para 149 of Railway Audit Manual)

The detailed lists of several units into which the documents to be audited are divided for the purpose of selection should be reviewed by the Assistant Audit Officer/Section Officer (Audit) in charge every year and put up to the Branch Officer before the test audit of the accounts for April is taken in hand to see that they are up to date, a record of action taken being maintained for future reference.

8.7 CHECK OF LISTING OF VOUCHERS

(See Para 148 of Railway Audit Manual)

The surprise check on the listing of vouchers done by the Senior Auditor/Auditor should be done by the Assistant Audit Officer/Section Officer (Audit) once a quarter, the particular month in a quarter being selected by the Branch Officer at the time the lists are put up to him for selection. The results of the surprise check should be recorded on the lists of vouchers themselves and after the completion of each calendar year, the files containing these lists should be securely stitched/ bound in order to ensure their safe preservation.

(Authority: C/7-4/64 dt.16.7.1966 and Office Order No.C-142 dt. 26.9.1967)

8.8 RECONCILIATION BETWEEN A 1104 AND A 1107 REGISTERS (CO6 and CO7 REGISTERS)

(See Para 149 of Railway Audit Manual)

This should be done half yearly in the months of May and November. A complete and up to date list of all the bill passing sections of the Accounts Office should be kept and used at the time of the prescribed half yearly reconciliation to safe-guard against inadvertent omission of any group or class of vouchers from the scope of selection.

8.9 ORIGINAL AUDIT, POST REVIEW AND CURRENT REVIEW BY BRANCH OFFICER

(See Para 140 to 143 of Railway Audit Manual and Para 7 to 9 of the Secret Memorandum of Instructions (Railway Audit).

Each Branch Officer will himself select the item of Original Audit to be done (both at Headquarters and at local inspections) and Post Review to be done by him. One half of the review work should be devoted to a recheck of the Current Review done by the Asstt. Audit Officer/ Section Officer (Audit). A separate register for selection of items for Post Review by the Branch Officer should be opened in the following proforma:

- (i) Unit Number
- (ii) Details of Unit
- (iii) Number of items checked by Senior Auditor/Auditor (Giving Accounts Bill numbers)
- (iv) Number of items current reviewed by Asstt. Audit Officer/Section Officer (Audit)
- (v) Extent of Post Review by Branch Officer
- (vi) Number of items to be post reviewed by the Branch Officer (to apply the percentage of item (iii) above).
- (vii) Selection of items for Post Review by Branch Officer (one half of the item (iii), including half of item (iv).

The selection of Current Review should also be made by Branch Officer himself so that the work of each Asstt. Audit Officer/Section Officer (Audit) under his charge is reviewed once a quarter. The results of Original Audit Post Review and Current Review done by Branch Officer and Asstt. Audit Officer/Section Officer is to be submitted to PDA as under :

S.No.	Name of Register	Remarks
1.	Register of Original Audit by B.Os (Au.Os/AAuOs)	May be submitted only if the Original Audit done by AuO/AAuO reveal some important results or lacunae in any procedure etc. the register may, however, be continued to be submitted to the concerned supervisory Group Officer as usual in accordance with fixed periodicity.
2.	Register of Current Review & Post Review by B.Os	The registers may be submitted to the P.D.A. only when important defects are noticed & also half yearly only when there are arrears otherwise these may continue to be submitted to the concerned supervisory Group Officer.
3.	Register of Current and Post Review by A.Au.O/S.O.	The registers may be submitted to P.D.A. in all cases where the work of one Section is post reviewed by a S.O./A.Au.O. of another Section in accordance with the instructions contained in Para 156 of Railway Audit Manual.

(Authority : C/18-7/66 dt. 9.5.1967 and 17.6.1968 office order No.C-181 dt. 16.12.1980 and P.O.O. No.174 dt. 22.1.90).

Note :

- (i) The Principal Director of Audit has fixed specific percentages of current Review/Post Review for various items of audit.
- (ii) The volume of work for Original Audit by Branch Officer should be so determined so as to represent at least two days work in a month.

8.10 CURRENT REVIEW OF AUDIT

The instructions on the subject are laid down in Para 151 to 153 of Railway Audit Manual and Para 49 of the Secret Memorandum of Instructions (Railway Audit) and Central Section's Circular letter No.C/8-17/63 dated 19.10.1964. The selection of vouchers for review should be made in accordance with the principles mentioned in Para 161 of Railway Audit Manual. As soon as the Audit for particular month is completed the Selection Voucher Register should be put up to Branch Officer for selection of vouchers for Current Review. In order to keep secrecy of the items selected for Current Review by the Asstt. Audit Officer/Section Officer (Audit) and to comply with the instructions contained in Para 49(v) of the Secret Memorandum of Instructions (Railway Audit) a separate register for selection of documents for Current Review should be maintained. Only the vouchers required to be current reviewed by the Asstt. Audit Officer/Section Officer (Audit) would be indicated therein with reference to the entries in the register of selection of vouchers and there is no necessity to re-copy all the vouchers selected for initial audit.

(Authority : Comptroller and Auditor General's endorsement No.1216-RAI/17-3/64 dated 24.4.1964)

On the completion of Audit, each Senior Auditor/Auditor and Asstt. Audit Officer/ Section Officer (Audit) should put his dated initials in the Register of Selection of Vouchers against the vouchers or documents audited by him as a proof of his having done so. If any voucher or documents have been originally audited by the Branch Officer, the fact should be specified in the Register. A certificate should be recorded in the Selection Voucher Register over dated initials of each Senior Auditor/Auditor/Asstt. Audit Officer/Section Officer (Audit) that the bills audited by him have been duly audited, specifying the bills or documents not audited with reasons for the omission.

8.11 POST REVIEW OF THE WORK OF ONE SECTION BY THE ASSISTANT AUDIT OFFICER/SECTION OFFICER (AUDIT) OF ANOTHER SECTION

(See Para 156 of Railway Audit Manual)

The Post Review is done every month by the Asstt. Audit Officer/Section Officer (Audit) in charge of the Section, with the exception that where there are more than one Asstt. Audit Officer/ Section Officer (Audit) in Division/Branch/Section, the Post Review is done by the local Asstt. Audit Officer/Section Officer (Audit) other than the one in charge of the section whose unit is selected. However, the Post Review of the Sections/Branches located in Delhi due in the months of January, April, July and October is done by the nominated Asstt. Audit Officer/Section Officer (Audit) of other Sections as intimated by the Central Section each quarter. Similarly the Post Review of Audit Offices at Lucknow (Division, Workshops and Research, Design and Standard Organisation), is done quarterly in the above months by the local Asstt. Audit Officer/Section Officers (Audit) of other Divisions/Branch/Section in rotation as nominated by the respective Audit Officers. The register of the results of Post Review by Asstt. Audit Officer/Section Officer (Audit) should be put up to the Principal Director of Audit through the Internal Test Audit (ITA) Section latest by 15 of February, May, August and November each year. The register should indicate the dates of selection and completion of review, arrears, if any, and the reasons for the same.

(Authority : Central Section's letter No.C/9-1/OM/71 dated 7.2.1972)

8.12 CHECK OF PERIODICAL ITEMS

- (i) A systematic record of the results of audit of periodical items of work should be maintained by each Division/Branch. For this purpose a separate file should be opened for each periodical item of work and the result of check and review should be recorded therein. Even if the result is nil, this fact should be recorded. The result of review should be filed under the orders of the Branch Officer. These files should be opened to inspections by the Asstt. Audit Officer / Section Officer (Audit), Internal Test Audit (ITA) and should also be submitted to the Deputy Director when he visits the Division/Branch.

(Authority: Procedure Office order No. 58 dated 24.2.1959)

- (ii) The Branch Officer/Asstt. Audit Officer/Section Officer (Audit) should verify during the course of Post Review that the check of periodical items shown in the Register of Post Review have actually been conducted by the Senior Auditors/Auditors concerned with reference to the files maintained in the Section.

(Authority: Efficiency-cum-Performance Audit Section's(now Internal Test Audit (ITA))letter No.ECPA/19-5/81 dated 23.6.1981)

8.13 DATE OF COMPLETION OF AUDIT

(See Para 4 of the Secret Memorandum of Instructions (Railway Audit) and Para 124 to 125 of the Railway Audit Manual)

The Audit work for a month includes the following stages:

- (i) Original Audit by Senior Auditor/Auditor/Asstt. Audit Officer/Section Officer (Audit) and Branch Officers
- (ii) Current Review by Asstt. Audit Officers/Section Officer (Audit)
- (iii) Current Review by Branch Officers.
- (iv) Post Review by Asstt. Audit Officer/Section Officers (Audit) and Branch Officer
- (v) Issue of Rough Audit Notes
- (vi) Inspections
- (vii) Drafting and issue of Audit Notes, Special letters and Inspection Reports

All the above stages of audit work should be completed by the end of the month, except that the inspection reports Part I and Part II should be issued within a month respectively. In order to comply with these instructions, it has been decided that the Selection Vouchers Register should be closed and submitted to the Branch Officer by the 25th of the month at the latest so that Current Review, Post Review and issue of Audit Notes etc. could be taken up and completed by the end of the month as required under Para 124 and 125 of Railway Audit Manual. The vouchers/ documents received after the closure of the Selection Vouchers Register should be taken up for audit immediately and the audit thereof completed before the end of the month so that there is no occasion for showing the same in arrears in audit. In such cases it is necessary to give suitable remarks in the Selection Voucher Register.

(Authority: Office Order No.C-171 dated 11.3. 1974)

8.14 POST REVIEW OF AUDIT

(See Para 154 to 162 of Railway Audit Manual)

Each Audit Section should maintain a register of allotment of Post Review of Audit. The account to be audited by each section should be divided into 12 units of approximately uniform size. The periodical items should be separately mentioned in the register for review in the month following that in which they fall due for audit. The register should be put up on the 5th of each month to the Branch Officer so that the number of units selected and names and designations of the persons by whom the accounts should be post reviewed may be indicated. The selection of units for Post Review to be done by Asstt. Audit Officers/Section Officers (Audit) should be made by the Branch Officer. When submitting the register, it should be clearly stated whether or not the monthly audit work and previously marked review have been completed. The section concerned is required to see that all documents, complete in every respect, relating to the unit selected are put up to the Reviewing Officer as early as possible and the Asstt. Audit Officer/Section Officer (Audit) should see that all documents pertaining to the unit have been submitted. Detailed selection of vouchers to conform to the prescribed percentages as laid down in Para 50 of Secret Memorandum of Instructions (Railway Audit) and Central Section letter No.C/8-17/63 dated 19.10.1964 may be made by Branch Officer for the Asstt. Audit Officer/Section Officer (Audit) as well as for his own review (Para 162 of Railway Audit Manual).

If an item marked for Post Review (Para 158 of Railway Audit Manual) becomes infructuous (such cases should be rare) it should be the duty of Asstt. Audit Officer/Section Officer (Audit) concerned to whom the Post Review is assigned to bring the matter to the notice of the Branch Officer in time and arrange for some other unit to be assigned for his post review.

The Post Review should ordinarily be completed within a fortnight of its allotment but in no case later than end of the month in which it is allotted.

The units of Post Review should be examined yearly in June so as to see that the units are suitable and comprise the entire audit work done in a section. The revision of the unit should ordinarily be given effect from the accounts for April.

Each section should, in the first week of July every year, supply to the Central Section the amendments to the units, if any, considered necessary by it. Even if no changes are proposed. Nil report should be sent. Central Section, on receipt of amendments to the existing units, will communicate revised lists of units to the Divisions/Branches concerned by the end of July each year.

Note :-

(i) In cases where one or more items in the Units selected for review become infructuous in the month, voucher or vouchers of the same category last audited should be post reviewed by the Branch Officer or the Asstt. Audit Officer/Section Officer (Audit) concerned and the fact recorded in the Post Review Register.

(ii) The position of Post Review by the Branch Officer and Asstt. Audit Officer/Section Officer (Audit) should appear as an item in the Arrear Report of each section. In the case of Branch Officer's Post Review particulars of the units selected, the date of completion, the date of the issue of the objection, details of the arrears, if any, and the reasons for the arrears should be given in the form of a statement attached with the Monthly Arrear Report.

(Authority: C/8-17/63 dated 5.9.1964)

(iii) Serious omission, if any, pointed out by the Branch Officer in his Post Review register should be brought to the notice of the Principal Director of Audit and his orders obtained for taking suitable disciplinary action against the staff, where warranted. (Authority: Central Section's letter No.C/8-17/63 dated 15.9.1963 and Para 6 of Audit Officer's Meeting held on 22.6.1965)

8.15 AUDIT ENFACEMENT OF VOUCHERS

(See Para 126 of Railway Audit Manual)

Every voucher, register or document audited at Headquarters or during local inspection, excepting those mentioned below should bear an audit of enfacement and the dated initials of the person (whether Senior Auditor/Auditor, Asstt. Audit Officer/Section Officer (Audit) or Branch Officer) who audited it as indicated below:

Audited

Initials

Dated

The supervising staff should ensure by test check that the documents audited have been duly stamped and initialed.

(i) Service records, leave accounts and contracts etc. need not be enfaced with the stamp 'audited'. A list of such records should however, be maintained in the Selection Vouchers Register and initialed by the Senior Auditor/Auditor concerned.

(ii) The Provident Fund ledger cards need not be enfaced with the stamp audited but a record of the cards checked may be kept in the Selection Voucher Register.

(iii) In the case of Registers like Purchase Registers, the entries which are subjected to audit, the enfacement should be made in the fly leaf or on the back of the register with the works reviewed. Vouchers which are unusually large in number need not be enfaced individually, but the covering sheet of each bundle should be enfaced provided all the vouchers in that bundle have been audited. In the case of vouchers selected for tracing, they should bear the enfacement 'Traced'.

8.16 RESULTS OF ORIGINAL AUDIT, CURRENT REVIEW AND POST REVIEW BY ASSTT. AUDIT OFFICER/SECTION OFFICER (AUDIT)

(See Para 162 of Railway Audit Manual)

The results of original audit, current and post Reviews by Asstt. Audit Officer/Section Officer (Audit) should be recorded in prescribed registers and submitted to the Branch Officer every month. If in the course of reviews, it is noticed that test audit is not being efficiently done by certain person or persons, their names should specifically be mentioned.

8.17 SPECIAL INVESTIGATIONS

(Para 123 and 128 to 130 of Railway Audit Manual)

Special Investigation based on important problems arising out of scrutiny of contracts, study of Railway statistics, a comparative and analytical examination of the efficiency of operations, fuel consumption, engine-failure, cost of maintenance per unit of traffic and repairs of rolling stock etc. should be conducted under the close personal supervision of the Branch Officer. The extent of audit prescribed, should not ordinarily be deviated from but where the Principal Director of Audit considers that a relaxation would be useful for utilising the staff thus released on investigations, he may at his discretion order a temporary relaxation against individual items in regard to which accounting and internal check are satisfactory and experience has indicated that the extent of audit can be reduced with comparative safety. A record should be kept of the relaxation so ordered with brief reasons, indicating the reduced percentage of audit prescribed and the manner in which the staff so released was utilised for reviews and investigations etc. A brief note of the results achieved may also be placed on record.

Every Sr. Audit Officer/Audit Officer and Asstt. Audit Officer/Section Officer (Audit) should complete at least one special investigation in a year. They may take the assistance of a Senior Auditor/ Auditor for routine work connected there with, if necessary.

(Authority : Procedure office Order No. 127 dated 25.04.1967, Procedure Officer Order No. 131 dated 20.05.1968 as amended from time to time and Central Sections' letter No. C/10-28/71 dated 1.4.1982).

The selection of items for special investigation by Audit Officers/Asstt. Audit Officer/Section Officer (Audit) will be done by the Deputy Director, Principal Director of Audit. For this purpose every year Audit Officer will send to Central Section in February each year a list of at least three subjects each for himself and Asstt. Audit Officer/Section Officer (Audit) under his charge. On the basis of the lists received from all the Sr. Audit Officer/Audit Officers/ the Dy. Director or the Principal Director of Audit will allot one item to each of the Sr. Audit Officer/Audit Officer/Asstt. Audit Officers/Section Officers (Audit) for special investigation in the ensuing year.

A register of Special Investigations will be maintained in the prescribed form and submitted to the Principal Director of Audit half yearly in the 1st week of April and October each year.

The results of all Special Investigations should invariably be put up to the Principal Director of Audit through the concerned Deputy Director.

A copy of the Annexure together with a copy of the Inspection Sheet of the Register should be sent to Central Section in the first week of January, April, July and October each year for ready reference and preparation of a summary for the office as a whole and submission of the same to the Principal Director of Audit in the third week of the respective months.

(Authority : Procedure Office Order No.127 dated 25.4.1967 modified under procedure Officer Order No.131 dated 20.5.1968 and letter No.C/9-12/63 dated 31.5.1968 and C/7-4/67-68 dated 28.9.1973)

Note : (I) Enquiries made by the Additional Deputy Comptroller and Auditor General of India (Railways) or Headquarters office which form a part of the normal audit function should not be treated as Special Investigations.

(Authority : Para 2 of the Audit Officer's Meeting held on 11.9.1964)

8.18 ACCEPTANCE OF DECISION OF ACCOUNTS AUTHORITIES IN DOUBTFUL CASES

The Audit staff should not admit, on their own responsibility, decisions in doubtful cases arrived at by the Accounts Authorities but should invariably put them up to the Branch Officer for final acceptance. (Director of Railway Audit letter No.A4/188 dated 10.8.1933)

8.19 EXTENT TO WHICH ADVICE MAY BE GIVEN BY AUDIT TO ACCOUNTS OR ADMINISTRATION

(i) Audit should not be too free with advice as there is a possibility of compromising the independence of Audit and assuming for it responsibility which is not appropriate or desirable. But it is also inconceivable that Audit should stand aside to see an obvious mistake being committed without advising how the mistake should be avoided. The Comptroller and Auditor General has not laid down any general rules on the subject, but has left it to the discretion of his representative on the spot to take such action as may be in the best interests of good administration. This action will frequently involve the giving of advice.

(ii) Branch Officers should not express any opinion on an important matter without first consulting the Principal Director of Audit. Matters of detailed procedure may be set right directly with Accounts Officers.

(iii) The General Managers have instructions from the Railway Board to seek the advice of Audit when any doubt exists as to the interpretation of a rule or financial sanction and not to act against such advice when tendered without a reference to the Railway Board, except in case of emergency. Instructions have also been issued by the Ex. Controller of Railway Accounts to all the Chief Accounts Officers requesting them to attend with promptitude and care to any advice given to them by the Audit Officer (Director of Railway Audit letter No.172-Admn/30-206-Rep dated 9.5.1930, Railway Board's printed circular No.6254-F dated 17.7.1930 and Ex. Controller of Railway Accounts letter No.306-CRA Admn. Dated 8.3.1930).

8.20 ANNUAL REVIEW OF THE WORKING OF THE ACCOUNTS DEPARTMENT

(Para 135 of Railway Audit Manual)

An annual review of the working of the Accounts Office will be carried out in the form prescribed in the Annexure to Chapter V of the Secret Memorandum of Instructions (Railway Audit) alongwith the audit of March Accounts. The review will be undertaken personally by the Asstt. Audit Officer/Section Officer (Audit) and a report specifically bringing out the defects noticed should be submitted to the Principal Director of Audit not later than the 15th of August each year. A systematic record of the review and the orders of the Principal Director of Audit thereon should be maintained and submitted to the Additional Deputy Comptroller and Auditor General of India (Railways) at the time of his inspection.

8.21 REVIEW OF HALF YEARLY PROGRESS REPORT OF THE ACCOUNTS OFFICE

(See Para 135 of Railway Audit Manual)

The half yearly progress report of the Accounts Office should be reviewed every half year to see that adequate action is taken by the accounts Office in clearing the arrears. The serious and more important items of arrear over 3 months old on the 30 June should be included in the report of the efficiency of internal check as laid down in the following paragraph. The review of the Half yearly Progress Report of Accounts Office for the period ending 30 June and 31 December should be conducted by the auditing units in the months of August and February each year.

8.22 MATERIAL FOR THE REPORT ON THE EFFICIENCY OF INTERNAL CHECK

The annual report on the Efficiency of Internal Check will be sent to the Financial Adviser and Chief Accounts officer for watching the action taken to remedy the defects etc. noticed during the course of audit. The more serious defects and lapses in internal check may be considered for individual comment in the Audit Report (Railways), if necessary. For this purpose, Divisions and Branches will send a report in duplicate incorporating really important items of arrears and defects in internal check to Report Section by the end of August each year. The following are given, by way of illustration topics dealt with in the report :

- a) **Review of outstanding under suspense;**
- b) **Provident Fund Accounts;**
 - i) Annual reconciliation
 - ii) Bonus contribution
 - iii) Interest Credits
- c) **Expenditure Accounts**
 - i) Reconciliation of Accounts Office Registers with Departmental Registers on the one hand and General Books on the other
 - ii) Delay in the preparation of completion reports.
- d) **Stores**
 - i) Disposal of stock sheets;
 - ii) Reconciliation of Priced Ledgers (Transaction Registers) with Depot Cards;
 - iii) Reconciliation of Priced Ledgers (Transaction Registers) with General Books.
- e) **Traffic Accounts**
 - i) Un audited earnings
 - ii) Travel Agencies Accounts
 - iii) Position of outstanding receipts included in Accounts Office balance sheet
 - iv) Position in regard to Station Inspection, clearance of station outstanding
 - v) Missing Returns, unaccounted for invoices
 - vi) Wharfage and demurrage
- f) **Workshop Accounts**
 - i) Reconciliation of Time Sheets with Muster Rolls
 - ii) Reconciliation of Workshop Suspense Registers with General Books
- g) **Maintenance of Registers etc.**
 - i) Works Registers
 - ii) Revenue Allocation Registers
 - iii) Liability Registers
 - iv) Siding Registers
 - v) Rent Registers, Land Registers, Scale Check Registers, Registers of Buildings, Capital and Revenue Accounts of Residential Buildings.

The Divisions and Branches should maintain a register of points to be included in the Report on the efficiency of internal check. As points considered fit to be mentioned in the report come to notice during the course of the day to day audit, a suitable note should be kept in this Register. The register should be put up to the Branch Officer quarterly by 10th of January, April, July and October.

The report to the Report Section will be compiled from:

- (i) Half yearly progress report of the Accounts Office showing arrears as on 30 June.
- (ii) The register maintained as above; and
- (iii) The report on the annual review of working of the Accounts Office.

The degree of seriousness of the defects commented upon should be clearly brought out in these reports e.g. instead of merely showing that 6000 stock sheets have remained un disposed of, an analysis may be given as to how many of them are say 1, 2 and 3 years old and what amount has remained unadjusted for long periods. Similarly, instead of, merely stating that 2000 bills amounting to Rs.2 lacs were outstanding on a particular date, the number of bills which have been outstanding for more than 3 months and the amount involved may be clearly indicated and individual items covering large amounts, say more than Rs.25,000 may be listed, if possible. In cases where reconciliation is in arrears, it will always be useful to give an idea of the magnitude of the unreconciled differences and the period for which such differences have been carried forward without investigation.

In cases where important defects in internal check are reported, it should be considered whether it would be possible to bring out the consequences of such defects more effectively by arranging a special test check on local inspections, which might bring to light irregularities which should have come to notice earlier if internal check had been properly conducted.

(Authority: Additional Deputy Comptroller and Auditor General of India (Railways)'s letter No.545-RAI/12-23/59-II dated 7.12.1960 and 59-RAI/12-74/59-II dated 16.1.1961).

From the information supplied by the Divisions/Branches, a consolidated report on the efficiency of internal check should be drawn up by Report Section and so drafted as to make it really useful to the Accounts Department as a basis for initiating special measures to remedy the defects. For this purpose, relatively unimportant items which can be

pursued through audit notes need not be included in the report. The report should normally include serious defects or arrears which have important financial implications and call for special consideration at a higher level.

In preparing the report, the position in respect of the really important items of arrears in one or more branches of the Accounts Office as it stood on 30th June is first set out. Thereafter the defects and shortcomings in or relaxation of particular items of internal check and also cases of non-observance of code rule are given in the form of short narrative report supplemented by such statistical information as may be necessary in support of any portion of the comments.

The preliminary report should be sent to the Financial Adviser and Chief Accounts Officer by 30th September each year. Immediately on receipt of the report, the Financial Adviser and Chief Accounts Officer will call for the remarks of the Accounts Offices in the prescribed proforma by the end of October, duly verified by the respective Audit Officers of the Units. Two copies of the prescribed proforma will be sent by the Accounts Officers to the Audit Officers concerned who in turn will send one copy to the Report Section without delay. On receipt of the remarks of the Accounts Officers, the various items in the report will be categorized in the efficiency Section of the Financial Adviser and Chief Accounts Officer's office and the report will then be discussed in a meeting between the Deputy Director and the Deputy Chief Accounts Officer (G) by the 10th November. As a result of the discussion at the Joint Meeting, final report which will be based on the agreed facts will be prepared by the Principal Director of Audit and sent to the Financial Adviser and Chief Accounts Officer by the 20th November. The Financial Adviser and Chief Accounts Officer will then take appropriate action to remedy the defects and communicate his final remarks to Audit by the end of December.

The more serious lapses in internal check which merit inclusion in the Audit Report (Railways) will be brought out by Report Section in the form of Draft Para and issued to Financial Adviser and Chief Accounts Officer independently of the report on the efficiency of internal check. The defects taken up through the draft Para need not be included in the report on the efficiency of internal check described above.

(Authority: Deputy Comptroller and Auditor General of India (Railways) letter No. 545-RAI/12-24/59-II dated 7-12-1960 and 59-RAI/12-74/59-II dated 16-2-1961).

8.23 SCRUTINY OF MANUALS AND PROCEDURE OFFICE ORDERS ISSUED BY THE ACCOUNTS OFFICE :

(See Para 120 of Railway Audit Manual)

- (i) All manuals including correction slips and Procedure Office Orders issued by the various branches of the Accounts Office will be scrutinized in audit by the corresponding branch of this office with a view to seeing that the rules contained in them are in accordance with the Codal provisions and the orders issued by higher authorities. It should also be seen that they are satisfactory from the point of view of audit and are adequate for the purpose for which they are intended. The result of scrutiny should be put up to the Branch Officer and in important cases to the Principal Director of Audit. When a manual is sent by an authority to Audit for scrutiny, it should be made clear to that authority that the scrutiny of audit is not tantamount to the acceptance of all that is included therein. Three copies of the manuals (and correction slips) should be sent to the Additional Deputy Comptroller and Auditor General of India (Railways) as soon as they are issued.
- (ii) A systematic record of all Procedure Office Orders and Correction Slips issued should be kept in each branch to see that they have been received in serial order and if not, immediate action should be taken to call for the missing ones.
- (iii) When a Procedure office Order is meant to set right a certain incorrect procedure in the Accounts office, it should invariably be stated at the time of scrutiny of the Procedure Office order whether the wrong procedure was detected independently by the Accounts or was brought to light by audit. In former case, it should be stated why the point was overlooked in audit.
- (iv) When any important change in accounts or audit procedure is introduced as a result of job analysis in the Accounts office, a report should be sent to the Additional Deputy Comptroller Auditor General of India (Railways).

(Director of Railway Audit's letter No. A-8/6/39 dated 4-12-1951).

Note: All the Procedure Office Orders issued by the Accounts or Executives Offices will first be received by the General Section which is responsible to watch their continuity and then passed on to the Auditing Section concerned for scrutiny, acceptance and endorsing copies to all Divisions/Branches.

8.24 CRUTINY OF MAUALS AND CORRECTION SLIPS THERETO ISSUED BY THE GENERAL MANAGER:

All manuals and correction slips thereto involving financial implications should be scrutinized by the Branches concerned as shown below:

- (i) Stores manual by the Stores Audit Section.
- (ii) Mechanical and rolling Stock Manuals by the Workshop Co-ordination Section, Baroda House, New Delhi.

- (iii) Commercial and Pass Manuals by the Traffic Audit Branch, S.E. Road , New Delhi. and
- (iv) Other manuals by the Establishment Audit or Expenditure Audit Section as the case may be.

8.25 DEVIATIONS FROM CODE RULES:

The auditing sections should watch that all major and minor deviations from the code Rules have been sanctioned by the Railway Board and the General Manager respectively and report to the Appropriation and Books Audit Section cases where such sanction has not been obtained for taking up the matter, if necessary, with the Financial Adviser and Chief Accounts Officer. Cases of dispute or difference of opinion with the Financial Adviser and Chief Accounts Officer and cases of great delay in the implementation of the Code Rules of obtaining sanction to the deviations should be reported to the Additional Deputy Comptroller and Auditor General of India (Railways) in the form of self contained notes.

(Note: Additional Deputy Comptroller and Auditor General of India (Railways) letter No. RAI/A7-3/53 dated 9-4-1956)

8.26 AUDIT OF SANCTIONS:

(See Para 6, 132 and 133 of Railway Audit Manual)

The principles to be observed in the Audit of sanctions are contained in Chapter II of the Manual of Standing Orders (Audit). The sanctions of the General Manager/Additional General Manager and higher authorities which are of a general nature and of application on subjects not specifically dealt with by any section, Branch or Division, are audited by the Establishment Audit or Expenditure Audit Section, Headquarters Office, as the case may be, in regard to propriety and competency. The Audit of sanctions pertaining to one section, Branch or Division devolves on the unit concerned. The rule or authority under which a sanction is considered to be in order or open to objection should be mentioned, while putting it up for orders. Except in doubtful cases which should be submitted to Principal Director of Audit, the sanction will be accepted by the Branch Officers and copies forwarded, where necessary, to the Branches and Divisions concerned indicating that the sanctions have been scrutinized and accepted in Audit. Important sanctions accorded by the President, Railway Board, or General Manager/Additional General Manager should, however, invariably be put up to the Dy. Director/Principal Director of Audit.

When an officer considers that a certain sanction is to be objected to on the ground that the Railway Board's or President's sanction is necessary, the case should be submitted to the Principal Director of Audit for orders.

Sanction relating to transfer of officers from one Railway to another being more or less administrative rather than financial, Additional Deputy Comptroller and Auditor General of India (Railways) has decided that such sanction may be audited by the Principal Director of Audit and that in case they involve any doubtful point, the matter may be referred to his office.

(Authority: Additional Deputy Comptroller and Auditor General of India (Railways) letter No. 1678-RAI/4-4/59 dated 28.6.1959)

During the scrutiny of provisional payments, it should be seen that such payments are not resorted to in cases in which recoveries may have to be effected and it is foreseen that there may be obvious difficulty in effecting recoveries later due to complications arising from the provisions of the Payment of Wages Act etc.

It may also be seen that where audit has objected to the upgrading of a post, the pay of the staff concerned has been frozen and no further increment in that scale is allowed until the Audit objection has been finally disposed of. If any of the posts, which have been allotted the higher grade, objected to by Audit fall vacant subsequently, they are down graded in accordance with the audit view, and future promotion ordered only in the lower grade until the matter is settled.

(Authority: Railway Board's letter No.ACII/10 dated 3-12-1959 and Director of Audit's orders communicated vide Stores Audit Officer's letter No.SA/7-1/3/59 dated 11-4-1960)

If during the course of detailed audit, it comes to the notice of section, Branch or division that a copy of the sanction that should have been audited by the Headquarters office has not been received, the fact should be brought to notice and audited copy called for.

No sanction having limited currency accorded by General Manager and higher authorities should be filed until its entry has been traced into the Accounts Officer Register and the fact of its having been traced recorded. Sanctions to single payment or payment of allowances for a limited period should also be traced in the prescribed register maintained in the Accounts Office and this fact recorded on the sanction.

Sanctions to the write-off of losses, including remissions and abandonment of claims to Revenue should be investigated and traced into the register of losses or serious irregularities maintained by the Accounts Office.

Note: 1. Sanctions to promotion, leave and extensions of service beyond the date of superannuation are administrative matter with no financial bearing.

(Director of Railway Audit's letter No.A3/7/39 dated 12.1.1940)

2. As soon as a sanction is audited, the necessary audit encasement should be recorded on the bottom right hand corner of the sanction.

3. The Railway Board vide their U.O. No.E58/20/RB dated 2.1.1960 have decided that no honorarium be allowed to the Gazetted Officers in future when they have to perform additional work under strains e.g. Budget Work.

(Authority: Comptroller and Auditor General letter No. 39-RAI/21-19/58 dated 27-01-1960)

8.27 SANCTION TO EX-GRATIA PAYMENTS

It is open to audit to comment on such ex-gratia payments in the audit report whenever cases deserving such comment come to notice.

(Auth: Additional Deputy Comptroller and Auditor General of India (Railways) letter No.390-RAI-53/57 dated 11.8.1958)

8.28 AUDIT OF HOSPITALITY FUND SANCTIONS

While auditing sanctions in respect of Hospitality fund issued by the Ministry of Railways, it should be seen that the ceiling rates for various types of entertainments are not exceeded.

These ceilings include expenditure on cigarettes, cigars, hire of furniture, lighting, drinks etc. and are to be taken as the maximum limit. It should be seen that the entertainment is done as economically as possible in the circumstances of the particular case. Expenditure on lighting should be taken as necessary only for parties held on the lawns in summer. Alcoholic drinks may not be served ordinarily, but these may be served when General Manager considers it necessary and with his prior permission in writing. In case it is noticed that the cost of the entertainments exceeds the prescribed ceiling limits, a report should be furnished to the Additional Deputy Comptroller and Auditor General of India (Railways).

(Authority: Additional Deputy Comptroller and Auditor General of India (Railways) letter No.124-RAI/12-10/58 (Nov.58) dated 10-12-1959 and 1586-RAI/5-15/67 dated 31-1-1976)

8.29 AUDIT OF SANCTIONS FOR ADVANCES FROM THE CONTINGENCY FUND:

Apart from applying the usual audit checks to the sanctions in respect of advances from the contingency fund it should be seen that the sum total of the advances sanctioned from time to time does not exceeds the balance in the Contingency Fund and that supplementary votes are obtained for the recoupment of those advances before the close of the financial year as far as possible. It should also be seen that the contingency Fund Rules framed provide that all orders sanctioning advances from the Contingency Fund are issued as orders of the President and that a copy of such orders which should specify the amount, the grant or appropriation to which it relates and particulars by sub-heads and units of appropriation of the expenditure to be met is forwarded to the audit officer concerned. The sanctions for the grant of advance from the Contingency Fund should also be scrutinized from the higher audit angle with a view to seeing that the advances are made towards unforeseen expenditure only and not to cover normal excess under sub-heads of grants.

(Authority: Comptroller and Auditor General's letter No. 1207-RC/57-60 dated 19-09-1960 and 1220-AC/23-60/Pt.IV dated 15-03-1961)

8.30 SANCTION FOR PAYMENTS ARISING OUT OF ARBITRATION AWARDS:

(See Para 132 of Railway Audit Manual)

All sanctions for payments arising out of arbitration award should be thoroughly scrutinized with reference to the relevant file of the Administration and the results put up to the Branch Officer before the sanctions for such payments are accepted in audit.

(Authority: Procedure Office Order No. 28 dated 12-10-1955)

8.31 AUDIT OF SANCTIONS RELATING TO STAFF BENEFIT FUND:

The sanction accorded by Headquarters Committee of the Northern Railway Staff Benefit Fund on items of expenditure under its direct control and those pertaining to the allotment of funds by it to the sub-committee will be audited by E & PI Section who will forward audited copies of these sanctions to the audit offices concerned. The sanctions accorded by the sub-committee for expenditure from the funds allotted to them by the Headquarters Committee will be audited by the auditing sections concerned.

8.32 SANCTION ACCORDED IN RELAXATION OF PRESCRIBED RULES:

Every Branch Officer should maintain a register of all sanctions accepted by competent authorities as special cases in relaxation of the prescribed rules as and when such sanctions come under audit. If the number is large, the preparation of an omnibus Para for the Railway Audit Report may be considered. Important cases, if any, presenting special feature should, however, be put up to the Principal Director of Audit with comments, if any individually for his orders.

The register should be put up to the Branch Officer 5th of every month.

(Authority: C-61 dated 7-9-1961 and C-124 dated 14-3-1963)

Note

1:- Audit observations on 'Post-facto sanctions' shall be reported to Railway Administration through special reference at Group Officers level.

2:- Annual General Review of sanctions by SO/AAuO has been introduced to ensure that all sanctions have been received in Audit.

(Authority:- Para 3.31 of report of the committee on Railway Audit Norms)

8.33 RESULTS OF AUDIT:

The instructions regarding the drafting and scrutiny of audit objections, their discussion with the Accounts Office, and their issue are given in Para 454 to 462 of Railway Audit Manual Para 5.1.13 of Manual of Standing Orders (Audit) Volume I lays down that all objections and observations must be conveyed in courteous and impersonal terms and must be clear and intelligible. The language used should be accurate, fair, moderately worded and dispassionate and there should not be even a hint of any charge unless it can be substantiated. The language used should, therefore, be such that it cannot be mistaken as questioning the bonafides of the certificates given by or of statements made by responsible officers. Delicate matters where enquiries of audit may be resented by such officers require special care and no objection/letters should issue in such cases except under the personal orders of the Principal Director of Audit (Procedure Office No. 32 dated 25-10-1956). The following procedure should be observed in this connection.

"The Joint Executive, Accounts and Audit Procedure Office Order NO. 23 dated 19-10-1955 as reproduced in Annexure II to this Chapter lays down the procedure to be followed for the issue of Rough Audit Notes/Inspection Notes, their discussions at the tripartite meeting with the Accounts and Executives Officers and the issue of formal Audit Notes/Inspection Reports thereafter. These Rough Audit Notes/Inspection Notes should be numbered serially and a report thereof kept in a separate Register or separate portions of the Register of Audit Note and Inspection Reports. Discussion on these Audit Notes should take place at expeditiously as possible. After this informal discussion, the Audit Officer should decide whether the matter should be dropped or whether formal Audit Note should be issued.

Rough Audit Notes cannot be treated as official objections and should not figure in the statistics of objections outstanding. It should be insured that all replies to Rough Audit Notes are received over the signatures of the Accounts Officer concerned so as to ensure that they represent the audit point of view correctly. Cases where a formal Audit Notes have to be issued on account of the fact that the Executive Officer concerned did not come prepared for discussion at the meeting should also be mentioned in the minutes. If during the discussion of Rough Audit Note, the matter is satisfactorily settled either by recovery or change in procedure etc., although no formal Audit Note will be issued, a record of the useful audit activity will be made in the register of audit activities. Where a Rough Audit Note is to be converted into Part I or Part II Audit Note, it would be sufficient if a memo is issued to the Accounts Office telling them that a particular Rough Audit Note has treated as Part I or Part II audit Note, bearing No. and date etc. A copy of this memo should also be endorsed simultaneously to the Executive Offices concerned.

(Authority: Para 7 of the Audit Officer's Meeting held on 5-11-1958)

Objections should issue separately for each section or branch of the Accounts Office show that there may be no occasion for delay in that office for their disposal.

If in any important case, an objection proposed to be taken up direct with the Administration with a view to secure speedy disposal, prior approval of the Principal Director of Audit should be obtained. A Copy of the objection should at the same time be sent to the Accounts Office.

In cases where audit have questioned the admissibility or rate or amount of payment, it should be seen that prompt action is taken by the Administration to resolve the audit objection instead of letting the overpayment accumulate over an extended period.

Note: If there is any difficulty in holding these meetings, the matter should be brought to the notice of the Divisional Railway Manager or the Principal Officer concerned, by the Audit Officer. It should be the Audit Officer's endeavor that the meetings are held regularly. This matter may be suggested to be included in the Monthly agenda for the Divisional Officers' meeting if and when those meetings are not held regularly. (Office Order No. C-33 dated 26-08-1958)

2. When a certain irregularity is noticed in a few cases subjected to audit, a complete review or overhaul of other cases should not be suggested to the Railway Administration as a matter of routine. Such a review should be suggested only when ,

- (i) there is irregularity due to wrong application or rules and order; or
- (ii) where the percentage of irregular cases with reference to the number of cases audited is large.

(Authority: Para 10 and Para 9 of the Minutes of Audit Officers meeting held in August 1959 and November, 1959 respectively)

8.34 INTENSIVE TEST AUDIT:

Whenever, in a particular month, an erroneous payment is noticed which is of fundamental or of recurring nature the transactions relating to some months backwards and for some months yet to be audited should be examined with a view to determine as to when the wrong payment began and how long it had been continuing. In this way, the

approximate amount involved may be worked out. The results of such review would be communicated in the form of special letter to the Accounts Officers for taking prompt action to resolve the audit objection instead of letting the overpayments accumulate over an extended period.

(Authority: Office Order No. C-78 date 16-06-1960)

8.35 AVOIDANCE OF PETTY OBJECTIONS

(See Para 460 of Railway Audit Manual)

Although petty objections will not be communicated to the Accounts Office, a suitable record should be kept of them arranged. A register should be maintained separately for each branch or section and put up to the Branch Office quarterly on the 10th of February, May, August and November and to the Principal Director of Audit for formal sanction to the waiving of objections, if there are any. The register should be sent for scrutiny and review by the middle of the month following each quarter to the Branch or division concerned of the Accounts Office. In August, the register should be examined to see if it furnishes any suitable material for the audit Report. The powers to refrain from raising of formal objections should be exercised only in individual cases when a defect of procedure is not observed and when the irregularity appears unlikely to be recurring or habitual.

8.36 DISPOSAL OF AUDIT NOTES AND INSPECTION REPORTS:

(See Para 469 to 471 of Railway Audit Manual)

All Audit Notes, Inspection Reports and Special Letters should be entered in the respective registers before issue. The Registers should be kept upto date and put up to the Branch Officer in the first week of each month with a summary of each category showing the previous outstanding, the number of Audit Notes/Special letters issued and disposed of during the month and the balance. Part II Audit Notes/Inspection Reports should be shown as cleared after they have been reviewed by Audit. Steps taken to expedite disposal of the Audit Notes/Inspection Reports/Special letters outstanding for a long time should also be indicated.

In the case of Audit Notes Part I. it would be enough if the Branch Officer concerned brings to the notice of the Principal Director of Audit only the more important defects that are noticed in audit. However, objections which are likely to find place in the Audit Report or which involve questions of procedure or interpretation of rules should be issued only after obtaining approval of the Principal Director of Audit.

(Authority:- Director of Audit's order dated 6-3-1964)

All special letters proposed to be issued to the Financial Adviser and Chief Accounts Officer and Additional Financial Adviser and Chief Accounts Officer should be approved and also issued under the signatures of the respective Deputy Directors. All other special letters to be issued by the Divisions and Branches, as a result of Inspection and Central Audit should be got approved by the respective supervisory Deputy Director concerned before issue. After approval by the Deputy Director these special letters will be issued to the corresponding Accounts/Executives Officer(s) by the concerned Audit Officer.

The special letters should contain only those points which are really important enough and are likely to develop into potential cases for Draft Para (c.f Para 456 of Railway Audit Manual), otherwise, the objection should be perused through the inspection report of the particular unit or part I Audit Note as the case may be. Special letters like any other important case would be submitted to the Principal Director of Audit for his information/orders at the discretion of the Supervisory Deputy Director.

So far as Branches/Units under the direct charge of Principal Director of Audit are concerned, the special letters should be got approved by the Principal Director of Audit and issued over the signatures of Deputy Director or the Audit Officer concerned as the case may be.

A copy of the special letter issued should invariably be endorsed to Report Section for record.

(Authority: Procedure Office Order No. 157 dated 5.2.1982)

8.37 DISPOSAL OF ROUGH AUDIT NOTES: It has been accepted in principle by the Deputy Comptroller and Auditor General of India (Railways) that when an objection raised by audit has been accepted by the Administration and such acceptance is communicated to audit and entered in a register for pursuing it further, the audit note or report containing the objection should be treated as closed. If the audit objection involves recovery, the amount recoverable should be noted in the objectionable items register maintained by Accounts Office to watch recovery. In such cases, it is not necessary to convert the Rough Audit Note into Part I or II.

The Register maintained in the Accounts Office should be reviewed quarterly by each auditing unit in January, April, July and October. During the tripartite meeting or the meetings of the Audit Officers with Accounts Officer, the attention of the Accounts Officers should be drawn to the Railway Board's orders conveyed in their letter No.55-Acs/Insp/5 dated 24-11-1955 received under Additional Deputy Comptroller and Auditor General of India(Railways)'s endorsement No.RA720/55 dated 17-1-1955. He should be asked to intimate the items under which the objection is noted in the register maintained in the Accounts Office for pursuing the audit objection. There upon audit should verify the entry before closing the objections.

(Authority: Office Order No. C-36 dated 8-9-1958)

8.38 DISPOSAL OF AUDIT NOTES AND INSPECTION REPORTS Pt.-II

(Para 471 of Railway Audit Manual)

The disposal of Audit Notes and Inspection Reports Part II rests with the Accounts Office. In order to ensure that the audit objections come to the notice of the Gazetted Officers in the Accounts office, it should be seen that these are filed under the orders of a Gazetted Officer. There is, however, no objection to the acknowledgements of part II Audit Notes and Part II Inspection Reports being signed by an Accountant. The Audit Notes and Inspection Reports Part II are required to be reviewed half yearly with a view to seeing that reasonably adequate and prompt action is taken in each case. The review is restricted to really important items mentioned in them and should be done by the Assistant Audit Officer/Section Officer (Audit) himself. It has been arranged with the Accounts Office that such of the Audit Notes and Inspection Reports as have been dealt with finally by that office may be sent to this office so that they may be concurrently reviewed. The objections which are not accepted by the Accounts Office should be submitted to the Branch Officer in the form of a note for orders before returning the files to the Accounts Office.

(Authority: - Para 14 of the minutes of Audit Officer's Meeting held on 5.12.1958)

Further, the position of Audit Notes and Inspection Reports not disposed of in a half year should be reviewed and a report submitted to the Branch Officer by the 15th December for the half year ending September and by the 15th June for the half year ending March. Some of the facts/information which should be mentioned in the reports are the following:-

- (i) Whether all Audit Notes and Inspection Reports issued upto the end of the half year have been disposed of by the Accounts Office, and if not, upto what date these have been disposed of by the accounts Office, and if not, what is the balance?
- (ii) Is there a register maintained by the Accounts Office to watch their disposal and is this Register inspected by the Gazetted Officer, Incharge?
- (iii) Is each objection disposed of under the orders of the Gazetted Officer? and
- (iv) Whether audit objections are upheld or turned down by the Accounts Officer?

The report should be put up to the Principal Director of Audit, if there is any special feature, such as numerous old outstanding deserving his personal notice.

8.39 REVIVAL OF OBJECTIONS DROPPED PREVIOUSLY AND NOTED IN THE PENDING REGISTER:

(See Para 469 of Railway Audit Manual)

In case of important objections which have been accepted by the Administration and removed from the outstanding list after noting in the pending register for watching the final action taken by the Administration, there is no bar to the revival for such objections where it is revealed that the action proposed to be taken by the Administration in the shape of recoveries etc. is not adequate or no final action has been taken. However, the Principal Director of Audit's orders should be taken in such cases.

(Authority: Para 13 of Audit Officer's Meeting held in May, 1957)

8.40 EPITOMES FOR THE REGISTER OF AUDIT ACTIVITIES:

(See Para 484 of Railway Audit Manual)

In order to have a handy and continuous record of the results of audit, a register should be maintained in each auditing unit where important results of audit would be entered after approval by the concerned Group Officer. For this purpose, each epitome prepared for entry in the register should be concise and to the point and then routed through the Central Section where each epitome will be allotted a number after approval by the concerned Group Officer. It will be the duty of the Central Section to get the necessary copies typed and to return the file to the concerned Division/Branch after retaining four copies out of which one would be pasted in the register kept in the Central Section. Each Division/branch should indicate the name of the Division and the subject on the top of the epitome. References to authority and the name of the person who detected the mistake should be given at the bottom of the epitome above the signatures of the Group Officer. On receipt of file in the Division/Branch a copy of the approved epitome should invariably be sent to the Accounts Officer concerned for any remarks, he may like to offer.

Epitomes should be prepared only in respect of activities resulting in rectification of important mistakes of principles, recovery of heavy amounts and other noteworthy achievements. In cases of misclassifications set right without any loss to the Railways, a sum of Rs. 10,000/- should be the minimum to deserve a mention in the epitome.

Cases of recovery of rent and electric installation charges etc. and other routine objections below Rs. 1000/= should be grouped together and a consolidated epitome be prepared by the unit if and when this limit is reached. This limit would equally apply in the case of short realization of under charges in freight relating to traffic matters.

The Central Section should review the register in the first week of January, April, July and October and get Principal Director of Audit's approval to send extracts of selected important Para to other Principal Directors of Audit and Additional Deputy Comptroller and Auditor General of India(Railways) and Division/Branches with necessary number of copies for action as envisaged in Para 484 of Railway Audit Manual. This register should be submitted to the Additional

Deputy Comptroller and Auditor General of India(Railways) during his visit who, if he so desires may pick out further items for circulation to other Principal Directors of Audit.

Epitomes received from the other Railway Audit Offices would be circulated to the Auditing Units quarterly. These should be specifically allotted by the Branch Officer to Assistant Audit Officer/Section Officer / Section Officer (Audit)/Senior Auditors/Auditors for investigation which should be completed as expeditiously as possible within the period Allotted by the Branch Officer and the results kept on record. The epitomes on receipt in the section should be entered in the Register on the prescribed proforma. The register would be put up to the Branch Officer on the 10th of each month with a summary on the prescribed form. This register should also be put up to the Principal Director of Audit/Deputy Director on his visit to the Division/Branch.

(Authority: Amendment to Procedure Office Order No. 120 dated 18-7-1960 issued by Central Section letter No..C/7-4/67-68 dated 28-9-1973 and Office Order No.C-187 dated 27-11-1981 & OO No.C-229 dated 5-12-1991.)

8.41 REGISTER OF RECOVERIES EFFECTED AT THE INSTANCE OF AUDIT:

A register will be maintained by each auditing section in the prescribed form for recording all recoveries effected at the instance of audit for further review by the Administration either as a result of discussion of the rough Audit Notes or issue of formal audit notes and inspection reports or special letters. In case of Part II Audit Notes/Inspection Reports, entries should be made at the time of their review. The entries in the register should be attested by the Branch Officer. The register should be put up to the Branch Officer quarterly in the first week of January, April, July and October each year. The entries made in this register should be got vetted from the Accounts Officer concerned each month and then annually on the basis of monthly vetted entries. The vetted figures for the financial year relating to each branch should be furnished to Report Section by the 15th June in duplicate.

8.42 EFFICIENCY REGISTER:

In order to have a ready record of the results of audit conducted by each Senior Auditor/Auditor, an Efficiency Register should be maintained in all auditing Units containing the following particulars, a page being set apart for each member of the staff.

- 1. Month**
- 2. Objections issued**
 - (a) No. of Rough Audit Notes.
 - (b) No. of part I Audit Notes and Special Letters.
 - (c) No. of Para in part I Inspection reports.
 - (d) No. of Para in part II Inspection Reports.
 - (e) Money value, if known.
- 3. Results of objection**
 - (a) Overpayments admitted by Administration.
 - (b) Saving effected.
 - (c) Procedural defects set right
 - (d) Epitomes prepared
- 4. Remarks**

Each entry in the Register should be initialed by the Assistant Audit Officer/Section Officer (Audit) concerned and the register put up to the Branch Officer for perusal every month and to the Principal Director of Auditor half yearly in the first week of April and October.

(Authority: Audit Officer's Meeting held on 10-1-1962 and 15-06-1964.)

8.43 REVIEW OF PERIODICAL CONFIDENTIAL D.Os (PCDOs):

The periodical Confidential D.O's from the General Manager to Chairman Railway Board, Head of Departments to the concerned Directors in Railway Board and Divisional Officers to the Heads of Department should be reviewed by Assistant Audit officer of Central Section so that important and interesting case can be developed and taken up with the Railway Admn. with the approval of Principal Director of Audit. PCDOs sent during the previous quarter may be covered in each review. The result of review done in a month should be put up to the Principal Director of Audit by 10th of the following month through Branch Officer concerned.

Annexure-I

(See Para 8.3)

JOINT AUDIT & ACCOUNTS PROCEDURE OFFICE ORDER No.56

Dated 26-09-1962

Sub:- Supply of vouchers etc. to audit.

In spite of the instructions contained in Procedure Office Orders No. 104 and 158 dated 24-6-1958 and 10-9-1958 respectively on the subject of prompt supply of vouchers etc. to audit, complaints continue to be received from audit that the vouchers etc. requisitioned by them are not made available to them within the targeted period of 15 days. This indicates that the extant orders on the subject are not being complied with. The pointed attention of all concerned is, therefore, once again drawn to these orders so that there is no laxity in following them in future.

Apart from the complaints about the non-supply of vouchers, etc. to Audit, the figures of out standings at the end of a particular period of time, as intimated by Audit and as per records of the Accounts, always differ. This is apparently due to the absence of a uniform procedure being followed by the audit and Accounts in the matter of supply of vouchers, etc. by Accounts against the requisitions placed by Audit. In order to eliminate such differences in future, the following instructions are laid down which should be followed in the Audit and Accounts Offices with immediate effect.

- (i) All requisitions for vouchers etc., placed by Audit on Accounts should first be entered in a register to be maintained in the Audit Office in the following form and the acknowledgement for the requisitions made over to the Accounts should be obtained in this register.

Name of Office.

Name of Section/Sub-Section

Name of Month (Separate pages should be allotted for each month)	Serial No.	No. and date of requisition	Total No. of Vouchers asked for	Reference to Accounts Bills No. and date of vouchers etc. asked for	Dated initial of the supervisor of the section concerned and Accounts Office receiving the requisitions
1	2	3	4	5	6
Actual date(s) of receipt of the vouchers from the Accounts Office and reference to Accounts Bill No. of vouchers received		No. of Vouchers still awaiting receipt at the end of the month and at the end of each subsequent month		Dated initials of the supervisor of the Section concerned in the Accounts Office in token of acceptance of the NO. of outstanding as mentioned in Col.8	
7		8		9	
				10	
				Remarks	

- (i) If any of the vouchers requisitioned by Audit relate to officers who have already been either transferred to other Railway or reverted, the Audit should straightaway be advised to enable the latter to delete such vouchers from their requisitions.
- (ii) The requisitions for vouchers etc. received from Audit should, immediately on receipt in the Accounts Office, be entered in a register to be maintained in the following form and acknowledgement for the receipt of vouchers supplied against these requisitions should be obtained from Audit in this register.

Name of Office.

Name of Section/Sub-Section

Name of Month	Serial No.	No. & date of requisitions	Total No. of vouchers asked for	Reference to Accounts Bill No. & date of the vouchers asked for	
1	2	3	4	5	
Reference to Accounts Bill No. & date of vouchers supplied to Audit	Dated initials of the official receiving the vouchers in Audit in acknowledgement of the vouchers supplied		No. of vouchers still to be supplied as at the end of the month and at the end of each subsequent month	Dated initials of the Senior Auditor/Auditor concerned in token of his acceptance of the No. of outstanding as mentioned in col. 8	Remarks
6	7		8	9	10

The register prescribed in (i) and (ii) above, which should be put up to the Branch Officer/Section Officer/Asstt. Audit Officer concerned on the 5th of each month should be provided with a fly leaf which should indicate the total number of outstanding at the end of the preceding month with month wise break up.

- (iii) All information relating to the uncomplined with Audit requisitions, in the form of a statement or other wise, supplied by various branches of Audit to their headquarters office should, invariable, be got vetted by their counterparts on the Accounts side prior to their submission. Similarly, all such information supplied by the various Accounts Offices and the sections of the Headquarters Office to the efficiency section should, likewise, be got vetted by Audit.
- (iv) The monthly list of uncomplined with Audit requisitions which is required to be furnished by the Audit to accounts, in terms of Para 5 of Procedure Office Order No. 104 dated 24-06-1955 of the 10th of each month, should be confined to vouchers requisitioned upto the end of the month immediately preceding the last month and not made available to Audit upto the end of the last preceding month.

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ANNEXURE-II

(SEE Para 8.33)

JOINT EXECUTIVE ACCOUNTS AND AUDIT PROCEDURE OFFICE ORDER No. 23 dated 19-10-1955

The Railway Board has been issuing instructions from time to time that the delay in the settlement of audit queries and objections should be minimized and the quick disposal of audit paragraphs ensured. It has now been decided that emphasis should be laid more on personal discussion, and that as far as possible, the issue of a formal audit note should be avoided, unless it is not possible to settle the irregularity noticed either in Central or Local Audit during discussion. To implement this decision the following procedure may be adopted:-

- (i) As results of preliminary Audit scrutiny, rough audit notes will be issued, in triplicate by the Audit Officer or the Divisional Audit Officer. A copy of the audit note will be handed over to the Accounts Officer and a copy to the Executive Officer concerned if necessary. This Rough Audit Note would form the basis of Tripartite discussion between the Executive and Accounts on the one hand and the Audit on the other. Comprehensive minutes should be prepared by the Committee indicating the action to be taken by the Accounts, Executive and audit separately. After scrutiny of the minutes, the Audit Officer will decide whether after taking into consideration what transpired at the discussion, he still feels that the issue of a formal audit note is essential, and will thereafter issue audit notes in cases where necessary. In exceptional cases, where the irregularity pointed out is very important or in the opinion of audit reveals potential fraud etc., the audit note will be drafted straightway without holding the tripartite discussion.
- (ii) Inspections: On this Railway, which is run under the Divisional System, there are a very large number of offices which are supervised by subordinates. Experience has shown that, at the time of discussion of the report with the Audit Officer, the subordinates are not in a position to rectify any of the defects noticed, unless these are of a very minor procedural character. At the most all that they can do is to verify the defects pointed out by Audit in the Inspection Report. It has, therefore, been decided that in case of offices inspected by Audit which are under the charge of Non-Gazetted Officers, the audit party will get the affects verified by the head of the office, and the rough inspection notes so prepared and duly verified by the head of the office will be discussed by the Audit Officer with the Gazetted Officer immediately in charge of the office inspected.

CHAPTER-IX

ESTABLISHMENT AND PROVIDENT FUND AUDIT

9.1 DUTIES & RESPONSIBILITIES OF ESTABLISHMENT AUDIT SECTION:

(New Audit Norm Appendix chapter 3&4 S.No. III(i))

The Establishment Section is responsible for the Audit of all charges relating to Railway servants, both Gazetted and Non-gazetted. Instructions for the audit of Establishment charges are contained in Chapter 2,3,6 and 10 of Manual of Standing Orders (T) and Chapter XV of Railway Audit Manual. The relevant rules on the subject are contained in the Indian Railway Establishment Codes, Chapters XII and XV and Chapters XI and XII of the Indian Railway Code for the Administration and Finance-An Introduction, Chapter X, XII, XIII and XIV of the Indian Railway Code for the Accounts Department, Part I, the Indian Railway Establishment Manual and Manual of Railway Pension Rules, Special rules and procedure approved by competent authorities for individual Railways should also be borne in mind.

The Establishment and Provident Fund Audit Sections corresponding to the Establishment and Provident Fund Accounts Sections are as indicated below:

The Establishment and Provident Fund Audit Section is responsible for the audit of the following:

- (i) Pay bills including claims of Travelling Allowance & other personal claims of Gazetted Officers (Group 'A' & 'B') (Accounts as well as other than Accounts Department), Non-gazetted staff (Group 'C' & 'D') (only Accounts Department) and Railway Board whose bills are passed by Financial Adviser and Chief Accounts Officer (Establishment Gazetted)/Establishment and Pay & Accounts Officer, Ministry of Railway, New Delhi respectively. Pay bills & other claims of non-gazetted staff of other than Accounts Department is to be done during local inspections.
- (ii) Pension (including family pension) verification reports, reports of commutation of pension, reports of Death-cum-Retirement Gratuity relating to the staff included in (i) above and all pay orders in connection there with and payments of special contribution to provident fund to the staff who have not opted for Pension.
- (iii) Provident Fund Accounts and payments there from relating to stage mentioned in (i).
- (iv) Post audit of pay bills, Travelling Allowance Bills, Medical Bills and Miscellaneous vouchers and contingent bills of Gazetted Officers (Group 'B') Non-gazetted staff (Group 'C' and 'D') of the offices of Principal Director of Audit of North Eastern, North East Frontier, Eastern, South Eastern Railways and Railway Production Units.
- (v) Contract entered into by the Chief Medical Officer and for the inspections of the Chief Medical Officer and Central Hospital New Delhi.

9.2 AUDIT OF SANCTIONS (RELATING TO ESTABLISHMENT MATTERS)

(Railway Audit Norm Appendix Chapter 3 & 4 S. No. I, Para 132 to 133 of RAM)

SANCTIONS	(a)	By the President
	(b)	By Railway Board
	(c)	By General Manager/Additional General Manager
	(d)	By authorities subordinate to General Manager
	(e)	General Review of the system.

All the sanctions relating to creation and extension of currency of post should be checked to the extent possible. Also audit observation on post facts sanctions shall be reported to Railway Administration through special reference at Group Officers level. Annual General Review is to be conducted to ensure that all sanctions are received in Audit Office.

9.3 AUDIT OF PAY BILLS:

(Para 210 of RAM, Para 3.2.7, 3.3.5 and 3.3.10 of the MSO Audit and Para 1204-1212-A-I and Audit Norm Appendix Chapter 3&4, S. No. III(i)).

The check of pay bills is conducted on the basis of information given in the memorandum of differences and the list of absentees which accompany the pay bills and in cases where these are not submitted with the pay bills on the basis of information given in the bills themselves.

The essential points in the audit of pay bills are:-

- (i) that the employee is legally entitled to the amount paid to him. In the case of officers, the rate of pay should be verified directly from the pay authority slip issued by the Accounts Department, simultaneously checking the correctness of the pay shown in the pay authority slips with reference to the service records;
- (ii) that there is a proper sanction to the post held by the employee;
- (iii) that the allocation of the charges and that of the recovery has been correctly made; and

- (iv) that the amount has been correctly acknowledged by the employee.
The detailed check is carried out with reference of the following:
- (i) For new posts; sanction to the post;
 - (ii) For first appointment of railway service;
- (a) Order of appointment;
 - (b) In the case of Gazetted Officers and Non-gazetted employees, service agreements;
 - (c) Health certificate as required by rule;
 - (d) Report of the date of birth duly supported by the authentic records, if required under the rules;
 - (e) Report of date of entering upon actual duties;
 - (f) Declaration to be obtained in case of temporary employee as required.
 - (g) In the case of those employees who have to be in custody of cash and stores e.g. Cashiers, Pay Clerks, Stores Keepers etc. and who are required to furnish Security, it should be seen that the information regarding the Security having been lodged and execution of necessary security bonds is available;
 - (h) In the case of re-employment of persons who were previously in Government service, it should be seen that information as to whether they received any pension or gratuity in respect of that service is forthcoming;
 - (i) It should be seen that the re-employed pensioners who are allowed to retain their pensions are not granted rates of pay which together with their pensions would exceed the rates of pay they were drawing immediately before their retirement from last service under the Government.
- (iii) For transfer:**
- (a) Last Pay Certificates;
 - (b) Reports of dates of handing and taking over charge in the case of Gazetted Officers.
- (iv) In case of leave:**
- (a) Sanction to the leave, and statement of its nature and extent;
 - (b) Admissibility of the leave salary claimed under the rules applicable to each case;
 - (c) Life certificate or indemnity bond to refund overpayments executed by a recognized bank or agency firm.
 - (d) Report on the date on which leave was availed of;
 - (e) Sanction for substitute, if any;
 - (f) Report of the date of return to duty;
 - (g) Last Pay Certificate on return from leave out of India and intimation of the date of landing in India.
- (v) In the cases of promotion, increment or any new claim:**
Sanction of competent authority. In the case of time scale of pay with efficiency bars at certain stages, it should be seen that a declaration from the authority empowered to make the promotion that it has satisfied itself that the Railway Servant in question is fit to pass the efficiency bar, has been received.
- (vi) that the necessary certificate required to be furnished in support of the compensatory and House Rent Allowance etc. drawn for the periods of leave/temporary transfers have been given.
 - (vii) that the increment certificate is appended to the first bill in which a periodical increment is drawn for a Government Servant.
 - (viii) that all arithmetical calculations and totals are correct
 - (ix) that the payment is witnessed by a member of the supervisory staff (not below the rank of sub-head or head clerk) and that he is not in any way connected with the preparation/check of the salary bills. It should be seen that the selection of such a person has been made by the Gazetted Officer.
 - (x) In the case of a gazetted Government servant on leave, it should be seen that:
 - (a) Leave has been granted;
 - (b) It has not been exceeded;
 - (c) The leave salary claimed is covered by rules applicable to the case;
 - (d) A life certificate is attached or bill endorsed to some well known bankers or agents who have executed a general bond of indemnity for refund of any over payment;
 - (e) The leave account is posted both when the government servant applied for leave and when he returns from leave.
 - (xi) that the number of persons for whom pay or leave salary has been drawn does not exceed sanctioned strength of the establishment.
 - (xii) that the enhanced pay of officiating Government servant is in accordance with the rules.
 - (xiii) that the allowances other than pay, personal pay, overseas pay, deputation allowance etc. have been sanctioned by the competent authority. A reference to the original sanction should always be made in such cases.
 - (xiv) that the House Rent Allowance has not been drawn for employees who have been allotted Railway/Government accommodation.

- (xv) that in departments having a leave reserve, no substitute is engaged even when the number of officers on leave exceeds the leave reserve unless specially permitted under any extant orders.
- (xvi) that no pay has been passed for a Government servant beyond the date of attaining the age of superannuation or on the expiry of a term of extension of service sanctioned by competent authority.
- (xvii) It should be seen that remarks "that arrears of pay have been drawn" is invariably given in the relevant bills as well as in the connected memorandum of difference and absentee statement in all cases. In regard to payment of unpaid wages, a remarks is invariably given in the list about the payments made.

The audit of pay bills of Gazetted Officers is carried out with the help of Salary Audit Registers (maintained in the Accounts Office) in which are recorded all sanctions to pay, leave and transfer and the recoveries to be made etc. The bills are traced in the Cadre Register (A 1319) to see that the sanctioned scales have not been exceeded.

9.4 CHANGES IN AUDIT PROCEDURE AS A RESULT OF COMPUTERISATION OF PAY BILLS:

Consequent on computerization of pay bills, some marginal changes in audit procedure have become necessary. These are detailed below:

1. The Memorandum of differences (viz. statement explaining the differences in pay drawn in the current month's pay bill with that in the previous month's pay bill) is prepared on the computer. However, the reasons for variations in pay drawn etc. are not being recorded as was done prior to computerization and as such it is in its present form of little help in checking the computerized pay bills.
2. Pay bills should, therefore, be checked with reference to the 'Change Statements' or also known as A.R.D. Statements' (Addition, Revision and Deletion Statements). The pay in respect of each employee under check should be compared with the pay in the previous month's pay bill. The difference should tally with 'Changes (A.R.D.) Statement'.

A.R.D. statement

At the time of pay bill mechanization, the Master Data of each employee is first compiled on the Master Data form and thus a Master file is created for each employee. The computer prepares the pay note of an employee according to the date stored in the Master file. However, at a later stage, if any particular item on the Master data file needs change, such changes are carried out through A.R.D. forms. These forms are used for adding, revising or deleting any particular type of information already on the Master file of the employee.

To enable the computer to record the changes accurately, it is imperative that the 'A.R.D. Statements are prepared correctly. It is therefore, essential in audit to check these statements. Generally, these statements are not accompanying the pay bills and, therefore, these should be checked in the Accounts Office where they are available. In case of offices other than Accounts these should be checked during local inspection of the concerned offices.

There are different type of A.R.D. forms for different purposes as given below:

A.R.D. Form No.	Purpose for which it is used.
(i) No. 500	When employee is transferred from one bill unit to another
(ii) No. 550	For changes relating to the department, Father's Husband's name etc. date of birth, date of appointment and Head Quarters.
(iii) No.551	Changes relating to pay, designation etc.
(iv) No. 554	Changes relating to Dearness Allowance, Special Pay, Personal Pay, Non-Practising Allowance, Deputation Pay, Compensatory City Allowance, House Rent Allowance etc.
(v) No. 556	Changes relating to Provident Fund recovery, Income Tax.
(vi) No. 501	Changes relating to recovery towards Institute fees, Club fees etc.
(vii) No. 555	Changes relating to any other allowances included in Card No. 655 of the Master Data Form.
(viii) No. 558	Changes in advances taken by the employees.
(ix) No. 559	Changes relating to recoveries towards insurance policies.
(x) No. 560	Changes relating to Society deposit of the employee.
(xi) No. 561	Changes relating to Society loans of the employees.
(xii) No. 562	Changes relating to recovery/rent for occupation of quarters.

CHANGE-IN-PUT FORMS

Apart from the A.R.D. forms referred to above, there are 'Change-in-put forms' which advise the Monthly changes, Distinction has to be drawn between the A.R.D. form and the change-in form. The former gives information for changing the master data of an employee while the latter gives monthly changes in emoluments without affecting the master data of an employee.

There are five types of change-in-put forms as detailed below:

(i) **ABSENTEE STATEMENT (CODE 601)**

This is used to advise the various spells, an employee was away from duty during the month.

(ii) **PROMOTION, REVERSION AND INCREMENT FORM (CODE 602)**

This is used to advise changes of pay, if any, during the month on account of causes like, promotions, reversion, increments, grant of special or personal pay etc.

(iii) **ALLOWANCE (CODE 605)**

This is used where any allowances like Travelling Allowance, conveyance allowance, arrears of pay etc. has to be paid.

(iv) **RAILWAY QUARTERS (CODE 608)**

This is used only when a quarter is allotted or vacated by an employee during the month and the changes has not been incorporated in the Master Data form through A.R.D. statement.

(v) **MISCELLANEOUS RECOVERY (CODE 609)**

This form is used to advise recovery arising during the month on account of items like recovery of over payments during the previous months, recovery on account of stores taken from Co-operative Stores etc.

The above documents are available only with pay bill preparing unit.

3. The audit check to ensure the correctness of preparation of service documents with reference to initial documents should be exercised during inspections of the respective Executive Offices.

4. SUPPLEMENTARY CHECKS:

- (a) It should be seen that the coding sheets are received in respect of all bill units.
- (b) The error lists and exception reports generated in the course of processing should be examined with a view to verifying that the appropriate corrective action was taken in all cases;
- (c) It should be seen that various Central and cash totals were properly agreed;
- (d) It should be examined that the run-to-run totals intended to ensure processing integrity were duly agreed;
- (e) Errors detected in audit during the check should be analysed carefully and errors on account of defective programming taken up with the Electronic Data Processing Manager.

This check should be extended to cover such cases detected in the course of scrutiny of pay-bills by Accounts/Personnel Branch as well. For this purpose, arrears reported to the Data Processing Branch should be analysed and it should be seen that remedial action is taken to rectify the errors and necessary corrections to programmes are made.

(Authority: Comptroller and Auditor General's letter Nos. 2038-161/8-7/71-11, dated 22.06.1971, 571-RAI/8-7/71-11, dated 17.02.1972, 1192-RAI/8-7/71-11, dated 10.05.1974).

9.5 UNPAID WAGES STATEMENT & PAY ORDER FOR PAYMENT OF UNPAID WAGES)

(New Audit Norm Appendix Chapter 3&4, S.No. III 3, Para 386 of RAM, Para 1959-1960A & 316-319A).

In regard to Unpaid Wages Statement, the check may be confined to the tracing of Unpaid Wages from the salary bill audited into the Unpaid Wages Statement.

9.6 RENT ROLLS (VARIATION MEMO)

(Audit Norm Appendix Chapter 3&4, S. No. III 6, Para 221 of RAM)

General Review is to be conducted monthly for Accounts Department (GOs & NGOs) and the check in regard to other Departments is to be done during local inspection.

9.7 OFFICIATING APPOINTMENTS

(Para 212 of RAM)

In addition to the points in Para 212 of the Railway Audit Manual, it should be seen that the officiating appointment has not been made for a lesser period than that permissible under the rules and orders in force.

9.8 FIXATION OF PAY

(Para 216 of RAM, New Audit Norm Appendix Chapter 3&4, S. No. III 8).

Whenever there is a general revision of the scale of pay, the re-fixation of the initial pay of each gazetted officer and non-gazetted officer to the extent prescribed in Secret Memorandum of Instructions Regarding the Extent of Audit (Railway Audit) should be checked. This check should be completed within three months in the case of Gazetted Officers and within six months in the case of non-gazetted staff of the first bill in which the new rates of pay have been drawn. The check may be treated as special work and not as ordinary programme of work. In the selection for the percentage check in

regard to non-gazetted staff special attention should be given to the more difficult cases where there are complicating factors.

9.9 ADDITIONS TO PAY:

(See Para 213 of Railway Audit Manual, Para 1416 A-I, Para 2.2.13 of MSO Audit).

The various additions are of the following nature:

- (i) Special Pay and Personal Pay;
- (ii) Compensatory Allowance;
- (iii) House Rent Allowance;
- (iv) Dearness Allowance;
- (v) Dearness Pay;
- (vi) Overtime allowance and special overtime allowance;
- (vii) Running Allowance;
- (viii) Special Running Allowance;
- (ix) Under Rest Allowance;
- (x) Subsistence Allowance;
- (xi) Construction Allowance;
- (xii) Local Allowance;
- (xiii) Children Education Allowance;

The rules regarding these allowances have been issued separately by the Railway Board. The justification for some of the allowances may be broadly reviewed periodically and any reduction, which appears to be justified by the circumstances, should be suggested to the executive, but some circumspection must be exercised in making such suggestions.

It may be seen that overtime Allowance is not ordinarily given to such staff as clerks, where there is a possible tendency to slow down work during the ordinary hours, accumulate arrears and work extra hours or attend on holidays etc. to claim the overtime allowance. In audit, sanctions and orders for the grant of special pay or other allowances or concessions should be questioned if they conflict with the broad spirit or main principles of the relevant rules.

9.10 RECOVERIES:

It should be seen that all recoveries on account of Provident Fund advances, rent, Postal Life Insurance and Court attachments etc. have been made in strict conformity with the rules.

The rent charged from a Railway servant in respect of quarters allotted should not exceed 10% of his/her emoluments (Pay plus Dearness pay plus compensatory allowance). It should also be seen that electric rent, occupier's share of Municipal taxes for hired building, water charges from Gazetted Officers and other charges leviable are duly recovered.

While Audit is not responsible for checking the correctness of the income tax deductions. However, whenever such bills are subjected to audit scrutiny in the course of audit, audit should always verify that deductions on account of income tax have not been overlooked in cases where these should clearly have been made. (Note under Para 3.1.20 of Manual of Standing Orders (Audit).

9.11 ALLOCATION:

The instructions in Para 216 of Railway Audit Manual should be borne in mind in checking the allocation.

9.12 TRAVELLING ALLOWANCE BILLS:

(Para 222 of RAM & Para 3.2.15 of MSO (Audit), Para 1213-1215 of Accounts Code Volume I).

Travelling Allowance is now charged in the regular salary bills. The rules in connection with the grant of Travelling Allowance are given in Chapter 16 of Indian Railway Establishment Code Volume II. The points mentioned in Para 222 of Railway Audit Manual and Para 1213-1215 of Accounts Code Volume I should be kept in view while auditing the Travelling Allowance Journals.

The Travelling Allowance of Railway employees other than Gazetted Officers, Workshop staff and running staff is included in the regular salary bills. The Travelling Allowance journals of staff whose pay exceeds the prescribed limits are submitted to the Accounts Office every month by the bills passing officers in duplicate. After internal check, one copy is returned to the bill passing office and the amounts accepted by the Accounts Office are included in the Pay Sheets. Audit of Travelling Allowance bills is confined to the employees selected for audit of pay bills. The connected Travelling Allowance journals should be obtained from the Accounts Office and audited. Travelling Allowance bill which are not sent to the Accounts Office should be seen during the inspections. Wherever Travelling Allowance is drawn in separate bills, selection should be taken for audit in the same manner as for pay bills.

Points to be seen during the audit of Travelling Allowance bills:

In addition to the points mentioned in Para 222 of Railway Audit Manual, the following points also be seen during the audit of Travelling Allowance Bills:

1. The rate of pay indicated in the Travelling Allowance Journals should be checked with the rate of pay given in the pay bills.
2. Taxi hire should be checked with reference to the instructions contained in Para 726 of the Indian Railway Establishment Manual.
3. In respect of journeys by air, the sanction of the competent authority is available wherever necessary, vide Para 1636 to 1639 of the Indian Railway Establishment Code, Volume II.
4. Necessary sanction has been obtained for the journeys beyond the sphere of normal duties and for continuous halts beyond the limits fixed.
5. Necessary certificates are recorded on the Travelling Allowance Journals.

As the Travelling Allowance in respect of staff whose pay does not exceed the prescribed limit per month are kept in the departmental offices, they will be checked during local inspections. Number of days and the rates of daily allowance are shown in such cases in the pay sheets. The correctness of the amount of Travelling Allowance drawn should be checked with reference to these particulars.

9.13 SUBSISTENCE ALLOWANCE BILLS:

(Para 234 of RAM)

These are audited alongwith the pay bills. They should be separately indicated in the selection vouchers register so that the reviewing officer may select, if he so desires, any or some of the bills involving payment of subsistence allowance for current review.

Cases of staff who are under suspension for a period exceeding three months should be reviewed with a review to see if the necessary orders of the competent authority have been obtained to reduce the amount of subsistence allowance where the finalization of the case is being delayed for the reasons attributed to the employee concerned, resulting in the prolonged suspension (F.R. 53 (i) (ii) (a)).

9.14 CONTINGENT VOUCHERS:

(See Para 227 of RAM, Para 3.4.6-3.4.8 of MSO (Audit), New Audit Norms Appendix Chapter 3&4 S. No. III 12)

The following points should be seen in the audit of Contingent vouchers:

- (i) that it is a proper charge against the Grant or appropriation concerned;
- (ii) that sanction of the competent authority has been obtained for each class of expenditure;
- (iii) that the expenditure has been incurred by a government servant competent to incur it;
- (iv) that necessary vouchers as are required under the rules have been submitted;
- (v) that any certificate required under the extant rules has been recorded;
- (vi) that the rates are apparently not extravagant and that the standards of financial propriety are properly observed;
- (vii) that the bill is in proper form, the classification is correctly recorded thereon;
- (viii) that if the expenditure in the month of March is unusually large, it does not lead to irregularities;
- (ix) that the amount in words and figures agree;
- (x) that no bills are paid from imprest, which ordinarily should have been submitted for pre-audit and payment like other bills;
- (xi) that bills containing charges for Misc. supplies bear a certificate that the articles have been received in good condition and entered in the stock accounts.

As the vouchers in support of the Telephone bills are not available in the Accounts Office at the time of audit these should be checked in detail at the time of inspection.

9.15 AUDIT OF PENSION

(Para 249 of RAM, Chapter 6 of Section III of MSO (Audit) Para 23 of SMI (Railway Audit)).

Pensionary benefits granted to Railway servants in respect of their service generally fall under one or other of the following categories;

1. Superannuation pension
2. Retiring pension
3. Compensation pension
4. Invalid pension
5. Commuted pension

6. Ex-gratia pension
7. Family pension
8. Death-cum-retirement gratuity
9. Service gratuity
10. Other (extraordinary) gratuity
11. Compassionate allowance/grants
12. Terminal gratuity
13. Death gratuity

Audit of pension consists in verifying that the qualifying conditions governing the grant of pension are fulfilled and that the amount of pensions sanctioned and drawn is correct. The rules/instructions contained in Chapter R-II, Section III Chapter 6 of Manual of Standing Orders (Audit), Para 241 of Railway Audit Manual and Railway Service (Pension) Rules should be borne in mind.

Pension is granted to a permanent Railway servant who quits service after completion of minimum 10 years qualifying service. A permanent Railway servant who quits service before completion of 10 year is given an ordinary gratuity but no pension.

During the audit of pension it should be seen that:

1. The qualifying service is correctly arrived at with reference to service Register entries.
2. The service records and leave accounts are properly maintained.
3. Necessary certificate regarding service verification is recorded annually.'
4. Statement showing the pay drawn during the last ten months of service is checked with service Register and leave account to verify the correctness of the emoluments of the ten months period.
5. The pay drawn in the last pay certificate and the outstanding dues etc. are correctly reflected.
6. The fact of issue of payment authority for pension is noted on the Provident Fund ledger account.
7. A remark is given in the service Register that the pensions, DCRG have been passed for payment.

In regard to new entrants to Central Govt. Service including Railway Service, from 1st of January, 2004, New Pension System is to be adopted as per Dy. Director Finance (Estt.)-III/Railway Board's letter No. F(E)III/2003/PN1/24 dated 31.12.2003

(i) Compensation pension or gratuity;

If a railway servant is selected for discharge owing to the abolition of a payment post, he shall unless he is appointed to another post, the conditions of service of which are deemed by the authority competent to remove him from service to be at least equal to those of his own, have the option;

1. of retiring from service on a compensation gratuity/pension to which he may be entitled in respect of service he has already rendered or;
2. of accepting another appointment or transfer to another establishment even in a lower pay, if offered, and continuing to count his previous service for pensionary benefits.

(ii) In valid Pension Gratuity;

Railway servants suffering from:

- a) a contagious disease or;
- b) a physical or mental disability which interferes with the efficient discharge of his duties, may be granted invalid gratuity or pensionary benefits otherwise due after under going the prescribed procedure for medical examination.

iii) Superannuation Pension/Gratuity;

A superannuation pension is granted to a Railway servant entitled or compelled by rules to retire on attaining the age of compulsory retirement.

iv) Retiring Pension/Gratuity;

A Railway servant may retire from at any time after completing 20 years qualifying service, provided that he shall give in this behalf, a notice in writing to the appropriate authority, atleast three months before the date on which he wishes to retire.

A Railway servant who retires or is required to retire in terms of Chapter – 18 R. II on or after attaining the age of 55 years shall also be entitled to a retiring pension/gratuity.

A Railway servant who has completed less than ten years/qualifying service is entitled to only a gratuity. Pension is granted Railway Servants who have completed ten or more years' qualifying service. The amount of compensation, invalid, or superannuation gratuity/pension, will be the appropriate amount as per rule in force.

v) Death-cum-retirement Gratuity:

A Railway servant on his retirement, or his family in the event of his death while in service may be granted a death-cum-retirement gratuity as per rule in force.

FAMILY PENSION

Under the Family Pension Scheme for Railway employees 1964, Family Pension at the Scales mentioned in Chapter-VIII of Manual of Railway Pension Rules may be sanctioned to the widow/widower and where there is no widow/widower, to the minor children of a Railway servant who entered service on or after 1st January, 1964, or having entered service prior to that date has opted for family pension, if such a Railway servant.

- i) dies while in service on or after 1st January, 1964, after completion of not less than one year's continuous service, or
- ii) retires on or after 1st January, 1964 and at the time of his/her death was in receipt of compensation, invalid, retiring or superannuation pension.

While auditing family pension cases, the instruction contained in Chapter-VIII of Manual of Railway Pension Rules may be borne in mind.

COMMUTATION OF PENSION:

Only ordinary (Compensation, Invalid, Superannuation and Retiring) Pension may be commuted. Commutation of family pension is not permissible. The maximum amount of pension that can be commuted is 40% of the pension rounded off to the Rupee.

It should be seen that the temporary increases allowed on the pension after commutation is based on the gross pension that is, including the value of commuted pension. The detailed instructions regarding commutation of Pension is given in Chapter-XII of Railway Pension Manual which may also be borne in mind during the check of these cases.

EX-GRATIA PENSION:

The extent of checks prescribed against pension payments applies to ex-gratia pension granted with effect from 01.01.1967 to Railway employees who retired on Provident Fund prior to 01.04.1957, after putting in 20 years service or more.

(ADAI (R)'S LETTER No. 5016-RAI/4-1/17 dated 16.12.1967)

Ad-hoc increase in pension is not payable to retired employees in receipt of ex-gratia pension; payment of ex-gratia pension is arranged by the Railways themselves and not through Accountant General.

CHECK OF PAID VOUCHERS OF PENSION:

Paid vouchers of Pension should be checked quarterly.

VERIFICATION OF PENSIONABLE SERVICE: (Para 826 – G)

Verification of service of pensionable employee of other than Accounts Department should be done to the extent prescribed during inspection. As Accounts Offices are not inspected, pensionable service of the Accounts Office staff should be verified every month to the extent prescribed. In respect of the Service Registers selected, it should be seen that the instructions issued by the Railway Boards (Railway Board's letter No. 57. ACII/21/20/Pension dated 09.05.1960) for verification of service of Pensionable Employees are correctly followed. The correctness of the certificate of verifications for the first year of service, and one intermediate year of service should be checked with reference to the paid pay bills if available, or office copies of pay bills and office orders or other records. Last year of pensionable service should be verified with reference to the paid pay bills when the pension cases are audited. Selection should be taken with reference to the vouchers adjusted during the month selected. The selected vouchers should be traced into the Pension Payment Registers (Check Registers). The amount of pension paid through the vouchers should be checked with the pension passed as indicated in the pension Payment Register. Correctness of the ad-hoc increase allowed should also be checked.

CHECK OF PAID VOUCHERS/GRATUITY:

All paid vouchers relating to the cases selected for check of Death-cum-retirement gratuity should be called for and checked, when the D.C.R.G. cases are checked. As this amounts to more than the prescribed percentage of the total number of vouchers, as separate selection and check of paid vouchers is not necessary.

Separate selection should be taken in respect of vouchers of family pension. The declaration regarding re-marriage furnished by the pensioner every half year should also be scrutinized in respect of the vouchers selected for audit.

AUDIT OF VOUCHERS RELATING TO FAMILY PLANNING

Expenditure on Family Planning Scheme incurred by the Railways is reimbursed by the Ministry of Health and Family Planning through the Principal Director of Audit, Central Revenues. The Principal Director of Audit are required to furnish an yearly certificate to the Principal Director of Audit, Central Revenues, to the effect that the expenditures incurred on the Railway has been audited. To enable the Principal Director of Audit to furnish the required certificate, it has been decided by the Comptroller and Auditor General vide his letter No. 2178-RAI/5-9/64 dated 31.07.1964 that the vouchers relating to expenditure on Family Planning should be test checked after taking separate selection to the extent prescribed in regard to the various classes of vouchers. It should also be ensured that the charges billed for include additional charges in terms of Para – 158.

Payment of settlement Bills from Station Earnings.

The procedure for withdrawal of cash from station earning for payment of settlement bills of staff under section - 5(2) of the payment of wages Act is contained in Joint Commercial and Accounts P.O. No. 74 dated 18.03.1964.

9.16 SPECIAL CONTRIBUTION TO PROVIDENT FUND AND GRATUITIES:

This should be checked as per PARA – 229 OF RAILWAY AUDIT MANUAL.

9.17 LEAVE APPLICATIONS OF GAZETTED STAFF INCLUDING LEAVE SALARY CERTIFICATES.

(See Para 228 of RAM, New Audit Norm Appendix Chapter 3&4 S.NO. III 14 and MSO (Audit)'s Para 3.3.3-3.3.4.

The rules regarding grant of leave to Railway Servants are given in Chapter V Indian Railway Establishment Code Volume I.. It should be seen that all entries and corrections in the leave account are attested by a Gazetted Officer and that the leave salary is correctly calculated in accordance with the rules and orders.

The leave accounts of all Gazetted Officers and Non-Gazetted Officers of Accounts Office falling due for check in each quarter should be so distributed that the work load is even in all the months of quarter. In respect of other departments the leave accounts should be checked to the extent prescribed in the Secret Memorandum of Instructions regarding the Extent of Audit (Railway Audit) at local inspections. The Instructions contained in Para 18 and 68 of the Secret Memorandum of Instructions Regarding the Extent of Audit (Railway Audit) should also be borne in mind. It should be ensured that the leave accounts of Gazetted Officers/Non-Gazetted Officers due to retire in the next official year come under audit review before the commencement of the year in which the employees are to retire. A record of the leave accounts checked centrally and at local inspections should be kept in the Selection Vouchers Register under the heading 'records seen at inspections'. No leave account need be checked more often. The leave account selected should be checked completely from the beginning (or from the last entry checked) to the date of scrutiny.

9.18 MEDICAL ATTENDANCE BILLS:

The rules contained in Chapter VI of Indian Railway Establishment Code Volume I. should be borne in mind. In checking the medical attendance bills, the following points should be seen:

- (i) that the claim for reimbursement of charges is supported by vouchers/receipts and certificate in writing by the authorized medical attendant;
- (ii) that the reimbursement is admissible under the rules and orders;
- (iii) that the case of refund of cost of medicines, vacancies, sera and other preparations etc., the authorized medical attendant has furnished a separate certificate of essentiality as prescribed in Railway Board's letter No. E 49/MEI/9/3, dated the 19th July, 1949; and
- (iv) that if the claim is for refund; of charges for treatment at the residence of an employee, the authorized medical attendance has given a certificate stating the reasons for giving the treatment as he would have been entitled free of charge, to receive if he had not been treated at his residence;
- (v) that a proper record is kept in the Accounts Office for all claims passed as safeguard against double claims.

9.19 WORKMEN'S COMPENSATION ACT PAYMENTS

(See Para 232 of Railway Audit Manual & New Audit Norm Appendix Chapter 3&4 S. No. III '11').

The payments should be checked to see that they are in accordance with the provisions of the Workmen's Compensation Act.

The provisions of Workmen's Compensation Act are given in Chapter XXXIII of the Indian Railway Establishment Manual. The pay orders regarding lump sum and fortnightly payments should be listed out separately from the Register of Bills and selection made. These should not be treated as miscellaneous pay orders.

The following points should be borne in mind in auditing such payments:

- (i) That the workman was on duty at the time of injury and that the injury arose in the course of and out of the employment;
- (ii) That the injured is a workman as defined in the Workmen's Compensation Act, Section 2(1) (n) and employed on monthly wages as is specified in Schedule II of Workmen's Compensation Act;

- (iii) That there is full evidence of accident and a medical report, accident report and Police Report in serious accidents are attached in original to claims duly signed and attested. The exact nature of final injury should be specified and it should be ascertained whether there was any aggravation due to refusal to take railway medical help and that there is no evidence of pretention;
- (iv) That the injury was not due to possibilities which could be foreseen and prevented, contributory negligence, disobedience of order or influence of drink or other intoxicant. It may also be examined whether the workman got in or out of a moving train when he had been definitely instructed not to do so;
- (v) In cases of payments to dependants (as defined in Section 2(1)(d) of Workmen's Compensation Act) on account of the death of the workman, the only point to be borne in mind is whether the death occurred in the course of his employment;
- (vi) That the method of calculating wages has been correctly followed as described in Section 5 of the Workmen's Compensation Act;
- (vii) That the maximum amount correctly applied and in case of permanent partial disablement percentage is calculated as laid down in Section 4 (c) of the Act.
- (viii) That the half monthly payments are correctly made and deducted from hospital leave salary payments made, if any;

Note: The workman loses all claims to compensation under the Act if a suit is instituted.

- (ix) the pay order should be traced into the register of payments under Workmen's Compensation Act maintained by Accounts Office;
- (x) Where the Railway Pays compensation for contractor's labour, it should be seen that the amount is recovered from the contractor.

Note: It has been decided by the Government of India, Ministry of Law in connection with inter-pretation of the term (in default of agreement) appearing in sub-section 2 of Section 12 of Workmen's Compensation Act, 1923 that the liability to indemnify the principal under this section is a statutory one and is not dependent upon any contract between the Principal and the contractor.

(Authority: Comptroller and Auditor General's letter No. 1629-REP/35-37/Pt. VIII dated 11.08.1958)

9.20 SCHOOL FEE BILLS AND CONTRIBUTION TO SCHOOLS.

(Para 233 of RAM, New Audit Norm Appendix Chapter 3&4 S. No. III 18 & Chapter XXII of IREM-II)

As per new audit norms, the said review is to be done during local inspections of respective institutions.

9.21 ADVANCE OF PAY, TRAVELLING ALLOWANCE AND PASSAGES AND FOR PURCHASE OF CONVEYANCE ETC.

(Para 220 of RAM, Para 3.12.22-3.12.23 of MSO (Audit) and New Audit Norms Appendix Chapter 3&4 S.No. III 5 and Chapter XI of IREM, Volume I)

9.22 HISTORY OF SERVICES OF OFFICERS OF THE RAILWAY DEPARTMENT

(Pasra 231 of RAM, New Audit Norm Appendix Chapter 3&4 S. No. III 15)

The system of maintaining service cards for offices on the Railways was introduced w.e.f. 01.05.1959, giving reference to the year of publication and page number of the last issue of the history of services in which the officers name appeared. It should be seen that the service cards are brought upto date at intervals of 2 years or when on officers returns from leave whichever is earlier.

9.23 PASSES AND PRIVILEGE TICKET ORDERS ISSUED

(Para 226 of RAM, Para 440 of RAM, New Audit Norm Appendix Chapter 3&4 S. No. III 16)

Review of Pass & PTO of Accounts Department is to be conducted annually and in regard to other departments, review is to be done during local inspection.

9.24 JOURNAL VOUCHERS INCLUDING SCRUTINY OF ADJUSTMENT MEMO (ESTABLISHMENT MATTERS)

(Para 387 of RAM & New Audit Norm Appendix Chapter 3&4 S. No. III 17)

For the purpose of selection, JVs under each money value should be separately listed. All sub-vouchers of selected JVs should be checked. If the number of sub-vouchers is large, a maximum of 10 sub-vouchers of higher money value should be selected and list of selected sub-vouchers should be recorded.

9.25 SCALE AND SALARY CHECK REGISTERS OF NON-GAZETTED STAFF AND CADRE REGISTERS OF GAZETTED OFFICER.

(Para 223 of RAM, New Audit Norm Appendix Chapter 3&4 S. No. IV 1, Para 1319-1323, 1408-1411-1414 of A-I)

These should be checked in accordance with the instructions given in Para 223 of Railway Audit Manual.

9.26 CONFIRMATION AGAINST THE POSTS OF GENERAL MANAGER FINANCIAL ADVISER AND CHIEF ACCOUNTS OFFICER/DEPUTY FINANCIAL ADVISER AND CHIEF ACCOUNTS OFFICER ON INDIAN GOVERNMENT RAILWAYS.

Whenever any person serving on the Northern Railway is provisionally or finally confirmed as a General Manager, a report should be made to the Comptroller and Auditor General of India (Railways) showing the name of the officer and the date from which he is so confirmed. Further action may be taken in accordance with the instructions given in Para 235 of RAM. As per Para 235 of RAM, this check is to be conducted by the DAI (Railways).

9.27 DISALLOWANCE LISTS

(Para 224 of RAM & Para 852 to 854 of Accounts Code Volume I)

The disallowance lists and objection books should be reviewed to see that prompt action is being taken to clear outstanding items and there is not inconsiderate delay in the disposal of the same by the departments. Cases where the objections have been dropped without adequate grounds should be taken up.

9.28 REGISTER OF FOREIGN SERVICE CONTRIBUTIONS:

(Para 225 of RAM, Para 1221-1223 of A-I)

The register should be reviewed half yearly to see that correct recoveries are being made towards leave salary, pension, provident fund contributions, gratuity, passages etc. The entries in the register should be checked with reference to:

- (i) the previous years register
- (ii) the register of last pay certificates in respect of staff transferred out of Railway and
- (iii) sanctions for transfer whenever such sanctions came under audit.

9.29 REGISTER OF OVER PAYMENTS WAIVED OR RECOVERIES FOREGONE.

(Para 475 to 478 of RAM, New Audit Norm Appendix Chapter 3&4 S. No.IV 11)

The register should be reviewed quarterly in February, May, August and November, each year and a report submitted to the Branch Officer by the end of the month. It should be seen that the write off in each case has been sanctioned by the competent authority and that the items entered in the register do not disclose any defect in system or accounts procedure requiring a mention in the Audit Report. If, otherwise, Principal Director of Audit's orders should be obtained for preparing a draft para.

9.30 REGISTER OF SERIOUS IRREGULARITIES AND REGISTER OF LOSSES:

(Para 9 of RAM, New Audit Norm Appendix Chapter 3&4 S. No. IV 10, Para 1102 of F-I)

9.31 REGISTER OF SANCTIONS HAVING LIMITED CURRENCY

(Para 132 of RAM, New Audit Norm Appendix Chapter 3&4 S. No. IV 12)

It should be seen that the expenditure is not incurred beyond the period of currency without a fresh sanction or, if incurred, has been objected to. This register should be generally reviewed yearly in the month of May.

9.32 STAMP & STATIONARY ACCOUNT

(Para 431 (X10) of RAM, New Audit Norm Appendix Chapter 3&4 S. No. IV (15)

General review to be conducted yearly for Accounts Office and during local inspection of other offices.

9.33 DEAD STOCK REGISTER

(Para 431(IX) of RAM, New Audit Norm Appendix Chapter 3&4 S. No.IV (16)

General review in Accounts Office yearly and during local Inspection of other offices.

9.34 RECOVERY OF GOVERNMENT SHARE OF FEES RECEIVED BY RAILWAY SERVANTS.

A complete check should be exercised half yearly with a view to see that the requirements in the Indian Railway Establishment Code have been fulfilled. It should also be seen that the recovery has been made and credited to the Government according to Rules in Indian Railway Establishment Code.

9.35 MANUFACTURE OR ANY OTHER SUSPENSE ACCOUNT

(Para 348, 381 & 401 of RAM, New Audit Norm Appendix Chapter 3&4 S. No. IV 18)

9.36 IMPREST CASH ACCOUNT

(Para 1050 to 1055 of F-I, New Audit Norm Appendix Chapter 3&4 S. No. V I, 1601 to 1603 of A-I)

Review of Accounts Office to be done yearly and for other departments to be done during local inspections. The balance on hand should be got verified in the presence of Audit.

9.37(i) REVIEW OF COURT JUDGEMENTS RELATING TO CASES DECIDED AGAINST THE RAILWAYS.

(New Audit Norm Appendix Chapter 3&4 S. No. V 6(1))

9.37(ii) REVIEW OF ARBITRATION AWARD

(New Audit Norm Appendix Chapter 3&4 S. No. V 6 (2))

9.38 (a) WORKING OF ACCOUNTS DEPARTMENT

(Para 135 of RAM, New Audit Norm Appendix Chapter 3&4 S. No. V (19) (yearly))

9.38(b) AUDIT NOTES AND INSPECTION REPORT PART II (HALF YEARLY)

(Para 469 & 471 of RAM, New Audit Norm Appendix Chapter 3&4 S. No. V 19)

9.39 FINANCE AND APPROPRIATION ACCOUNTS

(New Audit Norm Appendix Chapter 3&4 S. No. VI (1 to 3))

- (i) Appropriation Accounts (404 of RAM)
- (ii) Finance Accounts (380 of RAM, 729-745 of A-I)
- (iii) Review of Balances (Debt Head Report) (Para 383 of RAM)

Compilation of Accounts including related statements and Annexures and their arithmetical accuracy (annually).

9.40 PROVIDENT FUND ACCOUNT

(Para 942 R-I, Para 246 of RAM, Para 248 of RAM, Chapter XI of Section III of MSO (Audit))

Audit of P.F. Section should be conducted during the month of October/November (after PF ledgers for the previous year were closed). Branch Officer should select one month for detailed check of accounts of PF section, ensuring that a maximum of 2 or 3 departments is covered.

(New Audit Norm Appendix Chapter 3&4 S. No. VII (1 to 5))

- 1. Accounts of subscribers to Provident Fund
(Para 237 of RAM, Para 3.10.1 & Chapter 11 of Section III of MSO (Audit), Chapter IX-R & Chapter IX-A)
- 2. Temporary withdrawals
(Para 238 of RAM, Para 3.11.4 of MSO (Audit) and Para 927-939-R)
- 3. Final withdrawals
(Para 239 of RAM)
- 4. Interest credit (Para 240 of RAM)
- 5. Provident Fund ledgers reconciliation with general books
(Para 244 of RAM)

9.41 COST OF ORDER POLICE:

(See 856 to 866-Indian Railway Financial Code Volume I)

The Railway Administration is required to satisfy itself of the correctness of the debits raised by the State Government with reference to the statements sent by them in support of the debit scheduled. The adjustments effected by the Financial Adviser and Chief Accounts Officer should be scrutinized to see if the debits are in accordance with the arrangements in force for charging to the Railway the cost of order police and in accordance with the strength of Police staff fixed by competent authority.

9.42 AUDIT OF TRANSACTIONS RELATING TO DEPOSIT LINKED INSURANCE SCHEME.

Para 241 of RAM, New Audit Norm Appendix Chapter 3&4 S. No. VII 6)

These payments should be checked to the same extent and in the same manner as for final withdrawals from Provident Fund. It should be seen that the average balance for the last 3 years before death has been correctly worked out.

9.43 AUDIT OF RAILWAY EMPLOYEES GROUP INSURANCE SCHEME:

(Para 242 of RAM)

(a) Office copies of the Schedules (as per Annexure 'A' of the accounting procedures prescribed under Para 3 of Railway Board's letter No. 79 ACII/1/4, dated 18.11.1981) attached to the Bill for the month of January each year should be checked with reference to the pay bills during inspection of executive offices.

(b) The nomination made by Railway servants under the scheme may be verified while checking the service books during the inspection of the executive/personnel offices.

In the case of staff of the Accounts Office for which there is no local inspections, the check at (a) above should be carried out in Central Audit as an annual item. The check at (b) above should be done every month along with check of Service Registers of Accounts Office staff.

(c) Payments from Insurance Fund and savings fund as recorded in the Register as per Annexure (B) Part II and III to the accounting procedure ibid should be checked to the extent prescribed, with reference to the table of benefits admissible as issued by the Board and nominations made by the Railway servants as posted in their service records.

(d) Based on the advance schedules showing total recoveries and payments during a month furnished by the various Division/Workshops/other units, the Financial Adviser and Chief Accounts Officer (Central Books Section) arranges payments of the net amount to the Pay and Allowance Officer, Ministry of Finance (Department of Expenditure). The advance schedules as consolidated in the Financial Adviser and Chief Accounts Officer's office should be checked once a year to see that the total amounts of recoveries and payments which determine the net amount payable to the Ministry of Finance agree with the corresponding amount in General Books. This check will be exercised by Books and Budget Headquarters section.

(CAG's Letter No. 70 RAI/77, dated 01.03.1984)

9.44 AUDIT OF PRODUCTIVITY LINKED BONUS BILL:

(Para 243 of RAM, New Audit Norm Appendix Chapter 3&4 S. No. III 6)

The Productivity Linked Bonus Bill is to be audited as prescribed vide Comptroller and Auditor General's Secret letter No. 898-RAII/4-25/79, dated 28.09.1981. Selection should be made so as to cover the bills relating to more than one department of the Railway Administration. The scope of check should cover in particular the eligibility of individual employees for bonus and method of commutation adopted for determining their wages per day.

The Provident Fund accounts of the Audit Staff are also checked by the Establishment Audit Section as required under Para 73 of Railway Audit Manual. The current review of these accounts will be done by the Gazetted Officer in charge according to percentage prescribed.

9.45 ACCOUNTS OF STAFF BENEFIT FUND

(Para 247 of RAM)

The sanctions to expenditure from the fund should be audited to see that the rules have not been infringed and that the expenditure has been sanctioned for an object covered by the Railway Board's policy as well as by the local rules. It should also be seen that the balance of loans from the funds against individuals is reconciled with total balance as per accounts.

A report regarding the lump-sum grants of substantial amounts during the year should be sent by each auditing unit to Central Section so as to reach there by the 15th of April every year.

9.46 ANNUAL CONTRIBUTION TO THE STAFF BENEFIT FUND:

(This should be checked with reference to Para 805 Indian Railway Establishment Code Volume I)

Note: An audit check of the Statutory audit of transactions of the lower paid staff loan fund which is financed from the staff Benefit Fund is not considered necessary by the Government of India (Railway Board's letter No. 37 FU 2(L) dated 29th September 1938 received under the Principal Director of Railway Audit's No. A 8-56 dated 26th October 1938.

9.47 FUNCTIONS AND DUTIES OF CALCUTTA AUDIT CIRCLE:

1. E&PI Section at Headquarters Office is also responsible for the audit of all payments to Gazetted Officer (Group 'B') and Non-gazetted staff (Group 'C' and 'D') contingent bills of various offices, pre-audit of pension cases of retiring Railway Audit Group B.C. & D staff, verification of service on completion of 25 years service and check of Foreign Service contribution in respect of the staff went on deputation on foreign service terms, indicated below:

1. Principal Director of Audit, Eastern Railway, Calcutta.
2. Principal Director of Audit, South Eastern Railway, Calcutta.
3. Principal Director of Audit, North Eastern Railway, Gorakhpur.
4. Principal Director of Audit, North Frontier Railway, Maligaon Gauwhati.
5. Principal Director of Audit, Railway Production Units, Calcutta.

2. The audit of establishment and contingent bills relating to the Railway Audit Offices would be conducted in the same manner as laid down in Chapter 3,4,5,6, of the Manual of Standing Orders (Audit) and to the same extent as prescribed in Para 4 and 8 of the Secret Memorandum of Instruction (Civil).

3. Audit Procedure:

(a) Check of Salary Bills:

The Offices of the Principal Director of Audit, Eastern, South-Eastern, North Frontier and North Eastern Railway and Railway Production Unit, Calcutta would be divided into 6 units and each unit would be taken up for check in each month of the half year as one month's bill of each Railway Audit Office are to be audited in each half year.

(b) Numerical and Scale Check:

The Audit registers in Form ATM 29 will be maintained by E&PI Section. Particulars regarding number of posts sanctioned, period for which sanctioned should be recorded in the Audit Register in the Column provided for the purpose. In the case of temporary establishment, a line should be drawn across the cages of the months previous and subsequent to the period of sanction so as to prevent admission of pay beyond the period of sanction. The details of posts, incumbent, their pay, special pay, personal pay should be maintained in a fly leaf in the form ATM 30. In March each year all the entries in the audit register should be brought forward and attested over the signatures of the Assistant Audit Officer/Section Officer concerned. Similarly the details of the establishment regarding incumbents, rates of pay, dates of increment etc. as finally recorded in the fly-leaf of the previous year should be taken in the fly leaf of the current year and the entries attested. When an increment occurs, a note of the increase in pay should be made in the fly-leaf and attested by the Assistant Audit Officer/Section Officer (Audit) concerned after the increment certificate has been checked and accepted in audit. When a new name appears in any pay bill, it should be incorporated in the fly-leaf. Similarly, all cases of death, retirement, resignation and permanent transfer out of the establishment as also events occurring during the year which effect the increments (e.g. confirmation, suspension, leave without pay, withholding of increments) should be noted therein under proper attestation. For the purpose of audit, the audit of establishment will be by numbers against the sanctioned strength of the establishment and must be supplemented by a nominal check to the extent prescribed in the Secret memorandum of Instructions (Civil). The nominal check consists in comparing the rate of pay of each individual drawn in the pay bill with that recorded in, the fly-leaf. The bills subjected to nominal check should be enfaced with the words nominally checked. The detailed instructions regarding audit by number are given in Para 3.3.10 of Manual of Standing Orders (Audit)

(c) Scale audit:

In the audit registers the progressive totals of the number of posts sanctioned from time to time should be worked out.

(d) Audit of Supplementary bills:

The draw of emoluments in supplementary bills should be traced in the original monthly bills in which it was omitted or shown as held over in audit to check against its double drawal. The arrears due to increments and revision of pay etc. sanctioned retrospectively need not, however, be noted either in the audit register proper or in the original bills. Necessary details including the period of claims should be noted in the fly-leaf of the audit register for the year to which the claim relates. As regards supplementary bills in respect of arrears of allowances, a note should be kept in the audit register, preferably in the remarks column. Nothing of the supplementary claim in the original bill is not required in such cases.

(e) Audit of contingent vouchers of Audit Office:

Audit of contingent vouchers should be done according to the instructions laid down in the Chapter 4 of the Manual of Standing Orders (Audit). Separate register for special charges and periodical charges may be maintained for auditing special and periodical contingencies.

(f) Watch over the recovery of advances:

The recovery of advances should be watched through the monthly statements of advances paid and recoveries effected which are received from the Principal Director of Audit.

CHAPTER – X

WORKS AUDIT

10.1 GENERAL

The instructions on the subject are given in Chapter XVI of Railway Audit Manual.

The expenditure on Works in Divisions/Constructions is checked by Divisional Audit Officers/Construction Audit Branches and the rest by the Expenditure Audit Section at Headquarters. Items of work dealt with in the Expenditure Audit Section are given below:-

- (i) Audit of Bills relating to pay and Allowances of work-charged staff employed under the Executive Officers who are under the Accounts control of Financial Adviser and Chief Accounts Officers (X).
- (ii) Audit of bills relating to traveling allowance of the above staff.
- (iii) Audit of half monthly payments of the above staff who are governed by the Workmen's Compensation Act.
- (iv) Audit of Cash and Stores Imprest of the Executive Officers under the audit control of Expenditure Audit Section.
- (v) Audit of sanctions accorded in connection with Executive offices mentioned in Item (1) above.
- (vi) Audit of Journal Vouchers and adjustment mema relating to the departments mentioned in Item (1) above.
- (vii) Audit of Stores Purchase bills for stores supplied against purchase orders.
- (viii) Audit of Rent Rolls in respect of buildings occupied by the staff under the Accounts Control of Financial Adviser and Chief Accounts Officers (X).
- (ix) Review of Revenue allocation registers and registers of works maintained by Financial Adviser and Chief Accounts Officers (X).
- (x) Audit of transactions relating to rent of telegraph wires and installations.
- (xi) Audit of transactions of workshops/plants which are under the Accounts control of Financial Adviser and Chief Accounts Officers (X).
- (xii) Audit of Estimates, completion reports, work orders and contracts relating to the departments in item (i) above.
- (xiii) Disposal of reference from the Additional Deputy Comptroller & Auditor General of India (Railways), Principal Director of Audit of other Railways and Divisional Audit Officers in connection with the works expenditure in Divisions and Engineering workshops.
- (xiv) Maintenance of Policy files containing circular letters and other orders and instructions issued by the Additional Deputy Comptroller & Auditor General of India (Railways), Railway Board and General Manager in connection with Expenditure in Divisions and workshops.
- (xv) Consolidation and audit of Capital and Revenue Accounts of Residential Buildings.
- (xvi) Audit of advertisement bills.
- (xvii) Audit of Hospitality Fund Accounts.

(Authority P.O.O. No.107 dated 6.10.1965)

10.2 AUDIT OF ESTIMATES

(See Para 251 to 258 of Railway Audit Manual)

No separate check is to be conducted on the Estimates but while auditing the contracts, estimates should be reviewed to see that all the contracts are in conformity with the estimates and also how the estimates have been framed keeping in view the various specifications, drawings etc. The percentage of audit will be as given at S.No.II (i) of appendix to Chapter 3 and 4 in Railway Revised Audit Norms.

10.3 AUDIT OF REGISTER OF TEMPORARY WORKS

It should be seen that a proper record of experimental works is kept by the Accounts Office to watch the results of experiments and that the cost of a temporary or experimental work is adjusted from ordinary revenue to proper head of account as soon as the work becomes permanent.

10.4 AUDIT OF CONTRACTS

(See Para 267 of Railway Audit Manual and Para 27 of the Secret Memorandum of Instructions (Railway Audit).

The rates in contracts should be scrutinised with reference to Para 266 of Railway Audit Manual. It should be seen, in the course of audit, that rates etc. in the agreement and work orders agree with the entries in the Tender Register or tabulation sheet of tenders and with the relevant original tender.

The following points should be examined while reviewing contracts or agreements etc.:-

- (i) that terms of contracts are precise and definite and there is no room for ambiguity or misconception therein. It should be seen that the protective clause of the nature (the delivery date quoted by the firm was contingent on the firm not being delayed as a result of non-delivery of raw materials or by any other cause beyond their control) do not find their way into the contracts:-

- (ii) that legal and financial advice has been taken in the drafting of contracts before these are entered into, as far as possible;
- (iii) that standard forms of contract are adopted wherever possible and the terms have been subjected to adequate prior scrutiny.
- (iv) That the terms of the contracts once entered into are not materially varied without the previous consent of the competent financial authority;
- (v) that no contract involving an uncertain or indefinite liability or any condition of an unusual character is entered into without the previous consent of the competent financial authority;
- (vi) it should be ensured that tenders have been openly invited before placing the contracts and wherever, the lowest tender has not been accepted, reasons for the same have been recorded;
- (vii) it should be seen that the financial status of the individuals and firms tendering have been taken into consideration, in addition to all other relevant factors, at the time of acceptance of tenders;
- (viii) that in cases where a formal written contract has not been made no order for supplies etc. is placed without a written agreement at least in regard to the price;
- (ix) that necessary provisions exist in the contract for safeguarding Government property entrusted to a contractor;
- (x) that in case of contracts which are to be in existence for a number of years, necessary provision exists for an unconditional power of revocation or cancellation by Government at any time after the expiry of due period of notice to that effect;
- (xi) that where competitive tenders have not been sought or where other than the lowest tenders have been accepted or where other irregularities in procedure have come to light, these should be brought to the notice of the Branch Officer/Principal Director of Audit;
- (xii) that any payment outside the strict terms of the contract or in excess of the contract rates are not made without the consent of the competent financial authority and that the deviation from contract have been allowed by the authority who executed the original contract;
- (xiii) in scrutinizing tenders, it should be seen:-
 1. that the particulars regarding quantity or rate furnished and price variation clause or provisional rate are thoroughly examined;
 2. that there is no omission of any important clause e.g. inspection of stores, date and place of delivery, dispatch instructions and name of consignee etc.;
 3. that it is signed by an authority which is competent to enter into the contract;
 4. that in the copies of acceptance of tenders, supply orders etc. all the sheets containing rates, prices and other important conditions have been signed in ink by the purchasing officer concerned;
 5. that definite terms regarding the rate of Sales Tax, Excise duty are made in the contracts;
 6. that higher rates, wherever paid for urgent delivery were really justified, and the delivery of the material was actually made within the stipulated period;
 7. that the contract has not been made by or on behalf of a minor;
 8. that the earnest money/security deposit in the appropriate form and of correct amount has been lodged within the period stipulated in contract and that in the event of default penalties leviable under the conditions of contracts have been enforced;
 9. that in the case of contract which has been entered into by a firm, each one of the partners has signed all the documents constituting the contracts or by their attorney;
 10. The following types of cases should be scrutinized carefully:
 - (a) inclusion of any new item of expenditure not originally contemplated in a contract;
 - (b) extension in the date of delivery in contract where high prices have been allowed on account of early delivery of stores;
 - (c) compensation allowed to firms in respect of contracts;
 - (d) any extraordinary stipulation in a contract even if it is sanctioned by Government etc.;
 - (e) any special and apparently objectionable procedure of purchase, inspection and payments sanctioned by the Administration;
 - (f) all contracts on cost and profitable basis;
 - (g) all sanctions to ex-gratia payments.
- (xiv) The review of all tenders and contracts should be undertaken quarterly in the months of April, July, October and January according to the percentage prescribed in the programme of audit under Sr. No.II(2) of appendix to Chapter 3 and 4, Revised Railway Audit Norms.

For this purpose, the Asstt. Audit Officer/Section Officer (Audit) of the concerned Division/Branch would submit quarterly in the month of January, April, July and October, a note to the Gazetted Officer in charge giving particulars of the tenders accepted during the previous quarter for getting the selection made for each category to the extent prescribed in the Secret Memorandum of Instructions (Railway Audit).

The audit of tenders for works which are invited by the Divisional Railway Managers/Extra Divisional Officers on the basis of anticipated cost falling within their competence shall be reviewed by the respective audit offices. Tenders which are later sent to the Headquarters office when the estimated cost is found to exceed, the power of the sanction of the Divisional Railway Manager will also be audited by the Divisional Audit Offices. They can, however, refer any points of doubt to Expenditure Audit Branch at Headquarters for examination.

The tenders estimated to cost more than the powers delegated to the Divisional Railway Manager/Extra Divisional Officers which are ab-initio invited and dealt with by the Headquarters office shall be audited by the Expenditure Audit Branch at Headquarters who will furnish a quarterly list of accepted tenders to the respective Audit Branches for their information in the first week of January, April, July and October each year. Necessary note should be kept for this purpose in the Calendar of Returns of Expenditure Audit Section. A record should be kept of the contracts reviewed, the number of cases in which tenders other than the lowest are accepted and the number of cases in which audit questions the exercise of discretion by the accepting officer. In cases where the recommendations of the Tender Committee have not been accepted, the same should be brought to the notice of the Principal Director of Audit for information. In view of Central Section Letter No.C/10-30/91-92 dated 22.10.92.

- (xv) The instructions contained in Railway Board's letter No.56-B(c) 2983 dated 10.10.1956 and 10.8.1961 regarding acceptance of tenders by negotiations after opening of tenders should be borne in mind while reviewing the tenders.
- (xvi) In the case of lump-sum contracts it should be seen that necessary provision exists for reduction in the even of any items of work being omitted or replaced by less costly designs;
- (xvii) It should be seen that agreements are not deliberately or inadvertently split up so as to result in an evasion of the necessity for applying the sanction of higher authority to the grant of the contract;
- (xviii) The check of tender should not be considered a mere routine involving only check of arithmetical accuracies of the connected statements but should be an intelligent scrutiny of the tender's rats, all their financial implications and the final acceptance of the selected tender keeping in view the financial interest of the railway. There should be no occasion where the review proves perfunctory;
- (xix) In the case of contracts with 'Escalation Clause' it should be seen that the payments are made on the basis of cost investigation and/or certification by the contractors' auditors depending on the nature of the contracts. It may be seen inter-alia whether the increase/decrease in prices allowed by the Administration which the final prices have been based is also reliable and correct. It may also be seen whether proper cost investigation has been undertaken wherever necessary before allowing the same.

The prescribed percentage of all payments made under this category of contracts should be specially reviewed personally by the Asstt. Audit Officer/Section Officer (Audit) in charge in January and July of each year. This review will be in addition to the usual percentage check applied to contractor's bills;

(Authority : Additional Deputy Comptroller & Auditor General of India (Railways)'s letter No.RAII/17-4/53 dated 16.10.1956) (Case No.C/15-4/55)

- (xx) that in the case of tenders placed in the later part of the financial year, there has been no tendency on the part of the Administration for rush of expenditure to utilize the necessary provision made in the budget estimate;
- (xxi) that all the conditions and requirements printed on the contract form have been complied with;
- (xxii) Execution of Accepted Tenders (for the purchase of Stores and for works after the delivery of the Stores or completion of works)
- (xxiii) Besides above Guidelines of ASOSAI and INTOSAI for dealing with fraud and corruption should also be kept in mind (Appendix-IV).

To enable the Principal Director of Audit to know whether or not the position in connection with the working of tender system on Railway is satisfactory, each Branch or Division will send a statement showing information to the ITA section by 1st September each year:-

1. Number of contracts reviewed
2. Number of cases out of (1) above in which tender other than lowest have been accepted
3. Number of cases in which audit considers that there has been improper exercise of discretion by the accepting officers; and
4. Details of cases mentioned in (3) above giving definite reasons for holding such views.

The instructions contained in Para 32 of the Secret Memorandum of Instructions (Railway Audit) should be borne in mind while conducting the review. The responsibility for exercising the review of the execution of accepted tenders rests with the Branch Officer of the Division/Branch responsible for audit of expenditure incurred on works. The Branch Officer may, however, take the assistance of the Asstt. Audit Officer/Section Officer (Audit) in the collection of records etc. The Audit Branch concerned while obtaining the selection as prescribed in the Secret Memorandum of Instructions (Railway Audit) will also take into account the tenders and contracts reviewed by the Headquarters office as mentioned in the above Para (sub-Para xiv).

(Authority :- Expenditure Section Circular No.X/8-17/64 dated 23.7.1964)

10.5 WORKS ORDERS

The following points should be seen in checking work orders:-

- (i) that the work orders have correctly been prepared avoiding, as far as practicable, the inclusion of unnecessary item or the omission of necessary items resulting in the former remaining unoperative or the later having to be provided in supplementary work orders;
- (ii) that the officers preparing and accepting the work orders have dated their signatures;
- (iii) that each supplementary work order bears the same reference number as the original one together with a subsidiary serial number and its actual date of issue;
- (iv) that all items in the work orders indicate whether they are labour or 'Labour and Material' rates and in the latter case the materials, if any to be supplied by the Railway have been clearly indicated against each item in the work order; and
- (v) that the rates given in the work orders are the sanctioned rates as shown in the schedule of rates and that if a non-schedule rate has been given, an analysis thereof has been furnished and the rate has been technically checked by the Drawing Office and approved by the competent authority;
- (vi) that the rate of the unit of calculation has been entered in words as well as in figures against each item in a work order or agreement.
- (vii) that reference of all the work orders and agreements executed against a tender have been noted on the tender with a view to seeing that the amount of the tender has not exceeded the powers of the authority which accepted it.
- (viii) that reference of all contractor's bills viz. Accounts Bill No. and date and amount is recorded on their relevant work order.
- (ix) that the quantities stipulated in the work orders have not been exceeded during the execution of the works as far as possible. It should be seen that every case of excess over 5% on any item has been explained with specific reason by the Asstt. Engineer when forwarding bills to the Divisional Engineer as required under Para 3018 of Way and Works Manual.

Note :- The Accounts Officer is required to check the non-schedule rates to the extent of 100 percent and scheduled rates to 20 percent before the connected bills are passed for payment. The result of check is put up to the Divisional Audit Officer through a manuscript register.

(Authority :- Financial Adviser and Chief Accounts Officer's letter No.X(M)/122/P.II dated 14th August, 1945 and 28th January, 1947).

It should be seen that the register is properly maintained.

10.6 AUDIT OF VOUCHERS

The points to be borne in mind are given in Para 269 of the Railway Audit Manual and Para 3.1.20 of Manual of Standing Orders (Audit). Besides, it should be seen that:-

- (i) the vouchers are written in ink;
- (ii) they are in English/Hindi or if in any other language, they have been rendered into English;
- (iii) if the bill is for tools or other articles of equipment for which an inventory is prescribed it has been certified by the responsible officer that the necessary addition has been made in the inventory;
- (iv) that Fund and Income-Tax deduction have correctly been made;
- (v) that no bills for any pay or allowances not claimed within the prescribed period have been paid without the sanction of the competent authority;
- (vi) that each voucher for articles purchased had an endorsement on it as a token of receipt by the departmental officer for the articles delivered as well as the receipt of the vendor for the sum paid; and
- (vii) that proper sanction to payments, supply orders etc. exists and that payments made are recorded on them or in the register of bills payable where such sanctions may be recorded in order to safeguard against double claims being admitted by the Accounts. Where provisional payments have been made pending receipt of proper sanction, it should be seen that they are included in the O.I. Register.

10.7 AUDIT OF CONTRACTOR'S BILLS

(The points to be seen in the audit of these bills are detailed in 270 to 271 of Railway Audit Manual).

The percentage will be as given under Sr.No.II(3) of appendix to chapter 3 and 4, Revised Railway Audit Norms. The check of all on-account bills working upto the final bill should be checked completely in respect of the final bills selected for audit. The check of bill includes check of ledger also. In the selection voucher register, a record of all the particulars of on-account bills viz. Account Bill No. and date and amount should be kept. The following points should be seen while checking the contractors bills:-

- (i) that recoveries towards hire charges for tools and plants, water and cess charges have been made at the rates fixed by the Railway Administration, the adequacy of the rates fixed should also be examined;

- (ii) that the Sales Tax in respect of works contract has been allowed as per instructions issued by the Railway Board or other authorities;
- (iii) in the case of running or 'on-account' bills, it should be seen by reference to the last previous bill that 'upto-date' and other figures which are dependent upon the entries in the previous bill are correct, that deduction on account of security has been made in the contractor's ledger. When on account payments are made on the basis of approximately estimated quantities it should be seen that the Assistant Engineer has certified the quantity of work actually executed;
- (iv) the total quantity charged for in all the connected on account bills plus the quantity executed since the last certificate agrees with the total upto-date quantity and the necessary entries have been made in the contractor's ledger;
- (v) the amount paid in all previous 'on account' bills have been deducted from the total amount of the final bill;
- (vi) there are no delays in making measurements or in preparing bills after the measurements have been taken ;
- (vii) the date of the work order is not later than the date of measurement;
- (viii) charges such as royalty, terminal tax, railway freight etc. which are included in the schedule of rates have not been paid in addition unless it is specifically stated to contrary in the schedule of rates attached to the accepted tender of the work order. In case refund of freight charges for some material brought from an outstation has been allowed to the contractor, the railway receipt is in favour of the contractor or the authorized agent and no one else, and a certificate to the effect that the material was wholly used on the work and was not available at or near the site of work has been given;
- (ix) double payments are not made for any items of labour or stores which are covered by another item or items of the work order;
- (x) in case of bills for works for which estimates have not been sanctioned or the estimates of which have been exceeded, it should be seen that the conditions laid down in Para 1103 to 1107 and 1136-E have been fulfilled;
- (xi) the quantity of materials issued to the contractor is commensurate with the quantity of work executed when only labour rates are provided; the cost of materials wasted in defective works subsequently rectified is recovered and recovery for cost of stores issued to him has been correctly made according to the rules on account of materials issued against items of work for which inclusive rate are quoted.

For this purpose a statement is sent by the Assistant Engineer alongwith the final bills showing:-

- (a) the issues of materials to the contractor for items of work for which labour rates only are quoted in the work order.
- (b) the description and quantities of store issued to the contractor for items of work for which labour rates only are quoted in the work order.

In juxta-position to these quantities the Drawing Office is required to show the quantities of materials actually required after analyzing the quantity of work executed as shown in the Measurement Book or the completion plan. The discrepancies between the two, if any, should be taken up.

For items for which materials at site accounts are maintained a statement of the stores utilized on the work is prepared in the Divisional Office by the Stores Section from the materials at site account returns/received monthly from the subordinate and made over to the staff checking the final bills so that a comparison can be made between the quantities shown as issued in the statement and the quantities as worked form the details of measurement or form the plans. This statement is filed with the statement sent by the Assistant Engineer and is also compared with it.

- (xii) Supervision and freight charges on stores issued to the contractor have been recovered, if due;
- (xiii) that the quantities executed are according to the sanctioned plans and estimates;
- (xiv) that the methods of measurements are correct; the check of measurement books being exercised at local inspections;
- (xv) that where detailed measurements are not recorded, correct reference to the standard measurements is clearly given;
- (xvi) that the quantities recorded in the bill agree with those shown in the measurement book and the rates higher than those sanctioned are not allowed;
- (xvii) The following points should be seen while checking the bills for well sinking and earth work:-
- (xviii) Besides above Guidelines of ASOSAI and INTOSAI for dealing with fraud and corruption should also be kept in mind (Appendix-IV)..

(a) BILLS FOR WELL SINKING

In checking the contractor's bills for well sinking it is not enough to compare the quantities charged in the bill with the entries in the Measurement books, as the Measurement books show the bed level (or the ground water level in case of ground wells) from which sinking is to be paid for and the level reached by the cutting edge. The entries in the Measurement book should be further checked with the entries in the log book maintained for wells. It should be seen that the bed level (or the ground/water level in case of ground wells) was entered in the log book under the signature of a responsible officer of the Railway and accepted by the contractors. It should also be ensured that the level of the cutting edge as entered in Measurement Book has been correctly worked out from the level of the cutting edge as entered in Measurement Book has been correctly worked out from the level of the gauge height of the well. This check should be

exercised either during Central Audit or Local Inspection wherever the original records viz. the Measurement Book and the Log book are available.

(b) BILLS FOR EARTH WORK

On new construction large quantities of earth work in embankments are involved measurements for which are taken on the basis of sections. In such cases the entries in Measurement Books show the areas of cross-sections at different chainages, the length of the embankment between two consecutive cross-sections and the quantity for each length. It is therefore, not enough to check the bills for earthwork with the entries in the Measurement Book, the latter should be checked with reference to the original records regarding initial and final levels and sectional diagrams. It is to be seen that initial and final levels have been correctly plotted in the sectional diagrams and the area of each section has been correctly worked out. The initial levels noted for the purpose of measurement of earthwork should also be compared with the levels shown at the corresponding chainage in Index Plan available in the Drawing Office and if any wide variation is noticed it should be taken up.

Entries for lead in the Measurement Book should be checked with reference to the borrow pit plans.

(Authority :- Additional Deputy Comptroller & Auditor General of India (Railways)'s letter No.1803-RAI/7-15/61 dated 1.6.1962).

10.8 CONTRACTOR'S LEDGER

The contractor's ledger is maintained to show the personal accounts of the Railway contractors exhibiting all transactions with them whether relating to one or several works or to materials purchased from his or made over to him. The instructions contained in Paragraphs 1483 and 1484E for maintenance of Contractor's Ledger may be seen. The instructions regarding audit of contractor's ledger are given in Paragraph 272 to 273 of Railway Audit Manual. The check of contractor's ledger is a part of check of contractor's bills.

10.9 LABOUR

The control over labour is exercised through gang registers (Para 1355-E) and registers of temporary labour maintained in the Divisional Office.

Ordinarily, the employment of temporary labour for the improvement and maintenance of track or other work for short period and at frequent intervals is discouraged more particularly where the number of labour is large. When more permanent gangs in the maintenance of their gang beats, it is found more satisfactory and economical if small numbers of additional temporary khallasis are appointed at local market rates under the supervision and control of the permanent rates in preference to sanctioning the employment of temporary gangs to work independently of permanent supervision. It is only in exceptional cases, such as breaches or other emergencies, that it is necessary to depart from this general principle.

10.10 MUSTER AND LABOUR PAY SHEETS

(See Para 275 to 276 of Railway Audit Manual)

During the local inspections the following points should be seen. However, in regard to the Muster sheets, Labour Pay Sheets in workshops these points should continue to be seen in Central Audit.

- (i) that each muster sheet bears the initials of the Assistant Engineer at the top in token of its genuineness;
- (ii) that the attendance is test checked by the subordinates at least twice a week (in case where the subordinate is not at the place at which the labour is employed) and by the Assistant Engineer at least once a month and that the Assistant Engineer or the subordinate checking the attendance has recorded his initials with date on the muster sheets in token of his having done so. The number of persons present each day is noted in words and in ink by the subordinate or the Assistant Engineer whenever the attendance is checked by him;
- (iii) that the work done by the gang is recorded at the foot of the muster sheet daily;
- (iv) that no classes of establishment not properly chargeable to works (Para 1121-E) have been included.
- (v) that the wages charged for each gang or group of labour under a subordinate do not without sufficient reasons (which should be investigated and recorded) vary materially from month to month. This check in the Accounts Office will be conducted through the Scale Check Register (A-1414) or gang register wherein all the amount of wages passed for payment every month for each gang or group of labour are posted;
- (vi) that the rates of pay allowed to the staff are within the sanctioned scales of pay or at the rates sanctioned by the competent authority;
- (vii) that there are no overwritings or erasures in marking attendance. All alternations are made by scoring out the wrong entries and making the correct entry clearly, the alternation being made and attested by the dated initials of the persons making the change;
- (viii) that reference to the muster sheets through which payments have been made from station earnings to temporary labour has been entered in the register maintained in the Accounts Office for the purpose; quoting the sanction, the designation of the subordinate under whom the labour is employed and the amount disbursed. It should be seen how the amount disbursed compare with the amount shown in the telegram which the subordinate is required to send 3 days before the payment is to be made and that the entry in the register has been signed by the Accounts Officer;
- (ix) that the official witnessing payment to temporary labour has recorded the following certificate in his own handwriting on each muster sheet:-

“Certified that I have witnessed the payments made in my presence at hours on.....at..... station; of all the men whose names are borne on this sheet, except Nos.....”

That the total amount ‘paid’ as well as ‘unpaid’ is written in words, as well as in figures.

- (x) that the numbers, rates, period of employment and total amount are within the sanction;
- (xi) that when departmental labour is lent to a contractor, it should be seen that a proper record is maintained and the contractor is debited with the necessary charges;
- (xii) that the paid ‘rests’ allowed to casual labour or other staff are in accordance with the ‘Hours of Employment Regulations’ and ‘Payment of Wages Act’.
- (xiii) before returning the paid vouchers to the Accounts Office , 50% of Labour Pay Sheet checked during local inspections should be traced in the Works and Revenue Allocation Registers.

10.11 WORKS REGISTERS AND REVENUE ALLOCATION REGISTERS

1. The detailed instructions for the audit of these registers are contained in Para 280 and 281 of Railway Audit Manual and Para 28 and 29 of the Secret Memorandum of Instructions (Railway Audit),
2. The procedure regarding reconciliation of Revenue Allocation and Works Registers with General Books is laid down in Para 1480-E and 1481-E.
3. The detailed rules for the maintenance of the Works Registers on open line are contained in Para 1474-E and 1472-E and those on Construction Division are contained in Para 1460-E to 1475-E.
4. The Revenue Allocation Registers are maintained as per instructions contained in Para 1112-A, 1469-E and 508 and 521 FC-I.
5. The following checks have been prescribed by the Administration in connection with these registers and it may be seen at the time of review that these checks have been duly performed.
 - (i) 5 percent of postings in the Works Registers are required to be checked by the Accountant, Expenditure Section of the Divisional Accounts Office, the checked items being attested by him. (Financial Adviser and Chief Accounts Officer’s letter No.S/M/122/II dated 6th April, 1945).
 - (ii) The works Accountant in charge is required to make a test check of some of the items in the allocation registers with vouchers, vertical totals an carry forward totals and initials and date to the items checked. (Joint Engineering and Accounts Circular No.12 of 1941).
6. It should be seen during review of works registers that the columns ‘Advance payment for supply of materials’ and ‘Values of materials received in advance of payment to contractor’ are properly maintained in the Works Registers and the balances under these columns are regularly reconciled with those in the subsidiary Registers maintained for the respective suspense heads.
(Authority : Additional Deputy Comptroller & Auditor General of India (Railways)’s letter No.1803-RAIL/7-15/61 dated 1.6.1962).
7. The instructions contained in the Railway Board’s letter No.60/W2/Misc./RDX dated 27.4.1963 read with Joint Executive and Accounts Procedure Office Order No.69 dated 29.6.1963 and 60/W2/Misc. RDK dated 27.6.1967 regarding the posting in the Works Register and maintenance of only one set of Works Register in Accounts Office both on open line and Construction Organisation should be borne in mind. The quantities and amounts for all items are readily available for comparison with the provision thereof in the sanctioned estimates, their details are required to be posted from the final bills and other vouchers in a separate sheet in the Works Registers for each work costing Rs.1 lakh separately.

10.12 REVIEW OF MAJOR WORKS

(In progress and completed ones)

In addition to the review of works conducted during the regular periodical inspections, the accounts of all works estimated to cost between Rs. One crore and 5 crore (including track renewal works) may be inspected in two stage after actual expenditure exceeds 50% and 100% of the sanctioned cost. Review of major works costing over Rs.5 crore will be conducted at four stages when the expenditure reaches 25%, 50%, 75% and 100% of the sanctioned cost.

During the review, the accounts of the major works should be checked completely. All the payments made to labour and contractors should be checked with reference to the initials records and the adjustments of stores transactions and material-at-site account with reference to Stores Ledgers, Issue Notes, Advice Notes, Measurement Books etc. This special review of major works is similar to inspection of the accounts of Railway Engineering offices and should be conducted on the same lines as prescribed for the latter. The instructions contained in Para 60 to Secret Memorandum of Instructions (Railway Audit) should be borne in mind. In order to ensure that review of major works is undertaken as prescribed, the Expenditure Audit Section at Headquarters office and Divisional Audit Offices and other unit offices responsible for audit of works Accounts should maintain a register containing the following columns:-

1. S. No.
2. Particulars of work.
3. Estimated cost of the work
4. Month of commencement of out-lay
5. Date of first inspection

6. Date of 2nd inspection and so on.
7. Remarks.

In case, a work has been completed and required no further review as "Works in Progress" the same should be transferred to the Register of completed works mentioned below. Corresponding Serial No. in the Register of completed works should be noted in the Remarks column of the Register mentioned above.

A separate register with the following columns may be maintained for recording particulars of completed works by sections maintaining the register mentioned in preceding Paragraphs:-

1. Serial No.
2. Particulars of work.
3. Estimated cost of the work.
4. Booked outlay.
5. Date of first inspection.
6. Date of second inspection.
7. Date of third inspection and so on.
8. Month in which last outlay was booked.
9. Remarks showing year during which the work was selected for review and the date of review.

Important results of the reviews of all works (completed or in progress) should be submitted to the Branch Officer/Principal Director of Audit after the reviews are done. The review of the accounts of a major work should be a complete analysis since the commencement of the work.

While the accounts of the work for any one selected month should be subjected to a detailed check, all cash vouchers and journal vouchers etc. accounted for since last review with reference to measurement books, muster sheets, work orders, issue notes, stores, bills, stores ledgers, ballast train journals, muster sheets and work orders etc. should be generally reviewed. The review should begin with the study of the scheme as a whole from its inception. The preliminary study should cover (i) the particulars of the work given in the Works programme (ii) the estimates of the work and (iii) the departmental files available at divisional Headquarters relating to the work. The special direction given for the execution of the work, the special rates sanctioned if any, the targets fixed for completion for the various phases of the work, changes in specifications if any, special steps taken for the acquisition of land and materials, the invitation and acceptance of tenders to the best financial advantage of the Railway, circumstances in which lowest tenders were passed over in favour of higher tenders etc. should be studied and interesting features if any brought to the notice of the Branch Officer/Director of Audit. The progress reports of the execution of the work should be reviewed with a view to examine that the execution of the work has proceeded according to the Schedule of programme ordered by the Railway Board, General Manager or the Chief Engineer as the case may be and the contractual obligations in that respect have been fulfilled. The physical progress should be correlated with the financial progress to see that there has been no wastage and that the materials have not been acquired too early before their utilisation and consequently there is no blocking up of Government money. In the case of materials issued to the contractors it should be seen that the same have been acknowledged by them. In checking the final bills of the contractor, reference to the quantities given in the estimates and work order should be made, and it should be seen how far and in respect of which items, the actuals have varied abnormally from the estimated provision and reasons therefore. In addition to the above detailed checks, it should be seen whether there are any cases of

- (i) avoidable freight charges having been incurred by unnecessary transfer of materials and whether savings against one item have not been utilised for those items of work which have either been inadequately provided or omitted in the estimates.
- (ii) fictitious, irregular or double adjustments
- (iii) non-accountal of released or surplus material in Stores Ledgers/materials-at-site account
- (iv) non-receipt of credits for materials returned to Stores Department or material transferred to other department
- (v) use of credit notes RMC Notes for other than the bonafide Railway material.

It should be seen that no materials, which ordinary are not required for the work, have been indented and that the indenting of material is within the requirements shown in the material schedule.

10.13 OBJECTIONABLE ITEMS REGISTER

The procedure of dealing with irregular payments and objections in Accounts Office, maintenance of objection books, their review and regularisation are laid down in Paragraphs 844 to 866-AI which may be kept in view while reviewing Objectionable Items Registers. It should also be seen that adequate and effective action has been taken to regularise the expenditure placed under objection. The points contained in Para 283 of the Railway Audit Manual may be kept in view. These registers should be reviewed quarterly in the months of March, June, September and December every year. The posting in the Objectionable Items Register should be checked at the time of reviewing the Works Registers.

10.14 COMPLETION REPORTS (See Para 284 of Railway Audit Manual)

The particulars of completion reports required to be checked in audit should be obtained from the register of sanctioned Completion Reports maintained in the Accounts Office. The instructions contained in Para 284 of Railway Audit Manual and Chapter XVII of the Engineering Code may be kept in view while auditing the Completion Reports. The percentage will be as given under II(6) of appendix to chapter 3 & 4 on Revised Railway Audit Norms.

The Completion Reports should be scrutinized generally in accordance with the instructions contained in Para 1712-E. The expenditure should be verified with the Works Register and other particulars with the Estimates. Relevant contracts and estimates should also be reviewed simultaneously. All Completion Reports for works on scheme of an experimental or research nature should be checked in audit irrespective of the value of the works. It should be seen that wherever write-back to Capital and/or DF is provided the same has been carried out. Large excesses or savings should be scrutinised carefully with a view to see that they have been suitably explained and that the same are not due to inadequate provisions in estimates, defective planning, material modification etc. The study of the Administration's files may be helpful to appreciate large savings/excesses. It should also be seen that excesses wherever occurred were noted in the Objectionable Items Register vide Para 856-AI and the same regularised by revised estimates if that was necessary vide Para 1136-E.

In the case of Deposit Works, it may be seen whether expenditure has been charged regularly and was covered by the deposit (in case of private parties) and interest charges as due under the rules were levied for the period of construction. In the case of construction of siding and such other works where the expenditure is partly borne by the Railway and partly by the outsider or Government Departments, it should be seen that all adjustments required under the rules have been carried out before the completion report is sanctioned.

Inordinate delays in submission of completion reports should be taken up with the Accounts Office. It should be seen that necessary certificates regarding the issue of addenda or corrigenda to the list of buildings has been recorded on all Completion Reports for staff quarters and other buildings. Similarly, it should be seen that a certificate to the effect that necessary entry has been made in the siding register and the register of deposit work has been recorded on all Completion Reports relating to assisted sidings and deposit works.

It should also be seen by conducting a complete review of estimates, Completion Reports, Works Registers and the connected files of the Administration that the Works executed had fulfilled the object for which they were intended and the expenditure incurred was not rendered infructuous.

10.15 ASSISTED SIDINGS (See Para 285 of Railway Audit Manual)

The rules regarding construction, working and maintenance of Assisted Sidings are given in Paragraphs 1822-E to 1842-E. During review it should be seen.

- (i) that a proper agreement exists for each siding and that there is no delay in the execution of these agreements. Any case where a siding is worked by the Railway without an agreement regarding its working should be brought to notice for being suitably taken up with the Administration;
- (ii) that there is no delay in the recovery of interest and maintenance charges;
- (iii) that a register showing particulars of all sidings in the Division as prescribed in Para 1840-E is maintained and is kept upto-date according to the instructions laid down therein.
- (iv) Bills for interest and maintenance charges for all sidings are prepared by the Divisional Accounts Office. In respect of such sidings, the agreements of which provide for credit of haulage charges being afforded in their bills, the Divisional Audit Officers should prepare a list showing the amount of haulage charges for which credit has been allowed in the bills and send the same to TA branch every year for necessary test check.
- (v) In case of new sidings, the connected agreements should be reviewed. It should be seen whether an examination of earnings of each siding is made periodically by the Administration as required under Para 1839-E to test whether they are working profitably. The desirability of making the suggestion for the dismantlement may be considered where the sidings are not working profitably. It should be seen that the cost of special staff engaged on the siding or interest and maintenance charges including leave salary contribution, P.F. Bonus and gratuity contribution etc. and for other Railway assets used by the siding owners, alongwith the siding are recovered as per agreement. It should further be checked whether the entries contained in the Siding Register maintained in the Accounts Office are being duly verified annually with statement of sidings, sent by the Divisional Engineers as required under Para 1840-E. In the case of those sidings where Siding Charges are recoverable on the basis of actual expenditure incurred by the Railway Administration, it should be seen that the charges incurred during the year have been properly collected and included in the bill without any omission;
- (vi) It should be seen that a suitable clause exists in the agreement entered into with siding owners for the periodical inspection by the Railway Administration to see that the maintenance of the sidings beyond the Railway limits by the private parties confirm to the requisite standard prescribed by the Railway and also for the cost of such inspections. In the case of those sidings where the Railway Administration has undertaken the maintenance of the sidings beyond the Railway limits, suitable charges as fixed by the Administration for maintenance and inspection are recovered.
(Authority : Railway Board's letter No.58/EI/SA/13 dated 29.6.1962 received under Additional Deputy Comptroller & Auditor General of India (Railways) letter No.4133-RAI/7-5/64 dated 12th January 1965).
- (vii) It should be seen that the recovery of rent for Railway land on which private siding are constructed is made at 7% of the market value of such land. It should be seen that market value of land on which rent is charged is reviewed by the Railway every five/ten years as prescribed in Railway Board's letter No.61/W.II/LC/35 dated 18.6.1962.
(Authority : Railway Board's letter No.61/WI/SA/10 dated 9.3.1964)

10.16 BILLS FOR RENT OF TELEPHONE WIRES

(See Para 287 of Railway Audit Manual)

It should be seen in audit that the bill has been accepted by the department concerned regarding mileage etc. of wires and that the rates and calculations are correct.

10.17 INCIDENCE OF THE COST OF SHIFTING TELEGRAPH LINES AND WIRES

The Post and Telegraph Department will not bear the cost of shifting of telegraph and telephone lines except in the case of ordinary shifting of telegraph and telephone lines and wires necessitated by the re-alignment of Railway tracks, remodelling of station yards, the shifting or extension of ghat lines etc.

In cases where shifting of telegraph or telephone lines is necessary in connection with the laying of sidings for private parties, the cost of shifting in cases, whether in the 'Assisted' or the 'Private' portion of the siding, irrespective of the amount involved will be borne by the party requiring the siding. It will be entered as an item in the estimate for the sidings sent for the applicant's acceptance and credited to the Post and Telegraph Department in due course.

(Authority : Railway Board's letter No.1619-V dated 26th February, 1940 and 1570-W dated 8th July, 1940).

10.18 PLANT RESERVE

The rules given in Chapter XIX-S should be borne in mind. It should be seen that a complete and up-to-date record of the cost of each plant is maintained and that numerical account are kept and all the items are verified by actual count at suitable intervals.

10.19 BUTT WELDING PLANT MEERUT CANTT.

The instructions regarding maintenance of the accounts of the plant and their reconciliation with the Financial Accounts maintained by the Accounts Office are contained in Joint Engineering and Accounts Procedure Office Order No.192 dated 6.12.1977. The rules contained in the Indian Railway Code for the Mechanical Department (Workshop) will also apply mutatis mutandis in the case of this Plant.

10.20 REVIEW OF LOG REGISTER IN CONNECTION WITH JEEPS MAINTAINED BY THE RAILWAY ADMINISTRATION

(See chapter XXVII of Indian Railway Establishment Manual)

It should be seen that:-

- (i) there is no unauthorized use of the jeep;
- (ii) all journeys performed by jeep are noted in log Register;
- (iii) duty slips are issued for all journeys to be performed by the jeep;
- (iv) the consumption of petrol is reasonable;
- (v) the cost of repairs and servicing is not excessive; and
- (vi) recovery of charges has been made for private use;

In addition to the review of Log Register of Railway vehicles during local inspections, the rates and charges relating to all such vehicles may be reviewed quarterly not only at Headquarters but also in other places.

The result of review should be put up to the Branch Officer.

(Authority : DRA's confidential letter No.A12-35/48 dated 22.1.1949 and DRA's letter No.A/12-35/4 dated 21.1.1949)

10.21 FINANCIAL REVIEW OF CONSTRUCTION PROJECTS AND OPEN LINE WORKS COSTING RS.50 LAKHS AND OVER

The instructions contained in Chapter 2 of Indian Railway General Code Volume I Para 1520E, 301 of Railway Audit Manual and Para 243 to 252 of Manual of Standing Orders (Audit) may be seen. During the review of this item the figures relating to sanctions actuals, further outlay etc. should be verified.

(Authority : Additional Deputy Comptroller & Auditor General of India (Railways)'s letter No.1375-RAI/A7-4/59 dated 28.5.1959).

10.22 TESTS TO JUDGE THE PRODUCTIVITY OF CAPITAL EXPENDITURE

(See Para 292 of Railway Audit Manual)

On receipt of an intimation of the selection of any work for the purpose of productivity tests the Performance Audit Section should within a reasonable period of the receipt of such intimation obtain the result of investigation of the Accounts Office in respect of the work selected and pass it on to the Audit Section concerned for scrutiny. The figures of expenditure will be got verified from the Auditing Section concerned and those of earnings from the concerned Traffic Audit Branch. The under noted letters contain the extent orders issued by the Railway Board on the subject of productivity Test/Reviews.

1. Railway Board's letter No.F(X)-1-53-PD/I(Dup) dated 20.3.1956 (received under Comptroller & Auditor General's endorsement No.RAI/A5-26/56 dated 20.10.56).

2. Railway Board's letter No.F(X)I-56-GMT/4/5 dated 9.11.1956 received under Comptroller & Auditor General's endorsement No.RAI/A5-26 dated 23.11.1956.
3. Railway Board's letter No.F(X)I-53-PD-I(Dup) dated 16.10.1957 received under Comptroller & Auditor General's endorsement No.RAI/A5-26/56 dated 18.12.1957.

It should be seen that works in respect of which these tests/reviews have to be applied are duly selected by the Railway Administration from year to year and the Financial Adviser and Chief Accounts Officer carried out the test/review as and when they fall due and report the results to the Railway Board.

The reviews prepared by the Administration should be examined generally to see inter-alia whether:-

- (i) all the relevant factors affecting the final results have been taken into account without omission;
- (ii) the results have been correctly worked out as laid down in Chapter II of the Indian Railway Financial Code Volume-I and
- (iii) the results show that the anticipated benefits have been achieved. It should also be seen that proper machinery exist to record the works selected for the above purpose either by the Railway Board or the General Manager and also to watch the progress in the Headquarters office as well as in the different Divisions. If this scrutiny reveals any important or any peculiar features or when there is any doubt or difference of opinion in regard to the interpretation of the orders on the subject a special report should be made to the Central Section for onward transmission to the Additional Deputy Comptroller & Auditor General of India (Railways) after obtaining Director of Audit's orders.

10.23 CAPITAL AND REVENUE ACCOUNTS OF RESIDENTIAL BUILDINGS

The instructions regarding simplification of the forms and procedure for compilation of rent rolls, the check and review of recoveries of rent for residential buildings occupied by the Railway employees and the preparation of Capital and Revenue Accounts of Residential Buildings are contained in Railway Board's letter No.63/AC/IIDLR9SPL/22 dated 12.3.1963. Supplementary instructions have been issued vide Joint Engineering Personnel and Accounts P.O.No.70, dated 16.11.1963. It should be seen that all the important particulars viz. name of the occupants, monthly emoluments, assessed rent, dates of occupation and location of the quarter, entitlement to rent free accommodation, amount of rent recovered, cost of sanitary and electric installations and that of additions and alterations have been noted in the rent rolls and the rent registers checked in audit. It should also be seen that the rent roll forms whenever due and the change statement cum-rent variation memorandum are submitted by the authorities concerned to the Accounts Office in time as any delay or non-compliance will completely vitiate the work of the simplified procedure. The combined rent rolls when prepared by the Administration should be compared with the list of buildings at the commencement of the first financial year of the five year period. It may further be ensured that the rent rolls prepared are in respect of all the buildings. As the Capital and Revenue Accounts will now be prepared separately for each pool of residential buildings for Group 'A' and 'B' officers and Group 'C' and 'D' staff, the total amount of actual rent recoveries, will be verified by the Divisional Audit Officers concerned from the relevant heads to which necessary credits have been made during the financial year. The proforma recoveries of rent will be verified by multiplying the estimated amount of rent shown by multiplying the estimated amount of rent shown in the complete rent rolls prepared for one month in the year in respect of those staff who are entitled for rent free quarters by 12. While verifying the total Capital outlay it should be ensured that the cost of new buildings constructed during the year and additional expenditure incurred on existing buildings has been added and buildings condemned and abandoned have been taken off the list of buildings.

The result of review of the Capital and Revenue Accounts of Residential Buildings prescribed in Para 259 of Railway Audit Manual will be submitted to the Additional Deputy Comptroller & Auditor General of India (Railways) in the form of comments duly accepted by the Administration. For this purpose Audit Sections concerned will send their review remarks to the Expenditure Audit Section by the 15th August. The review on the consolidated accounts will be prepared by the Expenditure Audit Section and sent to the Financial Adviser and Chief Accounts Officer by the 10th October for obtaining the acceptance referred to above. After the acceptance is received a copy of the review will be sent to the Additional Deputy Comptroller & Auditor General of India (Railways) so as to reach him by the 1st December.

(Authority : D.R.A.'s letter Nos.D/8-33 dated the 12th March, 1935 and D/8-36 dated the 15th July, 1935).

Note :- The compilation of Capital and Revenue Accounts of Residential Buildings constructed by the Construction projects and allotted to the Construction staff has been dispensed with in terms of Railway Board's letter No.F(X)-1-68-OR11/1 dated 7.4.1968. Capital and Revenue Accounts of Residential Buildings of open line allotted to construction staff as the credits in respect of rent recoveries from the staff of construction are passed on to the open line D.A.Os. for carrying necessary adjustments.

10.24 AUDIT OF CHARGES DEBITABLE TO 345-A AND 345-B RAILWAY MISCELLANEOUS EXPENDITURE, SURVEY AND OTHER CHARGES

These will be scrutinised to see that proper sanction and budget provision exist to cover the same (Para 294 of Railway Audit Manual). The instructions regarding maintenance of Accounts of Surveys are contained in Paragraphs 1514 and 1515-E. In auditing the various vouchers, those relating to survey and other item, if any chargeable to the head 3145-A and 3145-B Miscellaneous Railway Expenditure should also be included in the selection and audited upto the prescribed percentage.

10.25 AUDIT OF LAND REGISTERS

- (1) The instructions contained in Para 282 of Railway Audit Manual may be seen.

- (2) The rules and procedure regarding acquisition, custody and management of land as prescribed in Chapters VIII to X of Indian Railway Engineering Code and the procedure of disbursement of land charges and maintenance of registers of land charges in Accounts Department given in Para 947-E to 949-E may also be seen.
- (3) The register should be reviewed generally to see that it has been properly maintained and kept upto-date.
- (4) It should be seen that land is required only for sanctioned works and bonafide purposes as required under Para 913-E.
- (5) It may also be seen that the land acquired by the Administration has been utilised for the intended purpose.
- (6) It may be seen that the licence fee for Railway plots is fixed on a uniform rate of 7% of the market value as assessed by the Local revenue authorities (Railway Board's letter No.61/WII/LC/35 dated 17.2.1965).

10.26 AUDIT OF ACCOUNTS OF HOSPITALITY FUND

The Public Relations Officer of the Railway has been authorised to incur expenditure on entertainment of editors, or important members of his staff, freelance journalists, Press Correspondents and persons connected with commercial advertising on the Railway in the interest of Railway publicity and public relations or procurement of commercial advertising and distinguished visitors. The expenditure incurred for this purpose is met from a fund known as Hospitality Fund. The detailed orders on the subject, are contained in the Railway Board's letter Nos.1022-TG/55 dated 14.6.1956, 13.2.1957, 1501-TGIV/57/1 dated 24.1.1958, 66/P/40 dated 9.9.1967 and 75/PR/4/9 dated 15.10.1975.

10.27 ACCOUNTS RELATING TO THE SUPPLY OF WOODEN SLEEPERS

(See Para 291 of Railway Audit Manual)

It may be seen that the instructions issued by the Railway Board on this subject are strictly followed and that tenders are invited for purchase from private parties and generally the lowest tenders are accepted. It should be ensured that the system of inspection of sleepers is satisfactory and adequate arrangement exists to ensure that only the inspected sleepers are despatched to the Railway Depot.

10.28 AUDIT OF LAW CHARGES

(See Para 277 of Railway Audit Manual)

10.29 PAYMENT OF SETTLEMENT BILLS

The following points should be borne in mind in auditing such payments:-

- (1) It should be seen that withdrawals from station earnings are made only for payments to substitutes and temporary employers who are discharged during the wage period and are required to be paid within two working days of their discharge under the payment of Wages Act. This withdrawal is permissible only at the stations where Accounts Offices are not situated and where pre-check of bills is not possible.
- (2) The settlement salary bill/Muster Sheet is prepared on the standard forms of salary bills/muster sheet but specially printed in two foils, the first foil being on white paper marked 'original' and the second foil on Green paper marked "Duplicate-not for payment". The bill should be properly allocated by the bill preparing authority and should indicate the name of Accounts Office concerned with whom the Accounts is adjustable.
- (3) The Senior Subordinate/Station Master is to send a telegraphic advice to the Accounts Office where such payments are to be arranged. It should be ensured that these are properly kept and orders of Gazetted Officers are obtained, whether a Class III employee be deputed for witnessing such payments.
- (4) The Supplementary muster sheet/salary bill on receipt in Accounts Office is verified with reference to the relevant paid vouchers received through T.A. Branch alongwith a statement sent to the Accounts Office concerned.
- (5) That a special register of bills is maintained as distinct from the usual register of bills received for internal check so as to allot them regular Accounts Bill numbers. The Accounts Bills Numbers allotted bear a special letter say (p) so as to indicate distinctly that this refers to bills paid from station earnings.
- (6) The post check of settlement bills is taken up immediately in the Accounts Office and completed normally within 10 days of the receipt thereof from T.A. Branch.
- (7) A manuscript register is maintained by each Accounts Clerk concerned to record the receipt of the bills from T.A. Branch and receipt of the duplicate copy (Green) of the bills from D.P.O./DEN duly countersigned to ensure timely action being taken in the event of non-receipt of either of the two copies of the bills.
- (8) The review by the Gazetted Officers is exercised with reference to the statement of un-checked bills prepared from the Register of Bills in terms of Para 1122-A on the 11th, 21st and the last day of each month. It will be the responsibility of each Accounts Officer to ensure that the number of outstanding at any time is not heavy and that appropriate action has been taken to keep the number to the minimum possible.

(Authority : Joint Commercial Accounts P.O.O. No.74 dated 18.3.1964).

10.30 JOINT STATION ACCOUNTS

See Para 286 of Railway Audit Manual

10.31 RECOVERY OF WATER CHARGES FROM GAZETTED OFFICERS OCCUPYING RAILWAY QUARTERS

Charges for water supplied to the Gazetted Officers occupying Railway Quarters should be adequate to meet the cost incurred by the Railway. The rates are fixed once in five years in accordance with the instructions contained in Railway Board's letter NO.F/(X)II-54/TX-33 dated 2.9.1959.

The correctness of the rates fixed will be scrutinized by the Divisional Audit Officers concerned. The recovery of water charges made from pay bills will be watched by the Establishment audit section.

10.32 REVIEW OF COURT CASES AND ARBITRATION AWARDS

Court cases decided against the Railways to the extent prescribed are required to be reviewed. The following points should, inter alia, be seen:-

- (i) that there is no abnormal delay in taking various steps in the course of a case e.g., filing the affidavit, or documents, production of evidence, dealing with reference form Railway Pleaders, etc.
- (ii) that there is no failure on the part of the Administration in furnishing the required information to win the case,
- (iii) that there is no absence of key witnesses or advocate,
- (iv) that there is no delay in satisfying the court decrees and consequent extra expenditure.

Important results of review of Court cases and arbitration awards should be reported to the Principal Director of Audit.

CHAPTER-XI

AUDIT OF GENERAL BOOKS, ACCOUNTS AND APPROPRIATION ACCOUNTS

11.1 DUTIES AND RESPONSIBILITIES

The Books and Appropriation Audit Section is responsible for the Audit of the General Books and accounts of the Northern Railway and other organisation entrusted to the office of Principal Director of Audit including the audit of the Capital and Revenue Accounts, Financial Accounts, Debt Head Report, Appropriation Accounts and other connected statements. The work done in the branches and divisions of the Accounts office in this respect is audited by the corresponding audit sections. The inspection of the office of the Chief Cashier, Delhi is also conducted by this Section.

The Audit of Appropriation Accounts including Balance Sheet of the Railways is done to see that they are properly drawn up so as to exhibit a true and fair view of the state of affairs of Indian Railway. This is being done in pursuance of the provisions of Article 149 and 151 of the Constitution of India and Comptroller and Auditor General (Duties, Powers and Conditions of Services) Act, 1971. The General Books and Accounts of Railway receipts and expenditure are test audited through Central Audit and Local Inspections.

11.2 AUDIT OF GENERAL BOOKS AND ACCOUNTS:

(See Chapter XIX of Railway Audit Manual)

The instructions for conducting the audit of general books and accounts are contained in Chapter XIX of Railway Audit Manual and Paras 36 and 37 of Secret Memorandum of Instructions (Railway Audit).

The duties of the Accounts Officer in regard to the compilation of Railway Accounts and the various processes by which receipts and disbursements of his accounting circle should be collected and brought to account are contained in Chapter-III-Accounts Code Volume I. The instructions regarding compilation of Annual Accounts and returns are contained in Chapter VII Accounts Code Volume I. The procedure of adjustment of Transfer transactions and Remittance Transactions and for dealing with the Suspense Balance are detailed in Chapter XIV, V and VI, Accounts Code Volume I.

11.3 UNPAID WAGES STATEMENTS AND PAY ORDERS FOR PAYMENT OF UNPAID WAGES

(See Para 386 of Railway Audit Manual and Paras 1957 to 1961 and 316 to 319 of Accounts Code Vol. I)

The check may be confined to the tracing of unpaid wages from the bills audited into the unpaid wages statements. It should be seen that usual copies of unpaid wages list are prepared by the pay clerk and one copy is invariably sent to the departmental officer concerned. It should be seen that

- (i) all the unpaid amount has been deposited into the treasury to the credit of the Railway and the treasury receipt has been submitted to the Accounts Officer as supporting vouchers to the pay clerk cash book (A-1917). This should be seen by making a reference to the daily abstract of cash transactions and the Head "Deposit-unpaid Wages" in the general book.
- (ii) the unpaid wages lists are correctly prepared and that the particulars shown in the list agree with that shown in the bills,
- (iii) that all the unpaid items in the bills are brought to the list and noted in the register of unpaid wages
- (iv) that there has been no undue delay on the part of the pay Clerks to lodge the amounts with cashier etc.
- (v) that subsequent payments are made to the correct parties and that such repayments are promptly noted in the Register of unpaid wages and duly attested by a Gazetted Officer or Section Officer (Accounts) to avoid the risk of a double payment
- (vi) that the amounts passed for payment agree with the amount shown against the relevant lists of unpaid wages furnished by the pay clerks.

11.4 JOURNAL VOUCHERS INCLUDING SCRUTINY OF ADJUSTMENT MEMO

The extent of check for this item should be as per Secret Memorandum of Instructions (Railway Audit). The instructions contained in Paras 387 of Railway Audit Manual, 36 of Secret Memorandum of Instructions (Railway Audit) and 307 and 308 of Accounts Code Volume I may be seen while auditing journal vouchers. It should also be seen that:

- (i) each journal slip or adjustment memo is signed by a Gazetted Officer;
- (ii) all supporting vouchers have been signed by a Gazetted Officer in token of the acceptance of the charges;
- (iii) there are no cases of fictitious or delayed adjustments, misclassifications or adjustments causing wide variations between the final allotment and final expenditure under the grant concerned;
- (iv) adjustment memo or supporting vouchers have been duly examined by the departments concerned and remarks of verification, acceptance and allocation recorded, journal vouchers selected for tracing should be traced into works/Revenue Allocation Registers and Journals.
- (v) All cases of misclassification, important mistakes in accounting or any other points affecting Appropriation Accounts are noted in a separate register for reference at the time of check of Appropriation Accounts.

NOTE: In case the number of journal vouchers checked in audit falls short of the required number of journal vouchers to be traced into the journals, additional journal vouchers should be scrutinized in audit to make up the deficiency

as required under Para 36 of the Secret memorandum of instructions (Railway Audit). For exercising a special check over the adjustments which are made towards the close of the financial year each auditing section should examine each adjustment relating to the accounts towards the close of the financial year and list out the items which are considered important. The list thus prepared should be sent to the Internal Audit (ITA) Section by 15th of September each year. In case no adjustment is considered important enough for investigation by Internal Audit (ITA) Section, a Nil statement may be sent. The Internal Audit (ITA) Section will examine in detail the important items selected by the Principal Director of Audit. The Officer-in-charge (Internal Audit (ITA) Section) will visit selected branches every year to examine the adjustments on the spot.

(Authority : Procedure office Order No. 64 dated. 30.3.1960)

The result of examination of adjustments carried out by the Efficiency-cum-Performance Audit Section may be intimated to the Appropriation Audit Section by the end of September each year giving full details i.e Grants concerned. the irregularity committed, the effect of adjustments on the accounts of Grant etc. of irregular adjustments for taking up the irregularity in the Appropriation Accounts of the Grants concerned.

11.5 BUDGET REGISTER AND ORDERS OF APPROPRIATION AND REAPPROPRIATION

(See Paras 389 to 391, 399 and 400 of Railway Audit Manual and Paras 376 to 382 of I.R.F Code Volume-I)

It should be seen that the orders of Appropriation and Re-appropriation issued by the Railway Board or by the General Manager are in order and have been entered in the Budget Register.

It should be seen that the allotments made by the General Manager are within the amounts placed at his disposal by the Railway Board. It should be seen generally

- (i) that no reappropriation are made from one grant to another;
- (ii) that no reappropriation are made after the close of the year;
- (iii) that no allotments are made for items falling under the category of 'New Services'

11.6 GENERAL CASH BOOK

The purpose of maintenance of General Cash Book, the form in which it is to be maintained and the vouchers/documents from which it is to be posted are given in Para 304 to 305 of Accounts Code Volume I. The points to be seen during the Audit of General Cash Book are contained in Paras 367 of Railway Audit Manual. The instructions contained in Chapter II of the Manual of Books Section of the Financial Adviser and Chief Accounts Officer's office may also be seen.

11.7 CASHIER'S CASH BOOK

(See Para 368 of Railway Audit Manual)

It should be seen that

- (1) the cash book is balanced every day and submitted daily for check by a Gazetted Officer of the Accounts Office
- (2) it is maintained as per instructions contained in Paras 1907 to 1918 of Accounts Code Volume-I. It should also be seen
 - (i) that the opening balance agree with the closing balance of the previous day
 - (ii) the total traffic collections tally with the total of the summary of Cash check sheets (Para 1943 of Accounts Code Volume-I)
 - (iii) the miscellaneous collections tally with the daily total of miscellaneous cash receipts
 - (iv) the remittances into the treasuries agree with the amounts shown in the counterfoils of the remittance notes and they are supported by treasury receipts (Para 1944 of Accounts Code Volume I)
 - (v) the closing balance is correct.

11.8 VERIFICATION OF CASH

(See Para 369 of Railway Audit Manual)

Previous notice of the date of verification is not necessary. The cash in hand with the Cashier, Paymaster and the pay clerks, the unpaid bills outstanding and the amount of unpaid wages may be ascertained once in a year to see that no unauthorized use is being made of such money (See Paragraphs 1952, 1953, 1988 to 1990 of Accounts Code Volume I). The cash balances of the pay clerks Headquartered outside Divisional Headquarters but present in the Divisional Paymaster's office at the time of inspection should also be checked. In the year in which general inspection of the Chief Cashier's office becomes due, the cash verification should be done alongwith the general inspection. The instructions contained in Paras 61 and 62 of the Secret memorandum of Instructions (Railway Audit) and Para 370 of Railway Audit Manual may also be seen. It should be seen that the procedure observed by the Cash and Pay Office meets all the requirements of audit and that the accounts are properly maintained. It should also be ensured that the orders regarding the custody, handling of cash and other valuables have been duly observed. It should inter-alia be seen that:

- (i) the system of receipt and disbursement of cash and the checks on the work of the subordinates are sound and leave no loophole for frauds or temporary misappropriations (Para 1903 of Accounts Code Volume-I).

- (ii) moneys received by the Cash office are paid promptly into the Government treasuries:
- (iii) the cash book and supporting documents are checked daily by an Accounts Officer (Para 1918 of Accounts Code Vol-I)
- (iv) the system of providing funds to pay clerks and receiving unpaid amounts is satisfactory (Paras 1947 of Accounts Code Volume I and 950 of Accounts Code Volume-I)

NOTE: In order to have an element of surprise this inspection may be conducted in any month during the year and not necessarily in the month of March every year.

(Authority : Central Sections letter no. C/4-1/74-75 dated. 9.4.1974)

11.9 PAY MASTER'S (INCLUDING PAY CLERKS) CASH BOOK

(See Para 63 of the Secret Memorandum of Instructions (Railway Audit))

It should be seen that (i) opening and closing balance of each day is correct. (ii) all the cheques issued in favour of the Pay Master for the disbursement of the bills included in the abstracts of bills (A-1107) passed during the month have been correctly taken to account in the Cash Book (iii) the receipts of the payees are forthcoming in all cases where payments have been made (iv) treasury receipts are forthcoming for the amounts returned as unpaid (v) no bills are retained by the Pay Master beyond the period permitted under Para 1988 of Accounts Code Volume-I (vi) the arithmetical totals are correct and (vii) the Acquittance certificate has been recorded by the Accounts office on the Cash book.

11.10 SUSPENSE BALANCES

The instructions contained in Chapter VI of Indian Railway Accounts Code Volume I and Para 381 of Railway Audit Manual may be seen. The accuracy of the balances shown in the statement of outstanding suspense Balances should be checked in detail as per rules laid down in Indian Railway Accounts Code Volume-I. It should be seen that proper action is being taken to expedite the clearance of outstanding items and that no item which prima-facie would be debited or credited to final head, is allowed to stand in the Railway Books. The important defects in procedure or control should be carefully investigated and brought to the notice of the Accounts for necessary action.

11.11 ADJUSTMENTS WITH OTHER GOVERNMENT DEPARMENTS

(See Para 371 of the Railway Audit Manual)

It should be seen that the reconciliation has been done regularly as required under Para 431 of Accounts Code Volume-I and that at the end of the year no balance exists under the head Account with States etc. and the 'Reserve Bank Suspense' and in the case of outstanding balance, action has been taken to investigate and adjust the same in the earliest possible month of the next financial year. It may further be seen during the audit of Register of Advices issued and received by the Financial Adviser and Chief Accounts Officer (Form A-429 and 430) that there has been no undue delay on the part of the Railway in effecting adjustments.

11.12 TRANSFERS RAILWAYS

(See Para 373 of Railway Audit Manual and Para 413 and 418 of Accounts Code Vol-I)

- (a) It should be seen that the unadjusted balances, if any, at the close of the year under this Head are allowed to remain outstanding and not cleared by debit to a suspense head.
- (b) Recovery of guarantees from State Governments and District Boards:

The instructions contained in Para 376 Railway Audit Manual may be seen.

11.13 CHECK OF MONTHLY ACCOUNTS WITH THE SCHEDULES AND JOURNALS (CAPITAL AND REVENUE):

(See Para 372 of Railway Audit Manual)

The check of monthly accounts consists of (i) checking the postings of the Journal slips in the Journal (ii) checking the totals in the journal and the posting of grant total in the ledgers and (iii) checking Accounts Current with the schedules and journals. The posting of journal slips into the journal should be checked to the extent prescribed in the Secret Memorandum of Instructions (Railway Audit). In checking the Accounts Current, it should be seen that it is supported by proper schedules which should accompany it and that the totals of the entries in the schedule agree with the figures under the respective heads shown in the Account Current.

11.14 CAPITAL AND REVENUE ACCOUNTS (Chapter VII A.I)

The Auditing sections will verify the information furnished by the Accounts Officers at Headquarters and Divisions for compilation of Capital and Revenue Accounts and intimate results thereof to books and budget (Headquarters) Audit Section. The Financial Adviser and Chief Accounts Officer will compile the Capital and Revenue Accounts of the Railway and forward them to the Railway Board furnishing simultaneously copies thereof to the Books and Budget Headquarters Audit Section for verification. In scrutinizing the Capital and Revenue Accounts, the instructions contained in Para 374 of Railway Audit Manual should be borne in mind. The Capital and Revenue Accounts will be checked in detail as indicated in the following Paragraphs. Irregularities noticed should be pointed out to the financial Adviser and Chief Accounts Officer for rectification.

Statement No. I : Statement of Capital Outlay authorized:

This will be checked with the final copy of the previous year's Account, the Ledger and the audited copies of the statement of Transfers without Financial Adjustment sent to the Comptroller and Auditor General (Railways) separately.

Statement No. II: Stock and Share Capital created showing the proportion received.

Statement No. III: Capital raised by loans, debentures and debentures stock.

Statement No. IV: Receipts and Expenditure on Capital Account.

Statement No. V Details of Capital Expenditure for the year.

In this statement, the expenditure during the year will be shown by main Heads of Accounts (final Heads of Accounts) Outlay on Indian Railways (Commercial) in respect of Open line and in respect each of the new constructions separately. The statements received from the various auditing units showing the actual expenditure for the year by detailed Heads of Accounts under the said major head will be consulted to verify the correctness of the figures shown in the consolidated statement as well as in Schedule 'C' appended to the Finance Accounts. It should be ensured that the totals under each of the minor Heads of Account under the said major Head in respect of open line and each of the new constructions agree with the figures shown in the ledger and relevant schedules sent with the Capital Account Current for March.

Statement No. VI Statement showing estimates of further expenditure on Capital Account:

The details in respect of open line and each of the new constructions will be indicated separately in this statement also. The figures shown under the Column "Total Expenditure from commencement of operation to the end of the year" should be verified with reference to the figures shown in the previous year's final copy of the Accounts the expenditure during the year shown in Statement V of the current year and the accounts of transfers effected without financial adjustment affecting the Heads of Account as shown in the audited copies of the statement sent to the Comptroller and Auditor General (Railways).

The figures shown against each minor Head of Account in respect of Open line and each of the New constructions should also be verified with those indicated in the ledger/relevant schedules accompanying the Capital Account Current for March.

Statement VII Capital Powers and other assets available to meet the other expenditure.

These statements related to worked lines. As there are no worked lines on the N.Rly., these statements are not prepared.

Statement VIII Capital Account

The details shown in this statement will be checked with those shown in the final copy of the previous year's accounts and Statement No. VI of the current year.

Statement IX Revenue Account for the year

The details of earnings given in the Statement will be verified with the details shown in the schedule of earnings enclosed to the Account Current (REV) for March.

As regards working expenses, the statements received by auditing sections from the respective Accounts Officer will be checked with the Revenue Allocation Sheets of their units and results advised to Books and Budget Headquarters Section. The Books and Budget Headquarters Audit Section will verify the details with reference to the statements received from other auditing sections.

Statement No. X Distribution of the actual earnings and proportionate shares of working expenses of the various lines comprising the Railway System:

The particulars of actual earnings and proportionate shares of working expenses of the various lines of the Northern Railway system will be verified with those shown in Statement No. IX

Statement No. XI Summary of working expenses:

This will be checked with reference to the audited statements received from the various units.

Statement No. XII Detailed accounts of Revenue working expenses:

The details received from the various units duly audited will be traced into Gauge wise consolidated allocation sheets in respect of each of the revenue abstracts prepared by Headquarters Books Section of the Accounts Office. The correctness of the totals shown in the consolidated sheets will also be checked. The details shown in above statement will be verified with the checked details in the consolidated allocation sheets. It should be ensured that the particulars given in the statements agree with those shown in Statement No. XI. In the case of all abstracts, it should be ensured that the various sub-detailed Heads of Accounts are current and all Heads of Account are exhibited irrespective of whether expenditure is booked against any head or not. For this purpose, the audited copy of the statement showing the changes in the form and classification sent to the Comptroller and Auditor General (Railways) should be referred to:

Statement No. XIII Detailed Accounts of Revenue Earnings.

The information furnished by the Traffic Accounts Branch for incorporation in this statement will be verified by the Traffic Audit Section with reference to the records maintained in the Traffic Accounts Branch (Sundry) and an audited copy thereof furnished to the Books and Budget Headquarters Audit Section. Based on the advice received from the Traffic Audit Section, the Books and Budget Headquarters Audit Section will check the correctness of the details given in this statement.

Statement No. XIV Statement of outstanding earnings

The details furnished for this statement by the Traffic Accounts Branch will be verified by the Traffic Audit Section with reference to the station balance sheets as regards station outstandings and with the Accounts Office Balance Sheets and Register of Bills Recoverable in regard to other outstandings and results advised to Books and Budget Headquarters Audit Section. The Books and Budget Headquarters Audit Section will check the statement with reference to the report of Traffic Audit Section.

Statement No. XV Net Revenue Accounts:

The figures of Dividend Payable to General Revenue for the year shown in this statement should be verified with reference to the audited final copy of the statement showing the detailed calculations of Dividend Payable to General Revenues forwarded to the Comptroller and Auditor General (Railways).

Statement No. XVI Account of total net receipts:

This will be checked with the final copy of the previous year's account, the Revenue Ledger and statement No. IX of the current year.

Statement No. XVII Dividend Account:

This will be checked with the previous year's final copy of the accounts and statement No. XVI of the current year.

Statement XVII A: Statement showing capital at charge and calculation of Dividend payable to General Revenues.

Statement XVII B Statement showing details of subsidy under specific head received from General Revenues against equitable concession in payment of dividend vide Para 91 of the 5th report of Railway Convention committee 1977.

These should be checked with the audited copies of the statements sent to the Comptroller and Auditor General (Railways) separately.

Statement XVIII Depreciation Reserve Fund Account

The opening balance in the fund shown in the statement should be checked with the closing balance indicated in the accepted copy of the previous year's accounts and the statement showing transfers effected without financial adjustment during the year. The amount of replacement and renewals expenditure and credits for released materials will be checked with schedules of working expenses accompanying the Account Current for March of the year. The amount of appropriation to Depreciation Reserve Fund and closing Balance will be verified with the consolidated Revenue ledger, the figure of interest charges should be the same amount as shown in the transfer certificate sent to the Railway Board.

Statement No. XIX Expenditure under 345 Indian Railways policy formulation, direction, research and other miscellaneous organisation.

It should be seen that the minor heads as well as main heads under each minor head have been exhibited in the order laid down in the list of Major and Minor Heads of Account in Appendix IV-A.I, as amended from time to time. The details of outlay shown against the various minor heads should be verified with reference to the reports received from the various auditing units, Schedule accompanying the Account Current for March, and the audited copy of the statement for the previous year. The correctness of the figures of outlay to the end of the year should be checked taking also into account the amounts transferred without financial adjustment, if any, during the year.

Details furnished in the statement showing the detailed account of expenditure on closed surveys should be verified with the audited copy of the previous year's accounts as well as additions/deletions, if any, during the year as intimated by the corresponding audit sections.

Statement No. XX Expenditure charged to Development Fund.

Development Fund will be restructured as under:

DF-I Passenger and other Railway Users Amenity Works

DF-II Labour Welfare Works

DF-III Unremunerative works for improvement of operational efficiency.

DF-IV Safety works

(Railway Board's letter no. AC/1/1 dated. 24.5.93)

“CAPITAL FUND”

The railways plan Expenditure at present is financed out of the budgetary support received from General Exchequer, internally generated resources and market borrowings through IRFC. As the budgetary support over the years has been declined and market borrowings being expensive and uncertain, it has accordingly, been decided to create a new Fund, titled 'Capital Fund' for financing capital works. Expenditure out of the Capital Fund will be credited with the amount out of the surplus after appropriation to Development Fund. The Capital Fund has come into force with effect from the budget year 1992-93 whereas the other changes have taken effect from 1.4.93.

(Railway Board's letter No. AC/1/1 dated. 24.5.93)

Statement No. XXI Expenditure charged to Open Line Works Revenue:

- (i) The details of outlay to end of the year should be checked with reference to the audited statement of the previous year.
- (ii) The audited copy of the statement of transfers without financial adjustments and

- (iii) The statements indicating the details of expenditure during the year (charged to Development Fund-Open Line Works (Revenue) received from the various auditing Units.

The following points should be borne in mind in checking the statements:

- (a) The nomenclature of the main and subheads shown in these statements is that prescribed in Appendix IV to the Indian Railway Code for the Accounts Department-Part-I.
- (b) The figures of outlay for the year under each of the minor heads under Development Fund and Open Line works (Revenue) agree with the net figures appearing against the concerned items in the relevant schedules sent with the Revenue Account Current for March of the year. It should be ensured that differences, if any, due to rectification through Capital and Revenue accounts in terms of Para 922-Finance Code, are explained suitably through foot notes in the statements.
- (c) It should be seen that even though the figures 'Credits' in respect of Development Fund (I and II) are shown separately in the Schedule to the Account Current, they are not shown as a separate item in the Statement No. XX (Such credits should be merged with the expenditure relating to the main and sub-heads under the said minor heads).
- (d) At times, certain items of expenditure booked under Development Fund and Open Line Works (Revenue) do not fall under any of the minor sub-heads under the various minor heads of account. In such cases, the amount should be included under such sub-heads in which they could be merged based on the description of the items given by the units and a suitable foot note given in the schedule concerned.

After finalisation of the points raised by audit, the Financial Adviser and Chief Accounts Officer will arrange to get the Accounts printed and furnish printed copies of the Capital and Revenue Accounts to Audit.

Advance copies of the Capital and Revenue Accounts together with the audit certificates prescribed in Para 378-Railway Audit Manual should invariably be sent to the Comptroller and Auditor General (Railways) as soon as their audit is completed. When the printed copy of the accounts is received, it should also be sent to the Comptroller and Auditor General (Railways).

(CAG(R)'s letter no. 2621-RAII/4-11/61 dated. 19.7.1961)

11.15 FINANCE ACCOUNTS

The general instructions for the check of Finance Accounts are contained in Para 380 of Railway Audit Manual. The definition of Finance Accounts, its scope, the description of the various schedules and the appendices forming part of these accounts, the forms in which they are to be prepared and the certificate to be appended thereto are given in Paras 1223 to 1240 of Accounts Code Vol-I. If there is any delay in the printing of the Finance Accounts, typed copies of the accounts duly audited may be sent to the Additional Deputy Comptroller and Auditor General of India (Railways) in advance to avoid accumulation of arrears.

(Authority: Additional Deputy Comptroller and Auditor General of India (Railway's letter no. RAII/4-11/61 dt. 19.7.1961)

Three copies of printed capital and Revenue Accounts and Finance Accounts together with remarks thereon if any, are to be supplied to the Additional Deputy Comptroller and Auditor General of India (Railways) after their receipt from the Financial Adviser and Chief Accounts Officer.

11.16 DEBT HEAD REPORT (Paras 748-752 A.I and Para 383 RAM):

The Debt Head Report will be compiled by the Accounts Officers attached to Divisions, Constructions and Workshops etc. in respect of Debt Head operated by them and sent to the Headquarters Books Section of the FA&CAO's office, simultaneously endorsing a copy thereof to the concerned Audit Officers for verification. The respective audit section will verify the reports with reference to the previous year's audited statements and Ledgers maintained in the Accounts Offices and forward their remarks to them.

In auditing the Debt Head Report received, it should be seen whether the general instructions issued by the Railway Board in their letters mentioned below for the compilation of the reports have been complied with

- (1) 61-ACI/8/60-61 dated. 17.8.1961
- (2) 62-ACI/8/1/61-62 dated. 17.5.1962

A copy of the audited Debt Head Report together with comments which could not be settled at the unit level will be forwarded by the auditing sections to Books and Budget Headquarters Audit Section.

Based on the Debt Head Reports received from the various Accounts Officers, the Headquarters Books Section of Financial Adviser and Chief Accounts Officer's office will prepare a consolidated Debt Head Report for the entire railway and forward the same to the Railway Board and the Books and Budget Headquarters Audit Section. The latter will check the report bearing in mind the observations made by other auditing sections. The Books and Budget Headquarters Audit Section will return the audited copy of the Debt Head Report to the Financial Adviser and Chief Accounts Officer incorporating the audit certificate prescribed in Para 8 (g) of the Railway Audit Manual. A copy of the audited Debt Head Report should be sent to the Comptroller and Auditor General (Railways) by the due date.

After finalisation of the Debt Head Report a statement showing the details of misclassification noticed should be drawn up in the following form by the Audit offices concerned and sent to the Books and Budget Headquarters Section duly accepted by their Accounts counter-parts.

Sl. No	Brief particulars of misclassification	Head of account (credited or debited)	Correct Head of Account which should have been credited or debited	Account	Remarks
1	2	3	4	5	

Based on the reports received from the Unit Audit Officers and those irregularities noticed while verifying the consolidated Debt Head Reports, the Books and Budget Headquarters Audit Section will compile a statement of misclassification and forward it to the Financial Adviser and Chief Accounts Officer for his acceptance.

When there are misclassifications, the Audit Certificate on the Debt Head Report should be qualified. It should be noted that unlike 'Annexure-J' Statement of misclassifications and other mistakes, appended to the appropriation accounts, the statement of misclassifications affecting the Debt Heads has to be prepared by Audit and remarks of Financial Adviser and Chief Accounts Officer thereon obtained, as it is part of audit observations on the Debt Head Report, (Comptroller and Auditor General's U.O.I No. 7220-RAII/1/6/56 dated. 25th May 1960).

An advance copy of the statement showing the misclassifications prepared by Audit and forwarded to the Financial Adviser and Chief Accounts Officer for acceptance should be sent alongwith the audited copy of the Debt Head Report to the Comptroller and Auditor General (Railways). On receipt of final reply to the Audit observations from the Financial Adviser and Chief Accounts Officer, the Comptroller and Auditor General (Railways) should also be intimated.

11.17 STATEMENT SHOWING TRANSFERS WITHOUT FINANCIAL ADJUSTMENT:

The Unit Accounts Officers will compile this statement and sent to the Financial Adviser and Chief Accounts Officer, furnishing copies thereof simultaneously to the respective Audit Officers, for verification. The Audit officer after verification of the statement, will advise the results to the Books and Budget Headquarters Audit Section. The Books and Budget Headquarters audit section will audit the statement compiled by the Financial Adviser and Chief Accounts Officer for the entire Railway based on the advices received from the Unit Audit Officers. Copies of the audited statement will be furnished to the Comptroller and Auditor General (Railways). In checking this statement, it should be seen that in respect of inter – Railway adjustments, the acceptance of the Foreign Railways to the inclusion of the amounts 'per contra' in the statements relating to them have been obtained and kept on record. Generally, copies of the statements relating to other Railways will also be received in the Accounts Office, if any items having 'per contra' adjustments with the Northern Railway are included therein. Such statements should also be consulted to see that inter Railway Adjustments shown in the statements pertaining to Northern Railway have been correctly reflected by other Railways.

Item of adjustments affected within the Railway (Intra Railway) should be verified with reference to audited details received from the various units and the authority of adjustments. It should also be seen that in respect of adjustments relating to 'Loans and advances by the Central Govt' and 'Indian Railway Deposits' details of the amounts pertaining to each of the minor heads/classified heads there under are furnished separately and not in one lump.

While forwarding audited copy of the statements, copies of correspondence between the Railway Board and the Railway Administration in support of adjustments referred to in the statements should be sent. (CAG(R)'s letter no. 2719-RAII(L)I-7/62 DATED 29.8.1962.

Copies of general orders issued by the Railway Board applicable to all Railways and forwarded through the Comptroller and Auditor General (Railway's) need not however be sent.

11.18 STATEMENT SHOWING CALCULATIONS OF DIVIDEND PAYABLE TO GENERAL REVENUES:

The figures shown against the items "Total Capital at charge" and "Capital outlay incurred on new lines to end of previous year" under "Deduct entry" will be checked with those appearing in the audited copy of the Statement for the previous year. The outlay on "New lines" which have been opened for traffic should not be taken into account till the end of the fifth year of their opening of traffic. The amount of transfers without financial adjustments during the year should be verified with reference to the audited statement sent to the Comptroller and Auditor General (Railways). The correctness of "net capital at charge to end of previous year" should then be verified. The figures of capital outlay during the year including new constructions and the Capital outlay on New lines (appearing under deduct entry) should be verified with reference to the schedules appended to the capital Account current for March of the year. Thereafter, the correctness of the figures of the net capital outlay during the year (and half thereof) will be verified. It should be seen that the rate of interest advised by the Railway Board for calculations of dividend payable on the element of over capitalisation has been correctly adopted.

The dividend calculation statement should be accompanied by the following subsidiary statements:

(Authority: CAG's letter No. 20 Rly Audit-III/2301/94 dt. 14.6.94

- (i) Statement showing New lines, which have been taken upon or after 01.4.55 on other than financial considerations. The capital cost of such lines should be shown separately for pre-1980 and same should tally with the amount taken for working out subsidy.

- (ii) Statement of unremunerative branch lines with Capital cost against each line (pre-80 and post-80 to be shown separately). The amount shown in the statement should tally with the amount taken for working out subsidy. The financial results of such lines to determine the remunerativeness of the same and consequent admissibility of subsidy are to be worked out on marginal cost principle in terms of Board's letter no. 74ACI/3/14 dated. 25.5.93. It should be ensured that no subsidy is claimed on any of the said lines if it becomes remunerative on marginal cost principle.
- (iii) Statement showing capital expenditure incurred on the construction of New Lines opened on or after 1.4.55 for other than financial considerations and the amount of Deferred dividend payable from 6th year of their opening for traffic.

If any adjustment of arrears of dividend is made it should be distinctly shown as such with reasons and Board's reference, if any.

(Authority: CAG's letter no. 20 Rly audit-III/23-1/94 dated. 14.6.94)

11.19 STATEMENT OF DEFERRED DIVIDEND

According to Railway Convention Committee Report, 1980 and 1985, and accepted by the Government in respect of the Capital invested on new lines excluding the notified lines, taken up on or after 01.4.55 on other than financial consideration, the dividend payable is to be calculated at the average borrowing rate for each year but deferred during the period of construction and the first five years after opening of the lines for traffic. The deferred liability is to be paid out of the future surplus of the lines after payment of current dividend. The account of unliquidated deferred dividend liability on new lines is to be closed after a period of 20 years from the date of their opening, extinguishing any liability not liquidated within that period.

The deferred dividend statement which is prepared alongwith the dividend statement should be checked on the lines mentioned above.

The statement showing the capital outlay in respect of each new line and deferred dividend etc, should be submitted as an enclosure to the Dividend statement.

11.20 CONTINGENCY FUND – EXHIBITION OF TRANSACTIONS IN THE COMBINED FINANCE AND REVENUE ACCOUNTS:

The Headquarters Books Section of the Financial Adviser and Chief Accounts Officer's Office will compile the statement in the form prescribed and forward it to the Railway Board furnishing copies thereof to Audit for verification. The Books and Budget (Headquarters) Audit Section will verify the statement with reference to the audited copy of the statement for the previous year, the sanctions received from the Railway Board showing the amounts allotted from the Contingency Fund of India during the year, Accounts Current for March and the registers maintained in Accounts Office. It should be seen that suitable foot note in regard to the advance taken, from the Contingency Fund of India and recouped to the Fund during the same year is given in the Fund Account in terms of Railway Board's letter no. 72-AC/1/7/4 dated. .6.1973. The results of verification will be intimated to the Financial Adviser and Chief Accounts Officer. A copy of the audited statement will be sent to the Comptroller and Auditor General (Railways), (Railway Board's letter no. 55 ACI/7/5 dated. 17.3.1956, 55 ACI/7/5 dated. 27.5.1956, 61 ACI/7/4 dated. 16.8.1961 and Comptroller and Auditor General's letter No. RAI/T4/2/55 dated. Nil).

11.21 NEW SERVICES NOT CONTEMPLATED IN THE BUDGET:

(See Para 265 of Railway Audit Manual)

In order that cases of 'New Service/New instrument of Service' could be avoided as far as possible, the Comptroller and Auditor General has decided that where an Accountant General feels a doubt about a particular expenditure sanction whether the expenditure attracts the provisions of 'New Service/New Instrument of Service' he should immediately (prior to authorisation of payment) take up the matter demiofficially with the Secretary/Joint Secretary of the Administrative Ministry concerned with a copy to the Joint Secretary to the Ministry of Finance (Budget) for reconsideration. Copy of the reference made by the Accountant General should also be endorsed to the Comptroller and Auditor General alongwith a brief history of the case. The under-lying intention is that if the Administrative Ministry/Ministry of Finance does not agree with the views of the Accountant General, the matter can be discussed by them with the Comptroller and Auditor General's office to resolve the difference of opinion quickly without unduly delaying the expenditure. If it is finally held that the case attracts the provisions of new Service/New Instrument of Service, action could be initiated by the Department for obtaining supplementary grant or an advance from the Contingency Fund of India. This procedure is applicable only to cases of expenditure sanctioned by the Central Government.

(CAG's letter no. 1912-REP/274/274-65 DATED 24.9.1968; received under A.D.A.I's letter no. 4626-RR/6-1/68 dated. 28.10.1968)

On the Railway side 'authorisations' to executive officers to incur expenditure on works are issued by competent authorities and copies of such 'authorisations' are endorsed to the respective Principal Director of Audit. On receipt of such 'authorisations' the concerned auditing sections, may, in addition to the works contained in the Works, Machinery and Rolling Stock Programme of the Railway for the year, review such works as desired in Comptroller and

Auditor General's letter mentioned above to see if expenditure thereon does not attract the provision of 'new Service/New instrument of Service' and take up the matter with the Administration, if necessary, with the least possible delay.

(CAG(R)'s letter no. 704-RR/6-1/68 dated 'nil')

A report on new Services not contemplated in the Budget including expenditure on individual surveys which exceeded Rs. 1 lakh should be sent to the Comptroller and Auditor General in October every year.

(CAG's letter no. 3570-RR/8-1/66 dated. 25.11.1966)

11.22 STATEMENT OF ANNUAL EXPENDITURE SHOWING THE RECONCILIATION OF THE FIGURES AS APPEARING IN THE ACCOUNT CURRENT WITH THOSE IN THE APPROPRIATION ACCOUNTS

(See Para 385 of Railway Audit Manual)

The statement is prepared by the Financial Adviser and Chief Accounts Officer as per instructions contained in Para 753 of Accounts Code Volume I and is required to be furnished to the Railway Board. The amount in this statement are required to be furnished in units of rupees and any difference due to rounding off, between the figures of the Account Current and those of Appropriation Accounts are required to be suitably explained. On receipt of this statement it should be checked to see that the figures shown against each head therein agree with those appearing in the Registers of Expenditure and the final accounts for March. After the check is completed the statement should be counter signed by the Principal Director of Audit and one copy sent to the Additional Deputy Comptroller and Auditor General of India (Railways) and one copy retained in Books Audit Section and the third copy returned to the Financial Adviser and Chief Accounts Officer.

11.23 CERTIFICATE OF COMPARISON TO BE RECORDED ON MARCH ACCOUNTS:

(See Para 388 of Railway Audit Manual)

The certificate "compared with the office copy and found to be a true copy" should be recorded on the original accounts for the month of March before their submission to the Railway Board (Accounts).

11.24 CERTIFICATE OF AUDIT IN RESPECT OF THE ACCOUNTS FOR THE YEAR ENDING WITH THE MARCH ACCOUNTS:

(See Para 388 of Railway Audit Manual)

The certificate is required to be sent by the Books Section to the Additional Deputy Comptroller and Auditor General of India (Railways) by the 15th August each year. To enable the Books Section to dispatch the certificate by the due date, all branches and Divisions will send the necessary audit certificate so as to reach that Branch on or before the 5th August each year. The certificate should include all items of the misclassifications irrespective of the amount involved which are known to audit by that date. This certificate should not be delayed for the compilation of any other accounts e.g. the Finance Accounts or the Capital and Revenue Accounts or the Appropriation Accounts.

Sometimes the observations made at the time of submission of the Audit Certificate are important enough to deserve mention in the Railway Audit Report, but little time is left after the submission of the certificate to the Additional Deputy Comptroller and Auditor General of India (Railways) to follow up these cases for the purpose of comments in the Railway Audit Report. Accordingly, all the Branches and Divisions should prepare comments on all important observations like differences in reconciliation between suspense registers and General Books, delay in reconciliation of Provident Fund balances with General Books, transfers of heavy amounts to stock Adjustment Account etc, and forward the same to Railway Administration as soon as these come to notice.

11.25 APPROPRIATION AUDIT:

Annual Budget-revised and Budget Estimates-Chapter-III of Finance Code:

The Heads of Departments and Divisional Railway Managers of the Railway are responsible for framing at various stages the budget estimates correctly. For this purpose, each Head of Department as well as the Divisional Railway Manager nominates a Budget Officer. The nominated Budget Officer in the Division will furnish the budget estimates duly scrutinized by the concerned Accounts Officer to the Head of the Department concerned. The Heads of Departments concerned will furnish the budget estimates to the Financial Adviser and Chief Accounts Officer for scrutiny. Thereafter, the Central Budget section functioning under the supervision of the Financial Adviser and Chief Accounts Officer will consolidate the estimates and send them to the Railway Board. On receipt of approval to the estimates from the Railway Board, the Heads of Departments will be advised about the grants pertaining to their departments. On the basis of budget orders issued by the Railway Board, the Heads of Departments will, in turn, furnish to Financial Adviser and Chief Accounts Officer the statements showing the proposed distribution of grant between Headquarters and Divisions. To exercise effective control over expenditure, the budget grant placed at the disposal of the department shall be distributed over the entire year. Financial reviews shall be prepared every month by the concerned Accounts Officer and sent to the Budget Officer who will furnish self contained remarks to the Accounts Officer for variations, demand wise by detailed head of demand/department. The consolidated position for the department as a whole of all the divisions will be discussed in Heads of Departments meeting for which necessary notes will be prepared by the Central Budget section. The position of requirement of funds under the various grants will be examined by the Railway Administration at various stages viz. at the time of preparation of August Review, Revised Estimates, and Final modifications.

11.26 APPROPRIATION ACCOUNTS:

The form in which the Appropriation Accounts of the Railways are prepared, the various statements and appendices to be enclosed to the Appropriation Accounts and the instructions for their preparation are contained in Chapter IV of the Finance Code. In addition, further detailed instructions for preparation of all grants and compilation of various annexures to the Appropriation Accounts embodying the latest orders of the Railway Board are issued by the Financial Adviser and Chief Accounts Officer from time to time for the guidance of all concerned. Copies of these instructions together with audit instructions, wherever necessary, are sent to all auditing sections by the Books and Budget/Headquarters Audit Section.

The Audit of Appropriation Accounts has to be conducted keeping in view the method of budgeting, the procedure of allotment of funds, the review undertaken to watch the progress of expenditure against the allotments and steps taken to avoid excesses over allotments or to surrender excessive funds or to obtain additional funds required. The instructions contained in Chapter III to V of Finance Code, Chapter XIX and Appendix 4 to Railway Audit Manual and the subsidiary instructions issued by the Railway Administration and Books and Budget (Headquarters) Audit Section from time to time should be borne in mind in auditing the Appropriation Accounts.

The following specific points as given in Para 5 of Appendix 4 to Para 394 of Railway Audit Manual are to be seen during review of budgeting and other periodical reviews, notes of interesting features should be recorded for use while checking the appropriation accounts:

- i. Irregular reappropriation not in accordance with restrictions imposed on the General Manager's powers or with the Budget orders of further intimations from the Railway Board.
- ii. Defective Estimating leading to surrender of funds or application for additional funds.
- iii. Instance of expenditure classified in the accounts differently to the budget, necessitating transfer of provision from one grant to another or between sub-heads of a grant.
- iv. Instance of unanticipated credits. A statement of such items accompanies the Revised Estimates.
- v. Any substantial alteration in figures of the original estimates, which the Railway Administration could report to the Railway Board.
- vi. The budget orders should be checked in accordance with the provision of Para 3.14.2 of MSO (Audit).
- vii. Supplementary grants should be checked with reference to the final reappropriation statements as approved by the General Manager and the demand placed for the purpose by the Railway Administration, with a view to discovering that funds made available by re-appropriation do not involve utilisation of the supplementary grant for sub-heads of the appropriation accounts for which no supplementary grant was particularly sanctioned by the Parliament.
- viii. Where the Parliament has made a specific stipulation that funds obtained for a certain purpose should not be diverted to other purposes, diversion of such funds to other purposes without a token vote should be commented upon.
- ix. The following points may in addition to the usual check be kept in view during the checks of appropriation accounts.
 1. Under the financial provisions of the constitution it is an important duty of audit to see that authorized supply is not exceeded or the excess expenditure is duly covered by advances from the contingency funds pending authorisation by Supplementary Appropriation Act.
 2. If for some item of expenditure not to be met from the Consolidated Fund, a demand is voted and consequential provision made in the Appropriation Act under a misapprehension, the obvious thing to do is not to utilize the demand and the provisions made in the Appropriation Act, and let both lapse. The Appropriation Act only authorizes the withdrawal; of the sums specified from the Consolidated Funds, but the executive is not bound to withdraw all of it.
 3. Once an item is voted or charged and included in the Appropriation Act even though wrongly, the provisions of Para 2(I) of the Government of India (Audit and Accounts) orders, 1936 apply and an Appropriation Account therefore becomes necessary though it will not show any expenditure against grant or appropriation.
 4. The actual expenditure should be verified from the various revenue allocation registers and capital works registers and also from the schedules to the account current, reconciliation statement showing reconciliation of figures of "Voted and charged expenditure" with "Grants and appropriation" as prepared in terms of the Railway Board's No. 50-AC.I/24 dated. 7.5.51.
 5. In Railway organized on a divisional system it should be seen that suitable machinery exists in the consolidating section to record the actual expenditure both capital and revenue.

In checking the Appropriation Accounts of a Railway which is organized on a Divisional basis, responsibility for verification of figures from the initial records rests with the Divisions and other Branch Audit Offices.
 6. It should be seen that lessons of Appropriation accounts of the previous year and comments thereon have been applied by the Railway Administration.
 7. Whenever the Supplementary grant proved excessive or unnecessary and funds have been withdrawn by the Railway Board by means of reappropriation it should be examined to see that there had been no defective estimating.
 8. In case of the accounts submitted to Audit reveal a tendency on the parts of the Accounts office to prepare the advance accounts in a hurried manner which ignores fundamental principles by the incorporation of unrealistic or fictitious explanations unrelated to actual facts and figures, the matter should be promptly taken up with the

Railway Administration as soon as such a feature becomes apparent in the course scrutiny of the accounts. In the even of the administration failing to take adequate action, the matter should be reported to DAI.

The Appropriation Accounts, the statements and appendices to be enclosed thereto, are prepared by the various accounting Units. These are consolidated for purposes of presenting the same for the Railway as a whole by the Central Budget section functioning under the supervision of the Financial Adviser and Chief Accounts Officer. The audit of the Appropriation Accounts, statement etc, relating to an individual unit, prepared by the Accounts Officer responsible for the maintenance of the accounts of that unit devolves on the corresponding Audit Office/Section. The audit of the consolidated Appropriation Accounts and the statements etc. accompanying the same as conducted by the Books and Budget Headquarters Audit Section with reference to the audited copies of the Appropriation Accounts and statements etc, pertaining to the units received from the different Audit Offices/Sections.

For the purpose of submission of the Appropriation Accounts of the Railway in India and the Audit Report thereon to the Lok Sabha/Rajya Sabha promptly, by the date fixed for the purpose, a detailed time table for submission of the various accounts, annexures and statements of the individual Railway Administrations to the Railway Board and to the Comptroller and Auditor General by the Principal Director of Audit will be drawn up each year by the Railway Board in consultation with the Comptroller and Auditor General of India. Copies of the same will be sent to the Railway Administration. Based on this, the Financial Adviser and Chief Accounts Officer will draw up a similar programme laying down the dates on which the statements should be furnished to the Headquarters office duly scrutinized by Accounts and audit. The accounts and statements received from various Accounts officer should be audited by the concerned auditing section on a top priority basis and the Books and Budget Headquarters Audit Section advised sufficiently in advance to enable that section to check the consolidated Appropriation Accounts and Annexures, and intimate results to the Comptroller and Auditor General of India by the due dates fixed by the latter. To eliminate all avoidable delays, it is imperative that objections noticed as a result of check of Appropriation Accounts should be settled expeditiously inter alia by holding discussions with the Accounts and Executive Officers at the appropriate level and not left to be resolved by routine correspondence. The following Appropriation Accounts and Annexures including Grand Summary are sent to Audit for Check.

Detailed Appropriation Accounts:

Grant No. 1	Railway Board
Grant No. 2	Miscellaneous Expenditure (General)
Grant No. 3	General Superintendence and Services
Grant No. 4	Repairs and Maintenance of permanent Way Works
Grant No. 5	Repairs and Maintenance of Motive Power
Grant No. 6	Repairs and Maintenance of Carriages and Wagons
Grant No. 7	Repairs and Maintenance of Plant and Equipment
Grant No. 8	Operating Expenses – Rolling Stock and Equipment
Grant No. 9	Operating Expenses – Traffic
Grant No. 10	Operating Expenses – Fuel
Grant No. 11	Staff Welfare and Amenities
Grant No. 12	Miscellaneous Working Expenses
Grant No. 13	Provident Fund, Pension and other Retirement benefits
Grant No. 14	Appropriation to Funds
Grant No. 15	Dividend to General Revenues Repayment of Loans taken from General Revenues and Amortisation of over capitalisation. (To be compiled in Railway Board's office)
Grant No. 16	Assets, Acquisition, Construction and Replacement

Civil Grants:

- (i) Loans and Advances
- (ii) Interest on Debt and other obligations
- (iii) Prepartition payments.

Part/Review (Para 464-Finance Code)

Subsidiary statements and Accounts including Grand Summary (Please see Para 433, 436 to 440, 449 and 457 – Finance Code).

11.27 CHECK OF APPROPRIATION ACCOUNTS:

- I -** The Appropriation Accounts of all Grants except Grant No. 14 should be checked to see that:
- (a) the original grant amount as shown in Appropriation Accounts agree with the amount allotted to the unit by the competent authority.
 - (b) the residuary modification as shown in Column 1 should agree with difference between original grant + supplementary grant sanctioned by competent authority.

- (c) the final grant amount as shown in the Appropriation Account should agree with the final grant allotted to the unit by the competent authority.
- (d) the actual expenditure should be verified with the actual amount of expenditure for the year as shown in the March accounts (to the end of the month)
- (e) the variation shown in Column IV should agree with the difference between actual expenditure and final grant, Excess being shown as '+' and savings being shown as '-'.

In Headquarters Books section, the Appropriation Accounts should be verified to see that the original grant amount as shown in the Appropriation Accounts agrees with budget grant as advised by Railway Board in the Books of Demand for Grants. In the case of Civil Grants, the figures will be verified from the budget orders received from the Railway Board. The supplementary grant amount should be verified with the Book of Supplementary Grants received from Railway Board. The final grant amount should agree with the Railway Board's orders advising the final allotment to the Railway.

The activity-wise and primary unitwise amounts should be verified with the distribution statement sanctioned by General Manager or the Railway Board.

The actual expenditure should be verified with reference to the amount shown in the relevant schedules to the final Account Current sent to the Railway Board in March.

II- Restrictions imposed by the Parliament

(Para 396 of Railway Audit Manual)

Principal Director of Audit should report to the DAI cases of non-compliance with the following restrictions, which the Public Accounts Committee is required to bring to the notice of the Parliament.

- (1) that the money voted by the Parliament has been spent within the scope of the demand granted by the Parliament (Para 390(7) of Railway Audit Manual (RAM);
- (2) that no reappropriation is made from one grant to another (Para 390 (1); of RAM)
- (3) that no reappropriation is made within a grant which is not in accordance with such rules as may be prescribed by the Railway Board.

III- Register of appropriations and reappropriations

(Para 397 of Railway Audit Manual)

For the purposes of their checking the Appropriation Accounts and explanations of individual railways, Principal Directors of Audit will find it advisable to keep, if they cannot arrange with Chief Accounts Officers to keep it, a manuscript book in which to record notes of all orders of appropriation and reappropriation affecting the totals of sub-heads of grants, so that at the end of the year they will be in a position to verify the final appropriations. If it can be arranged for such orders to contain brief reasons and these be summarised concurrently in the note book, much valuable material will be readily available for checking the explanations in the Appropriation Accounts.

IV - Powers of General Managers with regard to appropriations and reappropriations

(Para 398 of Railway Audit Manual)

Any transgression of the restrictions (viz. reappropriation from one grant to another, 'charged' heads to 'voted' and vice versa, etc. as mentioned in Paras 376-377 F-I) placed upon the General Manager and the Railway Board regarding appropriation and reappropriation of funds will constitute an irregular reappropriation.

V- Scrutiny of the system of control

(Para 399 of Railway Audit Manual)

Principal Directors of Audit should see whether proper arrangements exist for controlling officers to receive in suitable form reasonably accurate figures from time to time of expenditure already incurred and of all liabilities and commitments. They may examine how far the Accounts officers have helped in this process, and see whether they report to the controlling officers likely excesses or savings as suggested by the progress of actual expenditure. The results of the examination should be submitted to the DAI every year detailing also the following-

- (i) If the periodical reviews prescribed by the Railway Board (Para 383-F.I) were conducted by the Railway Administration.
- (ii) If the reviews resulted in an improvement in estimating and control during the year; and
- (iii) If there was any failure to make reappropriations as and when necessary.

VI- The reappropriations should be examined as to propriety, sufficiency, necessity and frequency. Failure to regularize excesses by reappropriations should be scrutinised and it should be seen if orders of reappropriation were passed as soon as necessity for additional expenditure was foreseen or if they were left over to be sanctioned towards the close of the year. Frequent reappropriations point to defective budgeting; while faulty, unnecessary or insufficient reappropriations point to an inadequate watch over expenditure by the controlling authority. It should be seen if the inadequate watch is

due to any defect in procedure in the Accounts or the Administrative Offices or to any other causes. (Para 400 of Railway Audit Manual)

VII- Review of certain suspense heads

(Para 401 of Railway Audit Manual)

A review may be made of the operations during the year under the heads -

- (a) stores suspense (including stock adjustment); and
- (b) manufacture suspense.

VIII- While scrutinizing the explanations under the suspense head “Stores” and “Manufactures” under Capital, it should be borne in mind that the balances represent the net result of large credit and debit transactions and it should be seen that where the variations of the gross amounts from the budget anticipation are large, the variations have been duly taken into account, in framing the explanations. (Para 402 of Railway Audit Manual).

11.28 CHECK OF CIVIL GRANTS : LOANS AND ADVANCES BY CENTRAL GOVERNMENT:

These Appropriation Accounts should be checked on the same lines as that prescribed for Railway Grants i.e the original grant and final grants are to be verified from Railway Board’s letters and the actuals are to be verified from the Accounts Current. In the case of Civil Grant – Interest on debt and other obligations – the figures of actual expenditure will also be compared with the figures advised to the Railway Board.

11.29 EXPLANATIONS IN THE ACCOUNTS:

It should be seen that the explanations for variations between the budget grant and actual expenditure are lucid, self explanatory-illuminating and in unambiguous terms.

The following points should also be borne in mind :

1. In all cases, definite reasons for the excess or savings should be given bringing out clearly why the particular event leading to the variation could not be foreseen at the time of the preparation of the Budget and the Revised Estimates and what circumstances arose subsequently leading to the variation. In the case of an excess, it should be mentioned why the incurrence of the liability could not be postponed and if for any reason to be specified, it could not be postponed, the explanations should bring out why necessary provision could not be made in the Final Estimates.

The explanations also should elucidate :

- (a) **in case of surrenders/lapses on account of non-receipt of bills or debits for stores;**
 - (i) the sources of supply and;
 - (ii) whether the suppliers were consulted in the matter and if so at what stages and;
- (b) **in case of increases/excesses on account of receipts of more debits or payments for stores;**
 - (i) when those debits etc. were received and at what stages of estimates the supplies were consulted.
 - (ii) variations arising out of changes in procedure, allocation, further consideration of schemes, plans etc. during the course of the year should be reflected in the explanations relating to all the concerned sub-head of the grant or grants.
 - (iii) in the case of variations arising out of defects in estimating it should be clearly brought out at what stage the liability of the expenditure arose, how the error or omission or commission occurred, why it could not be set right before the close of the year, whether the question of individual responsibility has been considered and, if so, with what result and what steps have been taken to avoid a recurrence of such error.
 - (iv) in the case of variations caused by misclassifications and other mistakes in accounting, the explanations should bring out when the errors occurred and why they could not be detected in the course of review of expenditure during the year and set right before the final closing of the year’s accounts.
 - (v) whenever reference to some letters of the railway board is quoted in support of the explanations, copy of the same should invariably be appended.

In the case of points referred to in items (ii) (iii) and (iv) above, it should be ensured that the fact that the items will be included in the relevant annexure/statements is mentioned in the explanations themselves.

In so far as the Appropriation Accounts of the Divisions/Units are concerned, the explanations will continue to be furnished by sub-heads of grants. Further, limits below which explanations are not required to be furnished as laid down in the Indian Railway Financial Code is applicable for the sub-heads of the grants as a whole and not intended to be applied to each individual Department/Unit/Division.

The explanations furnished in the audited copies of the accounts received from various units will be consolidated in the Headquarters Books and Budget Section to verify the explanations furnished in the consolidated accounts received from the Financial Adviser and Chief Accounts Officer.

11.30 FRAMING OF AUDIT COMMENTS ON INDIVIDUAL GRANTS / ANNEXURES ETC :

In addition to the instructions contained in Paras 415 to 417 of Railway Audit Manual, the following instructions should be borne in mind while framing comments, if any, considered necessary in important cases.

- (i) All Audit comments should be based on facts and not on inferences or assumptions.
- (ii) The facts on which the comment is based should be checked thoroughly and completely before the actual comment is framed.
- (iii) Enquiries made by audit as a prelude to the framing of the comment should be thorough and pursued to finality.
- (iv) In commenting on the irregularity, every endeavour should be made invariably to give a clear and correct account of it in plain language. Wherever figures are available, these should be indicated after ensuring the correctness of the same.
- (v) To make the comments a fair and unbiased record of facts, all such details as are essential should be incorporated in the comments.
- (vi) On receipt of the Administration's remarks on a comment, a complete re-examination of the case should be made in an impartial manner before reaching finalisation in the matter. The comment may then be modified, if necessary, in consultation with the Administration or dropped, if the re/examination shows that the comment is not correct or otherwise unsuitable.
- (vii) If the facts have been verified by the Administration but the conclusion drawn by audit not agreed to by the Administration and still considered justifiable by Audit, a note should be sent along with the comment explaining clearly the views of the Administration and the circumstances under which the retention of the comment is justified.
- (viii) Comments on small and unimportant variations of defects should be avoided. The magnitude of the grant concerned should also be taken into account for the purpose.
- (ix) Each comment should be typed on a separate sheet of paper and categorized on the lines adopted in the Railway Audit Report, 1952 Part II and Railway Audit Report 1953.
- (x) Reference to the corresponding explanation number in the Appropriation Accounts should be quoted in the margin of the comments and the remarks "accepted" by the Administration or "Advance" should be quoted within brackets and the bottom of the comment.
- (xi) Comments on the various grants/annexures etc, should be sent to the Administration for verification of Audit conclusions and not for acceptance of the same.
- (xii) In no case should the comments be reproduced in the body of the letters sent to the Comptroller and Auditor General of India (Railway Wing).
- (xiii) Whenever Railway Board's letters to the Railway Administration or the Railway Administration's letters to the Railway Board are referred to in the comment, copies thereof together with the copies of relevant letters to which these may be replied should also be sent.

11.31 ANNEXURE – A : STATEMENT OF UNSANCTIONED EXPENDITURE :

(See Para 406 of Railway Audit Manual and Paras 442 to 448 of Indian Railway Financial Code. Vol-I)

- (i) In terms of Para 442 of Indian Railway Financial Code Vol I each Railway Administration has to furnish a certificate to the Railway Board by the 30th November to the effect that all expenditure included in the Appropriation Accounts has been sanctioned by competent authority with the exception of items detailed in the statement of unsanctioned expenditure.
- (ii) The following instructions may be borne in mind while checking the statement of unsanctioned expenditure:
 - (a) The total amount of expenditure placed under objection to end of the year should be taken into account to decide whether an item of objection should be considered as amounting to Rs. 1 lakh or below Rs. 1 lakh.
 - (b) The total amount placed under objection to end of the year is to be shown year wise as :
 1. relating to earlier than previous year
 2. relating to the previous year; and
 3. relating to the year concerned.The amount to be shown against each year will be the amount of expenditure incurred during that year, but not cleared upto the 1st October of the year following to the year to which the statement relates.
 - (c) The information to be shown under the column 'previous year' should be the same as shown in the current year column of the statement relating to the previous year.
 - (d) The amount of total expenditure audited for the purpose of the percentage given in the footnote to the statement of unsanctioned expenditure should be the total expenditure as shown in the summary of the Appropriation Accounts.

- (e) For the purpose of working out figures, to be exhibited in this statement the minus expenditure resulting from certain credit adjustments should be taken as plus, but the amount of expenditure should be correctly shown in Annexure A (i) as minus figures.
- (iv) The statements received from the various auditing units form the basis for check of Annexure 'A' prepared by the Financial Advisor and Chief Accounts Officer for submission to the Railway Board.

11.32 ANNEXURE – B : STATEMENT OF UNDERCHARGES DETECTED BY ACCOUNTS AND AUDIT

The following points may be borne in mind while checking this statement:

- (i) For the purpose of this statement, amounts withdrawn, written off, cleared by overcharge sheets and recovered during the year concerned should be shown irrespective of the fact whether any portion thereto related to past years.
- (ii) The gross amount of earnings excluding refunds should be shown and not the net earnings;
- (iii) Individual items of undercharges amounting to Rs. 5/- and below in the case of Goods earnings and Rs.2 and below in the case of Coaching earnings which are not debited to stations are excluded from the statement and suitable foot note in this connection is given.
- (iv) It has been clarified by the Board that non-accountal/delayed accountal of invoices and parcel way bills taken up during the course of internal check does not constitute undercharges and as such should not be included in the amount of undercharges shown in Annexure-B to the Appropriation Accounts.
- (v) The amount of undercharges detected by Audit and recovered should be advised alongwith this Annexure to the Additional Deputy Comptroller and Auditor General of India (Railways). The particulars should be furnished in the same form as Annexure-B.

(Authority: Railway Board's letter no. 64/Appr./62/63 dated. 14.3.1964, received under Additional Deputy Comptroller and Auditor General of India (Railways) endorsement no. 758/RR-2-10/63 (64) dated. 19.3.1964)

11.33 ANNEXURE-C : STATEMENT OF REMISSION AND ABANDONMENT OF CLAIMS TO REVENUE

(See Para 433 of Indian Railway Financial Code Vol I and Para 407 of Railway Audit Manual)

- (i) The charges due on one consignment whether on account of wharfage or of demurrage or of both should be taken together for the purposes of classification of items as above or below Rs. 25,000/-
- (ii) Any remission or abandonment of considerable magnitude or of unusual nature should be suitably explained in the remarks column.
- (iii) In respect of each item of Rs. 25,000/- and over falling under the group 'other items', full details of the case, the circumstances under which recovery should not be made, action taken against the person responsible and steps taken to avoid recurrence of such remission or abandonment of claims should be furnished in the form of a note.
- (iv) The amount of undercharges foregone on account of ticketless travel, included in the total amount under 'other items' below Rs. 25,000/- should also be shown in a note to the statement.
- (v) All cases relating to the financial year concerned in connection with the charging of lower rates than those prescribed for tourists' cars and saloons and waiving of the charges for empty haulage and hire should be included in the statement.
- (vi)
 - (a) Total amount of wharfage and demurrage charges accrued during the year should be advised to the Additional Deputy Comptroller and Auditor General of India (Railways) while forwarding the audited copy of the Annexure.
 - (b) The break up of the wharfage and demurrage charges should also be ascertained and furnished to the Additional Deputy Comptroller and Auditor General of India (Railways) alongwith the audited copy of the Annexure.

(Authority : (a) Additional Deputy Comptroller and Auditor General of India (Railways)'s letter no. 3593-RR/1-28/67 dt. 18.9.1967

(b) Additional Deputy Comptroller and Auditor General of India (Railways)'s letter no. 3123-RR/2-31/68 dt. 31.7.1968)

- (vii) It should be seen that a note in the above statement is appended as under:
 - (a) the figures exclude undercharges of Rs. 5/- and below in case of Goods earnings and Rs.2 and below in case of coaching earnings not debited to the station.
 - (b) the figures include amount due from ticketless passengers and not recovered by Court or station records.
 - (c) the figures exclude undercharges of Rs. 5/- and below, not adjusted with Defence Department and Foreign Railways.
 - (d) the figures exclude all items of losses of cash.
 - (e) the figures exclude all items of refund of demurrage and wharfage arising out of charges on account of error in rate calculation etc.
 - (f) there is no item of remission of wharfage and demurrage charges amounting to Rs. 1 lakh or more.

- (g) if the items above Rs. 1 lakh are there these should be listed individually and brief particulars supplied for each item.

11.34 ANNEXURE - D : STATEMENT OF EXPENDITURE OF IMPORTANT OPEN LINE WORKS AND NEW CONSTRUCTION

In terms of Railway Board's letter no. 61-ACI/17/5/Pt. dated. 30.12.1961, the scope of the Annexure has been revised and the Annexure now contains:

- Part-I :** Works costing Rs. 20 lakhs or more which are started during the year without any Budget provision.
- Part-II :** Works costing Rs. 50 lakhs or more for which Budget provision existed but were not undertaken during the course of the year.
- Part-III :** Variation between original estimate and expenditure in respect of works completed during the year. This statement is checked with reference to the pink Book and Works Registers. The statement prepared by the Financial Advisor and Chief Accounts Officer is checked with reference to the audited copies received from units.

ANNEXURE-E:-STATEMENT SHOWING REVENUE AND CAPITAL EXPENDITURE RELATING TO STRATEGIC LINES

Statement of expenditure on strategic lines to be appended to the Appropriation Accounts is prepared in two parts, one showing working expenses and other revenue charges, and other showing expenditure on open line works and new constructions from capital or D.R.F. The figures of expenditure shown in these statements should be compared with the relevant figures appearing in the Account current for March.

ANNEXURE-F :-STATEMENT OF ESTIMATED AND ACTUAL CREDITS OR RECOVERIES:

The figures of estimated and actual credits or recoveries as shown in the accounts of all Grants should tally with the similar figures appearing in Annexure-'F' appended to the Appropriation Accounts.

ANNEXURE-'G':-BLOCK ACCOUNTS (INCLUDING CAPITAL STATEMENT COMPRISING THE LOAN ACCOUNTS) – BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

The figures in various statements comprising Annexure 'G' should be checked from capital Ledger and Account Current for March and with reference to the audited copies received from various units.

ANNEXURE-H : STATEMENT OF LOSSES ETC. EXGRATIA PAYMENT

The statement of losses should be checked with the help of Register of losses and write off sanctions received from competent authorities from time to time. It may be ensured that losses which have not been written off are not inadvertently included in this statement. Whenever, the amount in respect of any item is Rs.50,000/- and above full details of the case are given when the loss is not due to natural calamities like floods etc, when loss is due to natural calamities, lumpsum amount is exhibited indicating the details briefly.

The statement compiled by Rly. Admn is to be checked with the audited copies received from the various audit units.

ANNEXURE-I STATEMENT OF IRREGULR RE-APPROPRIATIONS

This statement may be checked with reference to Budget orders/re-appropriation statements. It may be ensured that all reappropriations have been sanctioned by competent authorities. Reappropriations made after the close of year are irregular and are to be included in this Annexure.

All proposals for re-appropriation of funds which are beyond the General Manager's powers shall be sent to the Railway Board sufficiently early to admit of action being taken before close of financial year (FI-380). No reappropriation is permissible between "Voted" and charged allotments or between the allotment made under one grant to another (FI-377).

11.35 ANNEXURE-J:- STATEMENT OF IMPORTANT MIS-CLASSIFICATIONS AND OTHER MISTAKES DETECTED DURING THE COURSE OF THE YEAR

(See Para 405 of Railway Audit Manual and Para 433 of Indian Railway Financial Code Vol-I)

- (i) All cases of mis-classification and other important mistakes either detected by the Accounts Office or statutory audit are to be shown in this Annexure grant-wise, necessary particulars being given regarding the amount involved and the Grants and their sub-heads effected. The Particulars furnished should be such as to clearly indicate the nature of mis-classification etc.
- (ii) It should be seen that in all cases of mis-classification arising out of the carelessness or slackness of staff involving over Rs. 1 lakh each, the individual's responsibility is fixed, disciplinary action is taken by the Administration against the staff at fault and the fact is indicated in the above Annexure or intimated to the Board within 3 months of its dispatch. The Administration is also required to mention, as to when the errors occurred and why these could not be detected in the course of review of expenditure during the year and set right before the final closing of the year's account.

(Authority : Railway Board's letter no. 61-ACI/17-5 dt. 4.9.1962 received under Additional Deputy Comptroller and Auditor General of India (Railways)'s endorsement no. 2948-RRI-30/61/Railways dt. 13.9.1962)

- (iii) All adjustments carried out for rectification of errors, misclassifications relating to earlier years under Debt and Remittance heads for which grants are obtained should be as plus or minus credit and not as plus or minus debit under the concerned heads.
- (iv) It should be seen that all the cases of arithmetical errors coming to notice after the close of accounts for the year reported invariably by the Railway Administration to the Railway Board in a separate list to be attached to Annexure-J irrespective of the fact whether such arrears have or have not caused an excess over the sanctioned Grant. It should also be seen that the submission of the aforesaid Annexure to Appropriation Accounts are reported to the Board immediately duly vetted by Audit.
- (v) It should be seen that if the payments against the funds specifically voted by the Parliament have actually been made, but the budget provision for that year appears in the accounts as un-utilised merely as a result of an accounting omission, it should be reasonable to treat the provisions as utilized in that year. The rectification of the omission in the subsequent year, if it causes an excess in a year need not be considered for obtaining the fresh vote of Parliament. It should be seen in Audit that such mis-classifications rectified during the year are recorded by the Railway Administration in a subsidiary register and that a statement thereon in the prescribed proforma is sent to be Board alongwith the statement of mis-classifications and other mistakes detected as Annexure-J to the Appropriation Account every year. In case there is not case, a nil statement should be sent.

(Authority : Railway Board's letter no. 63-ACII/1/5 dated. 28.4.1964)

11.36 STATEMENT OF OUTSTANDING SUSPENSE BALANCES :

(See Para 401 of Railway Audit Manual)

- (i) This statement is prepared separately for 'purchases', Misc. Advances (Capital) and Miscellaneous Advances (Revenue) duly analysed by credits and debits and distributed over the year for which items have been outstanding.
- (ii) In the remarks column, an analysis of the credit and debit balances relating to the period prior to the previous year is required to be given by main items, also indicating the steps taken to adjust those balances. Brief explanatory notes are also to be appended to the statement indicating the nature of the transactions and the reasons for their adjustment under the suspense heads and for the delay in their clearance.
- (iii) The statement compiled by the Financial Advisor and Chief Accounts Officer is checked with reference to the audited statement received from various auditing units.

11.37 STATEMENT OF STORES ACCOUNT AND STOCK ADJUSTMENT ACCOUNT:

(See Para 437 to 440 of Indian Railway Financial Code Vol I)

The opening and closing balances in the statement of Stores Account should be analysed in the manner laid down in Railway Board's letter no. 62-App.35/61 dated. 25.4.1963. It should be ensured that the value of scrap and surplus stores shown in the above statement agrees with the corresponding figures shown in the statement of stores transactions in form S-3001.

The foot notes to the Stores Account should not be confined to explanations for items of shortages and deficiencies only but should cover all items of over Rs. 1 lakh each which are included in Column 15 of the said account.

(Authority : Railway Board's letter no. 23. Appr/60-61 dated. 12.4.1962 received under Additional Deputy Comptroller and Auditor General of India (Railway)'s endorsement no. 1348-RAI/A16-6/61 N.E Railway dated. 25.4.1962)

11.38 DETAILS OF COMMERCIAL, QUASI COMMERCIAL AND INDUSTRIAL CONCERN :

The details of Government Commercial, Quasi Commercial and Industrial undertaking, if any, under the audit control of this office together with a list of commercial and industrial concerns in which Government funds are invested or loaned or where Government have undertaken any contingent liability may be sent, in duplicate, in form A and B attached with Comptroller and Auditor General's letter no. 210-CA/225-53 dated. 17.3.1954.

These statements should contain the information available as on the 31st March and may be sent to the Additional Deputy Comptroller and Auditor General of India (Railways) by the first week of December each year. The consolidated statement is forwarded by the Additional Deputy Comptroller and Auditor General of India (Railways) to the Principal Director of Commercial Audit.

(Authority : Director of Railway Audit's letter no. AB-1/52 dated. 1.4.1954 and Additional Deputy Comptroller and Auditor General of India (Railways) letter no. 3465-RAI/8-17/64 dated. 17.11.1964)

It has been desired by the Comptroller and Auditor General that the audit of the different transport undertakings which is being conducted by the existing agencies namely the Civil Accountants General, the Principal Director of Commercial Audit and the Principal Directors of Audit of Railways might be conducted by these agencies as hithertofore. They should, however, be aware of the overall purpose and the importance of the expenditure on the transport facilities

which they audit, not only in the background of the Five year plans, but also in the light of the economical use of share capital. Each auditing Officer should also consult the other auditing officers, wherever necessary, so that the overall view is not lost sight of when commenting upon the wasteful expenditure on any mode of transport.

11.39 STATEMENT OF DEFECTS IN BUDGETING AND CONTROL OVER EXPENDITURE ANNEXURE 'K' TO THE RAILWAY BOARD PART I -REVIEW OF APPROPRIATION ACCOUNTS OF RAILWAYS IN INDIA

(See Para 409 of Railway Audit Manual)

The statement prepared by the Financial Adviser and Chief Accounts Officer is checked with reference to the statements received from the units and the items accepted by the Financial Adviser and Chief Accounts Officer for inclusion in the statement while finalizing the Appropriation Accounts of the various Grants. Items of defects in estimating and expenditure classified in the Budget detected by the Accounts or Audit should be arranged to be included in these statements. Items amounting to less than Rs. 50,000 which do not present any special features need not be considered important for the purpose of sending individual comments to the Additional Deputy Comptroller and Auditor General of India (Railways). The ceiling limit of Rs. 50,000/- as fixed by the Railway Board is applicable to the Railway as a whole and not the subordinate offices. The Divisions/Branches are to include the items of defective Budgeting in the Statement of Defects irrespective of any amount involved.

(Authority : Financial Adviser and Chief Accounts Officer's letter no. F/Appr./Policy/Admn/K/54 dated. 28.9.1955)

11.40 STATEMENT OF EX-GRATIA PAYMENTS TO BE SHOWN AS FOOT-NOTES TO THE APPROPRIATION ACCOUNTS:

(Para F 426 may be seen)

In this statement, only the items of ex-gratia payments exceeding Rs. 20,000 will be included. The consolidated statement will be checked with reference to the audited copies of the statements relating to the various units received from the respective Audit Officers.

The details shown in the statement will be verified with reference to the manuscript register maintained by the Sections of the Accounts Office for this purpose. (Reference: Railway Board's letter no. 58-ACI/17/15 dated. 16.10.1958 received under Comptroller and Auditor General of India (Railway wing) endorsement no. 571-RR, I-53/57 dated. 29.10.58)

11.41 STATEMENT OF ANNUAL VOTED AND CHARGED EXPENDITURE

(See Paras 302 and 304 Financial Code Volume – I)

The payments made in satisfaction of court decrees in respect of claims cases in connection with the compensation of goods lost or damaged, compensation for injuries to employees and private persons or damages to private property, contractors' claims are to be treated as 'charged expenditure'.

(Authority : Railway Board's letter no. 56-B-4087 dated. 16.6.1956)

The payments made in satisfaction of awards of the authority under the 'Payment of Wages Act' and 'Workmen's Compensation Act' should be treated as 'voted' and not charged as the authority constituted under the relevant provisions of these Acts has not been formally declared by the said Acts as a Court or as having the status of a Court.

(Authority : Railway Board's letter no. 56-B-4087 dated. 11.7.1958 received under Additional Deputy Comptroller and Auditor General of India (Railways)'s endorsement no. 659-RAII/RI-2/51 dated. 6.8.1958).

11.42 STATEMENT SHOWING CHANGES IN FORMS AND CLASSIFICATIONS

(See Para 408 of Railway Audit Manual)

Each Branch or Division should keep a separate register of all changes in forms and classifications introduced during a year. The yearly statement of changes in forms and classifications prepared by the various branches and divisions of the Accounts Office should be checked by the respective Audit Branches or Divisions with the help of this record without delay and omission, if any, pointed out for inclusion in the statement. It should be ensured that the important effects of such changes are explained under the relevant Grants in the Appropriation Accounts of the Railway Administration. After the statement is deleted it should be counter-signed and returned to the Accounts Office. The register should be put up to the Branch Officer half yearly in the first week of January and July each year.

The consolidated statement for the Railway as a whole compiled from these counter signed statements is sent by the Financial Adviser and Chief Accounts Officer to the Appropriation Audit Section by the date fixed by the Headquarters Office. After thorough check the statement should be countersigned and a copy furnished to the Additional Deputy Comptroller and Auditor General of India (Railways).

11.43 DELAY IN MEETING AUDIT REQUIREMENTS

If delay on the part of the Railway Administration in meeting audit requirements lead to important omissions of fact from the Appropriation Accounts and their Annexure (e.g. incorrect explanations, non-inclusion of items of

misclassification, defective budgeting etc.) a list of such cases should be prepared and submitted to the Additional Deputy Comptroller and Auditor General of India (Railways) in time for a report being made to the Public Accounts Committee, if considered necessary.

11.44 NOTE ON CONTROL OVER EXPENDITURE

As soon as the Appropriation Accounts of the various grants are finalized, a note on the Control over Expenditure should be compiled from the material furnished by the various local Audit Officers and forwarded to the Financial Adviser and Chief Accounts Officer for remarks of the Administration. Simultaneously, a copy of the note should be forwarded to the Comptroller and Auditor General of India (Railway Wing). In selecting material for inclusion in the above note, the following instructions should be borne in mind.

1. The report should be submitted to the Comptroller and Auditor General of India, in time so that they may be included in Chapter I of the Railway Audit Report if considered necessary. In case, any delay in the submission of the Report is anticipated, advance copies of the reports may be sent to the Comptroller and Auditor General of India and further comments on the items, if any, may be communicated as soon as they are available.
2. Instances of excesses over voted grants and charged appropriations, instances of inadequate or injudicious surrenders obtaining on individual Railways need not be commented upon in the above report unless they bring out any special feature of budgetary or accounting importance (e.g. cases mentioned in Para 14,15 and 16 of the Railway Audit Report, 1960) as the Railway Audit Report comments only on the grant as a whole, taking into account the position on all Railways.
3. Cases of Defective Budgeting, misclassifications and comments, which have already been forwarded to the Comptroller and Auditor General of India, alongwith the Appropriation Account of the grants concerned, need not be reproduced in the note on control over Expenditure, as the cases already reported are considered by the Comptroller and Auditor General's office separately. In short, these notes may be confined to important cases of defective control over expenditure, cases of non-observance of or deviations from the existing rules or orders, non-preparation or defective preparation of financial reviews, defective maintenance of accounts registers by the Administration etc.
4. The statements comparing the items of misclassification and defective budgeting with those of the previous year may also be excluded from those notes and sent to the Office of the Comptroller and Auditor General of India separately alongwith the final copies of Annexure 'J' and statement of Defective Budgeting so that they may be considered before finalizing consolidated Annexure 'J' and Annexure 'K' to Railway Board's review by the Comptroller and Auditor General's Office.

On receipt of the remarks of the Administration, further observations of the Office on those remarks should be forwarded to the Comptroller and Auditor General of India (Railways) alongwith a copy of the remarks of the Administration.

11.45 AUDIT CERTIFICATE

After the finalisation and issue of the final copies of all the account of Grants, Annexure and Statements the Audit Certificate in the form laid down in Para 8 of the Railway Audit Manual (IV Edition) will be forwarded to the Comptroller and Auditor General of India (Railway Wing) duly signed by the Principal Director of Audit.

11.46. AUDIT OF EXPENDITURE BOOKED UNDER 2016-AUDIT

The audit of expenditure booked under 2016-Audit devolves upon the Principal Director of Audit, Central Revenues in respect of Group 'A' Officers of this office and upon the Principal Director of Audit, Central Railways, in respect of Group 'B', 'C' and 'D' officers and contingencies of this offices. These offices should be asked by the due date each year to send their certificates of audit for the expenditure audited by them. It should be seen that the certificates recorded by Principal Director of Audit, Central Railway indicate that all bills for pay and allowances of Group 'B', 'C' and 'D' Officers and for other charges certified by the Financial Adviser and Chief Accounts Officer to have been booked in his accounts have been received by him and audited to the extent required under the rules and orders for the time being in force.

The Audit certificate on the basis of audit certificates received from the Principal Director of Audit, Central Revenues, New Delhi and the Principal Director of Audit, Central Railway, Bombay in respect of payments made to Group 'A' Officers and Group 'B', 'C' and 'D' officers respectively in respect of expenditure relating to Principal Director of Audit, Northern Railway's office establishment booked under 2016-Audit, only should be sent to Principal Director of Audit, Central Revenues as required under Para 7 of the Manual of Standing Orders (Technical) Volume I.

Note: The I.R.L.A. Group of the Principal Director of Audit, Central Revenues is not responsible for the preparation of all pay bills Traveling Allowances Bills etc. of Group 'A' Officers of this office. The debits in this connection are passed on to the Financial Adviser and Chief Accounts Officer, Northern Railway by the Principal Director of Audit, Central Revenues.

11.47 AUDIT OF SECRET FUND

The procedure to be following and the certificate to be recorded annually on the expenditure from the Secret Fund which is being operated by the General Manager and his office is given in Additional Deputy Comptroller and

Auditor General of India (Railways) his secret letter Nos. 2404-142-RAI/RR/10-1/71 dated 3.7.1971 and 2964-142/RAI/10-1/71 dated 18.8.1971.

11.48 CAPITAL STATEMENT, BLOCK ACCOUNT, BALANCE SHEET AND PROFIT AND LOSS ACCOUNTS

The Capital Statement and Block Account prepared by the Financial Adviser and Chief Accounts Officer's Office is checked with reference to the audited copies received from the various units. The audit certificate on the Balance Sheet is recorded in the form given in Para 8 of Railway Audit Manual as amended vide Comptroller and Auditor General's letter No. 531-RAI/RR/1-23/70 dated 17.2.1971.

11.49 REFERENCES TO AND FROM THE ADDITIONAL DEPUTY COMPTROLLER AND AUDITOR GENERAL OF INDIA (RAILWAYS) ON APPROPRIATION ACCOUNTS ETC.

Whenever any revised copy of the Appropriation Accounts or connected documents is sent to the office of the Additional Deputy Comptroller and Auditor General of India (Railways), the changes made therein as compared with the copy previously sent to that office should be indicated clearly in the forwarding letter.

When any information relating to the Appropriation Accounts is called for by the Additional Deputy Comptroller and Auditor General of India (Railways), the same should be furnished promptly and in any case within a week of the receipt of the additional deputy Comptroller and Auditor General of India (Railways)'s communication. If a final reply is not possible within this period an-interim reply should be sent at regular intervals of 15 days to keep his office fully acquainted with the position in the matter. It should not be left to his office to elicit the reply by a series of reminders. This should be watched through the register of pending cases.

The replies to the Additional Deputy comptroller and Auditor General of India (Railways) enquiries should as a rule, be self-contained. They should be brief to the extent consistent with the clearance and voluminous enclosures should be avoided. In no case should correspondence with the Accounts Department or the Executive be merely endorsed without any expression of the audit view in the matter. While forwarding copies of Railway Administration's letter etc., the words certified to be true copy should be recorded over the signatures of the Assistant Audit Officer/Section Officer (Audit) concerned on each copy.

11.50 REGISTER OF SERIOUS IRREGULARITIES

Each Branch or Division of the Accounts Office is required to maintain a continuous record of all important irregularities detected either in the course of internal check or at inspections reported by Audit vide Para 861 of Accounts Code Volume. I. Auditing Sections should examine this record or register quarterly in the months of March, June, September and December with a view to see:-

- i) that all important irregularities reported by audit have been entered in the register
- ii) that all irregularities entered in the register have been duly reported to the Financial Adviser and Chief Accounts Officer;
- iii) that investigation by the Accounts or the executive offices into the irregularities are sufficiently thorough and speedy; and
- iv) that where necessary, proper disciplinary measures have been taken against the staff responsible and suitable procedure adopted to prevent recurrence of such irregularities.

The result of examination should be put up to the Branch Officer. Opportunity should be taken to see if the irregularities recorded furnish any suitable materials for a draft Para for the audit report; and if so, the order of the Principal Director of Audit should be obtained for the same as laid down in Para 11.45 (see Paras 9 and 492 of Railway Audit Manual).

11.51 LOSSES, EMBEZZLEMENT, FRAUDS ETC.

(See Para 9 of Railway Audit Manual)

As soon as a case of serious irregularity or a case of loss or embezzlement exceeding Rs. 50,000/- or a loss below this limit but presenting special features such as abnormal delays in investigation or in sending reports to the Railway Board and audit as required under Para 1102 of Financial Code Volume-I or some important defects in procedure or organisation which may have to be taken up with the Railway Board or mentioned in the Audit Report (Railways) comes to the notice of the Division/Branch of this office, it should put up a report to the Additional Deputy Comptroller and Auditor General of India (Railways) on its own file for issue under the signatures of the Principal Director of Audit.

A copy of the report sent to the Additional Deputy Comptroller and Auditor General of India (Railways) should invariably be endorsed to the Central Section for such action as that section may consider necessary. The report should inter-alia bring out clearly (i) the amount involved (ii) the modus operandi of the fraud (iii) the nature of the checks which ought to have been exercised under any rule or order the non-observance of which facilitated the fraud (iv) the disciplinary action, if any, taken against the party at fault and the adequacy or otherwise of such action and (v) remedial measures taken to avoid recurrence of the irregularity.

The individual Division/Branch shall be responsible for examining the final report of the authorities investigating the irregularities and losses and submitting a final report to the Additional Deputy Comptroller and Auditor General of

India (Railways) as to the adequacy of the action taken. Serious irregularities or losses noticed during audit or local inspections should also be brought to the special notice of the Financial Adviser and Chief Accounts Officers.

Note: Really important cases involving Rs. 50,000/- and above may be considered for individual draft Paragraph where necessary.

(Authority: Additional Deputy Comptroller and Auditor General of India (Railways)'s letter No./ 2199-RAI/A12-71/61 dated 20.6.1961 and Procedure Office Order No. 39 dated 14.3.1958).

11.52 REVIEW OF REGISTER OF LOSSES

The register maintained by each Accounts Office to record all cases of losses of stores and Cash reported to the Accounts by the Executive Departments of the Railway should be reviewed every quarter by the corresponding auditing unit. Important cases noticed during the course of audit of this register; should be considered for mention in the Railway Audit Report. A report should be called for from the Railway Administration in respect of those cases which have not been reported to the Audit Office.

In reviewing the cases of losses, frauds, embezzlements, the rules regarding report and investigation of cases and the procedure to be followed in the Accounts in dealing with them as laid down in chapter XI of Financial Code Volume I and Paras 866 to 867 Accounts Code Volume I should be borne in mind. It should be seen that in such cases, the Railway Administration arranges for expeditious departmental enquiry to fix responsibility and to take disciplinary action against the defaulters.

All cases of frauds, losses etc. amounting to less than Rs. 2,000/- each finding a place in the register of losses maintained by Accounts Office should be reviewed by the corresponding auditing section with a view to see whether they reveal any procedural or other defects and whether the corrective action taken is adequate and effective. Existence of a large number of cases where frauds etc are attributable to misdemeanours, negligence etc, of the staff and for which disciplinary action taken by the Administration is nominal or inadequate or where they are attributable to defective procedure the same may sometimes Paragraph for the Railway Audit Report. All the cases of losses amounting to less than Rs. 2,000 should be reviewed on the above lines by each Auditing Section and a report (Supported by specific instances of the type mentioned above, sent to the Appropriation Section by the Ist week of October each year in the form prescribed in Central Section's letter No. C/14-2/55 Pt. II dated 24.9.1959.

As losses below Rs. 50,000/- are now grouped together in the statement of losses appended to the Appropriation Accounts, this should be kept in view while sending the requisite information to Appropriation Audit Section. Where Draft Paras are to be issued, the target dates separately prescribed by the Additional Deputy Comptroller and Auditor General of India (Railways) from time to time should however, be observed.

11.53 EXHIBITION OF LOSSES ON ACCOUNT OF FITTINGS IN ROLLING STOCK IN THE APPROPRIATION ACCOUNTS:

The items of losses on account of deficiencies in fittings of rolling stock coming to Railway Workshops for repairs, which are attributable to theft should be treated at par with other losses due to theft and shown separately in the Annexure-H to appropriation Accounts (Statement of Losses). It should be seen that such losses should, wherever necessary, be written off under competent sanction and the fact of this having been done should be suitably mentioned in the aforesaid statements, also stating the action taken for fixation of individual responsibility with a view to taking disciplinary action and adoption of necessary measures for avoiding recurrence of such losses.

The cost of articles lost in theft should be worked out in accordance with the instructions contained in Railway Board's letter No. 62-Security/CS/184/7 dated 9.1.1963 and showing the Appropriation Accounts irrespective of the fact whether these items are charged off in Accounts or not.

The figures in respect of losses on account of theft of rolling stock fittings referred to above should be duly reconciled with the corresponding figures in the Monthly Statement of losses submitted to the Board in compliance with the instructions contained in their letter No. 54-AC.II/25/40/A dated 9.5.1957 as also with those advised by the Chief Security Officer to the Director(Security) Railway Board.

(Authority: Railway Board's letter No. 14 Appr/59-60/Pt. dated 23.7.1963 received under Additional Deputy Comptroller and Auditor General of India (Railways)'s endorsement No. 2352-RAII/23-60 dated 1.8.1963).

The items of losses exhibited in the statement of losses should be compared by each auditing unit with those reported by the Divisional Railway Manager/Works Manager/Executive Officers concerned to the General Manager for the purpose of inclusion in the Annual Narrative Report and the result intimated to Appropriation Audit Section while forwarding the audited copy of the statement of losses.

(Authority: Letter No. AA/10-2/60-Policy dated 18.4.1962).

11.54 REVIEW OF MONTHLY REPORT OF LOSSES DUE TO THEFT ETC.

The position of cases of losses due to theft etc. may be reviewed by each Division/Branch from the monthly report of losses to thefts, etc. sent by the Division/Branch to the General Manager's office and any important comments conveyed to Central Section stating clearly whether the case is fit for the preparation of draft Para.

11.55 FINANCIAL RESULTS OF WORKING OF NEW BRANCH LINESS

(See Para 284 of Railway Audit Manual)

The statement showing the financial results of working of each new branch line prepared by the Railway Administration in pursuance of Para 722-G will be examined to see that the facts given therein are correct, that the method adopted for computing the earnings of the new branch lines gives satisfactory results and that the calculations are fairly accurate so far as can be judged from a very limited test check exercised by audit. The statement is due to reach the Railway Board not later than December each year and its examination should be taken in hand as soon as it is received in Audit Office. The figures of earnings should be checked by the Traffic Audit Branch and expenditure by the concerned Division and the results communicated to the Appropriation Audit Section.

A comparison of the actual earnings in the 6th year of opening should be made with the estimated figures. A special report should be made to the Additional Deputy Comptroller & Auditor General of India (Railways) when the examination reveals any important or peculiar features or when there is any doubt or difference of opinion in regards to the interpretation of the Railway Board's orders or in regard to the information that should be supplied.

11.56 CIRCULATION OF BOOKS AMONG OFFICERS

Copies of the books (Appropriation Accounts, Finance Accounts, Audit Reports, Union Territories and Central Government (Civil, Commercial and Railway Department) are received in Books Section. These books may be circulated among the Officers stationed at Baroda House and it should be so arranged that no copy is lost or mutilated. The other officers may only be informed that Appropriation Accounts etc. have been received in Director of Audit's office and if any officer is interested to study them, they would be sent on demand. If any books are sent, it should be sent under Registered Cover. The books, when received should be transferred to Library and a proper acknowledgement for each book, retained in the register maintained by the Appropriation Audit

CHAPTER XII

STORES AND CATERING AUDIT

12.1 DUTIES AND RESPONSIBILITIES

In Stores Audit, it is required to be seen that departmental regulations governing purchase, receipt, custody, issue & condemnation sale, stock taking of stores etc. laid down by the Railway Board are observed correctly.

While conducting the audit of Stores Account the instructions contained in Chapter 7, Section-III of the M.S.O. (Audit) and stores code are generally to be borne in mind.

The stores audit branch at Headquarters Office is responsible for the audit of stores transactions accounted for at Headquarters and Shakurbasti. The audit of stores transactions of the store Depots, Ludhiana, Jalandhar Cantt., Tughlakabad, Ghaziabad (P. Way), EMU (Car Shed), Tughlakabad and Local Purchase Offices, New Delhi alongwith the store portion of CRS (IRCA Bldg.) are also to be conducted by stores audit Headquarters. The audit of stores transactions of the stores depots at Charbagh/LKO, Ghaziabad (Signal and Electric Traction Depot) Alambagh/LKO, Amritsar is done by the audit staff stationed at those places. The audit of stores transactions of the stores depots at Jagadhri, Kalka Workshop and Diesel Shed Kalka is done by Workshop Audit Office, Jagadhri. The stores Headquarters section is also responsible for the audit of the accounts of Catering Departments controlled by the Headquarters and acts as a coordinating section for stores catering. The Instructions on the subject given in Chapter XVII of Railway Audit Manual should be followed.

12.2 STORES PURCHASE BILLS:

(See Para2819-S to 2833-2839 and 303 to 307 of Railway Audit Manual)

The following points should be seen while checking of Stores Bills:

1. The security wherever required has been deposited by the supplier in accordance with the terms of the contract;
2. That there is no undue delay on the part of the Accounts Office in passing the bills;
3. That reference of receipt orders are given on the bills;
4. That the sales tax has been correctly charged either at rates prescribed in the State Sales Tax Act or the Central Sales Tax Act;
5. That the Executive Officers have satisfied themselves at the time of passing bills that the Stores supplied under the bill have been actually received and taken into account;
6. That the Executive Officers have applied necessary check to ensure that a claim more than once has not been passed by them for one and the same transaction on a contract;
7. That proper machinery exists to ensure that the officer signing the bill has satisfied himself that the quality and quantity of Stores supplied are according to the contract;
8. That the Stores which are required to be purchased through the agency of the Directorate General Supply and Disposal in accordance with Para801-S and latest orders of the Railway Board have not been purchased direct without the sanction of the competent authority;

12.3 D.G.S. & D. BILLS:

(See Para801-S and Para301 of Railway Audit Manual)

It should be seen that:

- (i) that no direct payments have been made to the suppliers;
- (ii) that the Accounts Office does not pay or pass any charges for such stores unless the debit for the cost of supplies including the departmental charges due to Indian Stores Department is received from the Pay & Accounts Officer, Ministry of Works, Housing and Supply.

The special powers delegated to the respective authorities from time to time by the Railway Board regarding direct purchase of Indian Stores Department items should be consulted at the time of auditing bills (Para802-S).

Any instance noticed where the correct procedure has not been followed or items have been split up to evade the purchase of such stores should be taken up with the Railway Admn. So that necessary action is taken for its regularization.

12.4 TRACING OF POSTING IN TRANSACTION REGISTER OF STORES BILLS,

The check of Stores bills for supplies at Stores Depots is centralized in the Stores Accounts Branch at Headquarters and their audit devolve on the Stores Audit Branch at Headquarters. In the case of Alambagh, Charbagh, Jagadhri, Amritsar Depots, Stores Depots at Signal Shop, Ghaziabad, Electrical Traction Depot, Ghaziabad, Kalka Workshop, the postings in the Transaction Register are made in the local Stores Accounts office, while the accounts of 'Purchases' are maintained in the Central Stores Accounts Office. In order that the postings of locally, the Stores Audit

Branch at Headquarters will intimate the details of such bills audited each month to the Stores Audit Office concerned for necessary action. The Stores Audit Headquarters Section will also trace the Stores Bills pertaining to Shakurbasti Depot in the Depot Card Ledgers by paying a visit to the Depot.

(Authority: Additional Deputy Comptroller and Auditor General of India (Railway)'s secret letter No. 4295-RAI/8-7/66, Vol. 1 dated 02.11.1967).

12.5 CUSTOMS DUTY BILLS.

(See Para313 of Railway Audit Manual and Para2830 of Stores Code)

As there is no sea-port on the Northern Railway, there will be no occasion for receipt of custom duty bills direct by the Northern Railway and these will generally be paid by other accounting units and debits only will be received from them for such charges as relate to Northern Railway. It should be seen;

1. that the charges correctly relate to Northern Railway and that they have been posted in the Priced ledger (Transaction Register) under Priced Ledger number concerned.
2. they have been countersigned by the Controller of Stores;
3. their allocation is correct;
4. the details of the bills (for customs charges) agree with those in the bills of lading and tonnage statements;
5. that the rates of Wharfage, sur-tax, unloading etc. are in accordance with the schedule of rates of the Port authorities.

Note: Book Adjustment system rather than Cash payment should be adopted for payment of custom duty, as such a procedure will give to the Railway Administration the benefit of preferring claims for refunds of excess duty wrongly charges upto a period of one year, whereas, in the case of cash payments only 3 months are allowed.

12.6 RETURNED STORES:

(See Para311 of Railway Audit Manual)

It should be seen that:

1. the allocation of credit is correct;
2. the returned stores are promptly acknowledged and accounted for by the Stores Department;
3. the valuation of advice notes especially in case of Engineering Stores, Loco and Carriage and Wagon Adjustments is done in accordance with the orders issued by the Railway Board from time to time;
4. there are no cases of excessive indents and purchases having been placed/made in the first instance by the Departmental Officers;
5. the posting of returned stores has been made in to the Transaction Register.
6. necessary pairing of advice notes have been done by the Accounts Office.

Note: A comparison is to be made of the accepted copies of advice notes received from the depots with the original copies received from the Departmental/Divisional Officer.

12.7 WORKSHOP OUTTURN:

(See Para312 of Railway Audit Manual)

It should be seen that articles are not purchased from the market if they could be manufactured at cheaper rates in the Workshops, similarly articles which can be had at cheaper rates from the open market should not ordinarily be manufactured in the workshops.

The posting of items should be traced into the transaction register.

12.8 LONDON/IMPORTED STORES.

(See Para313 of Railway Audit Manual).

It should also be seen that in the case of English Stores, the surplus stores lists of other Railways and administrations are connected before indents are prepared. It should also be seen that indents for such stores are not ordinarily placed on the I.S.D. unless the work has been included in the works, machinery and rolling stock programme as approved by the Railway Board.

12.9 INTER DEPOT TRANSFERS.

(See Para314 of Railway Audit Manual)

The vouchers relating to inter-depot transfers should be checked to see that issues and receipts are paired and that sufficient action has been taken to watch the acknowledgement of outstanding items. It should also be seen that these are posted as minus receipts in the ledgers of the Issuing Depot and plus receipts in the Receiving Depot.

12.10 OTHER RECEIPT NOTE

(See Para314 of RAM & Para1223 & 1327-S)

The other returns cover store received on loan from other Railways and fabricated reconditioned or repaired

store received from contractor. It should be seen that the instructions regarding pricing and return of such stores to be lending Railways are correctly observed. In the case of fabrication receipt notes it should be seen that the material are valued at the rates at which they were originally issued plus the fabrication changes as per the contract.

12.11 OTHER DELIVERY NOTES

(See Para315 & 316 of RAM)

Certain miscellaneous issue vouchers such as fabrication issue notes, loan issue notes etc. should be checked to see that issue and receipts are paired and that sufficient action has been taken to watch the acknowledgement of outstanding items.

12.12 ISSUES TO REVENUE AND CAPITAL.

(See Para315 & 316 of Railway Audit Manual)

The following points should also be seen while checking issue notes:

1. that the nomenclature as given in the issue notes tally with that shown in the transaction register;
2. that large quantities of stores are not issued for special works at or about the close of the year with a view to reduce balances or to utilize the grant for these works;
3. that necessary charges are added to the book value of stores in case of issues to capital works or surveys unless the freight has already been included in the cost thereof in accordance with Para2161-S;
4. that in the case of issues of surveys undertaken by the Administration whether on behalf of Government or of a Branch line company, an additional charge of 5% has been levied on account of departmental charges (Para2717-S).

12.13 ISSUES TO SALES.

(See Para315 & 316 of Railway Audit Manual)

It should also be seen that:

1. the sale is within the powers of the officer sanctioning it;
2. material actually required by the Railway Administration is not sold, especially at a cost lower than the latest purchase rates;
3. in the case of sale of scrap that it was declared as such by the General Manager on the recommendation of the Survey Committee;
4. quantity as per gate passes tally with that shown in the connected sale order;
5. percentage charges viz. freight, incidental and supervision prescribed in the code have been correctly levied (Para2328-S and 2329-S);
6. the purchase money has been paid in advance to the Railway.

12.14 ISSUES TO WORKSHOP.

(See Para340 of Railway Audit Manual)

Stores issued to Workshops from depots attached thereto are accounted for through workshop Issue Notes (D.S.5-B). Issues to shops from other than shop depots are made on ordinary issue notes (See Para1529-S).

12.15 TRACING THE POSTING IN TRANSACTION REGISTER OF RECEIPT AND ISSUE VOUCHERS.

The posting in the register should be checked along with the check of bills, receipt returns and delivery notes. The Transaction Register accounts should be reviewed at the time of check of the postings in the registers.

12.16 LEDGER/TRANSACTION REGISTER

The total number of registers should be divided into 12 units and one unit selected each month for review. The points to be seen during the review are given in Para317 of Railway Audit Manual. Differences noticed as a result of reconciliation of the Transaction Register with the General Books and the adjustments carried out should be carefully scrutinized. The list of units should be reviewed annually in July and kept upto-date. It should also be seen that:

1. same item is not manufactured in workshop at higher rate than the last purchase rate or vice versa;
2. the valuation is done as per code rules;
3. instances of large amounts of store lying in hand without issues for considerable time or with infrequent issues do not indicate their being surplus and if so it should be seen as to how they were rendered surplus;
4. reconciliation of Transaction Register with the numerical ledgers is done by the Accounts Office monthly and discrepancies noticed therein are settled forthwith as far as practicable and that those which can not be readily settled are entered in the Register maintained for the purpose;
5. proper arrangements exists for reconciling the total balance at debit of stores as per ledger, with the balance as per General Books;
6. stores are transferred to the Stores surplus list in accordance with the rules on the subject and that arrangements exist to reduce the stores balances consistent with economy and efficiency;

7. deficiencies in stock and all other transactions to debit of stock adjustment account are posted as minus receipts and accounted for accordingly.

12.17 STORES JOURNAL

(See Para318 of Railway Audit Manual and Para2932-S to 2935-S).

12.18 STORES ACCOUNT CURRENT.

(See Para319 of Railway Audit Manual)

The entries in the Account current should be traced into the various documents on which it is based and the total also tallied with the supporting statements.

12.19 ACCOUNT CURRENT AND OUTTURN STATEMENT OF THE PRINTING PRESS.

(See Para331 of Railway Audit Manual and Para31 of Secret Memorandum of Instructions (Railway Audit).

It should be seen that the debits and credits to the Press account agree with those taken to account by the Superintendent, Printing and Stationery. The opening balance should be verified with the closing balance of the previous month. The closing balance should be analysed to see that all items are current and prompt action is taken to clear the outlay in completed works.

Notes:

1. The printing of tickets (card tickets) is done at Lucknow and the inspections of DY. CMM (TP) Lucknow would be conducted by Workshop and Stores Audit, Alambagh, Lucknow.
2. The press at Shakurbasti deals with the printing of books and forms for the Railway and its inspection is conducted by Stores Audit (Headquarters).

12.20 STORES MANUFACTURING ACCOUNT.

The receipt side of the account should be checked with the summary of issue notes as regards stores charges and with adjustment memo as regards labour charges. It should be seen that the articles are correctly priced after manufacture and issues from the account are supported by necessary vouchers.

12.21 CLOTH MANUFACTURING ACCOUNT.

As per instructions contained in Railway Board's letter No. 60-113/RS (G) dated 23.08.1960 a factory for cutting of garments required for the uniforms of the Railway employees has been set up at Shakurbasti. The stitching of garments is entrusted to the Handicrafts centres run by Railway staff to the extent possible and the balance to trade. Detailed instructions for the issue of basic cloth, its accountal and payment of the remuneration etc. to the Handicrafts centres have been laid down in the Joint Stores and Accounts P.O.O. No. 13 dated 17.01.1962.

In connection with the fabrication of garments through the handicrafts centres, it has been decided by the Railway Board that in all cases where cloth and other material is supplied to the handicraft centres, the staff benefit Fund should stand a guarantee for the value of the cloth and other material supplied to the handicraft Centre. Wherever value of material supplied is large an insurance policy should also be taken against theft, loss of cloth and sewing machines etc. and the premium for this should be met out of the income of the handicraft centre.

(AUTHORITY: RAILWAY BOARD'S LETTER NO. E(W)64-WEI-I DATED 29.01.1965)

In the case of contracts for fabrication of garments for Railway Staff which are let out to outsiders, it should be seen that such contracts are given to private firms only after inviting open tenders. The following points should be further seen in the check of bills for fabrication of garments:

1. that the cloth and other raw materials required are issued from the stores depot upto the value of the security deposited by the contractor;
2. that all the material is issued on a proper issue note;
3. that the cost of raw material issued to the contractor is debited to Miscellaneous Advance Capital (clothing);
4. that on the receipt of uniforms, the cost of raw material is credited to Miscellaneous Advance Capital and the fabrication charges are debited to Miscellaneous Advance (clothing) which are cleared on the receipt of firm's bill;
5. that the unused material is either returned by the contractor to the stores depot or the cost of the same is recovered from him.

12.22 SALES ABSTRACTS:

(See Para316 and 320 of Railway Audit Manual and Chapters XXIII and XXIV of Stores Code).

It should be seen that each sale has been sanctioned by the competent authority and included in the Sales Register, the percentage charge have been correctly levied and bills preferred against the party concerned, and that the stores Tender Committee has been consulted for sale of stores whenever it is necessary to do so (Para2322-S).

It should also be seen that the totals agree with the debit to head 'sale' in the General Books. It may also be seen that the purchase money has been received and accounted for that there is no tendency on the part of the Administration to issue to employees new and good stores which can be readily purchased from the market and by referring to the gate passes at local inspections that no more quantities have been issued than have been paid for. The procedure in regard to

sales, whether of surplus stores or of other classes of stock must be reviewed periodically. In all important cases the papers of the controller of Stores relating to the invitation of public offers, auctions etc. should be examined and any defect in the procedure should be taken up with the Administration. During local inspections the detailed arrangements for tenders or auction sales and the method of stocking materials for sale may be reviewed. It should be seen whether materials have been removed within the stipulated period and whether penalties have been enforced wherever due.

12.23 SUSPENSE REGISTERS.

(See Para320 of Railway Audit Manual and Chapter VI of Accounts Code Volume-I)

All important and old outstanding and irregular items should be examined and Accounts and Administration's files studied with a view to see if they provide any material for the Railway Audit Report.

(Authority: Office Order No. C-60, dated 19.08.1959).

12.24 PURCHASE REGISTERS.

(See Para2809-S to 2816-S and 2924-S and Para607 of Accounts Code Volume-I)

All the registers should be divided in 12 units and one unit taken up every month. The analysis of the balances should be carefully checked with the detailed postings and irregularities brought to notice. The balance at the end of each year should be analysed and agreed with the General books. It should be seen that the registers are periodically inspected by the Stores Accounts Officer. Items outstanding for more than three months and instances of undue delay in payment of bills should be specially scrutinized. Irregular/debit balances should be taken up with the Accounts Office. It should also be seen that there are no delays in the inspection and account of material in the Stores Depots in cases of payments made for stores in advance or in the intimation of actual arrival of Stores. It should also be seen that the concession is allowed only under orders of competent authority. It should be ensured that whenever RITES or Research Design and Standards Organization inspection has been prescribed, no advance payment has been made by the Accounts Office on the basis of Railway receipt without the production of inspection certificate.

12.25 SALES REGISTERS.

(See Para2722-S to 2731 and 2927 and Para608 of Accounts Code Volume-I)

All the registers should be divided in 12 units and one unit taken up every month. Credit balances should be specially scrutinized. The balances should be analysed and undue delays in the recovery of the values should be taken up with the Accounts Office. It should be seen that the balances of this register have been reconciled monthly with the General Books.

12.26 DEPOSIT MISCELLANEOUS AND MISCELLANEOUS ADVANCES REGISTERS.

(See Para381 of Railway Audit Manual, Para320 to 321 and 614 Accounts Code Volume-I)

These registers should be divided into 12 units and one unit taken up every month. It should be seen that a systematic reconciliation is made with the General Books. One month's outstanding should be traced back to the month of origin in addition to the general review of deposit Miscellaneous and Miscellaneous Advances Registers which should include security Deposit Registers, it should be seen that the deposits are adequate for fulfilling the requirement of the contract; that in the case of failure on the part of the contractor to observe the terms of the contract, proper recoveries have been made from the Security Deposit that there are no debit items; and that all the items are current and relate to works in progress or to agreements in course of fulfillment.

The following points should be seen in the review of Miscellaneous Advances Registers:

1. that the register generally contains those items of expenditure the allocation of which is not known and the value of cloth issued to the contractor and firms for manufacture of garments;
2. that the provisions of Para610 of Accounts Code Volume 1 are followed:

In addition to the above points important defects in procedure or control brought to light by a careful study of the Miscellaneous Advances Registers should be thoroughly investigated and pursued in the light of all available information before being formally objected to.

12.27 LONDON STORES/LONDON INVOICES

(These heads are not to be operated upon for transactions for 1956-57 and onwards)

The debits and credits for imported stores are booked to the head 'Purchases' 'Subsidiary books under 'Purchase imported' and 'Purchase indigenous' are maintained to record the transactions relating to imported purchases and country purchases respectively.

12.28 INTER DEPOT TRANSFER REGISTER.

(See Para2746-S to 2751-S and Para314 of Railway Audit Manual)

It should be seen that the vouchers of issues and receipts are paired and that sufficient action is taken to watch the acknowledgement of outstanding items. It should also be seen that the balances in the register have been reconciled monthly with the General Books and that proper machinery exists in the Accounts Office to ensure that all the vouchers have been taken into account.

12.29 STOCK SHEETS

(See Para327 of Railway Audit Manual, Chapters XXXII and XXXIII of Stores Code, Para1856-S, 1875-S, 1269-S, 1442-S and 2526-S, Para831, 832 and 1702-Accounts Code Volume-I).

It should be ensured that the programme and arrangements for the conduct of stock verifications cover all items of Stores whether lying in Depots or with the consuming departments viz. Stationery Tools and Plant, material at-site etc. The scrutiny by audit should cover the results of verification of all kinds of stock including charged off stores and permanent way materials in custody of Engineers.

The stock verifiers reports will be reviewed with reference to the explanations furnished and the orders finally passed thereon, it should be seen that all important losses have been adequately investigated. The actual adjustments in the Accounts will be scrutinized. Any unreasonable delay in the disposal of stock sheets either by the Departmental officers or by the Accounts Office should be brought to the notice of the Accounts Office. The arrangements for departmental verification and the important results thereof may also be reviewed.

The postings of the excesses and the deficiencies after review by competent authority should be verified in the stores priced ledgers. All cases of misappropriation or fraudulent use of materials should be brought to the notice of the officer-in-charge.

The action taken by the Accounts Office should be watched to see that full investigation is made in all important cases that no improper use is made of the stock Adjustment Account and that in the case of shortage adequate disciplinary action is taken against the person responsible for it.

12.30 AUCTION SALE ACCOUNT

(See Para328 and 448 of Railway Audit Manual and Para2412 to 2447 and 2733 to 2337 of Stores Code).

The following points should be seen while auditing the above account:

1. that the lists of stores for auction have been made out under proper sanction and reasonable publicity has been given in regard to the date and other particulars of auction.
2. that the auction has been personally supervised by a responsible officer of the Stores Department;
3. that the accepted bids have been written by the concerned officer and a certificate has been recorded by him as to his personal supervision;
4. that an accounts representative was also present at the time of auction;
5. that the depot officer, stock verifier and the auctioneer have submitted the accounts in time and the same agree with each other in respect of quantity, description and sale proceeds, differences if any detailed in the manuscript register maintained in the Accounts Office being checked simultaneously;
6. that the amount of commission charged by auctioneer is as per his agreement and that there is no delay on the part of the auctioneer in remitting the amounts to the Railway;
7. that the credits for the values received have been afforded to the correct head of account;
8. that the total amount realised in auction sale agrees with the total remittance as made;
9. that the arithmetical calculations are correct;
10. that the auctioneer has given an acquittance for the amount of his commission.

It should be seen occasionally that the materials put up for sale in auction are not serviceable and costly articles are not mixed up with lots of scrap or condemned materials. In the case of sale accounts of scrap metals, the reasons for realizing a higher value than the book value should be carefully looked into. It should also be seen whether in cases of failure the penalty as per terms of sale is levied; also that no remission or reduction of ground rent on materials sold by auction but not removed within the free time is allowed except with the sanction of the competent authority.

In the case of local deliveries, the gate passes should be checked with the delivery order for auction sales. It should be ensured that all materials sold in lots are weighed before auction in the presence of an Inspector of Stores Accounts. The lists of weighment of these lots received in the Accounts Officers should be compared with the auctioneers sale account. It should be seen that no employees of the Railway bid either directly or through their representatives for purchases of articles at auctions held by the Railway at places on the line or in the depots except with the consent of the Heads of Department concerned. The latest schedule rates for scrap should be compared with the price obtained in recent auction sales to see if any of them calls for revision.

Advice notes marked 'auctionable' are noted by the sub-storekeeper, scrap yard, in a register for recording disposals of articles received. A copy of this register is sent by the depot through the Controller of Stores along with the auction sale accounts of miscellaneous stores to the Accounts Office. It should be seen whether the items borne on the advice notes, copies of which are already in the Accounts Office are traceable in the copy of the register received from the depot. It should also be seen whether any Action has been taken up by the Accounts Office with the depot in connection with items not so traced.

Besides above Guidelines of ASOSAI and INTOSAI for dealing with fraud and corruption should also be kept in mind (Appendix-IV)..

Notes:

1. Inspector of stores accounts to witness deliveries of stores auctioned/sold are required to submit a monthly statement showing the amount of loading charges recovered. It should be seen in Central Audit that these

are checked in Issue Section with those accounted for by the Chief Cashier and pay master. As before the submission of the statement, this is required to be reconciled with the depots records, it should be seen that a certificate to this effect has been recorded thereon.

2. Complete check of auction sale accounts pertaining to all the stores depots on Northern Railway is exercised in the Stores Audit Branch at headquarters. In addition, however, these accounts should be checked with the records available at the depots, by the local audit officers.

(Authority: Principal Director of Audit's order dated 09.02.1959).

12.31 YEARLY STATEMENT OF STORES TRANSACTIONS.

(See Para3001-Stores Code)

The instructions for checking the statement are given in Para324 of Railway Audit Manual. It should also be seen that:

- (i) the statement has been prepared in the prescribed form, discrepancies, if any, should be brought to the notice of the Financial Adviser and Chief Accounts Officer.
- (ii) The balances shown in the statement are correct, effective and efficient;
- (iii) The Railway Administration has not unnecessarily reduced the stores balances by resorting to the following means:
 - (a) writing down of values without sufficient cause;
 - (b) charging of stores to works on which they are not required for use immediately;
 - (c) undervaluing returned stores;
 - (d) undue acceleration of the sale of surplus stores;
 - (e) keeping of the payment or account of receipt of stores towards the end of the year till the next financial year.

The results of review by the Branch Audit Offices should be sent to Headquarters Office.

12.32 YEARLY STATEMENT OF STORES PURCHASES:

(See Para325 to Railway Audit Manual and Para2943 to 2946-S Stores Code)

This statement shows the details of stores purchased during, the year from various sources should be scrutinized generally to see how far the Government stores purchase policy has been adhered to. The statement may be compared with the previous year statement and the reasons for important variations investigated.

Cases of splitting up of items to evade the purchase of such stores through the Ministry of Industry and supply should be brought to the notice of the officer in charge for orders.

Besides above Guidelines of ASOSAI and INTOSAI for dealing with fraud and corruption should also be kept in mind (Appendix-IV)..

12.33 SCRUTINY OF LARGE CONTRACTS AND TENDERS:

(See Para299 to 307 of Railway Audit Manual and Para27 of Secret Memorandum of Instructions (Railway Audit)

Stores contracts are reviewed quarterly as per item XIII (ii) under 'Stores Audit Programme' as given in the Secret Memorandum of Instructions (Railway Audit). The instructions contained in this regard in Chapter on Works Audit may also be seen.

The rate etc. of the accepted tenders should be compared with Work/Purchase orders issued against them to see that the work orders/purchase orders have been made out correctly.

The execution of accepted tenders for the purchase of stores should also be reviewed to the extent laid down in Para 32 of the Secret Memorandum of Instructions (Railway Audit).

Note: The percentages of review of completed contracts as laid down in the above mentioned Para applicable to contracts entered into by the Engineering, Commercial, Mechanical, and other departments.

The general system in force for entering into contracts, the method of calling for tenders, the forms of the contracts and the specific conditions attaching to the supply of stores should also be examined. An intelligent check should be exercised on the tabulated summaries by referring to the original tenders. Interesting cases in which there is doubt that tenders or contracts have been split upto avoid higher sanction should be specially scrutinized and pursued.

Besides above Guidelines of ASOSAI and INTOSAI for dealing with fraud and corruption should also be kept in mind (Appendix-IV)..

12.34 CONTRACTS FOR BULK PURCHASES:

The copies of contracts for bulk purchases entered into by the Railway Board for the supply of material to this Railway should inter-alia be examined to see;

- (i) that deliveries are made in time;
- (ii) that supplies are according to requirements and no excessive purchases have been made;

(iii) that supplies are acceptable to Railway.

Note: A register will be kept for watching the fulfillment of these requirements.

Besides above Guidelines of ASOSAI and INTOSAI for dealing with fraud and corruption should also be kept in mind (Appendix-IV)..

12.35 REVIEW OF PURCHASE ORDERS:

(See Para307 of Railway Audit Manual and Para32 of Secret Memorandum of Instructions (Railway Audit)

The check of purchase orders should be conducted as per extent of check prescribed against items XIII (i) under 'Stores Audit Programme' of the Secret Memorandum of Instructions (Railway Audit). Instructions contained in Additional Deputy Comptroller and Auditor General of India (Railways) Secret letter No. 2965-RAI/8-7/66 (Vol .I), dated 09.08.1967 may be seen. The following points should be seen:

- (i) that the rates shown in the purchase orders agree with the accepted tenders;
- (ii) that the stores required to be purchased through the agency of the D.G.S. & D. or other authority are not purchased direct without proper sanction;
- (iii) that the administration has exercised better care and checks in the indenting of stores specially those involving expenditure on foreign exchange;
- (iv) that there is no intentional splitting up of purchases;
- (v) that the financial limits as laid down by the competent authority are not exceeded.

Besides above Guidelines of ASOSAI and INTOSAI for dealing with fraud and corruption should also be kept in mind (Appendix-IV)..

12.36 INSPECTION OF THE WORK OF RECEIPT AND DESPATCH SECTIONS OF THE STORES DEPOTS.

This will be done yearly as laid down in Para446 and 447 of Railway Audit Manual. The idea regarding inspection of receipt section of the depot is to see that the main section of the depot received all stores before the wards take them into stock. The procedure regarding dispatch of stores by the despatch section of the depot, which arranges the dispatch of all stores from the Depot should also be examined. Important points to be seen are:

- (i) that in case of failures or delays in supply of material necessary penalties have been recovered from the suppliers;
- (ii) that rejected stores are promptly removed by the suppliers and that ground rent and freight charges are recovered wherever necessary;
- (iii) that sample quantities shown in the forwarding orders tally with those shown in the issue notes;
- (iv) that proper account of samples is maintained and that samples in the receipt section are in respect of current contracts only;
- (v) that the particulars of loading and unloading shown in the contractors bills agree with those shown in the respective registers;
- (vi) that there is no delay in the inspection and accountal of materials in the Day Book of Receipts;
- (vii) that in the case of returned stores the materials received without advice notes are not allowed to lie about and that proper action is taken for the accountal of such stores; that there has been no delay in the acceptance and the accountal of the advice notes;
- (viii) that there are proper arrangements to ensure that only the authorized and correct quantities are removed by the indenting parties, outside purchasers etc., for this purpose gate passes will be reviewed;
- (ix) that the lorries are properly utilized and that necessary recoveries are made when they are loaned to private parties for this purpose the log book of the lorries would be reviewed.

12.37 ACCOUNTS CUSTODY AND DISPOSAL OF SCRAP MATERIALS:

(See Para326 of Railway Audit Manual and Para1207 of Stores Code and Chapter XXIV Stores Code)

The arrangements for the custody of the scrap materials, the procedure adopted for and during auction of scrap, the rates fixed and those obtained during auctions and the procedure for verification of scrap, specially valuable scrap should be seen.

12.38 STOCK ADJUSTMENT SHEETS.

(See Para322 of Railway Audit Manual and 2543-S)

In this connection a reference is invited to the miscellaneous adjustments mentioned in paragraph 2543-S. The original posting should be verified and the justification of the adjustment scrutinized.

12.39 REVALUATION OF STORES

(See Para323 of Railway Audit Manual and 210-S)

When the last purchase price for the current market rate is lower than the average book rate by 10% or more or when through the variation is less than 10%, special circumstance justify revision of average book rate, the balance of stores in

stock is revealed at the lower rate and the difference between the two balances adjusted against stock adjustment account. The rates for workshop manufactured stock items are fixed half yearly by the Mechanical Department.

12.40 STOCK ADJUSTMENT ACCOUNT REGISTER:

(See Para321 of Railway Audit Manual and Para2740 to 2742, 2852 and 2936-Stores Code)

It should be seen that each part of the Account records only the particular class of transactions for which it is reserved. It should be seen that items are not carried to the stock Adjustment Account without proper investigation and adequate reasons exist in all cases where clearances are deferred.

The transactions of the stock adjustment account will generally come under scrutiny in connection with the review of priced ledgers (Transaction Registers) and stock sheets etc. As all items are as a rule to be cleared within six months vide Para2742-S, items more than six months old should specially be scrutinized and reasons for their non-clearance be investigated. The total amount placed under stock adjustment account during the year should be compared with the total for the previous year and the difference, if large should be investigated.

12.41 STORES ACCOUNTS:

The instructions for preparing the stores Accounts are given in Para437-F to 451-Finance Code Volume-I. The review of the accounts should be carried out according to Para401 and 402 of Railway Audit Manual.

12.42 LOCO FUEL ACCOUNT:

(See Para329 of Railway Audit Manual)

The detailed instructions regarding the fuel accounting are contained in the Revised joint Operating and Accounts P.O.O. No. 55-FA/O/A, dated November 1967.

12.43 AUDIT OF CANTEENS

In the case of canteens entirely financed from railway revenues, audit should be conducted as in the case of departmentally run canteens and as regards those which are in receipt of grant-in-aid the same procedure as is observed in the check of grant-in-audit should be followed.

12.44 STORES-IN-TRANSIT REGISTER

(See Para320 of Railway Audit Manual and Para2746 to 2752 Stores Code)

It should be seen that:

- (i) the balance outstanding in the stores-in-transit account is reconciled monthly with the subsidiary registers;
- (ii) steps have been taken for prompt clearance of the outstanding items;
- (iii) the register of outstanding items is examined periodically by the Stores Accounts Officer and delays in the acceptance and return of monthly account current are taken up with the Departmental officers and the Head of Departments and that repeated or protracted delays are specially brought to the notice of the General Manager.

12.45 FUNDS REGISTER:

(See Para506 of Stores Code and Para307 of Railway Audit Manual)

This register should be reviewed as provided in the Secret Memorandum Instructions (Railway Audit). The following points should be seen in this register:

- (i) that the amount of each contract or each indent forming a charge against the year's allotment has been entered in this register under the appropriate head of stores as also the cost of stores shown on accepted tenders where such tenders themselves constitute the contracts;
- (ii) that the petty items which have been purchased under the powers of Controller of Stores/Dy. Chief Mechanical Manager etc. have been posted in the Register under the various heads.

12.46 PURCHASE REGISTER (FUEL):

This register indicates the Accounts Bill No. wise details of payments made during a particular month. It should be seen:-

- (i) that the total payments made during the month as per Purchase Register is reconciled with the General Books;
- (ii) that the payments as per Purchase Register tally with report No. 01 received from the Machine Section gives Account Bill No. wise details for the cost of coal for the month;
- (iii) that the credit in the Purchase Register has been adjusted by issuing debit T.Cs. against Divisions/Workshops on the basis of total quantity of coal accounted for by the sheds/workshops as per their receipt statements.
- (iv) That the total credit under the Purchase Register is further tallied with Report No. 1 which indicates shed/workshops wise and grade-wise quantity of coal received by each shed/workshop during the particular month.

12.47 STORES-IN-TRANSIT (FUEL):

This register is not maintained in as much details as are kept in the purchase register (Fuel). A grand summary register is maintained which indicates total debits and Minus debits adjusted against this head during a particular month. The debit to this head is adjusted on the basis of value of B.G. Wagons received at the Transshipment point during a month by credit to Purchases (Fuel).

12.48 STOCK ADJUSTMENT ACCOUNT (FUEL):

The entries in the Stock Adjustment Account (Fuel) will be posted in lump sum as enjoined in the Railway Board's letter No. 66-AC/II/37/2, dated 12.09.1966. This register will be posted from two sources.

- (a) Difference in value (either because of quantity difference or rate difference) adjusted to this head after linking the wagons as per Report No. 4 linked coal wagons and;
- (b) Number and value of wagons which remain unconnected even after all the different phases of mechanized linking have been completed. It should be seen:-
 - (i) that the value of connected wagons as per Report No. 3-B after six months from the month of receipt of the relevant wagons has been transferred to stock adjustment Account by minus credit to Purchases and credit to this head;
 - (ii) that the amount adjusted to stock Adjustment Account on account of difference in value has been cleared every half yearly by debit/minus debit to Divisions/consuming units on the basis of total value of coal adjusted against them in the previous half year and that the value of unconnected wagons has been credited to traffic earnings after all the missing wagons pertaining to the period have been finally adjusted as compensation to goods lost;
 - (iii) that a list of unconnected wagons so transferred to earnings has been kept on record in support of this adjustment.

12.49 GENERAL CATERING AUDIT:

Under the revised programme, the audit of catering units should be confined to those located at stations selected for local inspection.

It should be seen that the stores consumed are commensurate with the sales and that the wastages have been kept to the minimum. The receipts and the formulate prescribed for various items should be reviewed to see that they are commensurate with the actual needs and the wastage has been kept to the minimum and that these are reviewed from time to time. The major catering contracts for the supply of commodities should be reviewed and correlated with the Central Check of bills.

The centralized purchasing organization for the various catering units should be inspected annually and contracts entered into for supply at various points should be reviewed intensively.

The inspections of the following offices will be conducted by Inspection Headquarters Section, Baroda House, New Delhi.

- (i) General Manager (Catering)
- (ii) Base Kitchen, New Delhi.
- (iii) VIP Canteen Railway Board
- (iv) Special Catering Units at Parliament, Annexure II and Parliament Receipt
- (v) Special Catering Units at South Avenue and North Avenue
- (vi) Special Catering Unit at PM Sectt. South Block, New Delhi.

The Catering units should be inspected independently by the concerned Audit Branch.

(Authority: Minutes of Audit Officers Meeting held on 24th and 25th November, 1975)

The Administrative Control of the following units has been transferred and handed over to Delhi Division vide CCM/S&R's letter No. 86-AC/O/IX-13/Pt. VII/Policy/IRCTC dated 11.11.2005 therefore this inspections will be conducted by Audit Office/Delhi Division.

- (i) Unit Catering Manager (Central Stores)
- (ii) Special Catering Unit IRCA Building, New Delhi

12.50 SCOPE AND EXTENT OF AUDIT:

- (A) The audit of transactions of the departmental catering units like cash memos, daily abstract of cash sales, daily account of cash sales, daily account of cash bazaar purchases, vendors commission bills should be carried out as per instructions contained in the Secret memorandum of Instructions (Railway Audit) and memorandum of Instructions for the guidance of Catering Accounts Section issued by the Financial Adviser and Chief Accounts Officer.

NOTE: The method, extent and scope of check prescribed against catering items as per Secret Memorandum of Instructions (Railway Audit) can be varied by the Principal Director of Audit according to local conditions provided the variations sanctioned by the Principal Director of Audit do not result in any appreciable change in the quantum of work.

- (B) The audit of other items relating to these units such as pay bill, contractor's bills, imprest account, purchase bills, purchase orders, journal vouchers, suspense registers, Annual Profit and Loss Account should be carried out as per programme of audit as laid down in the Secret Memorandum of Instructions (Railway Audit) and the orders issued from time to time and the instructions contained in the relevant chapters of this Manual.

12.51 CASH MEMO (C.D.I):

During check in audit it should be seen that:-

- (i) the continuity of the printed serial number of the Cash Memo books in use in each unit is maintained;
- (ii) the rates for the menu charged are according to the price list fixed by the Railway Administration and the changes made thereto from time to time.
- (iii) There is no error in calculation or in total;
- (iv) The sales tax on meals and stores where leviable has been correctly realised;
- (v) In the case of the cancelled memo both the foils are submitted with the endorsement showing the reasons for the cancellation which should be attested by the unit Manager.
- (vi) The totals of cash memo tally with the daily abstract of cash memo;
- (vii) It should be seen that for the purpose of percentage check of rates charged in the cash memo with the rates shown in the Tariff List necessary selection has been made by the Divisional Accounts Officer and the cash memo so checked bear an endorsement 'Rates checked' under the dated initials of the dealing clerk.

12.52 DAILY ABSTRACT OF CASH SALES (CD-2)

It should be seen in audit that:-

- (i) the sale proceeds as per cash memo selected for check have been properly accounted for in the daily abstract of cash sales;
- (ii) the totals are correct and total amount of cash sales as abstracted in the daily abstract of cash bills has been remitted in full to the Station Master as per Cash Remittance Note after deduction of the authorized amount of meeting day to day expenses on account of bazaar purchases and the acknowledgement of the Station Master (Form G-13) obtained on the Cash Remittance Notes;
- (iii) necessary credit is afforded by the Traffic Accounts Branch for all the remittances made by the unit Catering Manager.

12.53 DAILY ACCOUNT OF CASH BAZAR PURCHASES (CD-3)

It should be seen that:-

- (i) the account is supported by all the cash mema for bazaar purchases;
- (ii) that the amount of the cash mema tallies with the amount shown in the account;
- (iii) these are arithmetically correct and there are no mistakes in calculations or in total;
- (iv) the purchases made are within the powers delegated to the Unit Managers and if in any case the same have been made in anticipation of sanction of the competent authority the same is obtained and the expenditure passed is entered in the Objectionable Items register;
- (v) the rates paid for are not inconsistent with the market rates.

12.54 DAILY ACCOUNT OF CREDIT BAZAR PURCHASE (CD-4)

It should be checked to see:-

- (i) that the purchases have been made from the suppliers approved by the (Dy. CCM) (Catering);
- (ii) that the vouchers are arithmetically correct;
- (iii) that the purchases have been made with the sanction of the competent authority where these exceed the powers delegated to the Unit Manager;
- (iv) that the rates charged are in accordance with the terms of Contract, if any;
- (v) that a certificate has been recorded to the effect that items of stores purchased have been entered in the Stock Register and reference to the page number thereof has been quoted against each item.

12.55 DAILY TRANSACTIONS STATEMENT (CD-5)

This account should be checked to see that:-

- (i) the total daily cash purchase account tallies with the total for the corresponding date shown in form CD-3 'Daily Account of Cash Bazar Purchases';
- (ii) the total of daily account of credit bazaar purchases tallies with the total of credit purchases for the date as shown in CD-4;
- (iii) the progressive totals are correct and the breakages are supported by proper vouchers. In cases where breakages are due to negligence or carelessness on the part of the employee or public, necessary recovery for loss suffered by the Administration is made from the defaulters;

- (iv) the wastage does not exceed the permissible limit as prescribed by the Dy. CCM and if otherwise the sanction of the competent authority has been obtained;
- (v) the transactions shown in the statement are arithmetically correct and that the total of the sales agree with the totals as per Form CD-2 of the corresponding date;
- (vi) the total quantity of each kind of meals and stores sold in a day agrees with the sale proceeds as per cash mema of the day;
- (vii) the rates charged are according to the price list fixed by the Railway Administration and the changes made thereto from time to time.
- (viii) The sales tax realized as per cash mema have been properly accounted for;
- (ix) The totals of meals and stores sold have been exhibited separately.

12.56 COMMISSION BILLS OF SALESMAN (CD-9)

It should be seen that:-

- (i) the original copy of the bills has been received and is supported by a copy of the ledger account;
- (ii) reference to the relevant cash mema through which the cash was acknowledged by the unit managers has been quoted;
- (iii) it has been duly signed by the DCM (CD0 in respect of sales proceeds);
- (iv) the amount shown under column sales proceeds has been correctly worked out;
- (v) the amount of the commission in each cash mema is worked out according to the rate of commission fixed by the competent authority;
- (vi) the bills are arithmetically correct;
- (vii) a certificate to the effect that the sales proceeds for which the commission is being paid to the licensed salesman relate actually to the services rendered by him and that all the deductions due from him for any reasons whatsoever have been made through the bill, and have been recorded by the unit manager concerned and countersigned by the DCM (CD)

12.57 CD-10 AND CD-11 MONTHLY STATEMENT SHOWING THE DETAILS OF ITEMS OF FOOD STUFFS SOLD ON COMMISSION BASIS (CD-10)

Monthly statement of details of commission paid to Licencess (CD-11)- These statements are not received in the Accounts Office and will be checked at the time of inspection.

12.58 AUDIT OF PROFIT AND LOSS ACCOUNT

The Annual profit and Loss Account is required to be prepared by the Railway Administration in proforma A&B as prescribed in Railway Board's letter No. 66-TG III/636, dated 3.5.1966, received under Additional Deputy Comptroller and Auditor General of India (Railways) endorsement No. 1432-RAI/9-2/63, dated May 1966.

It should be seen that the account has been prepared according to the instructions of the Railway Board and that no avoidable loss is incurred in running departmental catering units. An audited copy of the profit and loss Account is to be sent by each Divisional Audit Office to the headquarters office (Stores Audit Section). The Stores Audit Section in turn will audit the consolidated Profit and Loss Account received from the Financial Adviser and Chief Accounts Officer (Catering) and will then send the audited Account to the Appropriation Audit Section which will pass it on to the Additional Deputy Comptroller and Auditor General of India (Railways).

12.59 AUDIT OF CASH IMPREST OF CATERING UNITS:

The rules regarding cash imprest are contained in Para1050 to 1052 of Financial Code Volume-I and may be referred to. It should be seen that:-

- (i) the limit of the imprest is not exceeded without proper sanction;
- (ii) the account is marked original and is in ink and is duly signed by the imprest holder;
- (iii) the payments are made for those items only which are authorized to be disbursed from the imprest and the payments are duly supported by vouchers which are complete in every respect;
- (iv) the amount spent and required to be recouped has been expressed in words also and supported by vouchers and there are no erasures and any alterations are attested as many time as they are made;
- (v) for any irregular payment recouped, it should be seen if the amount has been held under objection by Accounts Office or not;
- (vi) the vouchers for payment of amount exceeding Rs. 500/- bear the signature or attested thumb impression of the payees on revenue stamps of Rupee one.
- (vii) The vouchers are serially numbered and are made out in English and if made out in any other language are translated into English.

12.60 PRODUCTION ANALYSIS REGISTER:

This is maintained by the subordinates in charge of different catering units. The following points should be seen during local inspection:-

- (i) that the stores issued from stock have been properly accounted for;
- (ii) the production made out of the stores issued from stock is in accordance with the formula fixed by the Railway Administration, any deficiencies should be investigated;
- (iii) There has been no excess or wottage stores beyond those actually required in production.
- (iv) the production made agrees with the sale proceeds accounted for in the abstract of cash sales (CD-2) and the balance, if any, in stock;
- (v) that the production made and not sold but thrown subsequently being not fit for human use has been written off under sanction of competent authority.

12.61 REMITTANCES BY THE CATERING UNITS:

During local inspection of Catering Units the day to day remittance should be reconciled with the figures taken into account in the station records so as to detect cases of temporary or permanent misappropriation. Similar reconciliation should be made during local inspection of other offices/units realizing and remitting cash (Para6 of the Minutes of Audit Officers Meeting held on 15.06.1964).

12.62 COMPUTERISATION IN STORES ACCOUNTING:

The computerization of Material Management was initially started as per instructions contained in Railway Board's Letter No. 67-AC-II/37/15, dated 10.06.1968. This has been further attempted on unit record machine and then transferred to the second generation computers for implementation. The project was divided into 5 phases as under:-

- Phase-I Covers maintenance of price ledgers and preparation of Debit/Credit summaries.
- Phase-II Covers maintenance of Numerical ledgers part I
- Phase-III Covers taking over purchase orders progressing.
- Phase-IV Aims at maintenance of various suspense and
- Phase-V Covers maintenance of Numerical ledgers part II

All the above phases except Phase-IV have been implemented on all Indian Railways, Railway Board vide their letter No. 81E(GC)11-29, dated 15.12.1981 set up various systems Development Groups for essentially doing the preparatory work and develop the system. System Development Group-I of Central Railway has been assigned the job of developing material management and fuel management information systems. The revised management system will consist of the following modules given in order of priority for implementation:

- Module-I It covers Phase-I and Phase-II of the existing system. Data for coverage of other modules are also collected in this module.
- Module-II It covers Phase-III and Phase-V of the existing system and also prepares base for Module-VI i.e. vendor evaluation and also data for Module-V which covers computerization of Suspense Register.
- Module-III Cover receipt monitoring in the depots. This is stand alone system.
- Module-IV Covers sales of Railway materials.
- Module-V It covers Computerization of Suspense Register.
- Module-VI It covers vendor Evaluation.
- Module-VII Covers monitoring of demand processing till issue of purchase order.

The priorities and system specifications of these modules are to be cleared/modified by the steering committee appointed by the Railway Board vide 86/RS (G)/754/1, dated 27.02.1986. The system specifications of module I & II have been cleared by the steering committee. The following are the out put reports of module I & II.

Specimen of stores output of Module-I

1. Preliminary listing of Stores transactions.
2. Preliminary listing of Stores (Residual).
3. Preliminary list of O.B. cards (Opening & Closing)
4. Monthly Transaction Register.
5. Class Ledger.
6. Consolidated class Ledger.
7. Summary Reports No. 1 to 24.
8. Allocation summary (Depot Divn-Depot wise)
9. Revised Allocation summary.
10. 10% variation.
11. Ward voucher continuity.
12. Statement of Rejected vouchers.
13. Opening Balance statement.

14. Stock Adjustment Account Aid to linking.
15. Statement for Allocation No. 7192.
16. Inactive items.
17. Inefficient items (Value without quantity)
18. Statement of over stock.
19. Statement of surplus stores.
20. Statement of emergency items.
21. stock position of selected items.

MODULE-II

1. Purchase orders over due by 3 months beyond delivery period.
2. Stock balance returns.
3. Outstanding purchase orders where stock position is below 3 months (Action Document).
4. Stock position of vital items with covered dues.
5. Stock position of 'A' category items with covered dues.
6. List of purchase orders released depot-wise (Stock Orders).
7. List of purchase orders cancelled with risk purchase/general damages.
8. 95% supply accounted purchase orders.
9. Liability Register (Yet to be taken on Computer)

The under noted stores Accounts bills which are called statements are also provided by the Material Management Module-I.

Statement No. 01

It is on 'Book Transfers' Allocation Code 317191 and the Card Code 43 is used. It will show total debits on the part of a particular depot, and it is to be prepared depot wise. It is a new type of statement.

Statement No. 02

This statement is on 'Imported Stores' Allocation Codes for this statement are 31711205 & 31711105 under Card Code 44 & 45. It will also show the details of adjustment vouchers of receipts.

Statement No. 03

This statement is on 'Purchases Local'. It will have Card Code 44 & 45 and following Allocation Codes are used.

31712105
31712205
31712305
31712405
31712505
31712605
31712705
31712805

This statement will have vendor code and will show Depot wise purchases.

Statement No. 04

This statement is on 'Purchases DGS & D. It is similar to Statement No. 03. It will give the Debits of Depots.

It was not in old system.

Statement No. 05

It is on 'Misc. Advances Capital'. It will have Card Code 44 & 45 with following Allocation Codes:-

31731105
31731205
31731305
31731405

It will shown Debits and Credits for Depots. This was also not in old System.

Statement No. 06

This statement is on 'Sales to Outside parties.

This will have Card Code 58 and Allocation Codes 31714105 & 31714205. It will give the details of Sale Value, Sale Sanction, Book Value and Grant Total of Book Value. This was not in existence in old system.

Statement No. 07

It is on 'Sales to other Government Departments and Railways'. It has the Card Code 58 and following Allocation Code:-

31714305

31714405

31714505

31714605

This statement will have Buyer Code, Quantity sold, its rates and its Book Value. It is New Statement.

Statement No. 08m 09, 10 & 11.

These statements are on 'Departmental Stock Verification' Part I, II, III & IV respectively CC 41 and allocation 31718205 are used.

Statement No. 12, 13, 14 & 15.

These statements are on 'Departmental Stock Verification' Part I, II, III & IV respectively CC 41 and allocation 31718205 are used.

Statement No. 16:

It is on 'Adjustment Stock Verification Card Code No. 42 & 49 and following Allocation Codes are used:

31718105

31718205

31718305

31718405

31718505

31719105

31719205 (with CC 49 only)

This statement shows Depot-wise and Allocation is minus Debit and Credit.

Statement No. 17, 18, 19 & 20.

These statements are on 'stock Adjustment Accounts' and Code No. 53 and following Allocation Code are used:

718605

718705

718905

Statement No. 21

This statement is on 'Depot Transfer Receipt Card Code No. 47 and Allocation Code 311610 and 31717205 are used. This statement shows Depot-wise and Consignee-wise issues. It is similar to the Statement No. 10 of old system.

Statement No. 22

This statement is on 'Depot Transfer Issues'. Card Code 59 & allocation Codes 31716105 and 31717205 are used. It is exactly same as statement No. 21 of new system and statement No. 11 old system.

Statement No. 23

It is on 'Division wise Debit/Credit Summary. Card Code No. 46, 48, 56, 57 & Allocation Codes according to consignee are used.

Statement No. 24

This is on 'Summary of Debit & Credit Works'. As for as the printing of this statement is concerned, it is exactly same as statement No. 23 of new system and Statement No. 16 of old system. Under the column of freight charges, the debit has been calculated at the rate of 5% against each item. Card Code 48, 56, 57 and capital allocations are used.

12.63 CHANGES IN AUDIT PROCEDURE AS A RESULT OF COMPUTERISATION IN STORES ACCOUNTING.

1. Consequent on computerization of Stores Accounting, on this Railway, upto phase II involving elimination of or discontinuance of maintenance of priced ledgers and numerical ledgers in Stores Accounts Offices, priced ledgers are now maintained on the computer.
2. Railway Stores, which were earlier classified under 46 classes, have now been reclassified into 98 major groups and further sub divided into various sub group under each group. Out of the 98 groups, standard nomenclatures have been prepared for 39 unified groups common to all the Railways and for the balance of 59 groups, preparation of lists are left to the individual Railways.
3. Each Price List number has been codified into an eight digit code of which the first two digits indicate the main group, next two indicate the sub group, next three digits indicate the serial number of the item in the group and the last one a check digit. Further the following items have also been codified into different numbers.
 - (i) Depots and the Wards
 - (ii) Heads of allocation.
 - (iii) Unit of Accountal.
 - (iv) Consignee code.
 - (v) Consignees of stores etc.
4. As all accountal entries in statements/vouchers will be made only in coded numbers, this railway Administration has published a 'Standard Code Book for computerization' to facilitate easy reference in accounting and checking. Audit staff will have to familiarize themselves with the use of these codes while checking returns and vouchers selected for audit.
5. The transactions are received in the Computer room periodically from the Depot Accounts office either in the form of Floppies or Vouchers for getting Captured into Computer. After a preliminary check of code numbers and other details they are bundled in batches by accounting offices before dispatch to Electronic Data Processing Manager. The data punched on floppies, are taken into magnetic tapes after verification on verifying machines as to the correctness of punching. The Stores Accounts office prepares a control cards for each bundle after indication card code and 'Hash totals of the quantity for all the vouchers in the bundle. The total quantity column of each batch of vouchers in respective units of accountal is called has total. The quantity 'Hash Total' is developed to be verified with the total made in computer to ensure that the vouchers are not omitted in accountal. After the cards are punched and verified the Computer develops the following statements.

(a) Pre-listing of Vouchers.

This is the first print out taken which shows a list of all vouchers (receipt-notes, issue notes, adjustment vouchers) together with quantities and values. The 'Hash Totals' arrived on computer are checked with those arrived manually. This is verified by the Accounts staff with the vouchers to see that Priced Ledger Numbers quantities etc. are correctly given in cases where error indications are given by computer. This statement itself indicates the error in hash Totals if any. This statement also helps in ensuring validity check of the vouchers.

(b) Incorrect statement

This indicates the list of all vouchers which are rejected by machine for various reasons, such as Priced Ledger, Number not tallied, incorrect unit, balances not available (for issues), no pre-determined rates for workshop manufactured items etc. This will be checked by the staff of Stores Accounts office and corrections made after reference to vouchers, last month transactions statement as the case may be. This statement is actually printed after having a match run with the opening balance tapes.

(c) Invalid items statement

Even after rectifying the above said incorrect entries and putting them in machine, the machine lists out all items rejected by it for reasons such as no balance for issue, un-matched no same unit, no pre-determined rate. Efforts are made to rectify these discrepancies, also but if is not possible to do so in the same month's account they are put to next month's is account after affecting necessary corrections with the depot cards.

(d) Transaction Register

This is a monthly record of all issues/receipts under each Priced Ledger in that month; only items in which there are any transactions will be recorded. But in the months of September and March a complete record of all items including those having no transactions is taken out showing the opening balance, closing balance, rate etc.

6. The addition, various other statements such as Debit summaries, Credit Summaries, Sales Statements, Stock Adjustment Account Part I, II, III are prepared which enable the Account Office to raise debits, adjusts credits, prepare Stock Adjustment Account, Account Current etc.
7. keeping in view the various statements prepared by the Accounts Office and the instructions issued by the Comptroller and Auditor General of India in regard to the method of Audit, the following points may be looked into while checking the computerized documents.
 - I. As per Comptroller and Auditor General's Orders, vide this letter no. 2133-162/RAI/8-8/71, dated 3.7.1971 arithmetical checks will continue to be carried out by audit staff and the totals developed on computer should be compared and verified completely.
 - II. Any irregularities noticed should be traced to the various stages of the statements and reasons should be reported. If any lacuna is noticed in programming etc. this should be taken up with the Electronic Data Processing Manager and his remarks obtained.
 - III. To check the completeness of accountal, Comptroller and Auditor General, has emphasized on ensuring in audit that all vouchers emanating from the depots are accounted in the computer. One day's transactions should be checked each month completely as regards completeness of accountal. Audit staff should obtain all the forwarding mema of all wards for the selected date under which the vouchers are received from the depot to depot Accounts Office. From these Audit should trace all vouchers entered in the control card and sent by Depot Accounts office to Electronic Data Processing Manager. The Depot Account Office is keeping a register giving the lot number (i.e. each batch of about 50 vouchers) and number of vouchers sent etc. These are sent to Electronic Data Processing Manager and his acknowledgement obtained. This ensures that all vouchers are sent to Electronic Data processing Manager including those originating in Accounts Office. Further these vouchers are listed in the pre-list (edit list) to ensure that all vouchers are taken into consideration for accountal. As this pre-listing is not sent to Depot Accounting Unit, the correctness of vouchers of this date selected can be ensured only by tracing into the Transaction Register and invalid statements. As we trace all the vouchers of the date into Transaction Register, we can easily verify that all the vouchers are accounted for except those appearing in the invalid statement. We should ensure that the total number of vouchers in the Transaction Register plus those in the invalid statement is the same as the number of vouchers for the day as given in the lot register. Each of the vouchers should be further traced into the Debit/Credit statements etc. prepared on computer to ensure that these are included in the debits/credits raised against the departments for the month.

The 'Hash Total' (for quantities) prepared by the Accounts Office on the control card should be checked and correctness verified. As the invalid statement now prepared contains all the outstanding vouchers, not accounted for, it should be reviewed once a half year by Audit and old items left unadjusted should be taken up with the Accounts Office. Further omission/delay to take action on rejected vouchers or abnormal delays in adjusting them should also be taken up. At the end of March Accounts, normally there should not be any voucher left unadjusted.

8. **Receipt Return.**

According to Stores Audit item No. SA-II the following items come under this category:

- (a) Returned Stores
 - (b) Workshop manufactured items (out turn)
 - (c) London Stores (Imported Stores)
 - (d) Inter Depot Transfers.
- (a) **Returned Stores:** The extent of check prescribed is 8-1/3% monthly ensuring further that all depots are covered in a year. Selections to the extent required can be obtained from the vouchers and the selected vouchers audited as prescribed in Para311 of Railway Audit Manual. These vouchers should also be traced into Transaction Register and it should be ensured that the rate at which credit is afforded is reasonable by reviewing the original vouchers. As the voucher is normally priced, it should be specifically seen that the calculated value has been correctly worked out.
 - (b) **Workshop Out-turn:** Selected vouchers (one day's transactions) are to be audited as prescribed in Para312 of Railway Audit Manual, the vouchers also should be traced into the Transaction Register. As the vouchers are priced at per determined rates fixed half yearly, it should be seen that revision of prices, is done periodically and the difference between the actual rate and the fixed rate are adjusted to 'over/under charges'.
 - (c) **Imported Stores:** The extent of check is one day transaction in a month. The selected vouchers should be checked as per Para313 of Railway Audit Manual. The vouchers must be traced into Transaction Register

and also the purchase statement (No.02). The correctness of the valuation should be checked with reference to purchase order and ensured that correct percentage charges for customs, freight and port charges are included.

- (d) **Inter Depot Transfers:** One day's transactions should be reviewed. Statements are prepared (No. 21 & 22) showing depot transfer receipts/issues the method of pricing in either case should be checked and also the vouchers traced into Transaction Register. If receipts and issues are not paired off during the month it should be seen that difference is reflected in Stores-in-Transit Register (Depot Transfer).

In addition to the above items which cover majority of receipts in a depot, occasionally there arise certain other categories of vouchers such as temporary receipt notes, fabrication receipt notes, and non-stock receipt notes which have also to be covered in audit. The Comptroller and Auditor General of India has decided to add a new item 5 'Other Miscellaneous Receipt Notes' under item No. II Stores Audit. It has also been stated that different date's transaction, should be selected for each type of voucher both under receipts and issues category. These instructions should be scrupulously adhered to while making selections; all vouchers audited should also be traced in the Transaction Register.

CHAPTER – XIII

WORKSHOP AUDIT

13.1 DUTIES AND RESPONSIBILITIES - WORKSHOP CO-ORDINATION SECTION

This section in the Headquarters office, Baroda House, New Delhi, will do the Co-ordination work of all matters relating to workshops and is also responsible for under noted items:-

1. Check of proforma Capital and Revenue Accounts of Saloons.
2. Review of records of Rolling Stock in C.M.E.'s office.
3. Check of estimates relating to Chief Mechanical Engineer.
4. Check of Completion Report relating to Chief Mechanical Engineer.
5. Check of Works Register relating to Chief Mechanical Engineer.
6. Audit of Wagon building contracts and bills of wagon builders.
7. Scrutiny and acceptance of P.O.O.s.
8. Audit of Rolling Stock and Works programme.
9. References from Railway Board and Additional Deputy Comptroller & Auditor General of India (Railways) dealing with procedure and policy.
10. Special investigations as ordered by the Additional Deputy Comptroller & Auditor General of India (Railways) and Principal Director of Audit in regard to matters concerning all workshops.
11. Check of vouchers in connection with interdominion transactions with Pakistan Government.
12. Check of Foreign Railway's T.Cs relating to Chief Mechanical Engineer.
13. Check of Appropriation Accounts relating to Chief Mechanical Engineer.
14. Check of Block Account and Budget Register.

Note: Inspection of the office of the Chief Mechanical Engineer is conducted by 'Inspection Headquarters Section'.
Baroda House, New Delhi.

All the Co-ordination work relating to references received from the Additional Deputy Comptroller & Auditor General of India (Railways) other than those dealing with procedure and policy will be dealt with by Central Section. The co-ordination work relating to establishment matters will be dealt with by E&PI Section (Headquarters). The responsibility for the acceptance of local orders issued by the Executive/Accounts office from time to time rests with the local Workshop Audit Offices.

The Workshop Audit Branch at Jagadhri is entrusted with the audit of workshop accounts of Carriage and Wagon shops at Jagadhri and Kalka including the attached Stores Depots and Signal Shop Ghaziabad. The Workshop Audit Offices at Lucknow (Charbagh and Alambagh) and Amritsar audit the accounts maintained by the respective Workshop Accounts Offices. The Workshop Audit Office, Amritsar is also entrusted with the audit of the accounts of Workshop Accounts Office, Bridge Workshop at Jalandhar Cantt., Engg. Depot at Dhilwan and the establishment work and local inspection of Bridge Inspectors at Pathankot and Jalandhar Cantt./Jalandhar City. Workshop Audit Office at Charbagh Lucknow is also entrusted with the audit of the accounts of Bridge Workshop Lucknow.

These Audit Offices also audit the Provident Fund Accounts of the subordinate staff maintained by the respective Workshop Accounts Offices and Stores Accounts etc. of different depots maintained by the respective Stores Accounts Offices. These Branches will also deal with matters connected with the audit of General books, Appropriation Accounts and other items of audit falling under Central Audit programme in so far as they relate to Workshops in addition to the items falling under Workshop Audit Programme as laid down in the Secret Memorandum of Instructions (Railway Audit). Each Workshop Audit Branch will also be conducting special investigations as ordered by the Additional Deputy Comptroller & Auditor General of India (Railways) or the Principal Director of Audit in the matters connected with the workshops.

13.2 AUDIT OF SANCTIONS

(Para 132, 133 and 250 - Railway Audit Manual)

The instructions relating to the audit of sanctions (Establishment and Expenditure) contained in this Manual also apply mutatis mutandis to the sanctions received in this section.

13.3 ESTIMATES

Estimates are checked in accordance with the instructions laid down in Para 332 and 333 of Railway Audit Manual and item 2 under Appendix Chapter - 6 (Audit of Workshops and Production units) of Revised Railway Audit Norms. (March, 2003) The instructions contained in paragraphs 1401 to 1446 Workshop Code for the preparation of Estimates should be seen.

The following points should also be seen during the check of sanctions to estimates:-

- (a) **Chargeable wholly to Capital :-**
That provision has been made for the requisite on cost as laid down in paragraph 1425 Workshop Code.
- (b) **Chargeable partly to main line and partly to worked line :-**
Such estimates should receive particular attention with reference to the terms of agreement with the worked line.
- (c) **Chargeable wholly to Revenue :-**
It should be seen that the provision of paragraph 1425 Workshop Code is observed.
- (d) **Private work orders :-**
 - (i) The orders contained in paragraphs 1417 and 832 (30 Workshop code should be borne in mind.
 - (ii) In the case of works, for other Railways and Government Departments formal acceptance of the estimate and estimated cost by the officers ordering the work should be obtained before the work is put in hand vide paragraph 1418 - Workshop Code).
- (e) It should be seen that provision for contingencies to the extent of 3% is made in the estimates only when the Rolling Stock are to be manufactured in Railway Workshop and not otherwise.

(Authority : Railway Board's NO.5L/467/21/M dated 4.9.1952).

Note: - In checking the estimates only the top sheets in form No.E-702 and E-706 etc. need be checked. Reference to the details in the estimates may be made only to the extent needed for an intelligent understanding of the information contained in the top sheet. No arithmetical check of the detailed estimate need be undertaken.

13.4 COMPLETION REPORTS

(See Para 334 of Railway Audit Manual and Para 1468 to 1474 Workshop Code).

The instructions regarding audit of completion reports contained in this Manual will apply mutatis-mutandis to completion reports relating to Rolling Stock. The correctness of apportionment of charges between Capital, Depreciation Reserve Fund, Revenue etc. the adjustment of freight and other charges, the credits for released materials and the credits for surplus stores in hand should be specially verified.

The cost of Rolling Stock may be compared with similar type of Rolling Stock constructed at about the same time to see if there is any large disparity, which may reveal incorrect booking of expenditure.

13.5 WORKSHOP ACCOUNTS

The instructions laid down in Para 335 of Railway Audit Manual may be seen. Different months should be selected for the various workshops manufacturing suspense accounts, viz. carriage and wagon accounts, loco accounts, electrical accounts and any account for which a separate Account Current is prepared.

13.6 MUSTER ROLLS AND LABOUR PAY SHEETS INCLUDING TIME SHEETS

(See Para 336 of Railway Audit Manual)

The following points should be looked into while checking the Muster Rolls and Time Sheets.

- (i) that the hours booked against each workman as shown in the Muster Rols tally with the time shown in the Time Sheet/Tally Sheet and Gate Attendance cards and that proper arrangements exist for investigating the difference noticed as a result of reconciliation between time sheet and muster rolls and that necessary adjustment of the difference noticed is carried out against the work order concerned;
- (ii) that the increments drawn in the muster rolls are supported by the increment certificates;
- (iii) that proper records are kept for the attendance of coolie labour for which Time Sheets are not prepared and that such labour is not employed on duties other than the legitimate ones;
- (iv) that in the case of overtime allowance drawn by regular monthly paid staff necessary prior sanction of the competent authority is forthcoming and it is covered by the extent orders on the subject, issued from time to time;
- (v) that the overtime sanctioned does not contravene either the Factory Act or the hours of Employment Regulations or any other such regulations in force at the time;
- (vi) that the provisions of payment of Wages Act are not infringed;
- (vii) Instances in which both overtime and night duty allowance are drawn should be scrutinized as to the authority, frequency and duration of it;
- (viii) that necessary deductions regarding House Rent, Electric charges, Provident Fund recoveries and deduction on account of various advances have been made correctly from the staff concerned.
- (ix) that all the arithmetical calculations including the total are correct;
- (x) that in the case of staff who either attend Workshop late by half an hour in the first shift or leave Workshop on private account, the period is regularised through deduction of wages or grant of leave (See Para 435-W and 437-W Railway Board's letter NO.62-CA4/2 dated 1.9.1962);
- (xi) that in the case of staff coming by shuttle or other local trains, the concession of late attendance has not been allowed beyond the permissible time limit;

- (xii) that necessary certificates regarding the checking of 'deductible absence, overtime, rate of pay and allowances' have been recorded by the time booth clerks and clerks of the pay bills section of the Works Manager's Office in the summary page of each labour sheet;
- (xiii) that the number of men charged in the Muster Sheet is not in excess of the sanctioned strength;
- (xiv) that necessary certificates regarding the pre-payment checks and post payment checks as prescribed vide joint Mechanical Personnel and Accounts Procedure Office Order No.83 dated 24.4.1965 have been recorded on the Labour Pay Sheets;
- (xv) that the recoveries which were to be made from the employees as per P.W.D. 64 Register Part II, have actually been carried out and a remark to this effect has been given in the register *ibid*;
- (xvi) that the muster roll itself show signs of having been checked by the sub-head, Accountant and the Gazetted Officer-in-charge according to the rules in force;
- (xvii) that the unpaid account agrees with the unpaid wages list and is returned to the Cashier at once. (The system of payment of Workshop labour is described in Chapter-III Mechanical Code).
- (xviii) that the allocation is correct.
- (xix) that in cases of loss of tickets by workmen (where gate attendance card are not maintained) the loss is notified and the lost ticket is replaced promptly and penalties if, any are strictly enforced;
- (xx) that in the case of labour sent to outstations it should be seen that there is a proper authority signed both by the Foreman of the Shops and from where the man was sent out and by the party or station where he worked, for booking the attendance of the workman in the muster rolls and that the time booked and the incidence of the charge is correct under the Rules.

Note: "The whole field may be divided into 40 units and one unit selected each month. The units may be so drawn as to contain a reasonable number of direct workers, indirect workers and supervisors. In addition a general review of records maintained in the incentive branch of the Accounts Office should also be undertaken yearly to review the system of fixation of allowed time, change in productivity due to the incentive scheme, incidence of overtime in conjunction with increased incentive bonus payment etc."

13.7 STORES

The procedure for the drawl of Stores from the Stores department and their allocation to the work orders on which they are used is laid down in Chapter VI Workshop Code. Besides, the checks mentioned in Para 340 of Railway Audit Manual, the following points should also be seen:-

- (i) the issue notes should be checked to see that the price charged is correct according to the rate given thereon; the accuracy of the rate itself is not be checked;
- (ii) (a) that Daily reconciliation is effected between the daily allocated abstract of stores and the daily stores summaries;
(b) where the computerisation system of Stores Accounts has been introduced it is to be seen that monthly summaries are prepared and sent to Workshop Accounts Office for reconciliation;
- (iii) that necessary pairing of issue notes which is required to be done in Workshop Accounts Office in terms of the orders contained in Mechanical and Stores Code is done properly; and
- (iv) that for all issues to the workshops, a proper requisition is forthcoming.

13.8 ADVICE NOTES OF RETURNED STORES

(See Para 311 and 341 of Railway Audit Manual and Para 1539 to 1547 of Stores Code and Chapter XVI - Stores Code)

In checking the advice notes of returned stores, the following points should be looked into:

- (i) that the acknowledgement of the Returned Stores by the Stores Department is received promptly;
- (ii) that the quantity received by the Stores Depot tallies with the quantity returned by the Workshop;
- (iii) that the rates at which credit has been afforded are reasonable;
- (iv) that the allocation of credits is correct;
- (v) that in cases in which the valuations of returned stores by the returning department differ greatly from that given by the Stores Depot, necessary investigation has been carried out to see the reasons for the difference.
- (vi) the reasons for returning stores should scrupulously be scrutinised.

13.9 WRITE BACK ORDERS

(See Para 623 and 624 Workshop Code)

Write back orders are prepared when Stores are used on a work order other than the one for which they were ordered. Any tendency on the part of the executive to issue a large number of write back orders should be pointed out as this shows that either the stores are generally ordered in excess of requirements of the particular work order to which their cost was originally debited or that they are obtained earlier than the time they are actually required for use on works.

The following points should be seen when scrutinising write back orders:-

- (i) that the explanation furnished for the write back order is reasonable;

- (ii) that the sanction of competent authority has been obtained to the work to which the cost of stores is being debited, Stores may sometimes be used on works yet awaiting sanction of competent authority and later their cost is adjusted. This shows that the work was started without proper sanction.
- (iii) that the write back order has been signed by a Gazetted Officer;
- (iv) that stores can really be used on the work to which their cost is being transferred;
- (v) that the allocation is correct; and
- (vi) that it has been posted in the adjustment book and that it has been suitably endorsed to that effect. This endorsement is necessary to avoid double adjustment.

13.10 ON-COST

(See Chapter VII and XIV Workshop code)

The instructions for checking on-cost are given in Para 346 of Railway Audit Manual.

When any job is spoiled or material used on a work order is rejected or lost and the work has to be done over again, it should be seen whether the previous charges are debited to general on cost and if so, its propriety is to be examined according to the merit of the case. Proforma on cost should be checked by a reference to the monthly schedule of indirect charges. The following checks, besides those mentioned in Paragraph 343 of Railway Audit Manual should be exercised:-

- (i) that they are credited to proper heads of accounts;
- (ii) that no work which should have borne such charges is billed without them; and
- (iii) that the percentages charged are correct according to the prescribed percentage of proforma on cost.

13.11 BONUS AND PIECE WORK BILLS

(See Para 337 and 338 of Railway Audit Manual, Chapter IV-W and Railway Board's letter No.62-CA4/2 dated 1.9.1962 as amended vide their letter of even number dated 16.4.1963).

The following points should be seen:-

- (i) that the time allowed, time saved/lost on the job/squad card is correct and the same has been posted correctly in the piece work statement of each direct worker;
- (ii) that the amount of incentive bonus earned by each worker has been calculated with the reference to the 'Standard hourly Rates' as determined by the Administration from time to time and not with reference to the actual rate of pay of the employee concerned;
- (iii) that the average percentage bonus earned by a section which forms the basis for calculation of bonus for supervisory staff and essential indirect workers has been worked out correctly;
- (iv) that the totals and calculations of piece work bills, job cards, squad cards etc. are correct;
- (v) that the time taken as recorded by the time booth's staff agrees with that shown in the Gate Attendance Cards;
- (vi) that the losses during any particular month have been adjusted against the profits of the same month of all the workers;
- (vii) that no apprentices have been allowed to participate in the incentive Scheme;
- (viii) that ordinarily a piece worker has not been put on the day work during a wage period and vice-versa;
- (ix) that the Summary of piece work statements has been compiled correctly and that the amount earned by each worker has been correctly posted from the checked up job cards and that all the serial numbers of Job Cards as supplied during the month as received from the Time Booths have been received and entered in this summary;
- (x) that the summary of job Cards has been correctly posted from the checked up job cards and that all the serial numbers of Job Cards as supplied during the month as received from the Time Booths have been received and entered in this summary;
- (xi) that there is one bill of incentive bonus for each shop in respect of direct and Essential Indirect Workers;
- (xii) that the amount of Incentive bonus of direct workers has been charged against the job concerned and that the amount of Bonus of Essential Indirect Workers and the Supervisory staff has been charged against the shop on-cost work orders;
- (xiii) that the time booked on the job cards on each date is equal to the time as given in the Gate Attendance Cards minus that booked on the Idle Time Cards;
- (xiv) that for calculating the piece work profits, the dearness pay and the dearness allowance have been excluded;
- (xv) that when losses are being frequently incurred or when profits near about the maximum are being earned consistently by the majority of the workers, the causes contributing to this result have been analysed and the defects discovered, have been set right;
- (xvi) that there is no error in computation or in printing/typing of standard timings fixed by the Administration.
- (xvii) That no job cards other than the authorised ones have been taken into account for the piece work payment.

(xviii) That when idle time is booked due to lack of work or lack of tools, proportionate deduction on the prescribed scales is made from the piece work profits earned by the Chargeman/Mistri concerned.

Note:- Chargeman's time book is not maintained for workers on piece work for whom job cards are issued. Tally sheets are posted from job cards for purposes of reconciliation.

(xix) That ordinarily no worker has been allowed to punch the card beyond the time permissible i.e. upto ½ an hour in the 1st shift and 3 minutes in the 2nd shift.

(xx) That in the case of staff coming late by shuttle or other local trains, the workers have not been allowed more time than the one fixed by the Administration.

Note: 1. Ceiling limit on profit is fixed at 50% of the standard basic wages earned in respect of each piece work job for direct workers.

2. Chargeman and Essential Indirect workers will get profits at 80% of the average profit.

3. Hourly rates of pay of artisans for purposes of calculating piece work profit will be based on 208 working hours per month throughout the year.

Note:- "The whole field may be divided into 40 units and one unit may be selected each month. The unit may be so drawn as to contain a reasonable number of direct workers, indirect workers and supervisors. In addition, a general review of records maintained in the incentive branch of Accounts Office should also be undertaken yearly to review the system of fixation of allowed time, change in productivity due to incentive scheme, incidence of overtime in conjunction with increased incentive bonus payments etc."

13.12 WORK ORDERS

(See Para 344 and 345 of Railway Audit Manual, Chapter VIII of Mechanical Code and Para 1003 and 1004-W, 1219 to 1220 Mechanical Code).

The work orders are required to be checked half yearly according to the programme of work. The check may, however, be done monthly so that there is an even flow of work. Selection should be made from each category of work orders, viz., Standing work orders for loco and C&W department (i) repairs to engines, coaching vehicles and wagons etc. (ii) work orders for work done for other departments of the Railway (iii) work orders for big work estimated to cost more than Rs.10,000/- in each case.

In making the selection it should be seen that the work orders test checked during the course of the year comprise work orders executed in each of the shops and are not confined to those executed in particular shops only. A record of the work orders checked should be kept :

- (i) that the work order is issued after estimate for the work has been sanctioned and funds have been provided to meet its cost;
- (ii) that the series of work orders issued for Standing works or works of recurring nature are suitable;
- (iii) that the estimate sanctioned for the work contains sufficient details, e.g. a description of the labour to be employed, the various kinds of stores required, the shops in which such stores are to be manufactured, the percentage charges to be levied and the deposits, if any. Full particulars such as size, quality etc. should be given to scrutinize the cost of the finished article. 'To make a box' is vague without the size or quality viz. wooden or iron, being furnished;
- (iv) that the allocation of labour and stores is correct and that all charges properly debitable to a work are booked against it;
- (v) no expenditure is booked after the work order is completed and closed and that there is no inordinate delay in closing the works and sending the completion reports. A work against which no expenditure has been booked for three consecutive months, may be regarded prima-facie as a work to be closed;

The following procedure as laid down in Para 1054-W is to be observed for adjustment of charges and credits on completed works:-

- (a) If charges or credits are received for a work after the submission of a completion report not yet sanctioned, a revised completion report should be prepared and necessary postings should be made in the Works Register concerned."
- (b) If charges or credits are received after sanction to the Completion Report for the work, these should be adjusted against the appropriate head of account under ordinary revenue maintenance, if not in excess of Rs.2000/-. If these charges exceed Rs.2000/- the account for the work should be reopened and necessary adjustment made there under."
- (c) "In the case of works done for private parties or for other Government Departments the actual amount spent on works should be recovered even though an adjustment is not made in the register of works or in the completion report."
- (vi) there is no credit outlay outstanding on work orders;
- (vii) that the under and overcharges in respect of completed work orders are adjusted to the final heads of accounts without delay and the actual cost of manufacture is adjusted in the accounts of the year in which work orders are reported to have been completed to avoid misclassification of expenditure

(See Para 1045-W).

13.13 TRANSFER STATEMENTS OR MEMA

(See Para 359 Railway Audit Manual)

It should be seen that adjustment are not irregular and unauthorised and that credit is given promptly i.e. when the materials are actually transferred and not on the completion of the jobs. Specially the items where labour and material are transferred from revenue to private work orders are to be scrutinised. It should be seen that the corresponding debits are also transferred and that the mema are correctly posted in the workshop general register against the Workshop concerned.

13.14 PRIVATE WORK ORDERS

The points to be checked are given in Para 344 to 345 of Railway Audit Manual and 1417-W. It should also be seen that (i) charges are debited to private work orders with due regard to the materials used and labour engaged thereon and that they are adequate and that no additions or alternations are made without the approval of the authority who sanctioned the original work orders (ii) recovery of cost from Railway employees is promptly enforced through the salary bills during the currency of the works and not deferred till the execution of the work (iii) on cost charges are correctly levied in accordance with the orders given in Para 1425 of the Mechanical Code.

13.15 MANUFACTURING ACCOUNTS

The instructions in connection with the checking of Manufacturing Accounts in General, are laid down in Para 348 of Railway Audit Manual.

13.16 SAW MILL ACCOUNT

(See Para 351 of Railway Audit Manual and Chapter XI-W)

It should be seen that labour charges incurred in the different processes of operation are accurately recorded, on cost charges on account of labour, power and tools are included among the debit in the timber account. If the value of scrap and firewood is credited at a fixed rate, it should be seen as to when such rate was fixed and under what authority and whether it needs any revision with due regard to the present market rate and the average price fetched at auctions. It should also be seen that the balance of unfinished planks on hand with the Saw Mill Shop is not unduly high.

13.17 FOUNDRY ACCOUNTS

(See Para 352 of Railway Audit Manual Para 1116-W and Chapter X-W)

It should be seen that the balance accumulated on the work order for Foundry Accounts is adjusted periodically :-

- (i) that there is a proper record of the quantity of other materials with which the raw materials is mixed before being put into the furnace;
- (ii) that there is a proper account of the scrap material which does not admit any leakage;
- (iii) that in most of the Foundry operations a standard percentage is charged as wastage. It should be seen when percentage was fixed and whether it needs any revision in the light of subsequent experience;
- (iv) whether there are any materials lying unused for a long period, say, six months or over and if no longer required why they are not returned; and
- (v) whether the stock is verified periodically and the shortages or excesses noticed are duly investigated and adjusted under sanction of competent authority.

13.18 CHECK OF ACCOUNTS OF NON-FERROUS TURNINGS/BORINGS

It should be seen that the following detailed procedure for accountal and correct recovery of non-ferrous casting taken up for machining is observed:

- (i) At least 10% of the castings of each batch is weighed and actual as cast weights is recorded on a register in the foundry shop.
- (ii) The cast weights and finished weight of each type of non-ferrous casting taken up for machining is indicated in the relevant drawing.
- (iii) Similarly, finished weight is also recorded in the machine shop after test weightment of 10% of the batch.
- (iv) Based on actual observation over series of batch of various items an accepted percentage of recovery of boring is fixed up. This should not however normally be less than 90%.
- (v) Actual arisings against expected should be entered in the register at the close of every day.

(Authority : Railway Board's letter No69-M(W)964/108 dated 31.1.1970 received under Additional Deputy Comptroller & Auditor General of India (Railways) endorsement No.1072-RAI/12-111/69 dated 20.3.1970).

13.19 AUDIT OF PAINT ACCOUNT

(See Para 353 of Railway Audit Manual)

While auditing the Paint Account, the following points may be looked into:-

- (i) The opening balance should be checked with the closing balance of the previous month;
- (ii) The receipt of each ingredient should be checked with reference to the entries made in the register kept for this purpose;
- (iii) The material used in the composition should be checked with the issue as per register, and it should be seen that issues are proportionate to the out-turn.
- (iv) The issue of the out turn should be checked with reference to the requisitions and acknowledgements;
- (v) The Schedule of rates are reviewed periodically and revised, with the workshop Accounts Officer's approval;
- (vi) The cost of the issues valued at the Scheduled rates, against the individual work orders, should be traced into the monthly accounts.

13.20 AUDIT OF ELECTRICAL MANUFACTURING ACCOUNTS

(See Para 349 to 350 of Railway Audit Manual)

13.21 AUDIT OF LABORATORY ACCOUNTS

(See Para 354 of Railway Audit Manual)

13.22 WORKSHOP GENERAL REGISTER

(See Para 1201-W and Para 355 of Railway Audit Manual)

This register is prepared from the allocated abstracts and summaries of labour and stores and shows all charges on account of labour, stores and miscellaneous charges expended on work orders. The out-turn statement is posted therefrom and shows the cost of all works including those charged off each month, completed jobs awaiting adjustment or acceptance and also the works in progress. It should be seen that:-

- 1. The register is correctly posted and all the details given in form W-1201 have been furnished;
- 2. The postings under each work order from the sub-ledgers and other vouchers are correct;
- 3. The indirect charges have been correctly calculated as per Para 1425-W;
- 4. This register is reviewed as required under Para 1219-W and there are no inefficient balances.

13.23 OUT TURN STATEMENT

(See Para 1013-W, 1014-W, 1204 to 1213 Mechanical Code and 356 of Railway Audit Manual)

It should be seen that balances outstanding against several work orders in the monthly out turn statement Part II have been reviewed regularly each month to ensure that they are not inefficient.

13.24 WORKSHOP ACCOUNT CURRENT

(See Para 1215, 1216 and 1203 of Mechanical code and 357 of Railway Audit Manual)

In auditing this account, the following checks should be applied:-

- (i) The opening balance should be checked with the closing balance of the previous month;
- (ii) The debits for stores should be checked with the Grand Material Summary or Stores sub-ledger and Miscellaneous Debits;
- (iii) The debits for labour should be checked with the register of Pay Sheets or labour schedules;
- (iv) The freight and proforma on-cost charge should be checked with the schedule in form W-1203;
- (v) That it is arithmetically correct;
- (vi) That there are no old items as per closing balances;
- (vii) The cash debits and other charges referred to in Para 1617-W (i), (ii), (v) respectively should be checked with the documents referred to therein;
- (viii) The credit side should be checked with the summary of out-turn statement Part-I and should be supported by detailed schedules. The closing balances should be verified from the balance shown in the out-turn statement Part-II.

13.25 RECONCILIATION OF MONTHLY ACCOUNT CURRENT OF STORES WITH SUB-LEDGER

Para 340 to 341 of Railway Audit Manual and Para 605 to 609 and 619 Mechanical Code should be seen.

13.26 REGISTER OF WORKS AND REVENUE ALLOCATION

(See Para 358 of Railway Audit Manual)

It should be seen that:-

- (i) No expenditure is incurred in regard to items not included in the estimates;
- (ii) No additional works not provided for in the estimate are included under contingencies;
- (iii) Expenditure which under the rules in force should be shown by sub-heads of estimates is so recorded;

- (iv) The register is properly closed monthly and initialled by a Gazetted Officer; and
- (v) In the case of mixed works, the outlay is booked proportionately to capital, depreciation fund or revenue, in accordance with the estimates.

13.27 RECORD OF MACHINES, PLANTS AND EQUIPMENT

(See Para 360 of Railway Audit Manual and Chapter - XX-S)

It should be seen that the history sheets of machines, plants and equipment have been maintained efficiently and kept upto date.

13.28 HISTORY SHEET OF ROLLING STOCK

(See Para 361 of Railway Audit Manual)

It should be seen that:-

- (i) engines are not lying idle for long periods and full use is made of the available stock;
- (ii) attempts made by the Administration to compare the repair costs of different classes of engines and vehicles and the engine and vehicle miles run between periodical overhauls;
- (iii) records are kept upto date and incorporate all orders regarding additions, condemnation and the results of last census of the stock condemned.

13.29 STORES BILLS AND CONTRACTOR'S BILLS

(See Para 270 to 271 and 307 of Railway Audit Manual and instructions contained under Chapters on Works Audit and Stores Audit)

13.30 MISCELLANEOUS ADVANCES AND DEPOSIT MISCELLANEOUS

(See Para 381 of Railway Audit Manual)

13.31 COST ACCOUNTS

(See Para 347 of Railway Audit Manual)

13.32 STATISTICS OF PERIODICAL OVERHAUL AND COST OF UNIT REPAIRS

(See Para 364 of Railway Audit Manual)

13.33 PROFORMA CAPITAL AND REVENUE ACCOUNTS OF SALOONS RESERVED FOR OTHER GOVERNMENT DEPARTMENTS

(See Para 365 of Railway Audit Manual)

13.34 AUDIT OF SUB-LEDGERS (LABOUR AND STORES)

(See Chapters VII and VIII-W and Para 339 and 340 of Railway Audit Manual)

It should be seen that the sub-ledgers for labour is correctly posted from the Time Sheet/Tally Sheet and the Stores sub-ledgers is posted work orderwise, datewise, and shop-wise. The totals of the various columns shown in the Summary Sub-ledger Para 827-W should be checked with reference to the following:

- (i) Last daily summaries received from the Accounts Officer of the Workshop Stores Main Depot as well as of the General Stores Depot;
- (ii) Debits raised by Division and foreign Railways;
- (iii) Cash Book Debits i.e. payment made for municipal taxes, licence fees and direct purchase of Stores;
- (iv) Issues from Workshop Manufacturing Accounts; and
- (v) Write-back orders.

13.35 INCORPORATION OF WORKSHOP ACCOUNTS INTO THE GENERAL BOOKS OF THE RAILWAY

(See Para 355 of Railway Audit Manual and Para 1223-W)

It should be seen that:-

- (i) the differences between the balances as per the compiled Accounts and those as per the General Books are not abnormally heavy and that the differences between the two sets of figures have been investigated and necessary adjustment carried out to clear them;
- (ii) the discrepancy statement together with the Account current and the Labour book have been put up to the Workshop Accounts Officer every month.

13.36 ACCOUNTS, CUSTODY AND DISPOSAL OF SCRAP MATERIALS

(See Para 326 of Railway Audit Manual)

It should be seen that:-

- (i) Scrapped and released materials are returned to Stores and proper credits are afforded to the Work Orders concerned;
- (ii) Borings arising out of machine operations are returned by the machine shops to the Stores Depot on advice notes of returned stores and the credit thereof is afforded to the Brass Foundry Shop and not to the Machine Shop;
- (iii) In the case of other scrapped material returned by shops credit is given to the shop returning the scrap. (Para 24 of the note regarding job-costing in Railway workshops received with Railway's letter No.62-CA/4/2 dated 1.9.1962)

13.37 JOB-COSTING IN RAILWAY WORKSHOPS

The instructions contained in the note regarding Job Costing in Railway Workshops (for workshop Manufactured Items only) received under Railway Board's letter No.62-CA/4/2 dated 1.9.1962 as amended vide Railway Board's letter No.62-CA/4/2 dated 16.4.1963 and in Joint Mechanical and Accounts Procedure Office Order No.73 dated 26.2.1964 and Para 337 of the Railway Audit Manual and Chapter IX of Mechanical Code may be seen:-

The object of Job Costing is:-

- (a) to compare the costs of similar articles manufactured from time to time in the Workshops and finding out reasons for variations in costs, and
- (b) to compare the cost of articles manufactured in the Workshops with those manufactured on other Railways or with the market price of similar articles.

The essential features of the Job Costing is in estimating in advance of the time that should be spent and the systematic comparison of the results of actual performance with such estimates.

In the case of items manufactured in Railway Workshops for stock purposes, it should be seen that no articles are manufactured in Railway Workshop for stock purposes without a requisition for such articles being placed by the Stores Department and approved by the Works Manager (S-1530).

13.38 ROUTE CARDS

It should be seen that:-

- (i) only one route card has been issued to cover the number of components/assembly on order against a Sub-work order;
- (ii) the results of inspection on check of completion of each operation is given in the relevant pages;
- (iii) reference to vouchers through which the material has been booked by the shop processing the first operation and job-cards for each operation is indicated;
- (iv) quantities of materials issued by Stores as per issue notes are not in excess/short as compared to the quantities shown on the material requisitions. In case of difference, adjustment voucher has been prepared and copy enclosed;
- (v) the acknowledgement of the manufactured material by Stores Depot for the quantity passed by the Inspector has been taken.

13.39 CARDS/SQUAD CARDS

It should be seen that:-

- (i) the time taken has been recorded correctly in the relevant page by the Time Booth Clerk and the average rate and evaluation of time taken has been correctly recorded in the relevant column of the Job Card and tally sheet;
- (ii) on completion of each operation the shop instructor has certified the quantity passed and the rate fixer has scrutinized the job cards to ensure that the same has been correctly and completely filed in;
- (iii) the total time allowed, time saved and time lost have been worked out and shown in the relevant cage by the incentive bonus section.

13.40 MATERIAL REQUISITION FORM

It should be seen that:-

- (i) the quantity of raw material requisitioned and drawn are the same;
- (ii) the form used is the printed one and reference of controlled work order and sub job work order has been given therein.

13.41 COST SHEETS

The following points should be seen:-

- (i) the labour charges have been collected from the tally sheets;
- (ii) the piece work profits have been collected from the incentive bonus statement of each workman in each shop;
- (iii) the stores charges have been collected from the various material vouchers (issue notes, advice notes, write back mema and other miscellaneous adjustment vouchers);
- (iv) on cost charges have been added on the basis of current pre-determined on cost rates;
- (v) the credits in respect of Workshop manufactured articles have been collected from material tags/forms (S-1531);
- (vi) the expenditure incurred against various work orders passing through foundries have been collected from out-turn statement of foundry account for the month;
- (vii) the labour charges have been booked by those shops only which were required to perform operation as mentioned in the Route Cards;
- (viii) The material charges have been booked by the shop processing the first operation and the adjustment for the off-cuts or scrap wherever utilized has been made;
- (ix) No material charges have been booked by Shops not mentioned in the Route Cards;
- (x) the quantity passed by the Instructor in the final operation has been acknowledged by the stores depot by suitable endorsement on the Route Cards and that necessary credits for the manufactured articles supplied to the stores depot have been afforded by Stores Accounts Office;
- (xi) there are no discrepancies between the number of articles actually completed and sent to Stores and that for which charges have been booked in the sub-work order and that the weight of raw material obtained for the Sub-work order is not out of proportion to the weight of the articles sent to the Stores.
- (xii) That the total of the respective columns are correct and the cost per unit has been worked out correctly; as per cost card;
- (xiii) That the variation in cost or man-hours per unit from work order to work order, if significant, has been investigated by the administration with reference to the operations laid down in the Route Cards, vouchers for labour and material charges, man-hours and average rates for labour, the quantity specification and rates for material utilized etc.

13.42 ITEMS TO BE AUDITED BY THE Section Officer INCHARGE OF WORKSHOP AUDIT SECTION

The following items should abinitio be audited by the Section Officers-in-charge of Workshop Audit Section:-

- (i) Sanctions accorded by General Manager, Railway Board and President.
- (ii) Journal Vouchers.
- (iii) Completion Reports.

13.43 REVIEW OF MAJOR WORKS UNDERTAKEN IN WORKSHOPS

Review of major works costing Rs. One crore should be undertaken by the Workshop Audit Section also. With the expansion of the capacity in the Railway Workshop, the manufacture of wagons, coaches, components for locomotives, cranes and permanent-way materials has also been entrusted to some of the workshop, in addition to the normal repairs and overhauling work. Such schemes costing over Rs. One crore each should be reviewed on the lines of review of Major works.

Schemes for expansion of workshops for increasing repair and manufacturing capacity should also be reviewed with reference to the anticipated increase in the out-turn and the out-turn actually achieved. When new machinery are installed on large scale, it may be examined whether the anticipated efficiency has been achieved and the surplus staff reduced from the shop strength.

13.44 RECOVERY OF INTEREST CHARGES ON THE CAPITAL COST OF POSTAL VANS

Rules contained in Para 1447 to 1455 W govern the incidence of the cost of postal vehicles or parts of vehicles provided by the railway to the Postal Department. The Postal Department has to pay interest on the capital cost of the complete vehicles or parts of vehicles, so long as they remain in the exclusive use of the Postal Department and have not been formally surrendered.

The capital cost of postal vans for the purpose of recovery of interest will be the all in-cost as detailed in Para 1224-W. The capital cost of the postal portion of the non-postal vehicles will be worked out in proportion to the floor area of the postal portion. The all-in-cost of special fittings provided for the exclusive use of the Postal Department will be added to this.

It should be seen that the Register of Bills and other records maintained in the Accounts Office contain the up-to-date list of all postal vehicles with their capital cost. In case of doubt, the Register of Rolling Stock maintained by the Chief Mechanical Engineer should be referred to check the correctness of the list of postal vehicles appearing in the Workshop Accounts Officer's records. It should be seen that the bills are correctly issued half yearly on the basis of capital cost noted in the records. (Correctness of the capital cost is verified during the check of completion report).

CHAPTER – XIV

TRAFFIC AUDIT

14.1 GENERAL

1. The particulars of items of audit relating to Traffic required to be dealt with by the Traffic Audit Branches and the extent of check to be exercised in respect of each item are given in Appendix to the Revised Audit Norms under the captions 'Local Traffic Audit Coaching/Goods and through Traffic Audit Coaching/Goods'. The general instructions in regard to the audit of earnings contained in Chapters XII and XIII of Railway Audit Manual may be seen.
2. The check exercised by the Accounts Office on the various station returns, handling bills and other documents both centrally and during local inspections of station accounts, the procedure of maintenance of Traffic Book etc. are prescribed in Indian Railway Code for the Accounts Department Part-II Traffic Accounts. The Audit should generally be conducted on the same lines.
3. The procedure laid down for the maintenance of various station books and preparation of station returns and their forms etc. as per Railway Board's and General Manager's orders issued from time to time, the rules in the conference Regulations, the Coaching Tariff, Indian Railway Commercial Manual and the various pamphlets like rate circulars and Rail Advices etc., and the manuals of the Accounts Office should be studied carefully and referred to in conducting the audit of Earnings.
4. The system of internal check on Northern Railway in respect of paid parcels traffic is on outward basis. The system of internal check in respect of goods earnings is on outward basis. The audit of these earnings has, therefore, to follow the system in vogue in the Accounts Office.

14.2 DUTIES AND RESPONSIBILITIES OF THE VARIOUS AUDIT BRANCHES

The Traffic Audit Branch is responsible for the audit of transactions relating to local and foreign traffic which are dealt with in Traffic Accounts Branch of the Financial Adviser and Chief Accounts Officer's office and also for conducting audit inspection.

While Audit Office, at SE Road is entrusted with the audit of local and foreign traffic of Northern Railway, Receipt Audit and Inspections of all the Stations except the stations that come under the jurisdiction of Ferozepur Division. Traffic Audit Office at Jalandhar conducts the audit of Northern Railway local goods traffic and Inspections of all the stations which comes under the jurisdiction of Ferozepur Division.

The check of traffic earnings of Northern Railway is carried out with reference to (i) Indian Railways Act, 1890 and rules made there under, (ii) orders, rules and regulations issued by the President or the Railway Board (iii) the conference regulations formed by the Indian Railway Conference Association or by the Railway Administration and (iv) the relevant contracts between the main line and the worked lines. The main object of audit of traffic earnings is to ensure that the systems provide adequate checks against prevention of frauds leakage of revenues and other irregularities.

The Divisional Audit Officers carry out the review of cases relating to remission of wharfage and demurrage charges. The essential duty of audit in the matter of audit of earnings is to see that:-

1. The person to whom service is rendered pays the proper charges.
2. The Railway servants receiving the charges account for them correctly.
3. The rates and fares fixed from time to time by the Railway Administration are within the maxima and minima prescribed by the competent authorities.
4. If more than one Railway renders the service, the receipt is properly distributed between them in accordance with the rules and orders relating to such apportionment.

The check of earnings should be carried out with reference to :-

- (i) the orders, rules and regulations issued by the President or the Railway Board;
- (ii) the Indian Railways Act 1890 and rules etc. made there under;
- (iii) the Conference Regulations formed by the Indian Railway Conference Association;
- (iv) the tariff, rates circulars etc. issued by the Indian Railway Conference Association or by the Railway Administration.

The tariffs should be kept corrected upto date. It should be ensured that all correction slips and rate circulars have been received.

Note:- SE Road denotes 'State Entry Road'.

In respect of irregularities already noticed in internal check by the Accounts Office in the documents coming up for audit, it should be seen whether suitable action has been taken to rectify them.

The audit of the accounts of a month is done in the fourth following month with certain exceptions like journal vouchers certain foreign traffic item, warrants and credit notes etc. The month in which audit is conducted in such cases is indicated in relevant paragraphs.

Note :- (A) The Establishment Audit work relating to the staff of Traffic Accounts, SE Road and Traffic Accounts staff, Jalandhar City except the following items, which are being checked by E&PI Section, was transferred to Local Traffic Audit Branch, SE Road in January, 1980. Now this section has been renamed as Central Audit Section,

- (a) Verification of service of pensionable staff.
- (b) Bills of final withdrawals from General Provident Fund of Gazetted Staff.
- (c) Bills of final settlement, pension, gratuity etc.

(B) COMPENSATION CLAIMS AUDIT SECTION, I.R.C.A. BUILDING, NEW DELHI.

This branch is responsible for the audit of compensation claims cases of both B.G. and M.G. The following are the items of work which are done by this Branch:-

1. Review of court judgments relating to Compensation Claims cases decided against the Railways.
2. Review of compensation cases for goods lost or damaged etc.
3. Review of important cases selected by Principal Director of Audit.
4. special investigations based on an overall review of the list of admitted claims.
5. Pleader's and other miscellaneous bills.
6. Audit of Railway Board's sanction regarding suit barred cases.
7. Check of Debt Head Report relating to Compensation claims section.
8. Appropriation Accounts .

14.3 STATION INSPECTIONS

The stations for inspections by audit party are got selected from the Principal Director of Audit by the respective Traffic Audit Units Headquartered at SE Road and Jalandhar City. At present there are 1432 stations on the Northern Railway as on 31.12.2006. These stations are distributed amongst the various Traffic Audit units as under:-

Jalandhar (Ferozpur Division)	191
Station TAI, TA II	1241 (to be distributed equally)
Total	1432

The criteria for classification of Railway stations, periodicity of inspection, time required for inspection, by the Dy. Comptroller & Auditor General of India.

Categorisation of stations

S.No	Category	Annual earning	Periodicity of Inspections	Time allowed for Audit inspection	Composition of Audit party		Extent of supervision by AO
					AAuO/SO	Sr.Ar.	
1.	Very Big station	Rs.5 crores and above	Once in 2 years	8 days	2	1	100%
2.	Big station	Rs.2 crores and above but less than 5 crores	Once in 3 years	6 days	2	1	100
3.	Major	Rs.50 lacs and above less than 2 crores	Once in 4 years	4 days	1	1	50%
4.	Minor	Below Rs.50 lacs	15 to 20 stations per year	2 days	1	1	-Nil-

Authority:- Item XIII of Chapter II of Appendix to the chapters on Revised Audit Norms (March 2003).

The days approved include the time for preparation, discussion, editing, comparison etc. of inspections reports. If in any case of Very Big Station or Zonal Headquarters station, the work involved is too heavy to be taken up, the station may be split into more than viable unit for purposes of inspection. This should however, be done by the Principal Director of Audit after examination of the volume of work involved and recording the reasons for splitting the station into more than viable units. If at a big station, the work involved is considered as not heavy because of bulk/full rake booking etc. the number of days may be reduced suitably by the Principal Director of Audit at his/her discretion.

As regards supervision, and original audit by the Audit Officers, the Audit Officer shall devote 50% is the work of supervision of the Audit inspection party's work. The selection of items of original audit to be done by the Audit Officer shall be done by the Officers themselves.

(Authority: Deputy Director (Railway) Confidential No.489-RA III/T/17-81/87/Vol.II dated 31.5.1990).

For this purpose a complete list of stations duly categorized on the basis of their annual earnings as outlined in the preceding paragraph shall be maintained by the respective traffic audit units and a copy thereof furnished to Central Section for record. This list will be reviewed every year in the month of July on the basis of annual earnings of each station as on 31st March of the preceding year.

- Note
- (i) Gazetted supervision of major City Booking Agencies, if any may be undertaken with the prior approval of the Principal Director of Audit.
 - (ii) Inspection of one or two minor stations each year for surprise inspections can be undertaken at the discretion of the Principal Director of Audit.

(Authority : CAG's letter No.1311-RA III/T/17-81-Vol. II dated 14.10.90)

HEADQUARTERS AND OTHER INSPECTIONS:

1. In addition to above inspections, inspection of the Office of Chief Operating Manger will also be conducted by Central Audit Branch, State Entry Road, New Delhi.
2. The pass work of the Additional Deputy Comptroller & Auditor General of India (Railways) office will also be checked by the Central Audit Traffic Branch, SE Raod, New Delhi once in three years.
(Authority : C/15-4/56 dated 23.9.1967)
3. The inspections of Statistical Branches at Jalandhar will be conducted by E&PI section once in 4 years.
(Authority : C/4-2/69 (Policy) dated 13.4.1972)

14.4 AUDIT OF SANCTIONS AND RULES AND MODIFICATIONS AND CORRECTION SLIPS ETC. ISSUED BY THE INDIAN RAILWAY CONFERENCE ASSOCIATION :

- (i) The scrutiny an audit of
- (ii) all sanctions and orders issued by the President or Government of India relating to through Traffic and (ii) rules and modifications issued by the Indian Railway Conference Association and all correction slips to Tariffs and publications issued by the Association will be done in the office of the Additional Deputy Comptroller & Auditor General of India (Railways). The audit of remaining items indicated in Para 7 of the Railway Audit Manual will, however, be conducted by this office.

(Authority : Additional Deputy Comptroller & Auditor General of India's letter No.3566-RAII/T/17-19/61 dated 13.9.1961)

- (ii) Intensification of Station Inspections

The scope of audit during station inspection should be diversified and made performance oriented. As already provided in the Railway Audit Manual, the system of reweighing of parcels and consignments, accuracy of the machines and weigh-bridges should be looked into, besides, the actual weighment of small number of parcels and goods consignments test checked. In addition, the audit party should watch closely the general working of the station and if any possible leakage of revenue is suspected due to almost regular misdeclaration of consignments or ticketless travel, a surprise check by the Administration could be suggested. The system of allotment of wagons could also be reviewed to see that covered wagons are not demanded for non-perishable materials, which sometimes lead to Railway providing open wagons accepting liability for damages enroute.

- (iii) Concession granted under delegated powers

The General Managers have been delegated with powers to give concessions in individual cases as also for waiver of detention charges of special coaches etc. Here also the justification for the sanctions issued should be examined and if possible, the total financial effect of such concessions, assessed every year for mention in the Audit Report.

- (iv) Check of misuse of authorized concessions

The working of the machinery in the Railway Administration to prevent misuse of concessions in passenger fare etc. by unauthorised persons should be reviewed.

- (v) Awards of Railway Rates Tribunal

Some awards of the Tribunal have substantial financial implications. Audit should review such awards and comment if necessary on the presentation of the case by the Railways and their financial implications.

14.5 CHECK OF CLASSIFICATION OF PASSENGERS

(See Para 2109 to 2130, 2135 to 2138 A-II)

1. Cards (including nil cards in respect of nil issues) punched from the passenger classifications with information regarding station number, closing number, number of non-issues, number of concession issues, concession fare and total fare are run through the computer for execution of audit checks, accumulation of control total (total amount and total number of tickets) and comparison thereof with the totals reported by the station in Passenger classifications. Cards found to be correct are written on an output tape called the "BASIC TAPE", and error cards are corrected and repunched and cycled back and merged with the former to create the final 'P Basic Tape'. The 'P Basic Tape' is then sorted in the order in order of station fro, Local /Foreign Code, index number and month, and the sorted tape is rune through the computer for eliminating duplicate transactions, the second or last of such transaction alone being retained on the tape. The master file in the computer-based system is the 'PALL CARDS TAPE' which is initially created by punching the existing information into cards and converting the cards to tape, and contains information regarding the index number, station, from, closing number, total fare, class, type, opening number, rate, charged distance, originating tax, terminating tax etc. The 'P Basic Tape' is run with the 'PALL CARDS TAPE' for updating the latter with reference to the transactions for the month and for checking the total amount of fares realised for each index number of tickets. The output of this run is the updated 'PALL CARDS TAPE', an incorrect records tape and the printed First Incorrect List of transactions for the month. The types of errors printed in this list are:-
 - a. NO entry-which indicates that the stations has not accounted for a particular series of tickets.
 - b. Undercharge-which indicates that the fare charged is less than what should have been charged as per the rate on the master file.
 - c. Overcharge-which indicates that the fare charged is more than what should have been charged as per the rate on the master file.
 - d. CLO NO LOW – which indicates that the closing number is lower that the opening number.
 - e. No Class – which indicates that the classification has not been received from the station.
2. Another output of this updating run is the list of passenger unmatched Basic Cards, which prints out cases of:-
 - a. Month-unequal-indicating non-receipt of classification in an earlier month, and
 - b. No rate Master – which shows that particular series is not on the master file.
3. The statement of Duplicate Transactions, the First Incorrect List and the List of Passenger unmatched Basic cards are transmitted to the Traffic Accounts Branch for correction of errors and supply of omissions in accordance with the procedural office orders issued from time to time. Of special significance in this connection is the procedure followed in the event of huge undercharges/overcharges being listed when there has been issue of tickets out of series. When there has been out of series sale for any season, two sets of commencing and closing are shown in the Passenger Classification. The procedure prescribed in this connection requires that the highest closing number should be retained and the commencing number should be suitably altered. For this, the difference between he two pairs of commencing and closing numbers is taken separately and they are totalled up to find out the total number of tickets actually issued in the month for that series. This is then deducted from the highest closing number shown in the classification, to arrive at the adjusted commencing number. In the following month, when the 'out of series' tickets are sold out, the opening number is required to be suitable altered on a scrutiny of the First Incorrect List.
4. Correction cards punched on the basis of information supplied by the Traffic Accounts Branch are then run with the incorrect tape and a Final Incorrect List is printed. The supplementary "PALL CARDS TAPE" generated in this process is merged with the first "PALL CARDS TAPE" to create the final "PALL CARDS TAPE" which in the updated master file at the end of the month's processing. The Final Incorrect List is sent out to the Traffic Accounts Branch for scrutiny and for issue of error sheets to stations in case s of undercharges and overcharges exceeding Rs.100 for any index number. A final control list called the 'Statement of Station Figures' is also supplied to the Traffic Branch containing station wise figures of:
 1. Total cards.
 2. Non issues.
 3. Concession issues.
 4. Concession Fares, and
 5. Total Fare.
5. Two important runs through which the "PALL CARDS TAPE" is run, are intended to verify the integrity of information on the master file. The first of these runs prints a list of Passenger Master Records with the following information for each index number for each station.
 1. Opening number.
 2. Rate
 3. Class

4. Type
5. Distance/Zone
6. Pilgrim/Terminal Tax Code
7. Out agency code
8. Work Line Code
9. Local Work Line Multigauge Traffic
10. Originating Station Tax
11. Terminating Station Tax
12. Station to Code

The second run attempts a scrutiny of the master file by checking consistency between the rate, distance, type and class. For this purpose cards are punched from passenger fare tables and after preliminary editing put on tape, which is then run with the "PALL CARDS TAPE" for the purpose of checking the fare. For this purpose distance, type and class as on the "PALL CARDS TAPE" are taken as correct, provided they are fully punched and are not invalid, and the fare is checked with reference to the fare table. Whenever there is a difference in the rates as calculated through the computer and as given in the "PALL CARDS TAPE", the information is written on the output tape, from which a statement called 'checking passenger fares' is printed with the following information.

1. Station from
2. Station to
3. Distance
4. Index No.
5. Type
6. Class
7. Zone
8. Passenger fare as per tape
9. Correct Passenger fare
10. Remarks

This scrutiny "PALL CARDS TAPE" is done once in six months or when there is a change in the Passenger fare rates.

Additional Deputy Comptroller & Auditor General of India (Railways) has approved of the following checks being exercised in connection with the audit of passenger Accounts:-

1. A listing of the passenger fares tape should be taken for checking that the rates of fare are in accordance with the rates notified by the Railway Board.
The statement 'Checking Passenger Fares' should be examined to see that (i) corrections to "PALL CARDS TAPE" are made without delay and (ii) there has been no leakage of revenue owing to undercharges having remained undetected because of incorrect fare rates on "PALL CARDS TAPE".
The periodicity of these checks should conform to the periodicity with which the programme are run by the Railway. The Railway Administration may be requested to have such statements revised periodically. Each time such statements are printed, these shall be checked completely.
2. The regular monthly audit of Passenger Classifications may be supplemented further on the following lines:
While selecting the series in Passenger Classifications, all series that had out of series issues in the preceding month, should be selected for scrutiny as far as possible. Further, it should be seen that all series without of series issues in the current month are entered in the 'out of series Register' maintained by the Traffic Accounts Branch. This Register should also be reviewed periodically with a view to verifying that the incidence of out of series issues is not specially heavy on any particular station and that out of series issues are accounted for promptly.
- 3.(i) The list of Passenger Master Records should be checked for the index numbers selected for audit and it should be seen that the distance between a pair of stations, the pilgrim tax leviable and the fare chargeable are correct. The fare so checked should be agreed with the fare indicated in the Passenger classification.
This check above is intended to ensure that the rate of fare is properly checked in audit. The prescribed procedure may be followed.
The list of Passenger Master Records (Para II of the system description) represents hand copy print out of the "PALL CARDS TAPE"; and is not the same thing as the listing, referred to above (checking passenger Fares).
- (ii) The entries in the Passenger classification should be generally examined with reference to the index numbers of tickets supplied to the stations.
- (iii) The entries in the Passenger classification should be checked with reference to the highest number of tickets collected as per Ticket collector's Report.

- (iv) The amount of fare realised as per classification should be agreed with the corresponding entry in the 'Statement of Station Figures' and traced into the Coaching Balance Sheet.
 - (v) Cases marked as **NO CLASS_F** in the Final Incorrect List should be agreed with the record of outstanding passenger classification in the Traffic Accounts Branch and it should be seen that adequate action has been taken to call for the same.
 - (vi) The correctness of action taken on the items printed in the statement 'Listing of Passenger Unmatched Basic Cards' should be checked.
4. The records of Traffic Accounts Branch should be examined to see that the cases of undercharge/overcharges taken up with stations are promptly settled.
- The intention is that the final Incorrect List for the entire Railway should be reviewed for cases marked as '**NO CLASS_F**', their, agreement with the record of outstanding passenger classifications in the Traffic Accounts Branch and adequacy of action taken.
- (Authority : Comptroller & Auditor General of India's letter No.896-OSD(C)/42/71 dated 14.3.1972 received under Central Section's letter No.C/15-1/71/1 dated 25.3.1972 and Comptroller & Auditor General of India's letter No.4144-OSD(C) 42/71 dated 13.11.1972 received under Central Section's letter No.C/15-1/71/1 dated 30.11.1972).
- (i) The commencing numbers series, class of all tickets accounted for in the classification should be compared with the closing numbers as recorded in the classification for the previous month. The closing numbers should in the case of printed card tickets be checked with the highest number issued as shown in the record mentioned in Para 2012 Accounts Code Volume-II. In case in which separate series of printed tickets are supplied for a station on account of different routes or difference in fare (Mail and Ordinary fares) it should be seen that each series is accounted for separately. If any tickets are issued and accounted for, except in the regular order of the consecutive numbers, the irregularity should be taken up.
 - (ii) The credit taken for non-issued tickets should be verified by comparison with the connected statements (T.344). It should also be seen that the charges for clerkage have been recovered when due in accordance with the tariff rules.
 - (iii) It should be seen that the number of tickets issued is equal to the difference between the commencing and closing numbers after allowing for the number of non-issued tickets. In case of blank paper tickets, it should be seen that the commencing numbers agree with the closing numbers shown in the previous months classification, and tickets issued in the month are accounted for individually in consecutive order. If a blank paper ticket is not accounted for it should be seen that the debit has been raised against the station as if the ticket had been issued to the farthest station to which it could be made available in local booking. It should also be seen that no blank paper ticket has been issued to a station for which printed card tickets have been supplied. It should also be seen that one blank paper ticket is issued for one passenger only.
 - (iv) The entries of blank paper tickets in the classification should be compared individually with the collected tickets. In the event of the tickets not having been collected, the reports submitted by ticket checking stations should be consulted. The entries regarding paper tickets should also be compared with the Accounts foils of the paper tickets received with the classification. In case a paper ticket has been submitted by the station with the classification. It should also be seen that the instructions regarding issued of Blank Paper. Tickets with value ranges in different colours are being followed.
 - (v) Where the tickets are charged at reduced rates on the authority of military voucher, privilege ticket orders etc. It should be seen that the documents in support have been received, that they are themselves valid and that fares have been recovered in accordance with tariff rules. In regard to military vouchers, it should also be seen that the full value of the ticket issued is accounted for in the passenger classification and military vouchers is sent to the Accounts Office as a voucher in support of the difference in fares. Under the latest orders of the Railway Board, the difference is debit to the Military Department.
 - (vi) The check of concession orders and other vouchers (PTOs, Military requisitions, police warrants, letters of concessions) received in support of concessional fares should be conducted with reference to the following general points :-
 1. that the concession order or voucher is issued by the authority competent to issue it;
 2. that it bears the stamp of the office of issue;
 3. that it is exchanged within the available dates;
 4. that the class and number of tickets issued are noted on the voucher and are not higher than or in excess of those specified in the voucher;
 5. that, where required by the form, it bears the acknowledgement of the person receiving the concession;
 6. that it is otherwise genuine;
 7. that there are no erasures or alternation in the case of PTO's; and
 8. that the signature of the holder agrees with the specimen given in the order and that the tickets have been issued in accordance with the rules.
 - (vii) The credits taken in connection with the tickets issued in exchange for mileage coupons should be verified with the original coupons.

- (viii) In the case of attendants tickets, it should be seen that the number is not in excess of that admissible under the tariff rules.
 - (ix) The rates in the classification should be verified and the amount due should be calculated with reference to the number of chargeable tickets. The arithmetical accuracy of the misclassification should also be checked.
 - (x) Charges for special trains should be checked in accordance with the tariff rules on the subject and with the help of the tour programmes and the composition statement sent in by the stations. It should be seen that the minimum charges prescribed by the Railway Board are not infringed.
 - (xi) The instructions for the check of monthly season tickets, suburban tickets and high official requisitions, are contained in Para 2135 to 2136 and 2143 to 2147 of Accounts Code Volume II and they should be borne in mind.
 - (xii) The instructions for the check of non-issued tickets contained in Para 2108 of Accounts Code Volume II should also be borne in mind.
 - (xiii) A test check over indents for the passenger tickets is not necessary in view of the checks prescribed for passenger classification and the checks over tickets stock books and indents at local inspection.
 - (xiv) While checking requisitions etc. of high officials, it should be seen that the orders contained in paragraph 2145 of Accounts Code Volume II regarding the appointment of fares of persons travelling with high officials in reserved accommodation are correctly observed.
 - (xv) After the entries in the classification have been checked, the totals of each page should be checked and verified into the General Summary.
 - (xvi) Total amount of local passenger classification Return should be traced into the Coaching Balance sheet of the station concerned.
 - (xvii) **Reserved Accommodation:** In checking the charges for reserved accommodation it should be seen that the amount are verified with the passenger's foil of collected tickets.
 - (xviii) **Berth Reservation:** The charges on this account should be checked with the statements received from stations and with the Accounts foils of money receipts.
 - (xix) **Platform tickets:** Amounts realised on account of sale of tickets should be checked in so far as their arithmetical accuracy is concerned.
 - (xx) **Monthly season tickets:** (See Para 2135 and 2136 of Accounts Code Volume II).
It should be seen that the season tickets have the stations 'from' and 'to' printed on them and the fare collected is correct and agrees with the fare indicated on the collected tickets.
 - (xxi) **Suburban Tickets:** The check on the issue and accountal of these tickets which are issued by the Railway Administration to their employees should be conducted with the local rules laid down by Railway Administration. It should be seen that the amount realised is correct.
 - (xxii) While checking the passenger classification (Printed series) also, in addition to tracing the errors noticed in entries audited into the incorrect list, the incorrect list as a whole for the station should be reviewed and the adequacy of action taken by the Accounts Office ensured.
- Note: i. In respect of stations selected for monthly audit, the passenger classification relating to Government warrants should be checked both for local and foreign traffic though the warrants themselves need not be checked.
- ii. In the audit of passenger classification the correctness of the fare collected should be verified with the reference to P.T.Os. and concession orders etc. though the collected P.T.Os. and concession orders need not be checked.

14.6 CHECK OF COLLECTED TICKETS AND T.C. REPORTS

The procedure for disposal of collected tickets is as under:-

- i. All the collected tickets would be cancelled and subjected to checks at the station as at present.
- ii. Since irregularities are sometimes detected by comparing collected foils of EFTs and BPTs with Accounts foils, all paper tickets and concession forms would be sent to the Traffic Accounts office daily with a TCR and checks as at present would be exercised in the Traffic Accounts Office.
- iii. Printed card tickets for unreserved journeys only collected at the stations on the last day of the month and first and second day of the following month would be sorted station, class and via-wise and the highest number of each series would be sent to the Traffic Accounts office where these would be tallied with the closing number for the month given by the journey originating station.
- iv. Surprise checks which would also entail segregation of highest numbers of unreserved and reserved printed card tickets and their onward transmission to the Traffic Accounts Office for scrutiny would be carried out by the TIA/CMIs alongwith station staff on dates decided by the Traffic Accounts Office. These would be in the nature of preventive checks against malpractices in issue of tickets. These checks should cover each station at least 6 to 8 times in a year. The TIAs, CMIs should check among other things that the machinery for collection of tickets from passengers and their examination at stations is working efficiently and that these are being cancelled and put into bags for transmission to the nominated stations for disposal.
- v. To ensure that dispensation of various checks enumerated in Chapter 21 of Accounts Code Volume II do not encourage frauds and malpractices in connection with reuse of tickets, issue of tickets out of series, use of tickets

which have been reported as lost by the station, as well as to detect forgeries and irregularities committed by the travelling public. It would be necessary to strengthen the ticket checking machinery at the station. This would imply more detailed checks at the stations by TIAs, CMI's and vigilance organisation. These would be in the nature of checks prescribed in Chapter 21 of A-II. It is suggested that staff rendered surplus at the Traffic Accounts Office as a result of the reduced checking should be redeployed elsewhere and if necessary posts of TIAs be created through matching surrender. Railways may send proposals for Board's consideration.

- vi. All other tickets including computerised reservation tickets would be sent to nominated stations for destruction periodically (wee or 10 days) and till then these should be kept in sealed datewise bundles.
- vii. At these nominated station, the collected/cancelled tickets would be sold to an agency appointed by inviting quotations or tender. Work of shredding/pulping of the tickets would not be entrusted to this agency but the same would be done in the presence of a Railway official. The handing over of the collected tickets for pulping shredding as far as possible/shredding also would be done periodically and witnessed by a TIA.
- viii. Where such agency can not be appointed, the tickets would be destroyed by burning.

(Authority : CAG's letter No.299-RAIV/17-13/91 dated 18.11.92)

14.7 CHECK OF RETURNS OF EXCESS FARES

(See Para 2150-A II to 2155-A II.

The return should be checked with the excess fare tickets on which excess fares are charges. The opening numbers of excess fares tickets should be checked with the closing numbers of the previous return and it should be seen that the tickets are issued and accounted for consecutively. In the case of cancelled tickets, it should be seen that both the foils of cancelled tickets are sent by the stations to the Accounts Office and if a ticket is stated to have been issued to a foreign Railway station, the accountal thereof in the foreign traffic return should be verified with reference to the statement sent by Dy. Chief Accounts Officer, Foreign Traffic Accounts, Northern Railway, SE Road, New Delhi. It should also be seen :

- (i) that the particulars shown in the returns agree with those recorded in the excess fare tickets;
- (ii) that complete particulars necessary for the check of charges calculated are recorded;
- (iii) that the excess fare and penalty (if leviable) have been assessed in accordance with the rules in the Coaching Tariff;
- (iv) that the collected excess fare tickets tally in all respects with the Accounts foils of the tickets;
- (v) that where a free excess fare ticket has been issued in exchange for a warrant, the latter has been received in Accounts Office and billed for against the Military Department;
- (vi) that in the case in which lower penalty is levied on the authority of guards' certificate, entries are supported by the original certificates;
- (vii) that percentage of uncollected tickets is not very low; and
- (viii) that double-sided carbon paper is used in preparing the excess fare tickets.

Note:- Instructions contained in Comptroller & Auditor General of India's secret letter No.460-RAI/T-12/63 dated 20.2.1965.

14.8 EXCESS FARES RETURNS OF T.T.E.S.

(See Para 2156 to 215 8 - Accounts Code volume-II)

In respect of stations selected for monthly audit, the Balance sheet should be referred to and if these indicate that any cash has been deposited by the T.T.Es, the names of the T.T.Es concerned may be ascertained from the relevant records available in the Accounts Office. Then the returns submitted by these T.T.Es should be checked to the extent prescribed. The main intention is that as far as possible the transactions relating to the stations selected for monthly audit should be completely test checked with reference to the relative returns and documents.

It should also be seen that there is no delay in the deposit of daily earnings in respect of the excess fare tickets selected for audit.

(Authority : Additional Deputy Comptroller & Auditor General of India (Railways)'s Secret letter No.460-RAI/7-12/63 dated 20.2.1965 and Secret endorsement No.1213-RAI/7-12/63 dated 22.4.1965)

14.9 CHECK OVER THE REMITTANCES OF RAILWAY DUES BY SPECIAL RAILWAY MAGISTRATES

Special Railway Magistrates have been attached to Northern Railway under the prevention of ticket less travel scheme. They exercise surprise checks on travelling public in trains and stations and recover Railway fare and penalty from the ticket less passengers. A few Special Ticket Examiners will assist the Special Railway Magistrate in his work. During the check of the statements it should be seen that:-

- (i) the handing over Memoranda have been completely and correctly accounted for therein and short recovery of Railway dues to incorrect assessment of charges has been taken up with the Special Ticket Examiner concerned.

- (ii) Totals are correct and the amounts realised have been completely and timely remitted at the Railway station or deposited in the Treasury as the case may be.
- (iii) The totals of the statements will be traced in the Balance Sheet in order to verify the remittance at the station.

Note : Control over the remittance relating to through Traffic transaction will be exercised by Local Traffic Audit, SE Road, New Delhi but check over accuracy of charges will be conducted by Foreign Traffic Audit Branch.

14.10 RETURN OF LUGGAGE, ANIMAL AND BIRDS ETC.

(See Para 2202 to 2207 Accounts Code Volume II)

The luggage, Animals and birds etc. Returns should be examined to see that all necessary particulars have been recorded therein, such as the number and class of passenger tickets or free passes in support of the free allowance, description, total weight, weight allowed free, weight charged etc.

The commencing numbers of Luggage, Animals and Birds etc. Tickets accounted for in the return should be checked with the closing numbers shown in the returns for the previous month, and it should be seen that all tickets between the commencing and closing numbers have been fully accounted for.

The amount charged with reference to the particulars mentioned in the returns. During the course of this check it should be seen that :

1. the numbers of passenger tickets of each class quoted in support of the 'free allowance' are accounted for in the Passenger Classification Returns', particular care being taken to ensure that no free allowance is allowed on non-issued or cancelled tickets;
2. the numbers of the passes quoted in support 'free allowance' are traceable in the Returns of passes rendered by the Issuing Officers and that the fee allowance is covered by the passes;
3. the 'free allowance' granted is in accordance with the Tariff Rules'
4. the weight of luggage charged for has been correctly arrived at by deducting the 'weight allowed free' from the 'total weight';
5. free allowance is not granted more than once on the same ticket;
6. offensive and other articles mentioned in Para 714T are not booked as luggage;
7. in the case of horses, etc. the distinguishing numbers of the horse-boxes, carriages or trucks in which they are carried, are given and that the charges are calculated on the basis of the numbers of animals carried;
8. in the case of animals or birds, required under Tariff rules to be insured, the declared value is given on the ticket (T.801), that the animals or birds are insured under sanction of competent authority, that insurance charges have been recovered at Tariff rates; and
9. when reduced or concession rates are charged for horses, ponies, etc. the tariff conditions attaching to such rates are fulfilled.

The collected Luggage, animals and birds tickets received from destination stations should be checked with the returns. Finally the totals of the returns should be checked.

14.11 DEMURRAGE AND WHARFARE RETURNS

(See Para 2208-A.II to 2211-A.II)

The returns contains all charges levied by stations for demurrage on coaching vehicles and wharfage on parcels, animals, birds remaining undelivered and on luggage arriving in advance of passengers as also storage charges on lost or unclaimed articles found on Railway premises.

In checking these returns, it should be seen that :

- (i) the number of days/hours for which demurrage or wharfage is due has been calculated in accordance with the Tariff Rules;
- (ii) the amount due has been correctly arrived at by multiplying the number of days/hours with the proper rate;
- (iii) the wharfage charges are shown separately from demurrage charges;
- (iv) where wharfage or demurrage charges have been foregone an order of competent authority is forthcoming in support thereof;
- (v) the charges are brought and tally within the return for the month in which the consignment is delivered or otherwise disposed of ; and
- (vi) the totals are correct and tally with the amounts taken in the Balance Sheets.

14.12 LEFT LUGGAGE

(See Para 2212-A II)

The commencing numbers of the Left Luggage Tickets accounted for in the returns should be checked with the closing numbers shown in the return for the previous month and it should be seen that all tickets between the commencing

and closing numbers have been duly accounted for. The amount charged should be checked with reference to the time of deposit and withdrawals of luggage in accordance with the rates given in the Tariff. The totals of the return should be checked and tallied with the amounts taken in Balance Sheet.

14.13 GOVERNMENT PASSENGERS, LUGGAGE ETC. RETURNS (BOTH LOCAL AND FOREIGN)

The check of these returns is carried out concurrently with the Accounts Office, as the connected warrants which are sent away in support of the debit are not received back. It should be seen during audit that all necessary particulars have been posted in the returns, contract rates have not been charged where tariff rates are due or vice versa, the traffic has been booked by the specified route, and the number of passengers carried in reserved vehicles is not in excess of the carrying capacity as laid down in the Military Traffic Rules and the number in excess of it has been correctly charged for.

It should be seen that the rates and fares have been correctly worked out and under-charges and overcharge detected have been shown in the returns. Collected soldier tickets should be compared with the entries in the returns at the time when the accounts are checked, to ensure that they are duly accounted for. The continuity of soldier tickets should also be checked. The charges of military special trains, if any, accounted for in the returns should be verified with reference to the composition statement and the rules in the Military Tariff.

It should be seen that the warrants have been billed for as per checked figures and commission charges have been correctly calculated and included in the bill.

14.14 CONCURRENT CHECK OF CREDIT NOTES (BOTH COACHING AND GOODS)

(See Para 2904-A.II to 2906-A.II)

The following points should be seen at the time of concurrent check:-

- (i) the credit note is in original and is in proper form, the credit notes are signed by the issuing officer and are stamped with the seal of the officer signing them;
- (ii) the charges have been correctly assessed with reference to the particulars given in them and necessary particulars of transactions are always given in the credit notes;
- (iii) the bills have been correctly prepared as per checked figures and the commission charges correctly calculated and included in the bills;
- (iv) the checked figures have been duly noted in the Credit Notes Register;
- (v) Erasures or alternations if any have been attested by the issuing officer;
- (vi) the charges in the credit notes should be checked with the audited amount of the connected tickets, way bills or invoices;
- (vii) in the case of credit notes of private firms and individuals, it should be seen that the firm or the individual has been allowed by the competent authority the benefit of payment of freight charges by credit notes and that the amount of unrealised credit notes outstanding against the firm or the individual at any one time does not exceed the amount of security deposited for the purpose.

14.15 CHECK OF PARCEL WAY BILLS

(See Para 2213-A.II to 2238-A.II and Joint Accounts and Commercial Notification No.504 appearing in Northern Railway Gazette No.19 of 1963)

These should be examined to see that:-

1. Parcel way bills have been issued for 'paid' parcels Traffic only.
2. full particulars required by the form are recorded therein;
3. the weight charged is correct and is either actual weight or weight by measurement of each package, whichever gives the greater charge;
4. the amount has been correctly calculated on the chargeable weight of the consignment multiplied by the proper rate for the distance carried, in accordance with tariff rules;
5. when payment is made by credit notes, the number of credit note is recorded on the way-bill;
6. where special charges are due, these are shown separately;
7. 'Excepted Articles' (mentioned in the second schedule of the Indian Railways Act) are booked separately and not as a consignment which include ordinary goods and the declared value of the articles is recorded on the way-bill;
8. if the 'Excepted Articles' are insured the insurance charges are pre-paid at Tariff and when authority of the Divisional Rail Manager is required by the Tariff Rules, it is quoted on the way-bill;
9. when articles are booked at reduced rates, the conditions attaching to the reduced rates are fulfilled;
10. the original charges on way-bills have not been altered and that 'under-charges' 'Over charges- have been shown on the Way-Bill in the columns provided for the purpose.
11. when there are alternative (Railway or 'Owner's Risk') rates and 'Owner's Risk' rate is charged, the fact of the execution of proper Risk note form is recorded on the Way-bill;

12. where 'empties' are returned to the booking stations at reduced rates' the particulars of the original booking are given on the way bill and are correct;
13. the audited way bills should be traced into the Inward Abstracts and the Inward Abstracts should be traced into the Inward summaries, it is not necessary to compare the Inward and Outward abstracts unless a comparison of the Inward and outward summaries discloses any discrepancy;
14. where sample consignments are booked 'free' under 'way bill' the sanction to the free carriage of parcels is forthcoming and the sanction does not exceed the powers of General Manager mentioned in Appendix I of Indian Railway Code for the Traffic Department;
15. when parcels are charged at Military Vehicles rates, charges in lieu of hire for the portion of Journey run over Railways other than the despatching Railway and the first forwarding Railway at each break of gauge have been recovered as laid down in the Military Tariff and shown separately.

14.16 AUDIT OF PAID PARCEL TRAFFIC

In the case of paid parcel traffic inter changed between Indian Government Railways, the account is now done on forwarded basis. The Additional Deputy Comptroller & Auditor General of India (Railways) has laid down the following checks in this regard:-

- i. The checked Parcel-Way Bills (Accounts foils) of the Station selected for normal audit should be compared with the 'Cash-Book' copy received in the Accounts Office;
- ii. A comparison of the 'guard' foil with the 'cash-book' copy received in the Accounts Office should be done in respect of one major and one minor station out of those selected for normal monthly audit in local traffic.
- iii. In the case of Foreign Traffic as only a percentage of the 'guard' foil would be received from the receiving Railway in the Accounts Office of the forwarding Railway, the 'guards' foil of the stations selected for normal audit as received in the accounts office of the receiving Railway should be compared with the 'cash book' copy. In case no guard foil of the station selected is received in the particular month, the selection for this item of check may be made out of the vouchers received from other Railways to the extent prescribed in Additional Deputy Comptroller & Auditor General of India (Railways) Secret letter No.629-RAI/T17-52/62 dated 11.3.1963).
- iv. The total amount of outwards paid parcel cash book should be checked with the Balance Sheet of the station concerned.
Note: Parcel Way Bills checked in audit should also be traced into the relevant abstracts.
(Additional Deputy Comptroller & Auditor General of India (Railways)'s Secret letter No.4811-RAI/T-17/96/61 dated 25.11.1961).
- v. The audit staff going on station inspections should verify the machine numbers of books supplied to the stations under inspection with those actually in use ther.
- vi. In respect of outward traffic relating to Non-Government Railways, the Parcel Way Bills pertaining to the period and the Stations selected for audit in a month should also be checked to the same extent as the others.
(Authority: Additional Deputy Comptroller & Auditor General of India (Railways)'s Secret letter No.445-RAI/7-12/63 dated 20.2.1964).

14.17 AUDIT OF MISSING PARCEL WAY BILLS

All parcel way bills (included in the abstracts of the stations) falling under audit check but not received from the Accounts Office should be called for and till they are received and checked in audit these should be shown in arrears and treated in the same way as vouchers not made available to audit.

(Authority : P.O.O. No.72 dated July, 1960)

14.18 TELEGRAPH TRAFFIC RETURNS

(See Para 2244-A.II to 2249-A.II and Note under Para 174 of Railway Audit Manual)

These are checked to see that:-

- (i) the charges have been correctly levied according to the number and words and the totals are correct;
- (ii) the commencing number of Telegraph Receipts agree with the closing number shown in the previous month's return;
- (iii) all telegraphic receipts have been accounted for in the consecutive order;
- (iv) if any receipt is cancelled, the sender's foil has been sent. If the cancellation is due to the sender having withdrawn the message prior to its being signalled, the cancellation fee has been recovered;
- (v) the credit for 'reply paid' message has been correctly allowed (See Para 2247-A.II).
- (vi) the credit for messages paid for in the postage stamps or in service postage stamps has been received from the Telegraph Department (Para 2248-A.II).
- (vii) necessary deduction has been made on account of coolly hire vouchers from the statement of telegraph transactions (Para 2249-A.II)

- (viii) the telegraph returns pertaining to interchanged traffic with Government telegraph of the stations selected under station Accounts should be checked fully and traced with the statement of apportionment.

14.19 STATEMENT OF APPORTIONMENT OF EARNINGS FROM INTER CHANGED TELEGRAMS BOOKED IN RLY. TELEGRAPH OFFICE

Statement of apportionment of earnings from inter changed telegrams booked in Railway Telegraph Offices (See Note under Para 174 of Railway Audit Manual and item NO.XX under Traffic Audit Programme as given in Revised Audit Norms and Para 2250 to 2253 Accounts Code volume-II).

14.20 CHECK OF INVOICES

(See Para 2305 to 2310 Accounts Code Volume-II)

In the check of invoices, it should be seen that:-

- 1) the invoice has been prepared by the carbon process. If a copy is sent, it should be seen that it is certified as correct by the Station Master;
- 2) all the particulars required by the form have been duly filled in the several columns;
- 3) the arithmetical calculation of fricht charges is correct;
- 4) the invoices should be checked in all respects including class, rate and freight etc. even though the calculation of freight (Rate x weight) is done by the machine;
- 5) the classification is correct according to the description of goods given in the invoice and the nomenclature used in the invoices is according to the classification given in the General Classification of Goods;
- 6) the commodities not specifically classified in the General Classification of Goods are not passed as a matter of course against the item 'NOC', if the same can reasonably be brought under a definite item of classification. In doubtful cases orders of the Branch Officer should be obtained;
- 7) both actual and chargeable weights are entered;
- 8) articles which are required under Tariff rules to be booked 'Paid' are not booked 'To Pay'.
- 9) when excepted articles are booked, their declared value is given if the value exceeds five hundred rupees, the insurance charges at the Tariff rates are pre-paid, if not insured, there is evidence on the invoices that proper risk note form has been executed;
- 10) the rate at which the freight has been calculated agrees with the rate given in the Rate Lists or Rate Tables;
- 11) the Military stores are charged for at the rates shown in the pamphlet of rates, Rules etc. for the carriage of Military Stores;
- 12) In cases where reduced rates are charged there is evidence that the tariff conditions attaching the lower rates have been duly fulfilled and a proper risk note has been executed where articles are carried at 'Owner's risk'. It should be seen that suitable remarks as to the conditions of the goods booked are given on the invoice;
- 13) the rules in force regarding minimum charges are observed;
- 14) if freight is paid by credit note, the number and date of the credit note is entered on the invoice, the credit note has been corrected according to the invoice;
- 15) when the loading and unloading is required to be performed by the owner the letter 'L' is marked/written on the invoice;
- 16) when consignments are carried at special reduced rates on the authority of certificates, the connected invoices to the Accounts Office where so required by rules. In the case of consignments booked under several invoices at concessional rates on the authority of one certificate, the certificate is furnished with the first invoice so issued, all subsequent invoices bearing reference to this authority;
- 17) in cases where concessional rates are charged on the empties returned to the original booking station, the particulars of original booking are given on the invoices and they are correct;
- 18) two or more invoices booking are given on the invoices and they are correct;
- 19) in cases in which the excess weight is carried separately in a road van whether from booking station or enroute, freight on the excess weight should be charged at the classified rate;
- 20) that in cases where traffic is carried over a siding, the name of the siding is clearly shown and siding charges are correctly levied;
- 21) that the crane charges wherever recoverable have been recovered from the consigner/consignee;
- 22) a. In case of out agency invoices, the correct cartage charges have been levied for the conveyance of goods between the station and out agency in accordance with the rates prescribed by the Railway Administration;
b. that the rules regarding minimum charges for out agency traffic prescribed in the agreement have been observed.
- 23) In case of Fodder invoices the instructions contained in Para 2320 AII to 2323 AII may be seen;
- 24) The accounts foils, of the invoices both 'To pay' and 'Paid' actually audited of freight value above Rs.100/- should be traced in the Machine prepared outward abstracts relating to the stations selected;
- 25) The numbers of 'To pay' invoices should be checked with the commencing and closing numbers given in the covering mema;

- 26) Paid invoices should be verified with reference to the register of paid invoice books' supplied to stations and their continuity ensured;
- 27) In respect of cancelled invoices it should be seen that all the foils except record foils have been received from the stations;
- 28) In respect of consignments weighted enroute, weight charged should be verified from the weigh-bridge advices received in the Accounts Office; and
- 29) Where undercharges detected in the check of invoices are required to be debited to receiving stations of foreign railways, copies of audit notes should also be sent to the audit office of the foreign railway concerned for pursuing the objection to finality.

Note:- Whenever an error in principle is noticed during the course of audit of invoices a review of the invoices of the particular traffic from one particular station to another particular station should be undertaken. If the error relates to a particular type of traffic an intensive review of that traffic from and to other stations should be conducted. These reviews may be done by referring to abstracts and invoices for a few back months if necessary.

The result of these reviews should be communicated in a special letter to the Financial Adviser and Chief Accounts Officer and a record maintained in the Audit Office for future reference.

14.21 RAILWAY MATERIAL AND CONSIGNMENT NOTES

The procedure regarding booking and account of Railway materials and stores given in Joint Accounts and Commercial Branch Notification No.116, published in Northern Railway Gazette Extraordinary dated 10th April, 1954 should be seen. This procedure is only applicable to Railway materials and stores booked as goods traffic. Coaching traffic in Railway materials and store is booked under the same rules and at the same rate as are applicable to public traffic. Freight charges due are paid by the Department concerned by means of credit notes and are credited to earnings.

Railway materials consignment notes should be checked to see that:-

- i) the consignment notes have been issued by the Railway officials authorised to issue the same;
- ii) the freight charges have been correctly worked out by the Accounts Office; and
- iii) the total chargeable distance (as well as the chargeable distance over each Railway in case of foreign traffic) and the total rate chargeable have been correctly shown on the invoices.

The checked Railway Material Consignment Notes should then be traced into the bills prepared against the departments concerned and arithmetical accuracy of the bills verified.

14.22 WHARFAGE AND DEMURRAGE RETURNS (GOODS)

These should be checked in accordance with the principles mentioned in Para 14.11 of this manual and 2343-Accounts Code Volume-II.

14.23 AUDIT OF STATION BALANCE SHEETS-GOODS AND COACHING

It should be seen that the Balance Sheets have been prepared on the prescribed forms. The audit balance sheets should be conducted with reference to the internal check procedure in Chapter XXVII-A.II. Briefly this is as follows:-

- i. Check of debits: Opening balance as per station and as per the Accounts Office should be tallied with the closing balance of the last month, and difference if any, investigated. The totals of the various checked returns in respect of local traffic except Local Goods and Parcels should be compared with the corresponding debits in the Balance Sheet.

As regard Local Goods and Parcels Traffic, this should be verified with the stations figures received from the Traffic Accounts Office, Jalandhar. The entries against ('Sundries') should be checked with the miscellaneous cash notes. Special debits taken on account of error sheets, disallowances by the Cashier, value of stamped Indemnity Bonds etc. should be verified.

The correctness of the debits (inward to-pay) taken in the balance sheet should be checked with reference to the forwarded abstracts prepared by the Accounts Office and sent to these stations, later converted by the stations into their inward abstracts and submitted to the Accounts Office along with the station Balance Sheet. It may also be ensured that the inward abstracts sent by the stations along with their balance sheet, correspond to those received in the Accounts Office from the Foreign Railways. In the case of outward Paid traffic the correctness of debits should be checked with reference to Machine Abstracts (also called paid statement) compiled by the Accounts Office.

(Authority:-Comptroller & Auditor General's Confidential letter NO.2486-RAI/T/17-12/65 dated 12.7.1967)

Whenever the amount accounted for in the traffic return is more than the amount in the Balance Sheet, it should be seen that debit for the difference has been raised against the station. Conversely if the amount is less or nil that necessary entry has been made in the register of missing returns and prompt action taken to effect clearance.

- ii. Check of credits: The credit taken under the head 'cash', should be checked with the monthly totals in the Cash Register. The credit on account of vouchers (viz. credit notes, warrants, Pay Orders, Stamped Telegraph

Messages, Cooly Hire Vouchers etc.) should be verified with the totals in the voucher Register. The amount of cash and vouchers for each date should be verified with the connected cash Remittance notes. For special credits advised by the Accounts Office, the authority quoted should be consulted. Special credits for other items should be checked with reference to the relevant documents.

The closing balance should be verified with the 'Lists of Outstanding' attached to the Balance Sheet. It should be seen that the outstanding are generally current and necessary steps for clearance of old out standings have been taken. For this purpose the relevant Accounts Office files should be consulted.

It should be seen that the debits raised by the Accounts Office and cashier disallowances which have not been taken into the debit side by the station are not for very old-periods and if there are any, the same should be taken up with the Accounts Office.

14.24 AUDIT OF REMISSION OF WHARFAGE AND DEMURRAGE CHARGES

(See Para 176 of Railway Audit Manual)

The Local Traffic Audit Branch, SE Road, New Delhi should advise monthly particulars of selected cases of remission of wharfage and demurrage charges to the concerned Divisions for conducting the necessary review. The concerned Divisional Audit Officer should obtain the relevant files from the Divisional Railway Manager's Office and review them, the cases which are not made available should be shown in the monthly arrears report. In cases where remission of large amounts are allowed as a matter of course, a report should be made to the Additional Deputy Comptroller & Auditor General of India (Railways). In scrutinising the wharfage and demurrage charges accrued and foregone, it should be seen that the document containing orders of the authority competent to forego the amount are submitted to the Accounts Office and are duly checked and passed under proper authority.

(Authority : Para 5 of Minutes of Audit Officers meeting held on 14.12.1964)

14.25 AUDIT OF HANDLING BILLS

(See Para 3002 to 3005 Accounts Code Volume-II)

In order to ensure that the handling bills selected for normal audit, are checked completely and up to the stage of payment, the following procedure may be followed:-

Selection of Handling Bills:

The stations to be selected for check of Handling Bills by Central Audit Section are to be the same as those selected for check of Station accounts. As regards verification of weight claimed in the bills, this may be confined to the stations coming under monthly check.

Audit of Handling Bills

The T.A. Branches at Jalandhar will check the weight claimed by the Handling contractors in respect of local traffic portion of handling bills of the stations selected by them for audit with reference to the station returns but as regards foreign traffic, weight portion of those stations a prima-facie check would be exercised by them to see that there is evidence that the foreign traffic has been verified in internal check and that total, arithmetical calculations are correct.

In addition to the above, the following points may also be looked into while auditing the handling bills:-

- i. that the weight bills for agrees with that shown in the outward and inward summaries;
Accuracy of the totals of the weight given in the summaries should be checked.
- ii. that in the case of payments passed at weight basis, weight handled by the owners is excluded.
- iii. that, where the agreements so provide, the weight of such local consignments of a repacking station which are unloaded from or loaded into the through road-vans and collecting road-vans handled at that station and consequently paid for at van rate is also deducted form the local weight to be paid for at weight basis.
- iv. that charges at van rate are paid for such vans only which are actually handled. For this purpose the detail sheets of through and collecting road vans should be examined at the stations to see that:-
 - a. reference to the number of van or vans from or into which the goods are unloaded is recorded on the detail sheet against the entry of consignment handled; and
 - b. that, where no handling service is performed but the contents of a van are checked, a remark indicating that the contents were actually, checked with the help of the contractor's labour is on record on the detail sheet of the van said to have been checked. In this connection it should be seen that one and the same van is not paid once as 'checked van' and again as handled van;
- v. the weight shown in the handling bills as having been lifted by the firms in their sidings with the help of their own labour should be verified with the original rebate bills passed in favour of such firms. In cases when rebate bills are not received by the time audit of handling bills of a particular month is finished, the items should be placed under objection in the audit note, and the rebate bills in connection therewith called for. On receipt of the rebate bills the weight charged for therein will be tallied with the weight deducted from the original handling bills.

- vi. besides regular handling bills certain extra bills for special handling done, in the case of transshipment of goods from sick into sound wagons, adjustment of loads of wagons enroute or checking of suspected seat-broken, etc. wagons are also received duly countersigned by the Divisional Rail Manager (Commercial). Such bills should be scrutinised to see:-
 - a. that where sanctioned rates are in force special higher rates have not been allowed for similar services;
 - b. that the work for which payment is claimed is not as is covered by a lump sum payment allowed to the same or another contractor at the station concerned;
 - c. that there is actual evidence of such work having been done; and
- vii. Opportunity may taken to review the rates paid to the Station Masters and outsiders from time to time to find out whether the rates allowed for the same kind of work at the same station or at stations in the same vicinity do not vary from each other to any considerable extent. Ordinary handling work is not entrusted to the Station Master if the monthly maundage handled exceeds 75,000 maunds (Railway Board's letter No.436-TG dated 10/11 October, 1946. Any instances of excessive rates noticed should be brought to the notice of the Administration with suggestion for reduction of rates by inviting tenders etc.

14.26 POINTS TO BE SEEN DURING INSPECTION OF MARSHALLING YARD AND TRANSHIPMENT POINTS

- a. If a Station happens to be a repacking point, transshipment point or marshalling yard or an interchange point, it should be seen that:-
 - i) Whether Parcel Vans or wagons are detained because of inefficiency of or inadequacy of supply of labour by the handling contractors. The basic record relating to placement and removal of wagons for such handling should also be checked to verify the progress reports attached to the bills of such contractors.
 - ii) at transshipment point, it may be seen if there is unnecessary haulage of empties to or from that point; whether goods stock are fully utilised and usage of stock is not impaired by irrational placement and loading of wagons; whether unloading of wagons of one gauge is delayed because of non-availability of matching stock of other gauge and if so, what are the reasons therefore;
 - iii) at transshipment points and marshalling yards it may be seen if trains are formed in time whether, after formation of the train, there are delays (waiting for power, engine crews or guard or path) and if so, the reasons therefore may be examined from the records of the stations, running sheds, section controllers, Chief Controllers;
 - iv) at interchange points the reasons for detention of stabling of goods trains short of interchange points and late start of goods trains could be studied.
- b. Railway Administrations also impose restrictions on booking of consignments due to congestion in the stations, yards or sections etc. If such restrictions were imposed for bookings to the station(s) selected for inspection, the reasons may be investigated to see whether the restriction was imposed due to inefficiency of operation or of the agency handling the consignments, delays on the part of consignees to unload and take delivery of consignments within a reasonable time etc. What concrete action is taken by Railways (so as to reduce or eliminate congestion) after expiry of the period upto which they are responsible as a bailee (with effect from December, 1972 it has been reduced from 20 days to 7 days from time of arrival of the consignments) may be studied. The inadequacy of action taken to remove the restriction quickly and the remedial measures taken to avoid imposition of similar restriction in future should be reviewed.

The following additional points may also be looked into:-

MARSHALLING YARDS

- i) Are the initial records such as vehicle guidance, number taken book, running or Floating balance register, Detained Wagon register and wagon exchange register, maintained properly?
- ii) Are the incoming trains detained for long outside the limit of the yard? If so, to what extent (during a selected period) and why? The reasons could possibly be delay in clearance of reception line (this can be known by looking into the registers of reception line occupation, if maintained or from yard Master's Diary) or delay in setting up of points or congestion in the yard. Have remedial measures been adopted to quicken reception of incoming trains and how far have they yielded results?
- iii) Are breaking and sorting of wagons and formation of new trains completed within the time schedule prescribed?
- iv) What is the extent of avoidable delay in dealing with cross traffic, placement and removal from sidings intended for repacking, transshipment, loading/unloading and repairs to wagons?
- v) What is the extent of late start of goods trains and what are the reasons therefore? The delays may be analysed as attributable to:-
 - a) Operating Branch
 - b) Power Branch
 - c) Train Examiner's Branch (delay in examination of wagons)
- vi) What is the extent of mismarshalling and damage to wagons due to rough shunting? (High incidence of sick wagons in outgoing trains would indicate that most probably wagons were not properly examined in reception lines and there was rough shunting in yard).

- vii) Are wagons without labels being allowed to move? What is the extent of detention of wagons due to missing labels? Is prompt action taken to obtain necessary particulars for preparation of new labels?
- viii) Was the load of each incoming and out-going train very near or equal to the haulage capacity of the locomotive attached thereto? If not, it indicates under utilisation of the capacity of the locomotives. The possible reasons therefore, may be examined.
- xi) Do delay in formation of trains cause avoidable light movement of diesel/electric locomotives to other yards for picking up loads.
- x) Are the incoming and out-going wagons routed to destination via the shortest routes? If not, the reasons for movement by longer route may be investigated and analysed.
- xi) What were the reasons, supported by analysis, for the increase of over all detention to wagons as well as detentions to through goods trains?
- xii) What was the extent of utilisation of the yard with reference to number of wagons anticipated and actually handled or dealt with.

In the office of Train Examiner the following points may be, inter-alia, investigated:-

- i. Do the staff of Train Examiner complete wagon inspection in time?
- ii. Are there instances where wagons, although not completely fit, are allowed to run with some speed restrictions?
- iii. Was prompt action taken to repair damaged sick wagons? What is the extent of detention of such wagons? (for repairs or for despatch to workshop) and how much avoidable.

The following aspects may be examined during the inspection of transshipment points recorded:-

- i. Is the transshipment point handling loads not intended to be transhipped in that shed, what are the reasons therefore?
- ii. Is the optimum utilisation of the stock achieved while transshipping goods from stock of one gauge to that of another? This can be judged by a review of transshipment point performance register.
- iii. What was the extent of damages to the contents and deficiencies in the wagons at the transshipment shed? Was prompt action taken to report them and adopt remedial measures?
- iv. What is the capacity of transshipment Shed and apart from reduction in traffic what are the reasons for optimum capacity not being utilised?
- v. If detention at transshipment sheds is considerable higher than the target, what are the reasons therefore?
- vi. If there is imbalance in availability from release at the same station, how are the deficiencies made good and how are the excess empties hauled.
- vii. For the stream of traffic prevailing was nominated transshipment shed well chosen? Could not transshipment at other shed reduce the distances to be hauled.

(Authority: Additional Deputy Comptroller & Auditor General of India (Railway's letter No.1268-590-RAI/8-11/73 dated 22.5.1974.)

b) TRANSHIPMENT BILLS

In respect of transshipment points, handling bills may also be reviewed so far as possible by sending Local Audit party at such points besides check exercised in Central Audit.

(Authority: Comptroller & Auditor General's letter No.2301-RAI/8-7/66 dated 27.8.1966 and 3430-RAI/8-7/66/KWII dated 19.11.1966)

14.27 AUDIT OF ACCOUNTS OFFICE BALANCE SHEET

(See Para 2923 to 2936 Accounts Code Volume II and Para 178 of Railway Audit Manual)

It should be seen that the balances are usually debit balances and that no bill has been omitted from the bill register. It should also be seen that the action has been taken in the matter of old recoverable items also in the case of through traffic transactions. The totals of Accounts Office Bill Register and summary thereof should also be verified.

14.28 AUDIT OF TRAFFIC BOOK

(See Para 178 of Railway Audit Manual)

The instructions for compilation of the Traffic Book are contained in Chapter XXXII Accounts Code Volume II. It should be seen that the postings are complete and correct, the balances under the heads 'Traffic Accounts', 'Foreign Railway' and 'Deposit Private Companies' as brought out in the Traffic Book have been reconciled with the corresponding balances in the main ledges and the differences, if any located. The correctness of the amount shown under 'Cash in transit' should also be looked into.

14.29 HIRE AND DEMURRAGE ACCOUNTS

These relate to the charges on account of hire and detention beyond authorised time of stock lent to other government departments and the home Railway departments. These should be checked with reference to the rules in pamphlet 'Rules and Rates for the Carriage of Government Traffic' and with reference to any special orders issued on the subject. A Transaction Register is maintained by the Accounts Office to watch the issue of bills against the parties concerned and this should be referred to at the time of check of these accounts to see that the bills have been correctly prepared and regularly issued and there is no undue delay in the recovery of bills prepared by the Railway Administration.

14.30 AUDIT OF POSTAL BILLS

Charges for the Services rendered to the Indian Posts and Telegraphs Department regularly for (i) haulage of postal vans and ordinary Coaching Vehicles reserved for conveyance of postal traffic and (ii) conveyance of Postal Mail bags and parcels under weightment system, are billed for against the Postal Department half yearly on the basis of the service rendered on the 21st July and 21st January (called statistical days) each year, it being assumed that the same services continue to be rendered throughout the half year. Charges for the conveyance of mail bags by rail car on Kalka-Simla section are billed for yearly while those for the extra accommodation occasionally required and despatch of mail bags as parcels are billed for monthly.

It should be seen that the charges have been correctly worked out at the current rates, the accommodation charges for weight of Postal Mail bags and Parcels carried under the weightment system being verified with the particulars available in the statements furnished by the Divisional Railway Manager (Commercial)/Station Masters as the original mailing lists will not be available in the Accounts Office at the time the audit of the bills is undertaken. Irregularities and abnormal delay, if any, in the recovery of the charges should be commented upon.

Note :- As long as the extra accommodation is provided to the P&T Department by the Railways, for the Railway's own convenience (and not at the request of the P&T Department) the P&T Department is not to be charged for the same.

(Authority : Additional Deputy Comptroller & Auditor General of India (Railways)'s letter No.2801-RAII/T17-57/56 dated 3.9.1962)

14.31 REFUND LISTS AND OVERCHARGE SHEETS

(See Para 179 of Railway Audit Manual and Para 2404-AII to 2411-Accounts Code Volume II).

- a) **Refund Lists:** These should be checked to see that:-
1. the invoice, or way bill in connection with which the refund is made, has been accounted for by station in its return;
 2. the amount of 'freight charged' and also particulars entered in the lists, agree with those shown in the connected invoices or way bills;
 3. the amount refunded does not exceed the correct amount of overcharge;
 4. against every item in the list, there is a formal acknowledgement of the consignee or his authorised agents, vernacular signature being translated into English in all cases. The signatures of the Station Master or that of the Chief Goods Clerk also appear at the foot of the form;
 5. the refunds are such as the Station Master is authorised to allow at the time of delivery (Vide paragraph 2153 Commercial Manual). If the list includes any refunds for which an over-charge sheet is necessary (vide paragraph 2161 - Commercial Manual) such refunds should not be passed unless these are certified by the responsible Traffic Officer; and
 6. Necessary remarks have been given against the relevant entries in the abstract concerned in order to obviate the possibility of duplicate and erroneous refunds being granted.
- b) **Overcharge Sheets:** It should particularly be seen that the facts as stated in the Overcharge Sheets are correct, that they have been certified by the Traffic Officer or the Accounts Officer where necessary, and that a suitable remark in regard to over-charge sheet having been certified has been made against the relevant entry in connected abstract to prevent the possibility of a second claim in respect of the same invoice or way bill being passed. When in connection with a particular station a large number of overcharge refunds of similar nature is noticed the reasons therefore, should be continuously investigated.

14.32 REBATE OF FREIGHT

No such rebate is allowed on the Northern Railway.

14.33 TOLLS AND TERMINAL CHARGES

(See Para 181 of Railway Audit Manual)

In cases in which the tolls are realised under contract system audit should see that contracts are let out after inviting tenders and that the amount fixed is adequate. Terminal charges are included in the rate shown on the invoices and in the freight charges on the P.W. Bills. No separate check is necessary.

14.34 REGSITER OF MISCELLANEOUS RECEIPTS

(See Para 2932 Accounts Code Volume II)

It should be seen that:-

- i. the daily total of the receipts posted in the register agrees with the total of items appearing in the statement of vouchers sent by the Cash Office;
- ii. the receipts have been properly checked, allocated and adjusted;
- iii. the total miscellaneous cash received during a month is correctly accounted for in the Accounts Office balance sheet; and
- iv. that the proper arrangement exist for the accountal and realisation of the recurring and non-recurring earnings.

NOTE:- Adjustment, if any, prepared by Accounts Office should be verified from the Advice of Transfer Certificates.

14.35 CASHIER'S STATION CASH BOOK

(See Item No.XVI under Local Traffic Audit Programme in the Revised Audit Norms)

In the audit of these documents besides the check of the totals of the cash check sheets and cash registers and the posting of the relevant vouchers into it, it should be specially seen that the stations are regular in remitting their collections and that no undue delay occurs in so remitting the collection.

14.36 TRAFFIC SUSPENSE ACCOUNTS

A yearly review of these accounts should be conducted. The following are the Chief Points to be looked into in examining these accounts:

- i. that the total of the account is supported by the details of items leading to it;
- ii. that the items are generally current; and
- iii. that adequate action has been taken for the clearance of old items of importance.

It should be seen that the balance under the head 'Deposit Private Companies' have been communicated by the Accounts Office to the Private companies concerned and their final acceptance is obtained.

14.37 RATE CIRCULARS AND TARIFF CHANGES

A. Rate Circulars issued by the Railway Administration should be scrutinised to see that the changes made are by the competent authority and are within prescribed minima and maxima limits fixed and that they are generally in the interest of the Railway. The sanctioned maxima and minima and exception thereto are given in the I.R.C.A. Goods Tariif Important feature should be taken up for intensive examination. Special station-to-station rates Administration as delegated by the Railway Board from time to time. As under these powers, the Railway Administration can quote reduced station-to-station rates only for the purpose of securing additional net revenue it would be worth examining in a few selected cases, under the orders of the Deputy Director (Traffic), that this principle has not been infringed without prior approval of the Railway Board. This examination should be conducted by the Traffic Audit Branch at Delhi with reference to the files of the Administration at Headquarters. Local Railway tariff, as and when issued, should be reviewed to see that these do not contain any material changes not already notified through Rate Circular etc. and scrutinised in audit.

(Authority: Director of Audit's Tour Note No.30 dated 30.7.1958)

B. Audit of amendments of tariff's, Rate Circulars

The files of the Railway Administration should be called for and reviewed before the sanctions are admitted in audit. The following points may be seen in particular:-

- i. Whether the basic data relating to loadibility of wagons, Floor Area, densities etc., on which station to station rates are fixed are acceptable.
- ii. The correct market value of a commodity is taken into account while giving concessional rates of freight.
- iii. The classification of the commodity is consistent with classification of similar commodities.
- iv. In cases of upward revision of freight rates, there has been no avoidable delay in issue of notification.
- v. Concessional rates are kept under revision constantly for a timely revision or withdrawal.

14.38 CHECK OF TERMINAL AND OTHER TAXES COLLECTED ON BEHALF OF LOCAL BODIES, STATES ETC.

(See Para 181 of Railway Audit Manual and Chapter XXVI of Accounts Code Volume II)

- i. For the purpose of deciding the extent and scope of check, the Terminal and other taxes levied on rail borne traffic fall into two categories viz.
 - a. Taxes levied by the Local bodies, States and other local administrations immediately before the commencement of the constitution of India in respect of which net proceeds are not required to be certified by the Comptroller & Auditor General of India; and
 - b. Taxes levied and collected by the Government of India, but assigned to the States under the provision of Act 269 (I) of the Constitution of India, the net proceeds of which are to be ascertained and certified by the Comptroller

& Auditor General of India in terms of article 279 (i) of the Constitution of India.

In regard to the taxes covered by item (a) above, the general principles laid down in Para 181 (a) of the Railway Audit Manual (Fifth Edition) would be applicable. The monthly general summary (referred to in Para 2607-A,II) or the statement of taxes collected should be checked to see that the amounts of tax collected have correctly been taken into the monthly statement/summary of tax collected and for this purpose a general review of the list/statement of the taxes prepared by the Accounts Department with a view to ensuring prima facie correctness of the compilation of the figures and tracing of the amounts noted against some of the stations from the passenger classification, Division Sheets etc. would be sufficient. In addition, it should be seen in the course of monthly audit of selected station Accounts that the amounts of tax collected have correctly been carried over to the list/statement/abstract of the tax collected.

In regard to the taxes falling under category (b) above, it would be enough if the figures in the list of Pilgrim tax prepared by the Railway Administration are completely checked with the classification. In addition, it should be seen whether the amounts of pilgrim tax picked out from the passenger classifications of the station which have been selected for the normal monthly check, figure in the list that are prepared by the Railway Administration.

For detailed instructions regarding the method suggested for making of provisional monthly payment by the administration in respect of recurring or non-recurring nature of taxes and to their certification by the Principal Director of Audit, reference may be made to the Railway Board's letter No.F(X) II-56/TX/19/2 dated 24.8.1956, 3.1.1957, 1.8.1957 and 14.8.1957 and Additional Deputy Comptroller & Auditor General of India (Railways) U.O.No.TAI/TK-254/II dated 7.6.1957) and Railway Boards letter No.73-AC III/30/9 dated 20.3.92.

ii. CHECK OF PILGRIM TAX STATEMENTS

The instructions issued in Comptroller & Auditor General of India's letter No.6237-RAI/T/17-74/69 dated 24.12.1969 contemplate, inter alia, that the totals of the statement of terminal taxes printed by the computer should be traced in the Register of Pilgrim Taxes maintained by the Accounts Office. In addition, while checking the Passenger Classification (Printed Series), all entries (viz. station to) having pilgrim tax should be traced in to the pilgrim tax statement printed by the computer. Further, the tracing of pilgrim tax should also be done in respect of all passenger classifications of printed tickets which are accounted manually by Accounts Office due to delay in their receipt. This would provide a test check for ensuring that all items of pilgrim tax appearing in the Passenger Classification (Printed Series) have been processed by the computer.

(Authority : Comptroller & Auditor General of India's letter No.1941-160-RAI/8-6/71 received under Central Section's letter No.C/15-1/70/KW dated 1.7.1971)

14.39 RETURNS OF TOURIST AGENTS

(See item No. XIX under Local Audit Programme as given in the Revised Audit Norms)

The monthly returns rendered by tourist agents authorised under the terms of their agreements to issue tourist coupons should be checked in the same way as passenger classifications, particularly it should be seen that:-

- i. the sale accounts of the tourist agents are in proper form, bear the office seal of the agency and have been signed by the agent or his representative;
- ii. before taking up audit of the returns of the tourist agents at Headquarters and at local inspections, agreements executed by the tourist agents should be examined and it should be seen that the conditions mentioned therein are observed in actual practice;
- iii. the returns and the local records of the tourist agents should be audited in the same manner as returns pertaining to stations;
- iv. the opening number of the coupons sold, is the closing number of the last month's return;
- v. the coupons have been accounted for serially;
- vi. that the amount of commission charges retained by the tourist agents is correct as per agreement and no commission has been allowed on IInd class tickets, reservation tickets, cancelled, refunded tickets and special tickets. The net amount due to the Railway on account of the sale of coupons is remitted in time. The remittance for the preceding 3 months should be checked to see that they are made regularly in accordance with the terms of the agreement;
- vii. the coupons are sold to tourists alone for which these are intended and not for General Public.
- viii. the tickets issued by tourist agents should also be verified with the stock register maintained by the Accounts Office to see their genuineness;
- ix. that the statement of refunds bear the remarks to the effect that no luggage was booked on the relevant coupon/ticket accounted for thereon which refund was allowed and also that reservation made, if any, was cancelled; and
- x. that the cancelled tickets have been correctly received and reason for cancellation has been duly quoted there in and that cancellation fee chargeable in each case under tariff conditions has correctly been recovered and also accounted for as payable to the Railway to the extent due.

14.40 STATEMENT OF SIDING CHARGES

(See Para 2346 to 2348 Accounts Code Volume II)

It should be seen that an agreement exists for each siding and the charges are recovered according to the provision in the agreement and adequate action is being taken by the Administration to effect recoveries of Railway dues from the siding owners. The adequacy of the siding charges fixed by the Administration may also be reviewed by the Traffic Audit Branch at Jalandhar.

It should also be seen that the charges for engines, if any, detained for the convenience for sidings have been corrected calculated and recovered locally in cash or by credit note.

14.41 ROUTING ETC. AGREEMENTS

The points mentioned in Para 182 of Railway Audit Manual should be borne in mind.

14.42 STATEMENT OF UNDERCHARGES

This should be checked with reference to points mentioned in Para 433 FI.

14.43 STATEMENT OF REMISSION AND ABANDONMENT OF CLAIMS TO REVENUE

The instructions for checking the statement are given in Para 407 of Railway Audit Manual (See also Para 433 F-I).

14.44 AUDIT OF STATEMENT SHOWING THE PERCENTAGE OF GROSS WORKING EXPENSES TO GROSS EARNINGS

The accuracy of total earnings figures/working expenses figures as shown in the statement will be verified by central/Audit Branch, SE Road, New Delhi and Books Audit Section respectively.

14.45 AUDIT OF ITEMS FALLING UNDER CENTRAL AUDIT

The Audit of the following items of Central Audit is required to be done by Central Audit Branch, at SE Road, New Delhi:-

- i. Pay Orders for unpaid wages list.
- ii. Pay orders for other vouchers not falling under any other category.
- iii. Check of Journal Vouchers including adjustment mema and Tracing thereof into the Journal.
- iv. Check of Account Current with Schedules etc.
- v. Review of Balances (Debt Head Report).
- vi. General Cash Book.
- vii. Cashier's Cash Book.
- viii. Register of Deposit Miscellaneous.
- ix. Adjustment with other Government Departments.
- x. Reconciliation of amounts booked under Reserve Bank Suspense.
- xi. Accounts with States.
- xii. Transfers Railways and transfer Divisional.

(Authority: Procedure Office Order No.88 dated 6.9.1961)

14.46 REVIEW OF THROUGH BOOKING OF INDO-PAKISTAN TRANSACTIONS

The review of transactions relating to through booking of passengers between India and Pakistan should be audited to the extent as shown in Additional Deputy Comptroller & Auditor General of India (Railways) letter No.391-RAII/T17-14/58 dated 10.5.1968 by CA SE Road, New Delhi.

14.47 REVIEW OF THE EARNINGS OF NEW BRANCH LINES

The Traffic Audit Branches at SE Road, New Delhi and Jalandhar are responsible for the audit of figures of earnings furnished by the Accounts Officer concerned. The check of the earnings will be done on the following lines:

“The earnings as exhibited in the extracting sheets should be generally reviewed in the light of instructions contained in Para 246 F-I and other ancillary instructions. It should particularly be seen that the additional earnings of the existing lines are attributable to the earning solely arising as a result of the construction of the new lines and due allowance is made for short circuiting and diversions etc.”

14.48 AUDIT OF STATEMENT OF WRITE OFF OF THE IRRECOVERABLE STATION DEBITS

The reasons for the write off the irrecoverable station debits should be scrutinised to see that the sanction of competent authority has been obtained in each case and that the propriety of the sanction is admissible in audit.

14.49 EXAMINATION OF TARIFFS MAINTAINED IN ACCOUNTS OFFICE

With a view to see that the Tariffs maintained by the checkers in Accounts Offices are upto date i.e., these embody all the corrections and alterations notified from time to time, the tariffs of one clerk in one sub section selected at random by the Section Officer (Audit) should be taken for examination and omissions, if any, pointed out through a Test Audit Note.

14.50 AUDIT OF REBATE OF FREIGHT

(See Item No. VII under Local Traffic Audit in the Revised Audit Norms)

It should be seen that the rebate has been allowed in conformity with the instructions of the Railway Board in each case.

14.51 CHECK OF EARNINGS OF WEIGHING MACHINES INSTALLED AT STATIONS

As per agreement entered into by the Northern Railway Administration with the weighing Machines firm all the collection of weighing machine earnings is credited initially to the Railway earnings through cash remittance notes, the amount is accounted for in the station balance sheets as 'Sundry earnings'. The refund to the firm is exhibited in the accounts as minus earnings. In the refund bills the following points may be seen specially:

- i. that the amount of collections credited to Railway earnings agree with the amount given in the collection slip signed by the Station Master and the company's representative. This amount should also agree with that given in the cash Remittance Notes and Sundry Earnings statement sent by the station alongwith the balance sheet;
- ii. that the refund has been adjusted as minus Sundry earnings in accounts;
- iii. that the refund has been made in the relevant register of the accounts office to avoid double payment.

(Authority: Procedure Office Order No.65 dated 25.4.1960)

14.52 APPORTIONMENT OF EARNINGS BETWEEN MAIN AND WORKED LINES ETC.

(See Para 174 of Railway Audit Manual and Chapter XXXI of Accounts Code Volume II)

14.53 AUDIT OF CARTAGE/COMMISSION/WHARFAGE BILLS OF OUTAGENTS/CITY AGENTS

(See Para 175 of Railway Audit Manual)

The selected cartage bills for Parcels/Goods/Luggage Traffic should be checked with reference to the received and forwarded abstracts, summaries and returns. The rate of cartage charges should be verified with the agreed rates as notified by the Railway Administration. It may be seen that the commission charges on Passenger Tickets have been paid at the agreed rates. In case of wharfage charges bills, it should be seen that the total amount claimed by the Agents tally with the relevant checked returns submitted by them and with the prescribed Register maintained by the Accounts Office. It may also be seen that the particulars of bills passed for payment are recorded against the connected entry in the above mentioned register of wharfage charges to avoid double payment.

14.54 REVIEW OF T.I.A.'S INSPECTOR REPORTS

(See Para 427 of Railway Audit Manual)

All Part-I Inspection Reports and Part II Inspection Reports received during the previous quarter should be reviewed to the prescribed extent with a view to examine whether there is any important lacuna in the system and whether the system is working with reasonable efficiency. Stations having large No. of irregularities should be preferred for local inspections and if considered necessary, should be taken up for local audit in addition to the quantum prescribed.

These reports should also be reviewed to see the disposals of the irregularities mentioned therein. Delays in the final disposal of the reports should be commented upon. Important mistakes of serious nature resulting in loss of cash or frauds or of procedural defects should be specially scrutinised with a view to comment them in the Audit Report (Railways).

(Authority: Additional Deputy Comptroller & Auditor General of India (Railways)'s letter No.2301/RAI/8-7/60 dated 27.8.1966 and Central Section's letter No.C/18-7/66 dated 9.5.1967)

14.55 CHECK OF M.P. JOURNEY FORMS

It has been decided by the Railway Board that whenever an honourable member of Parliament undertakes a Railway journey, he would fill up the prescribed form and hand over the same duly signed to the Railway ticket collecting staff on the termination of the journey at the detraining station. The stations are required to submit these forms to the Financial Adviser and Chief Accounts Officer alongwith the daily T.C. Reports to evaluate the cost thereof and to submit them monthly to the Rajya Sabha or the Lok Sabha Secretariat, as the case may be, together with covering statement showing the details of the vouchers and the total cost thereof. The following concurrent checks should be exercised on these forms in audit:-

- i. that the MP journey forms are in the prescribed form and have been properly filed in;
- ii. that the forms have been duly signed by the honourable member;
- iii. that the fares in respect of items selected for audit are correct;
- iv. that the statements have been prepared correctly from the MP Journey forms.

Note: As the statements prepared by the Accounts Office will initially be received by the Central Audit Branch, SE Road, New Delhi, it will be the responsibility of that section to get them checked from TA-II Section, SE Road, New Delhi in respect of foreign Traffic.

(Authority: Railway Board's letter No.1058-TG/54, dated 1.10.1954, received under Additional Deputy Comptroller & Auditor General of India (Railways)'s endorsement No.R10-4/51-III dated 30.6.1965)

14.56 CHECK OF PASS WORK OF ADDITIONAL DEPUTY COMPTROLLER & AUDITOR GENERAL OF INDIA (RAILWAYS)'S OFFICE

The Local Traffic Audit Branch at SE Road is responsible for the check of pass work of Additional Deputy Comptroller & Auditor General of India (Railways)'s office. (Central Section's letter NO.C/15-4/56 dated 23.9.1957)

14.57 COMPENSATION CLAIMS

1. Scope of Audit:- The audit COMPENSATION CLAIMS cases passed by all the two claims offices located at Delhi, and Varanasi is conducted by the Compensation Claims Audit Section located at Delhi. The scope of audit of payment made by the Railway Administration towards compensation for parcels or Goods lost, damaged etc. has been prescribed in Para 177 of the Railway Audit Manual.
 2. The audit of legal charges arising out of Compensation Claims cases is also to be done by this section. (Authority: Item XVII of Central Audit Programme)
 3. Special investigation based on an overall review of the list of admitted claims are also to be undertaken by this section. For this purpose commodity wise and cause wise lists prepared by the Railway Administration should be consulted for selection of the special investigation.
(Authority: Item No.VI under Local Traffic Audit Programme of Revised Audit Norms)
- Note:- The Section Officer (Audit) should personally review the claims cases and conduct other reviews. The results of each investigation together with the efficiency of the preventive measures if any taken by the Administration will be submitted to Principal Director of Audit for his information.
4. Review of Suspense Registers maintained by Accounts Office is also conducted by this Branch.
 5. Journal Slips - Audit of.
 6. Audit of miscellaneous bills regarding legal charges and other payments passed by Compensation Claims Accounts Office as far as the Statistics on Compensation Claims were concerned.
 7. Review of Annual Narrative Report.

14.58 REVIEW OF COMPENSATION CLAIMS CASES

(See Para 2313 to 2314 Accounts Code Volume II and Para 177 of Railway Audit Manual, relevant clauses of the Indian Railway Act 1890 as amended from time to time, Indian Railways Code for the Commercial Department, Coaching, Goods, Military and other Tariffs, conference Rules Part II and Local Manuals etc.)

After the selection has been made, the connected files should be obtained from the Claims Branch. The following points should be seen while reviewing these cases:-

- i. that the claim for compensation has been made by the proper persons and within the prescribed time limit;
 - a. a claim for compensation is to be preferred within 6 months from the date of booking failing which the claim becomes time barred for consideration (2) claims for sale proceeds are to be preferred within three years from the date of booking (3) claims as between Railways are to be made within 12 months of booking (under Conference Rules).
- ii. that full investigation has been made by the Railway Administration to see that the loss or damage for which compensation has been claimed is real, and that the amount claimed does not include profits;
- iii. that claims paid on the basis of indemnity bonds in the absence of original Railway Receipt have been specially examined to see whether thorough investigation has been made by the Administration to obviate the possibility of double payment;
- iv. that proper action has been taken to locate the responsibility for loss or damage and in cases in which losses or damage have occurred through carelessness or misconduct of the Railway servants, suitable disciplinary action has been taken against the persons responsible;
- v. that in cases in which the damage or loss is proved to be due to lack of proper instructions for packing, loading, marking etc. steps have been to remove the defects;
- vi. that in the case of consignments booked at owner's risk, the protection afforded by the risk note or notes executed has been fully utilised;
- vii. that in case of through booked consignments the liability has been transferred to the foreign Railway/Railways concerned in those cases in which investigation has proved that the losses occurred on a foreign Railway or that foreign Railway staff was responsible for the same;
- viii. that the Railway Administration have borne in mind the views expressed by the particular High Court in whose jurisdiction the case falls;
- ix. that the claim is supported by the original documents as required under the rules;
- x. that the particulars of booking and the name of the consignee or consignor are correct and duly verified by the Traffic Department;

- xi. that in the case of damage, full details of assessment of damage such as Beejuck rates, market rate, percentage of damages have been given by the Commercial Department;
 - xii. that the claim has been settled at the Beejuck rates value of the goods only, and where this was not possible at such rates as were considered reasonable on the merits of each case;
 - xiii. that 'to pay' freight charges and wharfage/demurrage wherever due have been deducted from the amount of claim settled;
 - xiv. that the amount of compensation paid was correctly determined;
 - xv. that the original Railway Receipt was surrendered by the party and cancelled to prevent double payment;
 - xvi. that the incidence of the claims as between the Railways was correctly determined and allocated under conference Rules;
 - xvii. that the claim was sanctioned by the competent authority;
 - xviii. the following additional points may be seen while reviewing claims cases settled by Courts of Law:-
 - 1. that the Railway Administration has contested the suit on sufficient strong grounds;
 - 2. that the legal officer's advice had been taken in doubtful cases to verify that the suit was otherwise technically in order or not;
 - 3. that the Railway Pleader had properly defended the suit and the same had in no way been lost due to lapses on his part;
 - 4. that the suit had not been lost on account of the fault of the staff;
 - 5. that the amounts of decree, interest, costs etc. are arithmetically correct;
 - 6. that suitable measures have been taken to remedy the defects on the part of the Administration as pointed out by the court and to avoid recurrence of such cases;
 - 7. that full consideration was given to the question for going in for an appeal against the judgement of the lower court and the opinion of court, Railway Pleader and that of solicitors or expert opinion wherever necessary was obtained before accepting decree;
 - 8. that in cases in which it was decided to go in for an appeal, the decretal amount was not directly paid to the party but deposited in the concerned court pending decision of the appellate court;
 - 9. that all the references received from the Railway Pleader seeking certain information were urgently dealt with and the required information was conveyed to him with the least possible delay;
 - 10. that the notice of suit was served on the proper party as required under the provision of section 80 of Civil Procedure Code;
 - 11. that the claimant was the proper party and had a title to sue.
- Note: Suits for compensation for damages etc. have to be filed within one year, under Articles 30 and 31 of the Limitation Act and the suits for refund of freight and sale proceeds etc. and for other claims within 3 years from the date of the cause of action vide Article 62 of the Limitation Act. In this connection, section 80 of the Civil Procedure Code regarding limitations for filing the suits the plaintiffs against the Government may also be seen.

14.59 RAILWAY COMPETENT TO BE SUED

Under Section 80 of the Indian Railways Act, the plaintiff can file a suit only against either the contracting Railway alone or against the Railway on which the loss or damage has occurred.

While scrutinizing cases wherein appeal against the judgement of a lower court had been files, it may be seen:-

- i. that the appeal had been filed strictly on commercial consideration;
- ii. that the Law Officer's opinion had been obtained and he was in favour of filing the appeal. In cases of high valuation or involving principles or creating bad precedents, the Railway solicitor also had been consulted;
- iii. sanction of the Railway Board is necessary for either appealing or defending an appeal in the Supreme Court of India;
- iv. that in cases other than the above, the Railway Board's prior approval had been obtained; and
- v. in case of regular suits, the party losing the suit has a right to two appeals.

In reviewing the suit compromises out of court in connection with compensation claims, the following points should be seen:-

- i. that the compromise was justified from the legal point of view and that looking to the circumstances of the case, if a compromise was reached it was in the interest of the Railway Administration;
- ii. that the suit was free from all technical defects and there were seldom chances for the Railway Administration to succeed in the suit;
- iii. that beside Railway Pleader, the advice of Law Officer was also obtained.
- iv. that in case the party did not agree for a reasonable amount, full advantage was taken of the weak points of the party to bring him to terms;

- v. that the compromise was generally negotiated at the beejuck value or for the actual amount of loss sustained by the party, whichever is less;
- vi. that in case of compromise being initiated at an early stage of the suit with the proposal to pay costs and lawyers fees to the party, a percentage of such charges was allowed in case of such courts where court fees are refunded on a percentage basis, if the suit was compromised after a few hearings;
- vii. that the compromise was negotiated with the prior approval of the competent authority;
- viii. that in case, the suit was contested on behalf of another Railway, a compromise was accepted only after the approval of the Railway concerned.

14.60 REVIEW OF REGISTERS OF STAFF RESPONSIBILITY MAINTAINED BY THE DIVISIONS AND CLAIMS OFFICES

While reviewing the compensation claims cases, the cases where the divisional staff is found to be responsible and the matter is reported by the claims office to the Divisional Railway Manager concerned, full particulars should be intimated by the Compensation Claims Audit Section to the concerned Divisional Audit Officer for further action.

The registers of staff responsibility maintained in the Divisions in connection with the Compensation Claims cases are to be reviewed by the respective Divisional Audit Offices in the course of their biennial inspections of the offices of Divisional Commercial Manager/Area Manager. The staff responsibility registers maintained by the two claims offices at Delhi and Varansai would be reviewed in the course of inspections by Inspection Headquarters Section, New Delhi.

(Authority: Procedure Office Order No100 dated 25.3.1965 and 104 dated 21.9.1965.)

14.61 REVIEW OF ANNUAL NARRATIVE REPORT

The data relating to the payment of compensation claims available in the Annual Narrative Report should be reviewed to see if any general conclusions can be drawn and usefully presented to the Executive. The results should be put up to the Principal Director of Audit for information and orders if any.

14.62 REVIEW OF MISCELLANEOUS ADVANCE REGISTER

This register is operated for the purpose of temporary booking of the following type of transactions:-

- i. charges the allocation of which is not known or which can not immediate be carried to a final head;
- ii. the amounts of claims paid on behalf of other Railways pending acceptance of liabilities;
- iii. part amount of claims paid for which other Railways are responsible under Conference Rules or misdespatch convention pending acceptance of liability by other Railways.

14.63 REVIEW OF REMISSION AND REFUND OF WHARFAGE AND DEMURRAGE CASES

(See Para 5 of Minutes of Audit Officers Meeting held on 14.12.1964)

The responsibility for conducting the review of such cases rests with the Divisional Audit Offices concerned.

14.64 FOREIGN TRAFFIC SCOPE OF CHECK

The scope and method of work done in the Foreign Traffic Audit Office are given in Para 185 to 187 of the Railway Audit Manual. The work in the Audit Office is to be done according to the programme laid down in the Secret Memorandum of Instructions (Railways) from time to time and the subsidiary orders issued by the Principal Director of Audit. The process of audit are generally the same as those of internal check described in details in the Manual of the Deputy Chief Accounts Officer (Traffic Accounts) SE Road, New Delhi and also in the Railway Accounts Code, Volume II and in the preceding Para of this Manual relating to vouchers and documents of local traffic audit.

Note: The check in the audit office of the apportionment of earnings as between Government Railways is not necessary.

14.65 STATION ACCOUNTS

(Deleted and incorporated in Secret Manual)

14.66 COMPARISON OF OUTWARD AND INWARD TRAFFIC RETURNS OF NON-GOVERNMENT RAILWAYS

In order to ensure that the goods traffic forwarded to non-Government Railways has been accounted for entirely by them the inward Goods division sheets received from foreign Non-Government Railways should be compared with the outward abstracts and the discrepancies if any, taken up with the Accounts Office. As regards Parcels Traffic similar procedure should also be adopted in the case of traffic with Non-Government Railways and also in case of Government Railways to 'To pay' traffic only.

14.67 LIST OF UNACCOUNTED FOR INVOICES/P.W. BILLS RECEIVED FROM FOREIGN NON-GOVERNMENT RAILWAYS

These are reviewed to see that prompt and adequate action has been taken by the Accounts Office on these lists. It should be particularly seen that the selected items have either been accounted for in the list of invoices/parcel way bills or action has been taken to procure copies of invoices/parcel way bills. The instructions laid down in Para 187 of the Railway Audit Manual should also be borne in mind.

It should be seen that there has been no delay in the receipt of lists from foreign non-Government Railways and their disposal and that abnormal delays in accounting by the receiving stations have been promptly investigated with reference to the provisions laid down in Para 2225-Accounts Code Volume II.

The Review (prescribed in Secret Manual) of Principal Director of Audit, Northern Railway of the outstanding and pending invoices/P.W. Bills as reported in the monthly progress reports of the Accounts Office should also be carried out with a view to see that there is no unusual delay without good and sufficient reasons on the part of the Accounts Office to clear the outstanding items and that similar delay on the part of the foreign non-Railway is promptly taken up.

14.68 CREDIT NOTES AND REGISTERS (COACHING AND GOODS)

The audit of credit notes is done concurrently i.e. before the bills are issued by the Accounts Office. During the concurrent audit of credit notes, it should be seen:-

- a. that entries thereof exist in the respective credit note Register and that all the credit notes received have either been included in the bills or entered in the Pending Register.
- b. the credit notes are signed by the issuing officers and are stamped with the seal of the officers signing them.

14.69 CREDIT NOTES REGISTER

While checking the Invoices/PW Bills it should be seen that:-

- (i.) the invoices/PW Bills for which freight has been paid by credit notes have been recorded in Credit Note register maintained in Accounts Office;
- (ii.) that the audited amount of the credit notes agrees with audited figures in return;
- (iii.) that the suitable remarks exists in the connected abstract to avoid the risk of duplicate credit notes being passed in the cases of "To-Pay" Traffic;
- (iv.) that the totals of undercharges and overcharges by credit note as shown in the statement of station checked figures; and
- (v.) that the undercharges discovered on check of invoices/parcel way Bills have been billed for.

The position of all credit notes kept pending in the Accounts Office should be reviewed every half-yearly to examine whether reasonable prompt action is being taken to pass them finally.

14.70 AUDIT OF PAID OUTWARD STATION FIGURES

As the outward abstracts in respect of traffic booked to non-Government Railways are split up for comparison with the Inward abstracts and division sheets, the station figures of the outward paid traffic should be checked concurrently with the connected outward returns, abstracts and summaries.

14.71 INWARD DIVISION SHEETS (NON-GOVERNMENT RAILWAYS)

(See Para 187 of Railway Audit Manual)

- a. **Passenger:** The check consists in the comparison of all the collected blank
 - i. paper tickets and the highest number of printed tickets with their account in the Division sheets;
 - ii. the check of commencing and closing number of the printed series;
 - iii. check of Home Railway share in respect of traffic involving non-Government in Railways.
 - iv. check of vertical totals of the column for Home Railway share of each page of the division sheets received from Non-Government Railways and their postings in the summary; and
 - v. the check of net debits and credits.
- b. **Luggage:** the check consists in:-
 - i. tracing all the collected luggage tickets into the abstracts;
 - ii. tracing of the abstracts into the division sheets;
 - iii. tracing of passenger tickets quoted in the return into the passenger division sheet;
 - iv. checking of the Home Railway share in respect of traffic involving Non-Government Railway;
 - v. checking of the vertical totals of the column for Home Railways Share of each of the Division sheets received from Non-Government Railways and their posting into the summary; and
 - vi. testing accuracy of the net debits and credits.
- c. **Parcels:** In addition to the above checks the corresponding outward abstracts and summaries should also be checked in the case of parcel Way Bills with a view to see that there is no undercasting in the paid column.

Entries in the list of unaccounted for items sent to Foreign Railways also be examined to see that these have been correctly prepared.

- d. Goods:** In the case of goods traffic involving overcharges and undercharges are received with the list/division sheets and these are checked concurrently by audit upto the prescribed extent to ensure that the total freight is correct and the invoices have been included in the abstracts. In respect of paid invoices it should be seen that overcharges have been credited to the Home Railway. Totals of the pages of the lists/division sheets on which Government Railway's share has been shown are correct. The check of net debits and credits should also be exercised.

14.72 STATEMENT OF NET BALANCES

In addition to the accuracy of the arithmetical calculations, it should be seen with reference into the Division sheets that the share due to each Railway has been correctly taken and that the net debits and credits have been correctly arrived at.

14.73 REFUND LISTS AND OVERCHARGE SHEET

(See Para 179 of Railway Audit Manual)

14.74 MISCELLANEOUS STATEMENTS

(See Item No. (f) under General - Through Traffic Audit Programme)

Miscellaneous statements are audited by Foreign Traffic Audit Branch with a view to ensure that they have been correctly prepared from the relevant returns and have been issued or disposed of adequately by the Accounts Office within the prescribed dates. The list of Miscellaneous Statements is given below:-

1. Statement of debits realised (Coaching and Goods).
2. Statement of debits withdrawn (Coaching and Goods).
3. Statement of Audited Weight of Handling Bills.
4. Statement of net results (Coaching and Goods).
5. Statement of objections received from Military and other departments.
6. Statement of Fodder invoices.
7. Statement of terminal tax, cess on soft coke, and excise duty on coal etc.
8. Special credits and debits statement (Coaching and Goods).
9. Statement of Commission Charges paid to tourist agents.
10. Statement of amounts written off by Commercial Authorities (Coaching and Goods).
11. Statement of paid on charges (Goods and Parcels).
12. Statement of petrol, Oil and Lubricant Traffic bills against firms .
13. Statement of cartage charges relating to out-agencies and city booking agencies.
14. Statement of Commission charges on credit notes and concession vouchers (Civil and Military both Coaching and Goods).

14.75 REVIEW OF DEBITS WITHDRAWN

Statement of debits withdrawn should be checked to see:

- i. that the grounds of withdrawal in each case are valid and orders of competent authority have been obtained for the withdrawals;
- ii. that debits have not been raised without making necessary enquiries;
- iii. that register of debits withdrawn is maintained properly in the prescribed form.

It should be reviewed to see in particular that the debits withdrawn on account of error sheets wrongly issued due to mistakes of the Accounts Office are not exceedingly heavy.

14.76 REVIEW OF AMOUNT WRITTEN OFF

The register maintained by the Accounts Office to record the amounts written off by the Financial Adviser and Chief Accounts Officer should be reviewed quarterly. It should be seen:-

- i. that the amount written off do not exceed the powers of sanctioning authority and that the power has been used with discretion;
- ii. that the reasons for the write off are adequate and convincing;
- iii. that the write off is not due to any error or defects of system of procedure.

14.77 WAGON POOL ACCOUNT

(See item no.69 under General of Through Traffic Audit Programme items)

The main points to be seen are as follows:-

- i. that the accounts have been correctly compiled from the Daily Junction Returns;
- ii. that the net wagon balance has been correctly worked out in accordance with Conference Rules Part-II.
- iii. that the penalty charges have been levied whenever due and the amount due to and from each Railway is correct.

In addition tracing of movements of Non-Pooled Wagons into stock Movement Register may be done of the dates selected.

14.78 CERTIFICATION OF THE NET PROCEEDS OF PILGRIM TAXES

(See Para 181 of Railway Audit Manual)

The net proceeds of pilgrim taxes levied by the Government of India under Article 269 (i) of the Constitution of India are required to be certified. The instructions contained in Para 14.38 (ii) of this Manual may be kept in view.

ANNEXURE - 1

COMPUTERISED SYSTEM OF TRAFFIC ACCOUNTS PASSENGER ACCOUNTS (See Para 14.5 also)

The master-file in the computer based system is the PALLCARDS TAPE which is initially created by punching the existing information from the passenger classification into cards and converting the punched cards to P BASIC TAPE. The PALLCARDS TAPE containing the fixed information such as class/type/distance/rate and codes for pilgrim tax/out agency and worked lines etc. is run with P BASIC TAPE on the computer for updating with reference to the transactions for the month and for checking the total amount of fares realised for each index number of tickets. The output of this run are: (a) the updated PALLCARDS TAPE (b) an incorrect record of tape (c) first incorrect list of transaction for the month and (d) list of passenger unmatched basic cards.

While the incorrect list prints out errors like non-accountal of a particular series of tickets (no Entry); under/overcharges in fares, closing number lower than opening number (CLO No.LOW) and non-receipt of classification from station (No CLASS); the list of passenger unmatched basic cards brings out cases of 'Month Unequal' indicating non-receipt of classification in an earlier month and 'No Rate Master' showing particular series not on the master file.

After these print-outs are checked in Traffic Accounts Branch for errors and omissions in punching, correction cards are punched and run through the computer with the incorrect tape and the final incorrect list is printed, which forms the basis for the Accounts Office for issue of error sheets to the stations in case of undercharges and overcharges. A final control list called the 'Statement of Station Figures' is also printed showing station wise figures of total cards, non-issues, concession issues, concession fare and total fare.

The PALLCARDS TAPE is subjected to two important runs for verifying the veracity of information on the master file. The first of these runs prints a list of Passenger Master Record with the information opening number, rate, class, distance, pilgrim terminal tax code, outagency code etc. for each index number of each station, the second run attempts a scrutiny of the master file, once in six months or when there is change in passenger fare rates, by checking consistency between the rate, distance type and class. For this purpose cards are punched from Passenger fare table and after preliminary editing put on tape which is then run with the PALLCARDS TAPE for checking the fare. For differences in the rates as calculated through the computer and as given in the PALLCARDS TAPE a statement called 'Checking Passenger Fares' is printed to indicate the correct passenger fare and the fare as per tape for each pair of stations.

Audit of computerised Accounts: With the computerisation of traffic accounts the scope of audit, so far as it relates to arithmetical accuracy of the compiled accounts, is limited. More emphasis has to be paid on the check of initial records and station accounts which form the nucleus for input of the machine compiled accounts. In order to ensure the veracity of the data under the computerised system, the following checks should be exercised.

Passenger accounting:

- i. A listing of the Passenger fares tape should be undertaken to see that the rates of fares are in accordance with the rates notified by the Railway Board and
- ii. the statement 'Checking Passenger Fares' should be examined to see that corrections to PALL CARDS TAPE are made without delay and there has been no loss of revenue owing to undercharges having remained undetected because of incorrect rates on PALL CARDS TAPE.

Note: The periodicity of these checks should conform to the periodicity in which the programme are run by the Railway.

(Authority: Para 166 (i) and 167 (a) of Railway Audit Manual)

ANNEXURE - II

(also see Para 14.20)

CHANGES IN AUDIT PROCEDURE CONSEQUENT UPON COMPUTERISATION OF TRAFFIC RECEIPTS (GOODS)

1. Review of monthly incorrect statements

The undercharges noticed as a result of check of invoices are required to be traced into the incorrect statement. In addition such tracing, the incorrect statements of stations selected for audit should be reviewed with a view to verify the action taken by the Accounts Office for issue of error sheets etc. to the station concerned.

Similarly, while checking passenger classification (Printed series) also, in addition to tracing the errors noticed in the entries audited into incorrect list. The incorrect list as a whole for the station should be reviewed and the adequacy of action taken by Accounts Office ensured.

2. Check of Continuity of invoices

The computer checks the continuity of invoices within the lots processed, so far there has been no check to ensure there is continuity from lot to lot. This check is being exercised by the Accounts manually. In audit the continuity should be checked by comparing the first entry in the current month's paid statement (viz. month of account selected for audit) with the last entry of previous month's paid statement both for 'paid' and 'to pay' invoices. List of all invoices processed during the month should be tallied with the entries in the Register of invoices received from stations.

3. Check of Sender's Weight Accepted Invoices

The following procedure may be followed in audit:-

LOCAL TRAFFIC

a. If the invoice selected for check had been endorsed for weightment enroute, the actual chargeable weight should be ascertained from the monthly statements of weightment/daily advices received from weigh-Bridge Station (vide rule 1424 (b) and 1425 of Indian Railway Commercial Manual) and compared with that taken into account by the destination Station in its converted Abstracts for the purpose of recovery of freight and discrepancies, if any taken up.

b. In respect of inward traffic, with a view to verifying that the station under audit has levied freight correctly as per weightment advice the check may be exercised as follows:-

- i. In cases where the Sender's Weight Accepted invoices are indicated by an asterisk in the converted abstract the weight charged is as per the weightment advice.
- ii. where the practice of giving an asterisk against the sender's Weight Accepted invoices in the machine prepared abstracts is not in vogue the particulars of invoices may be ascertained from the statement of Sender's Weight Accepted invoices compiled by the Accounts Office and checked as above.

c. While tracing the audited invoices into machine prepared abstracts, it should be seen that the invoices marked for weightment enroute have been properly identified by an asterisk in the machine prepared Abstracts or alternatively have been included in the statement of invoices marked for 'weightment enroute'.

FOREIGN TRAFFIC

a. The procedure out-lines above for local traffic will apply mutatis-mutandis for foreign traffic also.

b. Since the Audit Office of the forwarding Railway will not be able to check the invoices selected for audit with reference to weight-bridge advices and converted abstracts, they should intimate to the audit office of the receiving Railway full particulars of foreign invoices marked for weightment enroute selected for monthly audit indicating station from, station to, invoice number, Railway receipt number, Wagon number, and owing Railway charged weight, weight as per weigh bridge where required to be weighed etc. The Audit Officer of receiving Railway will ascertain the actual chargeable weight in respect of these invoices from the extracts of weigh-bridge returns furnished by the Railways on which weigh-bridge stations are situated to the destination Railway and from the weigh-bridge advices received by Traffic Accounts of the destination stations direct from the weigh-bridge station in terms of Rule 1425 of Commercial Manual. The weight taken into account by the station in its converted abstracts.

c. The checks mentioned above at item (b) and (c) of Local Traffic will also be conducted likewise in respect of foreign traffic.

(Authority: Comptroller & Auditor General of India's letter No.1941-160-RAI/8-6/71 dated 10.6.6.1971)

The Comptroller & Auditor General of India has prescribed the further following changes in audit procedure:-

1. Calculation of freight (rate weight) in respect of invoices where such calculation is done on computer and not manually, need be checked to the extent as prescribed in Comptroller & Auditor General of India's letter No.1007/OSD/C/44-71 dated 30.3.1972. This will not apply to the invoices in respect of which freight checking has not yet been transferred to computer, as for example, invoices wagon K.M. rates, minimum charges, infringement charges and weight exceeding 9999 quintals.

2. Tracing of audited invoices into the 'Paid' Statements and verification of debit taken into station Balance Sheet on account of outward paid traffic with reference to Paid Statement should be reinforced by checking the accuracy of the totals of the amount shown under 'Invoiced Freight' 'To Pay' in the outward Abstract should be similarly, manually checked and the inked entries in the Abstract should be verified with the accompanying invoices before it is used to check the correctness of debit taken into station Balance Sheet, on account of 'Inward to Pay' Traffic. It should be ensured that 'Inward Abstracts' sent by stations alongwith the Balance sheet correspond to those received in the Accounts Office from the foreign Railways. For this purpose entries in the Register showing receipt of Machine prepared Abstracts from foreign Railway should be scrutinised and it should be seen that station returns correspond to all the sheets received from the foreign Railways.
3. The credit on account of 'Paid on charges' taken in the station Balance Sheet should be checked with reference to the Machine prepared 'Paid on charges' statement and it should be seen that the details of items relating to 'Paid on charges' correspond relating to 'Paid on charges' correspond to entries in the 'Paid on charges' Statement. Further in order to see that the debit is being forced correctly against which the consignment is rebooked, selection of invoices for audit should be so designed as to deliberately include some rebooking invoices within the percentage prescribed otherwise and this should be traced against the relevant destination station in the Machine prepared outward Abstract.
4. The check of invoices marked for weighment enroute may be carried out with reference to the invoices issued by stations selected for audit i.e. outward basis as for all invoices both in respect of local and foreign traffic. No check need be exercised in respect of inward traffic of stations selected for audit.
5. The undercharges noticed as a result of check of invoices are required to be traced into the incorrect statement. The Incorrect Statement of stations selected for audit should be reviewed with a view to verify the action taken by the Accounts Office for issue of Error Sheets etc. to the station concerned. In this connection it may be noted that while dealing with foreign inward traffic the issue of error sheets etc. should be checked with the entries in the Register showing receipt of Incorrect Invoices from foreign Railways.
6. The foreign Invoices marked for weighment enroute and selected for monthly audit are to be sent to foreign Railway Audit Office for conducting the necessary audit. The receipt and submission of such statements by each Railway Audit Office from/to other Railway offices every month may be watched through Calendar of Returns. In case there are no particulars to be seen furnished 'nil' statement should be sent and receipt of 'nil' statement should be watched. The following checks may be exercised in order to ensure the integrity of the processing of data under computerised system.
 - i. It should be seen that run to run totals to ensure the integrity of the processing of data are actually agreed as detailed below:-
 - a. Totals invoiced freight printed in card to tape programme with the total printed in paid statement and outward abstract programmes;
 - b. Difference of total invoiced freight and total calculated freight with the difference of overcharges and undercharges printed in the monthly Incorrect statement;
 - c. Total calculated freight printed in the card to tape programme with the total printed in the paid statement and onward abstracts programme; and
 - d. Total charged weight printed in the card to tape programme with the total weight in the paid statement programme.
 - ii. the total number of cards as shown in the station Forwarding Memorandum for the selected stations should be agreed with the number of cards to tape programme and the grand total of card to tape programme should be agreed with the total number of cards in the paid statement and the Outward abstract Programme.
 - iii. The machine prepared Abstracts continuity check of invoices should be agreed with the station memorandum of invoices and the Register of missing Invoices in respect of selected stations.
 - iv. The action taken by the Accounts Office on entries inked in the Machine prepared Abstracts (Converted) by the destination station should be verified in respect of local traffic with reference to the original invoices themselves and that the withdrawal of debit was also correctly advised. As for foreign traffic, a list should be sent to the Principal Director of Audit of the originating Railway for similar verification.

(Authority: Comptroller & Auditor General of India's letter No.1007-OSD(C)/4/71 dated 30.3.1972. Central Section letter No.C/15-1/71/1 dated 4/72)

CHAPTER-XV

INSPECTIONS

15.3 GENERAL

The instructions on the subject are given in Chapter XXI and XXII of the Railway Audit Manual. Chapter VI of the Secret Memorandum of instructions (Railways Audit), Section VI of the Comptroller & Auditor General of India's Manual of Standing Orders (Audit) and report of the committee on Railway Audit Norms, the same should be borne in mind by the Inspecting Officer and the staff while conducting local inspections.

- 1 The primary object of local inspections is to apply a test audit to such accounts and vouchers etc. as are not audited in Central Audit or as cannot be completely audited except at a local place and to see that the initial documents from which the bills and accounts rendered by the local offices are compiled or on which they are properly maintained.
- 2 In the matter of distribution of items/points to be looked into, the more important items in each office, such as Bills and Registers, Adjustment Mema, Write off statements, Cash remittances, Register of losses, Check of Cash Value Books, Register of Agreements / Tenders /Contracts, Review of inspection notes of General Managers, Heads of Departments etc. review of previous inspection reports should normally be entrusted to Assistant audit Officers.
(Authority: Para 3 of Comptroller & Auditor General of India's Secret letter No. 96-RAI/17-49/83 dated 6.3.1984).
- 3 Assistant audit Officers/Section Officers(Audit) and the Senior Auditors/Auditors who are entrusted with the inspection of branches of the office of the Divisional Railway Manager and other offices at the Divisional Headquarters should devote themselves wholly to the inspection work and should not do other office work. The other Assistant Audit Officer/ Section Officers (Audit) at Headquarters of the Division should look after the entire work of the Division. At Headquarters office also similar procedure will be followed in the branches where there are more than one Assistant Audit Officer/Section Officer(Audit)
- 4 The local inspections of the accounts of different Railway Offices, Stores Depot, Workshops, Stations (expenditure portion) are conducted by the respective auditing sections responsible for the test audit of their accounts. The Inspections of the following branches of the Headquarters office of the Railway Administration will be conducted by the Branches indicated against each.
- 5 Besides above Guidelines of ASOSAI and INTOSAI for dealing with fraud and corruption should also be kept in mind (Appendix-IV)..

ESTABLISHMENT AND PROVIDENT FUND.

1. General Branch of General Manager's Office.
2. Pass Section of General
3. Chief Security Commissioner, Baroda House, New Delhi.
4. Chief Public Relation Officer, New Delhi.
5. Statistical Branch, New Delhi.
6. Litigation Branch New Delhi.
7. Complaint Branch of General Manager's Office.
8. Welfare Branch, New Delhi.
9. Railway Liaison Officer, New Delhi.
10. Railway Sports Control Board, Rail Bhawan, New Delhi.
11. Public Relations Officer (Railway Board) New Delhi.
12. Railway Board's Office.
13. Vigilance Branch.
14. Chief Planning Officer.
15. Senior Section Engineer (General) Baroda House, New Delhi.
16. Secretary Sports Control Board, Baroda House, New Delhi.
17. Senior Section Engineer (Wireless), Baroda House, New Delhi
18. Chief Telecommunication Inspector, Baroda House, New Delhi.
19. Superintendent, Telegraph Baroda House, New Delhi
20. Commercial Branch, Baroda House, New Delhi.
21. Railway Recruitment Cell, New Delhi.
22. Deputy Chief Signal and Telecommunication Engineer (Microwave) New Delhi.
23. Chief Medical Director/Central Hospital, New Delhi.
24. Senior Section Engineer/ Motor workshop, Tilak Bridge, New Delhi.
25. Staff Canteen, Baroda house, New Delhi.

EXPENDITURE AUDIT (HEADQUARTERS)

26. Chief Bridge Engineer, N. Railway, New Delhi
27. Deputy CE /Bridge-line, New Delhi
28. Land Control Officer, New Delhi.
29. XEN/ Bridge (S&D)/Flood, New Delhi
30. XEN (Water Supply), New Delhi.
31. XEN/DOE, New Delhi
32. AXEN/ at MB and subordinates
33. AXEN/ UMB and subordinates
34. AXEN/TKJ and subordinates
35. AXEN /Bridge/Spl. TKJ and Subordinates
36. Senior Engineer (Flush Butt Welding Plant), Meerut
37. SSE/ USFD, Ultrasonic Workshop, Aligarh

BOOKS AND APPROPRIATION AUDIT

38. Chief Cashier.

STORE AUDIT (HEADQUARTERS)

39. Chief Operating Manager (Fuel) New Delhi. (Headquarters Office)
40. Local Purchase Office, New Delhi
41. Controller of stores, Northern Railway, Baroda House, New Delhi.

CONSTRUCTION AUDIT OFFICE

42. Chief Signal and Tele-Communication Engineer (Construction) Baroda House, New Delhi

TRAFFIC AUDIT, S. E. Road/N. Delhi

43. Chief Operating Manager (Other than fuel), New Delhi.

WORKSHOP JAGADHARI

44. Assistant Electrical Engineer, Repair Shop, Delhi.
45. Senior Section Engineer/Power Supply / Delhi.

The Inspections of the following Offices will be conducted by:-

INSPECTION HEADQUARTERS SECTION' BARODA HOUSE, NEW DELHI.

1. Chief Medical Director, Northern Railway, Baroda House, New Delhi.
2. Chief Signal and Telecommunication Engineer (Open Line), Northern Railway, Baroda House, New Delhi.
3. Chief Electrical Engineer, Northern Railway, Baroda House, New Delhi.
4. Chief Engineer (Open Line), including Chief Engineer, Track and Bridge.
5. (i) Chief Commercial Manager (Claims). Northern Railway, New Delhi.
(ii) Deputy Chief Commercial Manager (Claims), Northern Railway, Varanasi (including Estt. Portion).
6. (i) Chief Personnel Officer (Gazetted), Northern Railway, Baroda House, New Delhi.
(ii) Chief Personnel Officer (Non Gazetted), Northern Railway, Baroda House, New Delhi.
7. Chief Marketing/Rates Manager/Marketing and Sales, Rates, Outstanding, Terminal Manager Container Service, New Delhi.
8. Chief Catering service Manager/General, Catering and Claims prevention, Northern Railway, Baroda House, New Delhi.
9. Controller of Stores, Northern Railway, Baroda House, New Delhi
10. Chief Mechanical Engineer, Northern Railway, Baroda House, New Delhi.
11. Track Supply Office, New Delhi along with DSKP/Track Depot Ghaziabad
12. Catering Branch, Head Quarters Office.

The following inspections (Other than executive Offices) under the Divisional Railway Manager will be conducted by the following offices.

Name of the Division**Name of the office to be inspected**

Delhi Division

1. General Secretary, Indian Railway Conference Association, Delhi including Head Train Examiner, Neutral Control, Junctions.
2. Unit Catering Manager (Central Stores)
Special Catering Unit IRCA Building, New Delhi

Name of the Division	Name of the office to be inspected
Ambala Division	<ol style="list-style-type: none"> 1. Chief Government Inspector of Railways, Shimla (Pass work). 2. Assistant Inspector General Railway Police (Himachal Pradesh), Simla (Pass work). 3. Assistant Inspector General Railway Police (Punjab), Patiala (Pass work). 4. Assistant Inspector General, Railway Police (Haryana), Ambala (Pass work) 5. Railway Recruitment Board, Chandigarh.
Lucknow Division Central Audit, Traffic Audit office New Delhi	<ol style="list-style-type: none"> 1. Hostel Warden, Lucknow 1. Pass work of Additional Deputy Comptroller and Auditor General of India (Railways) Office.

15.4 SCOPE AND EXTENT OF CHECK:

(See Chapter VI of Secret Memorandum of Instructions (Railway Audit) and Chapter XXI of Railway Audit Manual).

The intervals at which the various categories of offices should be inspected are given below.

I. ONCE A YEAR

1. Controller of Stores
2. Chief Engineer (Construction)
3. Chief Engineer (Open Line) including chief Engineer Track and Bridges.
4. Deputy Chief Engineer (Construction) and other Construction Divisions.
5. Stores Depot (Construction).
6. Divisional Railway Manager (Engineering) and Works Accounts/Operating Accounts. Divisional Signal and Telecommunication Engineer, Chief Workshop Manager (Signal Shop), Ghaziabad
7. Receipt and Despatch Section (including advice Notes Section) of the Stores Depots.
8. Surplus and Scrap Section
9. Cash verification of Divisional Cashier and Pay Master and Pay clerks etc.
10. Local purchase section.
11. Chief Commercial Manager/Catering
12. Director/Admn. II And III/ R.D.S.O
13. Executive Director/Finance and PF/RDSO/LKO
14. Cash Verification, Divisional Pay Master/R.D.S.O
15. Chief Mechanical Engineer
16. Chief Electrical Engineer
17. Chief Commercial Manager
18. Chief Operation Manager (Fuel).
19. Chief Operation Manager (other than Fuel)
20. Chief Medical Director/Superintendent
21. (i) Chief Claim Officer (Claims), Northern Railway, New Delhi.
(ii) Deputy Chief Commercial Manager (Claims), Northern Railway, Varanasi (including Estt. Portion).
22. Chief Marketing/Rates Manager/Marketing and Sales, Rates, Outstanding, Terminal, Manager Container service, New Delhi.
23. Chief Catering Service Manager/General Catering and Claims Prevention, Northern Railway, Baroda House, New Delhi.
24. Chief Signal and telecommunication Engineer (Open Line), Northern Railway, Baroda House, New Delhi.
25. Chief Signal and Telecommunication Engineer (Construction), Northern Railway, Baroda House, New Delhi.
26. Chief Planning Officer.
27. Inspection PF Section.
28. Review of station as a cost centre (One station to be selected in each Division).
29. Chief Security Commissioner.
30. Chief Cashier.

II. ONCE IN TWO YEARS

1. General Manager (Pass)
2. Chief Personnel Officer
3. Divisional Electrical Engineer

4. Divisional Mechanical Engineer/Assistant Mechanical Engineer
5. Divisional Personnel Officer
6. Divisional Commercial Manager
7. Divisional Operation Manager
8. Divisional Medical Officer
9. Divisional Material Manager.
10. Additional Chief Mechanical Engineer (Workshops)/Deputy Chief Mechanical Engineer (Workshops).
11. Railway Board's Office
12. Works Manager
13. All directors, Additional Director, Joint Director Incharge, Deputy Directors Incharge including Section Officers working under them at R.D.S.O/Lucknow.
14. Director (Wagon) I&L/RDSO/Calcutta including all Assistant Inspecting Engineers under his control at Calcutta area RDSO/Calcutta and Senior Inspecting Officer(W) I&L / RDSO/Calcutta including All Assistant Inspecting Engineers under him at Calcutta area, RDSO/Calcutta.
15. Deputy Director (Wagon) I&L including all Assistant Inspecting Engineers under his control at Burnpur area including AIEs at (i) Muzzaffarpur (ii) Mokameh.
16. Director (Electrical)/RDSO/BHEL/Bhopal and Jhansi including Assistant Inspecting Engineers in Bhopal and Jhansi area/RDSO/Bhopal.and Jhansi
17. (i) Director Inspection (S&T)/RDSO/Calcutta Circle/Calcutta..
(ii) Deputy Director Inspection (S&T)/ RDSO / Calcutta.
21. Director Inspection (S&T) RDSO/ Mumbai.
22. Director Inspection (S&T) RDSO/ Bangalore
23. Director Wagon (I&L) including all Assistant Inspecting Engineers in Delhi area/RDSO/New /Delhi.
24. Director Wagon (I&L) including all Assistant Inspecting Engineers in Mumbai area /RDSO/Mumbai.
25. Director Inspection (S&T) and all Assistant Inspecting Engineers under his control RDSO/New Delhi
26. Town Engineer (Maintenance and Construction),
27. Secretary to Director General including transport and Rest House etc.
28. Office of the Divisional Controller of Stores including purchase section, Receipt and Despatch Section, RDSO/ Lucknow and Stores Depot including Stationery ward, General Ward and Scrap Section, RDSO / Lucknow.
29. Divisional Cashier and Pay Master (Other than cash verification).
30. Workshop Electrical Engineer.
31. Area Officer.
32. Land Control Officer
33. Track Supply Officer
34. Chief Superintendent (Printing and Stationery) Pass ward.
35. Assistant Superintendent (Clothing)
36. Chief Superintendent (Printing and stationery) Stationery ward
37. Senior Commercial Officer, Varanasi
38. Deputy Chief Commercial Manager (Rate, Refunds etc.)
39. Central Hospital at Headquarters and Divisions.
40. Litigation Branch
41. General Branch (Headquarters and Divisions).
42. Publicity Branch
43. Welfare Branch
44. Coal Transshipment Centre.
45. Rail Hostels, if any.
46. Stores yard and Depot other than item 7,8 in section-I
47. Time Office.
48. Production Foreman/Engineer.
49. All Manufacturing shops and those repairing shops where job costing has been introduced.
50. Assistant Engineer (including SSE, SE/Works, SSE, SE/Permanent Way).
51. Divisional Catering Manager
52. Divisional Engineer
53. Railway Recruitment Board

III. ONCE IN THREE YEARS.

1. Block Inspector.
2. Chief Telecommunication Inspector.
3. Wireless Inspector (Maintenance & Traffic)
4. Senior Section Engineer (Loco)/Inspector (including Mechanical puller Inspector).
5. Diesel Shed.
6. Secretary Indian Railways Conference Association and Head Train Examiner, Neutral Control etc.
7. Stations having monthly expenditure of over Rs. 75,000/-
8. All other Repairing shops where job costing has not been introduced.
9. Assistant Commercial Manager/Reservation
10. Section Engineer Electrical
11. Superintendent Telephone Operator

IV. ONCE IN FOUR YEARS.

1. Assistant Divisional Security Commissioner / IPF-RPF
2. Divisional Medical Officer (including Health Inspector and Malaria Inspector).
3. Assistant Operation Manager/Assistant Traffic Manager.
4. Assistant Electrical Engineer.
5. Assistant Chemist and Metallurgist.
6. Statistical Branch.
7. Road Transport Inspectors.
8. Electrical Charge man/Electric Foreman (Open Line and Construction).
9. Head Train Examiner/Train Examiner.
10. Yard Master.
11. Chief Controller/Deputy Chief Controller.
12. Stations having monthly expenditure of over Rs. 50,000/- but less than Rs. 75,000/-.
13. Assistant Security Commander/RPF/RDSO/LKO
14. Senior Inspector (Crane), RDSO/ Izatnager.
15. Senior Inspector (Crane) including inspector (Boiler)/RDSO/Jamalpur.
16. Senior Inspector (Chem.) (M&C), RDSO/Bombay.
17. Senior Inspector (Chem.) (M&C), RDSO/New Delhi.
18. Senior Inspector (Chem.)-I, RDSO/ Calcutta.
19. Senior Inspector (MET.) (M&C), RDSO/Calcutta.
20. Senior Inspector (Chem.)-II, RDSO/Calcutta.
21. Senior Inspector (Chem.), RDSO/ Chitranjan.
22. Senior Inspector (MET), RDSO/Madras.
23. Senior Inspector (I.)Inspection, RDSO/ Jamalpur including S.I (Boiler)..
24. Assistant Signal and Telecommunication Engineer (Works and Maintenance)
25. Assistant Bridge Engineer (Including Bridge Inspector).
26. Assistant Electrical Engineer (Construction) R.D.S.O
27. Power Houses
28. Assistant Material Manager
29. Chief Depot Officer
30. Section Engineer Mechanical
31. Senior Section Engineer / Loco Running(Crew Controller)
32. Section Engineer Signal and Telecommunication
33. Section Engineer Electrical
34. Chief Traffic Loco (power)Controller

V. ONCE IN FIVE YEARS

1. Traffic Inspector.
2. Goods Supervisor/Good Inspector.
3. Fuel Inspector.
4. Assistant Fire Master, Delhi.
5. Train Lighting Inspector.
6. Incharge Water Softening Plant
7. SE/SSE(Carriage and Wagon repairs) Khanalampura.

8. Senior Section Engineer C&W (Saloons).
 9. Chemical Laboratory.
 10. Booking and Reservation Office at Headquarters Office.
 11. Complaint Branch.
 12. Joint Rates and Information Office.
 13. Schools (one single teacher primary school should also be inspected in addition).
 14. All Railway training schools and Training Centers.
 15. Non-railway Pass issuing offices.
 16. Hostel Warden.
 17. Assistant Surgeons.
 18. Fitter-in-charge (Weight Bridges).
 19. Fitter-in-charge Pumps
 20. Senior Mechanical Inspector.
 21. Railway Protection Forces Commandant, Dayabasti.
 22. Stations having monthly expenditure of over Rs. 25,000/- but less than Rs. 50,000/-
- NOTE: All other stations having monthly expenditure below Rs. 25,000/- one station every year.**
23. Health Inspector, RDSO, Lucknow,
 24. Security Inspector, RDSO, Lucknow.
 25. Section Engineer, CTXR,NTXR

NOTES:

- (1) Inspection of 'P' Branch should be divided into 2 parts and completed in two years. The first position should consist of Establishment matters (Pay and T.A. Bills, Service Books, Leave Accounts etc.) relating to Class-III staff and the second part should cover all establishment matters of Class-IV staff and all other items of work of the 'Personnel' Branch.

Similarly inspections of Way and works Branch and Works Account Branch including Stores should be carried out independently.

Inspection of Railway Board's office should also be split up into two parts. One part should cover establishment matters and the other remaining matters.

(Para 12 of Audit Officer's Meeting dated 08.10.1957).

- (2) The inspection of pass work of the offices of Posts and Telegraphs Department need not be conducted, if they are maintaining only card passes movement register.

(Authority: Ex. Director of Railway Audit's letter No.R10-28/45 dated 06.02.1950).

- (3) The Periodicity of inspection of the various offices etc. at present in vogue of the Railway Audit side will be judiciously reviewed every third year with a view to reducing the same in the case of comparatively unimportant inspections and deploying the released man power for the inspection of any new offices, projects, etc. A similar review should be made every third year in respect of the time allocation for various types of inspections to ensure that the time allowed for each inspection is adequate and not more than adequate. The result of this review should be advised to Central Section along with the Annual Programme of Inspections of that year.

(Authority: Additional Deputy comptroller and Auditor General of India (Railway)'s letter No.1294-RAI/A-8-10/62 dated 18.04.1962).

- (4) Inspection of General Branch (Headquarters) should cover all establishment matters of class-IV staff and all other items of work of General Branch.
- (5) Inspection of 'Personnel' Branch Headquarters which is being done by IHQ Section should be divided into two parts and completed in two years. The first portion should consist of establishment matters(Pay and Travelling allowance Bills, Service Books, Leave Accounts etc.) relating to Gazetted Staff and the second part should cover all establishment matters of class III staff and all other items of work of the 'Personnel' Branch.
- (6) Inspection of 'Personnel' Branch in the Divisions relating to class III should cover gazetted staff as well.

MISCELLANEOUS INSPECTIONS

- (a) The local inspection of the institutions receiving grant-in-aid may be carried out as follows;
 - (i) Recurring grants exceeding Rs.1 lakhs a year. Once in 3 years
 - (ii) Non-recurring grants exceeding Rs.5 lakhs. 5% each year.

The Principal Director of Audit may, however, at his discretion, in very special cases carry out the local inspection of the institutions receiving grant-in-aid even when the amount of grants is less than amounts mentioned above.

NOTE: In respect of institutions like Co-operative societies, to whom large sum of money are given as grants-in-aid, the Government's financial stake is limited to ensuring the moneys are properly utilized by the grantee institutions. It is, therefore, not necessary to undertake any special audit in such cases to watch the receipt of utilization certificate from the sanctioning authorities.

(Authority: additional Deputy Comptroller and Auditor General of India (Railway)'s letter No.3488-RAI/A-8-15/59 dated 12.12.1960).

VI. INSPECTION OF MAJOR WORKS COSTING BETWEEN RS. ONE CRORE AND RS.5 CRORE AND OVER RS. 5 CRORE

(See Para 60 of Secret Memorandum of Instructions (Railway Audit) and chapter 4 of report of Railway Audit Norms committee on Railway Audit Norms (March/2003)

The inspections of major works should be linked to the actual expenditure having been incurred on these works. The first stage of review of a major work with cost over Rs.5 crore is to be taken up at stage when expenditure is 25 per cent of the total cost, to be followed by subsequent 3 reviews when the expenditure on that works exceeds 50 per cent, 75 per cent and 100 per cent of the sanctioned cost. Works costing between Rs.1 crore and Rs.5 crore are recommended to be reviewed in two stages after the actual expenditure exceeds 50 per cent and 100 per cent of the sanctioned cost.

NOTE: The first inspection of a major work should be comprehensive from the stage of invitation of tenders and not confined to one month's transactions.

15.9 INSPECTION OF SUB-OFFICES ATTACHED TO ASSISTANT ENGINEER.

The inspection of sub-offices, viz. the offices of the SSE/P.Way and SSE (Works) etc. attached the Assistant Engineer's Office should be done in full at their Head Quarters alongwith the Inspection of the Assistant Engineer's Office by suitable advance notice.

15.10 VERIFICATION OF CASH BALANCES

(See Para 369 of Railway Audit Manual and Para 61 of the Regarding Extent of Audit Memorandum of Instruction (Railway Audit).

The cash verification of each Divisional Cashier and Pay Master at Division Headquarters including the pay clerks will be done by the respective Divisional Audit Office and that of Divisional Pay Cashiers attached to Workshop Unit by the Workshop Audit Sections. The Cash Verification of Chief Cashier will be done by Books Section at Headquarters Office. The cash balances in hand with cashiers, pay masters and the pay clerks should be verified once a year. The cash balance of the clerks headquartered outside the Divisional Headquarters but present in the Divisional Pay Master's Offices at the time of inspection should be checked. The general inspection of the Cashier, Pay Master's office which is conducted once in two year, is distinct from the annual verification of cash balances. In the year in which the general inspection falls due cash verification should be done along with the general inspection. The cash in hand with the pay clerks, the unpaid bills outstanding and the amount of unpaid wages may be ascertained to see that no unauthorised use if being made of such moneys. While undertaking verification all the different categories of cash in the custody of the official or group of official be examined with the reference to the accounts maintained by him/them.

NOTE:1 As the Service records of the staff belonging to Divisional Pay Offices are maintained in the office of the Chief Cashier, Delhi, Book Audit Section of Headquarters Office will undertake in addition of the normal audit, the check of service records of the staff of the Divisional Pay Office. For this purpose, Pay Bills and the connected Memorandum of differences and absentee statements for the month selected for audit.(P.O.O.No.16, dated 08.10.1958)

NOTE:2 In order to have an element of surprise the inspection of Chief Cashier and Divisional Cashier and Pay Master may be conducted in any month during the year and not necessarily in the month of March every year.

NOTE:3 Surprise verification of cash with travelling Pay clerks may be conducted by Assistant Audit Officer and One Auditor, Such verification with Pay Master/Cashier will however, be done by Audit Officer.

(Authority: Para 2 (f) of Headquarters letter No.95-RAI/17-49/83 dated06.03.1983)

15.11 CASH AND PAY DEPARTMENT PROCEDURE-CHECK OF

(See Para 367 of Railway Audit Manual and Para 62 and 63 of the Secret Memorandum of Instructions (Railway Audit).

The following points should be specially looked into the general inspections of Cash and Pay Office:

1. That the system of receipts and disbursement of cash and the check on the work of the subordinates are sound and confirm to the provisions in the Codes and the orders issued by the Government from time to time and that the necessary checks and counter checks prescribed have been duly carried out by the officials concerned and it leaves no loop-hole for frauds or temporary misappropriations;

2. that money received by the railway is paid promptly to the Government treasury and that funds required for the payments are obtained on proper cheques drawn by the Accounts Officer or by Officers authorised by him;
3. that the cash book and supporting documents are checked daily by an Accounts Officer;
4. that the system of providing funds to pay clerks and receiving unpaid amounts is satisfactory;
5. that there are no short disbursements to pay clerks;
6. that an adequate check is duly exercised over the balances with the Pay Master and Pay clerks;
7. that a proper post-audit check is being exercised by the Accounts Office on the return of paid vouchers;
8. that there is adequate check on the outstanding bills left with the pay clerks;
9. that there is no utilization by the Cashier of earnings remitted to headquarters;
10. that there is efficient gazetted control over the Cash and Pay Department.

15.12 LIST OF INSPECTIONS:

Each Division and Branch/Section will keep a list of offices to be inspected by it in a register. A similar list be kept by Central Section. These lists should be kept up-to-date. Each addition or deletion in the list should invariably be advised to the Central Section as early as possible. The list of inspections should be kept up-to-date in the following ways:

1. While reviewing the units for establishment audit once a year the list of bill preparing offices obtained from the Accounts Offices should be compared with the list of inspection in the Audit Office to ensure that the letter is up-to-date.
2. The list of inspections should be compared with the similar list maintained in the Accounts Office.
3. Particulars of offices opened in the last year and likely to be opened in the coming year should be ascertained from the executive at the time of preparing the Annual Inspection Programme and additions and alternations made in the list.
4. Information received during the year through sanctions etc. regarding the opening and closing of offices should be made use of in keeping the list up-to-date.
5. In the case of Traffic Audit Offices, the notifications in the Gazetted and Rate advices should also be kept in view.

NOTE: Each Division and Branch will send a certificate to Central Section while sending the yearly inspection programme that the list of Inspections has been brought up-to-date by comparing it with the list of inspections kept by the Accounts Office and with other records as mentioned in Para 15.6 and that all the additions and deletions in the list have been advised to Central Section.

15.13 PROGRAMME OF INSPECTIONS.

(See Para-425 of RAM and Para 58 of the Secret Memorandum of Instructions (Railway Audit).

A complete programme of inspections to be done during the course of the ensuring financial year arranged from month to month shall be furnished so as to reach Central Section by 15th December for the approval of the Principal Director of Audit. In preparing the programme due regard should be paid to economy in time and expenditure on travelling allowance viz. offices situated at one and the same station should be inspected at one time as far as practicable by one agency. Due regard should be paid to be Inspection Programme of the Accounts Office so that undue strain is not imposed on the local offices due to the inspections of both the offices. As far as possible there should be a gap of six months between the two inspections. The programme should show the number of days required for the audit party consisting of one Assistant Audit Officer/Section Officer (Audit) and two Sr. Auditors/Auditors or one Senior Auditor/Auditor depending on the nature of inspection (In case of intensified inspections, the party will consist two Assistant audit Officer/Section Officer (Audit) and One Senior Auditor/Auditor as well as the time required for Audit Officer in the case of supervisory inspections. A copy of the approved annual programme should be sent to the Accounts Office to enable it to prepare its programme of inspections. Any change of month found necessary in the programme of inspections should be brought to the notice of the Central section for obtaining Principal Director of Audit's approval.

Note: Inspections of Engineering Offices should not be taken up in the month of March as they are busy towards the end of the financial year.

15.14 TOUR PROGRAMMES OF SR.AUDIT OFFICER AUDIT OFFICER AND NON-SUPERVISORY INSPECTIONS TO BE DONE BY EACH DIVISION/BRANCH.

Each Division/Branch should send to the Central section tour programmes on a quarterly basis of the officer in the quadruplicate which should also indicate the programme of non-supervisory inspections to be done during the ensuing quarter by the Sections/Divisions under the charge of Senior Audit Officer/Audit Officer. This programme should reach Central section by the 15th of the preceding month of the quarter to which it relates so that timely approval of the concerned group Officer could be communicated to the units. Each officer should invariably endorse a copy of his tour programme for his visits to Branches/Divisions under his control, to the accounts and executive heads of the Branches/Divisions concerned so that they may discuss any matter, if they like during the visit of the Sr. Audit Officer/Audit Officer. The Branch Officer on reaching the Branch/Division should also inform the Divisional Accounts Officer/Accounts Officer personally that he would be available for discussion of any outstanding audit objections on the particular dates. The tour programme of Sr. Audit Officer/Audit Officer and details of non-

supervisory inspection will be sent to the Central Section in the following proforma. The items of Original Audit by Sr. Audit Officer/Audit Officers at inspections would be selected by the Sr. Audit Officer/Audit Officer himself with reference to these tour programmes.

PROFORMA FOR TOUR PROGRAMME OF SR. AUDIT OFFICER /AUDIT OFFICER.

Date of inspection	Name & place of the office to be inspected	Whether to be supervised by Sr. Audit Officer/Audit Officer or not.	Name of the Asstt. Audit Officer and Section Officer conducting the inspection.	If Supervisory the dates on which the officer will be supervising.
1	2	3	4	5

Part-II (Visits of the Officer to outside Branches in his charges or to Headquarters).

Date	Place to be visited.	Purpose.
1	2	3

NOTE:

1. Central Section will endorse one copy of the approved tour programme of each Audit Officer to the P.A. to the Principal Director of Audit and one copy to the Officer concerned.
2. Frequent changes in the approved tour programme may as far as possible be avoided.

15.9 SUMMARY OF TOUR PROGRAMME.

After the approval of tour programme of all the Sr. Audit Officers/Audit Officers by the Principal Director of Audit, Central section will prepare a summary of the tour programmes of all the Sr. Audit Officers/Audit Officers and endorse copies thereof to the P.A. to the Principal Director of Audit, Group officers, other Branch officers and Assistant Audit Officer/Section Officer (Audit) (Admn.). This should be prepared as early as possible. Any subsequent change should be advised to all the above mentioned officers.

15.10 NOTICE OF INSPECTIONS

(See Para 425 of Railway Audit Manual).

The head of office proposed to be inspected should be given sufficient notice through the concerned Accounts Officer of the probable dates of inspection, so that he may collect the necessary documents and arrange to be present at his headquarters to discuss the results of the inspection with the inspecting officer. The period, the Accounts of which will be test checked locally shall not be discussed. A record will however, be kept by each Division/Branch in the inspection files in regard to the month, the accounts of which were checked at inspection. This will also be indicated in the case of Part-I Inspection Reports which are submitted to the Principal Director of Audit for his approval/perusal.

No notice of inspection is necessary in case of the following offices but a letter of authority signed by the Branch Officer will be taken by the inspection staff.

- (i) Pay Master's and Cashier's offices.
- (ii) Shops.
- (iii) Power Houses and Electric Charge man.
- (iv) Running Sheds.
- (v) Train Examiners.
- (vi) Station Superintendents, Chief Controller, and Station Manager (including goods supervisors, goods clerks and yard supervisors).

15.11 PROCEDURE FOR INSPECTIONS.

The detailed proposals regarding the inspection of offices showing inter-alia the officers to be inspected, the dates of inspection, the personnel who will form inspection party should be submitted to the Branch Officer in the second week of the month preceding the month of inspection to permit of timely advices being issued to the concerned offices. The month of accounts to be checked and the sub-offices to be inspected should be got selected by the Branch Officers. Each division/Branch will issue necessary advices regarding reservation of train accommodation, saloons, rest houses etc. The Audit staff must study the last Audit and Accounts Inspection Reports of office concerned before leaving the Headquarters and should specifically examine, if necessary, that adequate action has been taken on them by the Executive. The result of this review and scrutiny must be embodied in the opening paragraph of all Inspection Reports. The Register of points to be watched at the time of Inspection should be taken by the Inspection party and a certificate recorded therein that the points noted therein have been examined.

The paid vouchers viz. pay bills, T.A. Bills, Muster sheets, issue notes, advice notes and other documents to be checked at inspections should be obtained from the Accounts Office and taken to the office concerned for scrutiny. One of the senior most Senior Auditor/Auditors should be made responsible for their safe custody during inspection and ultimate return to the Accounts Office. It is not safe to send the paid vouchers etc. by Railway free service way bills.

Before commencing an inspection, the head of the Inspection party should invariably make it a point to call personally on the officer or the subordinate concerned, if at the station and ascertain from him whether with a view to simplifying accounts and to curtail obsolete and unnecessary accounts he has any suggestions for investigation. In case the officer-in-charge is not at the station at the time of commencement of Audit Inspection, this enquiry should be made from him as soon as he returns to headquarters. This point should be specifically mentioned in the noticed of inspection, when one is issued.

This list of items of original audit to be done by the Sr. Audit Officer/Audit Officer and Assistant Audit Officer/Section Officer (Audit) and Senior Auditors/Auditors at Inspection should be kept in Sectional Registers. Selection of items of original audit to be done by them at individual inspections should be got done before the inspection party starts or the inspection is commenced. Items for original audit to be done at local inspections by Assistant Audit Officer/Section Officer (Audit) will be selected by the Branch Officer. The remaining items will be distributed among the Senior Auditors/Auditors forming the inspection party and their initials obtained in the list. This distribution should be kept in the Inspection files as well as in the Register of items checked at inspections. The Branch Officer will ensure that the items so ear-marked are duly completed by the members of the party. A records of all vouchers including leave accounts, Service Sheets audited during a particular inspection should be maintained, showing the initials of the person auditing the relevant vouchers.

It should be seen that all papers and documents required by the inspection party are produced. If for any special reasons, a document is not made available for scrutiny, the fact should be specifically mentioned in a part I of the Inspection Report with a view to the documents being obtained subsequently for check either by Audit or by Accounts. This is of utmost importance as any laxity in this might lead to defalcation or loss to the Railway.

The existence of arrears in the office inspected by Audit Office should promptly be brought to the notice of the officer-in-charge as well as Accounts Office through a D.O. letter (D.O. No.C-75 dated 04-04-1960).

Inspection of minor executive offices such as Hospitals, Railway School, etc. may be conducted by Assistant Audit Officer with one or two Senior Auditors/Auditors. Supervision by Sr. Audit Officer/Audit Officer is not necessary. Inspection memo will be issued by Auditor/Senior Auditor/Assistant Audit Officer and the inspection report finalized by the Assistant Audit Officers. Assistant Audit Officers may be authorized to issue such inspection reports after approval by the Senior Audit Officer/Audit Officers and by the Principal Director of Audit for Part I Inspection Report.

Inspection of Stores Depot (Receiving and Dispatching Section) and Depots manned by Assistant Controller of Stores/District Stores Keepers to be done by Assistant Audit Officer with 2 Auditors/Senior Auditors. Section Officer in grade Rs.6500-10500 may be entrusted with charge of less important auditing sections like Establishment Audit/Books Audit etc.

(Authority : Para 2 and 5 of Comptroller and Auditor General of India letter No.95-RSI/17-49/83 dated 06-03-1984)

15.12 LIST OF ITEMS TO BE SEEN DURING INSPECTION

A comprehensive list of items of work to be looked into during local inspection of the various units/offices as approved by the Principal Director of Audit is given in Appendix-V to this Manual. This list will be reviewed during inspection to keep it up to date in respect of any change in the organization or any new item of work. The extent of check is dependent on the nature and the volume of work involved in each Unit/Office and every care should be taken to see that no important item of work which is done in an office is overlooked even though it may not appear in the approved list.

15.13 CHECK OF CASH IMPREST ACCOUNT DURING INSPECTION

The following points should be seen during the check of Imprest Cash Account.

1. that the Imprest accounts has been sanctioned under the sanction of the competent authority;
2. that the Imprest are regularly recouped so as to include transactions of a month in the accounts of that month as far as possible.
3. that the expenditure incurred by each Imprest holder justifies the retention of the entire amount of Imprest held by him;
4. that the opening balance and amount of recoupment is correct;
5. that the payments are made for recognized railway purposes and are supported by vouchers ;
6. that the Imprest is not utilized to liquidate such claims as should ordinarily be pre-checked by the Accounts Office.
7. that the difference between the sanctioned imprest and the actual cash balance is accounted for by the production of vouchers;
8. that the custody of large sums of cash is not given to low paid subordinates (Para 1050 F-I to 1055 F-I).
9. that the disbursements are petty and of a contingent nature;
10. that there is evidence of the imprest account having been scrutinized by a Gazetted Officer at definite intervals and at the periodical closing of the Accounts.

15.14 INSPECTION OF MAJOR WORKS

(See Para 60 of Secret Memorandum of Instructions (Railway Audit and chapter 4 of report of Railway Audit Norm Committee on Railway Audit Norms (March 03))

The Accounts of major works as selected by the Principal Director of Audit should be subjected to complete analysis and examination since the commencement of the work or the last inspection at the time of inspection of Assistant Engineer and Works Accounts Branch.

- (a) In accordance with the instructions laid down in Para 60 of the Secret Memorandum of Instructions (Revised), and recommendation of Railway Audit Norms Committee all major works including track renewal works costing more than Rs.1 crore and over each, should be treated as separate units for inspection when the progress of the work has advanced to an appropriate stage. The first stage of review of a major work with cost over Rs.5 crore is to be taken up at stage when expenditure is 25 per cent of the total cost, to be followed by subsequent 3 reviews when the expenditure on that works exceeds 50 per cent, 75 per cent and 100 per cent of the sanctioned cost. Works costing between Rs.1 crore and Rs.5 crore are recommended to be reviewed in two stages after the actual expenditure exceeds 50 per cent and 100 per cent of the sanctioned cost. In addition, one or two completed works selected by Principal Director of Audit should also be reviewed every year. These reviews are treated as inspections and should be included in the inspection programme.
- (b) A major work may be deemed to be completed only when the work is completed in all respects and all adjustments including payment of contractor's bills, adjustment of stores debits, etc. relating to the work are made and completion report thereof drawn up. Till then it should be treated as work in progress

In case where the review could not be completed in all respects (due to non-passing of contractors' bills etc.,) all such pending items may be noted and reviewed at the time of next inspection of the major work.

15.15 REVIEW OF CASES OF DELAY IN THE ALLOTMENT OF NEWLY BUILT QUARTERS BY THE ADMINISTRATION

At the inspection of Assistant Divisional Engineer's Offices the following points should be particularly seen, if there has been delay in the allotment of quarters which were constructed recently, thereby resulting in loss of revenue.

1. Number of quarters newly constructed since the last date of inspection and their dates of completion;
2. Date of allotment in each case;
3. Date of occupation in each case;
4. Recoveries on account of rent (to be verified on return from inspection).

15.16 ADJUSTMENT VOUCHERS:

(See Para 278 and 387 of Railway Audit Manual and Para 36 of Secret Memorandum of Instruction (Railway Audit).

- (a) that the details furnished on the adjustment mema are correct as per the Vouchers referred to therein;
- (b) that the amount adjusted is not in excess of the provision of the cost of labour in the estimate;
- (c) that the allocation of the charges is correct;
- (d) that the proposed adjustment is not being carried out in connection with a work for which temporary labour has already been sanctioned or for which a work order has been issued in favour of a contractor;
- (e) that the adjustment of the cost of labour is commensurate with the quantity of the work executed, or the materials handled, as disclosed from an examination of the work register and the M.A.S. Account of the work concerned;
- (f) that the adjustment does not refer to an item of material which cannot be appropriately used for that work; and
- (g) that the cost of the material and labour is correctly calculated.

The expenditure on annual repairs should be examined to see that the procedure laid down in this connection (briefly described below) is being followed, that suitable records are maintained to watch the progress of expenditure against funds and that the expenditure is generally uniform from month to month.

“The annual repairs are spread out over as long a period as possible so that a better control over the utilization of labour and stores may be exercised. Before the commencement of the financial year, a programme is made out by the SSE (Works) with the approval of the Assistant Engineer showing the details of all buildings and other structures which require repairs during the ensuing year.”

Each Works Ministry maintains a register in which are recorded the detailed measurements of the work executed in the same way as measurements are recorded in a measurement book. The SSE (Works) has to check at least 40 percent and the assistant Engineer at least 20 percent of the measurements and initial and date the items so checked. The total of the cost of labour employed and the description and quantities of the stores used to complete all the works at any particular station are shown therein. Summaries embodying the above information are prepared by the works Ministry and submitted to the SSE (Works) who works out the equivalent rate for each item of work and compares it with the corresponding divisional schedule of rates. The summaries are then forwarded to the Divisional Engineer through the Assistant Engineer to see whether the labour has been properly utilized and the consumption of stores has been reasonable.

In the Divisional Office, the summaries are also technically checked with a view of determine the reasonableness of the quantity of stores issued.

The SSE (Works) sends to the Assistant Engineer every Saturday a programme of the temporary labour for the ensuing week. The strength of the labour and the location, where they; will work, are shown therein so that the Assistant Engineer may check the cost of labour employed against the work expected to be executed.

The above procedure is also followed in respect of petty special repairs works costing below Rs.500/- each.

15.17 MEASUREMENT BOOKS

(See Para 274 of Railway Audit Manual)

The instruction on the subject of recording measurement and the maintenance of measurement books are given in Para 1313-E. The measurement of ballast and ballast train work is done according to Para 1332 and 1333-E. A note of the measurement books and the pages thereof checked should be kept on record in office files for future reference. The note should also state whether all the measurement books in use were produced for inspection.

15.18 STANDARD MEASUREMENT BOOKS

(See Para 1330-E)

Detailed measurements can be dispensed with in the case of (i) standard type staff quarters; and (ii) certain items of repair work almost invariably done in complete units such as white washing, colour washing and oiling, varnishing or painting of doors, bridges, tanks etc. In such cases, payments are made on the basis of measurement previously recorded in standard measurement books. It should also be seen that the measurement books are properly kept and the measurements recorded therein are approved measurements. It should also be seen that the payments are made for works actually executed and on the certificate of Assistant Engineer to the effect that the quantity of work paid for has actually been done and the measurements are from plans or that they are approximately estimated.

15.19 REGISTER OF MEASUREMENT BOOKS

It should be seen that the register has been properly kept and the entries in the yearly list of measurement books received from the Assistant Engineer, showing the measurement books returned for record during the year and those in use have been reconciled with the entries in the register and that a certificate to this effect has been recorded by the Works Accountant.

15.20 REQUISITIONS FOR STORES

The stores for repairs and maintenance works etc. are shown on requisitions. Separate requisitions are prepared for unit and non-unit items and special repairs and reference to the sanctioned estimates and the names of works being quoted therein. The requisition for stores in connection with works should be checked with the statement of stores which accompanies the estimates to see that more stores than those provided in the estimates have not been requisitioned. It should also be seen that the requisitions have been technically checked by the Drawing Branch.

15.21 STORES ACCOUNTS MAINTAINED BY THE SUBORDINATES

The following accounts are kept; by the Subordinate in connection with Stores:

- (i) Consumable stores (see Para 1322 to 1323-S and Para 1435-E).
- (ii) Petty stores (see Para 3227-S and 1435-E)
- (iii) Surplus stores (see Para 1413-E to 1426-E).
- (iv) Imprest stores Accounts (see Para 1408 to 1428-E and Chapter XVIII-S).
- (v) Inventory of Dead Stock (see Para 1456 and 1457-E and Chapter XX-S).
- (vi) Materials at site account (see Para 1436-E to 1453-E).

The various stores accounts other than materials at site are checked to see that:

- (a) the opening balance of items appearing in the account agree with the closing balance of the last months account in which the item last appeared;
- (b) all receipts have been taken correctly to account as debits;
- (c) the issues of material are in order and reasonable or according to scale and have been taken to account as credits;
- (d) in the case of imprest stores, the sanctioned imprest has not been exceeded without proper authority; and
- (e) the account is arithmetically correct.

15.22 MATERIALS-AT-SITE ACCOUNT

The following checks should be applied to the materials- at-site accounts:

1. that the materials collected are necessary and not in excess of requirement;
2. ascertain whether there are any materials at the site of completed works;
3. that receipts should be verified with the issue notes to ensure that the materials received have all been accounted for;
4. that there are not fictitious adjustments to write off outstanding balances, such as transfer to Revenue or other works;
5. that all credits to material-at-site account other than by debit to final sub-heads of work are properly vouched;

6. that there is evidence of actual account having been made once a year of the numerical balances outstanding in the site account;
7. that the account is arithmetically correct;
8. that test check of the issues with the progress of work is done as indicated by progress report;
9. that non-perishable articles of tools and plant are not shown as finally issued to the work;
10. that write-off of the materials is covered by proper sanction;
11. in the case of renewals, see that the quantity returned roughly equals materials issued in replacement;
12. that in the case of works given out on contract at labour rate, materials issued are not out of proportion to the quantity of work done as indicated by the contractor's bills;
13. that the materials left over are not charged to the 'Charged off Return' without proper sanction;
14. that the value balance in the site account agrees with the corresponding balance in the Works Register;
15. that the materials have not been collected long in advance of requirements;
16. that issues are not in excess of estimated quantities;
17. that there have been no issues after the completion of work;
18. that empty bags, drums etc. are not allowed to accumulate, but are returned to stores with due expedition;
19. that there was no credit balances in the site account; and
20. that no balances are allowed to continue at debit of materials-at-site account long after works have been completed.

15.23 REVIEW OF DATA RELATING TO THE COMPENSATION CLAIMS

During the inspection of the Commercial Branch of the General Manager's Office, the data relating to the compensation claims, available in the Claims Sections will be reviewed to see if any general conclusion can be drawn and usefully presented to executive (see Para 177 of the Railway Audit Manual), the annual narrative reports, the statements prepared by the Chief Commercial Manager monthly, analyzing the claims by causes and commodities. The following points should be specifically looked into in this connection:

- (i) What is the total amount of compensation paid under the various heads of losses and in respect of principle commodities and how these payments compare with those in the preceding year or half year. If there is a marked increase in such payments, the reasons for the same should be investigated.
- (ii) Whether adequate precautionary measures are taken by the Administration in regard to packing, marking and loading conditions;
- (iii) Whether the protection afforded by the risk notes is fully utilized by the Railway; and
- (iv) In important cases it should be seen whether disciplinary action has been taken against the person at fault.

15.24 DRAFTING OF OBJECTIONS

The instructions regarding the drafting of objections to be included in the Inspection Reports are contained in Para 461 to 465 of Railway Audit Manual.

15.25 INSPECTION REPORTS:

The Audit Objections as a result of the local inspections of the initial records in the Executive and Administrative Offices including Stores, Workshops, Sheds and stations etc. will be communicated in the form of an Inspection Reports which will consist of two parts viz. Part I detailing the more important defects of procedure and financial irregularities and describing briefly the general state of accounts and the nature of financial control over transactions, Part II embodying all remarks relating to arrears and irregularities with which the Officer-in-charge is competent to deal with and which are not important enough to be brought to the notice of the higher authorities. Sr. Audit Officer/Audit Officer would pay particular attention to see that minor matters are not allowed to get into part I as inclusion of minor points in the part I Inspection Report may cause unnecessary annoyance to Administrative Officers and unnecessarily involve extra work in various departments. The report should be drafted by the Senior Audit Officer/Audit Officer and after having been edited by the Group Officer put up to the Principal Director of Audit for approval. Paragraphs in part I Inspection Report should invariably be arranged in the order of importance of objection as assessed by the Senior Audit Officer/Audit Officer concerned. The order of importance of objection is as under:

CATEGORIZATION OF PARA FOR INSPECTION REPORTS IN RAILWAY AUDIT

SL. No.	Broad heading/category of para		Nature of Audit observations	
1.	Fraud/misappropriation /embezzlement/losses detected in Audit of Expenditure and	(i)	Cases of embezzlement of cash drawn from treasury/banks/Cash office /Station earnings	A1
		(ii)	Non-accountal/misappropriation of departmental receipts i.e. non-remittance into Railways accounts	A2

SL. No.	Broad heading/category of para		Nature of Audit observations	
	Revenue audit of Railway	(iii)	Excess amounts fraudently drawn by tampering with or manipulating figures in salary bills	A3
		(iv)	Fraudulent drawal of G.P Fund of various employees who had not applied	A4
		(v)	Utilization of departmental receipts towards expenditure.	A5
		(vi)	Losses of exchequer due to theft, pilferage and shortages of stores	A6
2.	Recoveries at the instance of audit and Overpayments/undercharges detected in audit	(i)	Recoveries of service payments like pay and allowances, TA	B1
		(ii)	Excess payment to contractors due to application of higher rates for work done, etc.	B2
		(iii)	Quantities of stores/works received/executed less than those paid for resulting in overpayments	B3
		(iv)	Recoveries of undercharges in freight, passenger fares and other coaching traffic	B4
		(v)	Recoveries on account of licence fee, siding charges etc.	B5
		(vi)	Overpayment/undercharges on account of errors on computation	B6
		(vii)	Overpayments/undercharges due to application of or allowing incorrect rates.	B7
		(viii)	Undercharges/loss due to lacuna in law/procedure/policy	B8
		(ix)	Undercharges/loss due to injudicious decisions by Rly. Admn.	B9
		(x)	Undercharges/loss due to delay in formation and implementation of rules/policy	B10
		(xi)	Allowing payment of charges such as carriage etc. in violation of terms of agreements.	B11
		(xii)	Overpayments on account of excess pay and allowances or payment of inadmissible allowance	B12
		(xiii)	Excess payments of pension, etc. by Treasuries/Banks	B13
		(xiv)	Non-recovery of instalments towards various loans.	B14
		(xv)	Non-recovery/Non-deduction of income tax or service tax at source	B15
		(xvi)	Payment of subsidies/assistance in excess of norms fixed.	B16
3.	Violation of contractual obligations, undue favours to contractors/Poor contract management	(i)	Backing out by contractors resulting in extra expenditure.	C1
		(ii)	Non-imposition of penalty and recovery of extra cost from contractors involved in above cases.	C2
		(iii)	Payment of interest free advances in violation of agreement	C3
		(iv)	Release of key material on credit basis instead of cash basis	C4
		(v)	Penalties not levied for delay in execution/completion of works within stipulated time.	C5
		(vi)	Non-recovery of supervision charges	C6
		(vii)	Non-recovery of salvaged material	C7
		(viii)	Incorrect assessment of quantities of work leading to disputes and extra payments	C8
		(ix)	Incorrect provision/application of Price Variation Clause	C9
4.	Avoidable/excess expenditure	(i)	Sanction of unremunerative projects/works leading to avoidable expenditure	D1
		(ii)	Delay in execution of works resulting in time and cost overrun and consequent extra expenditure	D2
		(iii)	Delay in obtaining custom clearance, etc, for imported equipment resulting in increase in cost or payment of avoidable demurrage charges.	D3
		(iv)	Cost escalation due to improper and inadequate planning.	D4
5.	Wasteful/infructuous expenditure	(i)	Abandonment of works due to defective or disputed sites and structural / design defects, etc.	E1
		(ii)	Non-utilization of assets created for specific purposes.	E2
		(iii)	Non-achievement of specific objective for which expenditure was incurred.	E3

SL. No.	Broad heading/category of para		Nature of Audit observations	
		(iv)	Supplies of defective store/stock articles like time barred/sub-standard medicines, seeds, etc.	E4
6.	Regulatory issues	(i)	Expenditure incurred without sanction from competent authority	F1
		(ii)	Expenditure split to avoid sanction of competent authority or calling for tenders, etc.	F2
		(iii)	Expenditure incurred in excess of budget provision resulting in creation of liabilities.	F3
		(iv)	Execution of works or procurement of supplies without adequate budgetary provision resulting in creation of liabilities to be met from next budget.	F4
		(v)	Diversion of funds from one scheme to another or from one object head to another	F5
		(vi)	Drawal of funds at the fag end of financial year with a view to avoid lapsing of funds.	F6
		(vii)	Rush of expenditure towards fag end of financial year resulting in non-exercising of financial control/checks.	F7
		(viii)	Drawal of funds at the fag end of year without immediate disbursement and their parking in either bank accounts, PLA or retention in cash/bank drafts.	F8
		(ix)	Incurring of expenditure on banned items or items of special nature without approval of competent authority.	F9
		(x)	Non-observance of austerity measures announced by Govt. from time to time.	F10
		(xi)	Payment of rent of hired buildings without approval or fixation of rent by Rent Assessment committees.	F11
		(xii)	Engagement of daily wagers in violation of Govt. orders and payments made to them without orders of competent authority.	F12
		(xiii)	Execution of works without obtaining administrative approval/technical sanction from competent authority.	F13
		(xiv)	Purchase of stores/stock in excess of actual requirements with a view to avoiding lapsing of funds	F14
		(xv)	Payments made on hand receipts in contravention of Rule 200 of Public Works account Code.	F15
		(xvi)	Execution of works in excess of estimates unrealistic preparation of estimates.	F16
(xvi i)	Procurement of material/execution of works without observing codal provision of invitation of tenders etc.	F17		
7.	Idle investment/ idle establishment/blockage of funds.	(i)	Expenditure incurred on purchase of stores not required for immediate use and not put to use for long periods.	G1
		(ii)	Expenditure incurred on execution of works/construction of buildings, etc, which could not be put to use owing to reasons which could be foreseen	G2
		(iii)	Expenditure on activities/schemes which could not be completed/implemented for various reasons.	G3
		(iv)	Expenditure incurred on purchase of equipment including imported one's not put to use for want of trained manpower, missing spares or defective supplies or without assessing feasibility of procurement.	G4
		(v)	Funds advances to various agencies for supplies or construction works retained unauthorisedly by such agencies.	G5
		(vi)	Payment of idle wages to staff which could not be utilized for the purpose for which appointed owing to either there being excess staff or there being no work for such staff.	G6
		(vii)	Release of funds for some activity without ensuring availability of adequate infrastructure.	G7
8.	Delays in commissioning of equipment	(i)	Due to non-availability of necessary infrastructure.	H1
		(ii)	Due to trained manpower not available	H2
		(iii)	Due to non-availability of spare parts or accessories.	H3
9.	Non-achievement of objectives	(i)	Comments on shortfall in achievement of targets.	I1
		(ii)	Tardy implementation of Schemes	I2

SL. No.	Broad heading/category of para		Nature of Audit observations	
		(iii)	Non-fulfillment/achievement of objectives for which a programme was launched or an organization created.	I3
		(iv)	Non-accrual of intended benefits to targeted population	I4
		(v)	Comments on mismatch between financial and physical achievements	I5
		(vi)	Comments on less production/yield compared to expected production/yield	I6
10.	Miscellaneous observations	(i)	Departmental specific irregularities/observations not covered in any of the above	J1
		(ii)	Irregularities noticed in maintenance of cashbook, drawal register, receipt books.	J2
		(iii)	Retention of heavy cash balances	J3
		(iv)	Belated remittances of receipts into treasury.	J4
		(v)	Comments/observations on maintenance of records.	J5
		(vi)	Comments on improper/non- maintenance of records.	J6
		(vii)	Comments on submission/non-submission of utilization certificates.	J7
		(viii)	Non-recovery / non-adjustment of Misc. Public Works advances from officers, other Govt. Deptts. And private parties.	J8
		(ix)	Non-crediting of deposits lying unclaimed for more than 3 years to Govt.	J9
		(x)	Reconciliation not being done with agencies supplying stores etc. where centralized system of purchase of stores exists.	J10
		(xi)	Non recovery of hire charges of machinery etc. let out or material supplies where centralized system exists.	J11
		(xii)	Machinery beyond economic repairs	J12
		(xiii)	Non-recovery of rent of building	J13

(Authority: Headquarters letter No. 207-Audit (AP)/16-2004 dt22.112004)

Each objection should be put on a separate page and the irregularities of the same branch (as far as known) should be placed side by side. Complete particulars of names, designations, ticket numbers, and reference to voucher numbers, date and amount, should be given in the Inspection Report to enable the office to trace the basis of Objection.

15.26 DRAFTING AND PURSUANCE OF INSPECTION NOTES:

1. All important points should be discussed personally between the inspecting officer and officer whose office is being inspected before final incorporation in a report.
2. It is not necessary to discuss the Inspection Notes with the Senior Executive Officer at the Headquarters of the Division. In the case of Divisional Headquarters, if there is any delay on the part of the Executive Officer, in giving his remarks on the rough Inspection Notes, the matter may be taken up with the Divisional Railway Manager by the senior Audit Officer/Divisional Audit Officer.
3. As frequently as possible, and at least once a day, half margin notes prepared, in duplicate, by the carbon process should be given to the person in charge of the office inspected for giving his preliminary remarks. One of the duplicate copies will be retained by the office concerned. The Railway Administration has agreed that these preliminary notes should be returned the same day or the next day to the Inspecting Officer who will drop out any objection if the explanations are satisfactory or if the requisite action is actually taken during the inspection.
4. The inspection report should be prepared from these preliminary notes more or less in final form before the inspecting officer leaves the station and shown in that form to the officer in charge of the office inspected and discussed with him. During discussion, the inspecting officer or the subordinate in charge of the inspection should try to get all the facts and explanations and to settle the objections as far as possible on the spot, After discussion, the following remarks should be recorded thereon.

“Discussed with Senior Audit Officer/Audit Officer’ “Departmental Officer”

In drafting the final inspection report it should be ensured that the language used is accurate, fair moderately worded, inoffensive and dispassionate and there is not even a hint of any charge against any official unless it can be substantiated. The language used should be such that it may not be mistaken as questioning the bonafides of the certificates given by or of statements made by responsible officers. Delicate matters where the enquiries of audit may be resented to by such officers, require special care and no objections should be issued in such cases except under the personal orders of the Principal Director of Audit (P.O.O No. 32 dated 25/10/1956). The facts and figures should be marshalled systematically and congenitly; relevant rules and orders should be cited where necessary in support of objections. The supervisory officers

should devote personal attention to these aspects while finalizing the Inspection Reports so as to make them forceful and readable.

(Para 3 of Audit Officer's Meeting dated 11/09/1964).

Due emphasis must be laid on the rejoinders of the officers whose office is inspected and in places where these still leave the door open for raising an objection his view point along with further audit criticism should be definitely incorporated in the report in a coherent manner for a proper scrutiny by the Accounts Departments. A mere verbatim repetition of his reply in the report, unless absolutely necessary in the circumstances of the case, without any further criticism by audit should be avoided. Amount of overpayments etc. and the financial effect wherever possible should be calculated. After having calculated the amount the Accounts Office should be requested to note the amount of objection in the objectionable items Register.

5. The inspection reports should be divided into two parts viz. Establishment matters and other than Establishment matters.
6. One copy of the preliminary notes together with the replies of the officer in charge of the office inspected should be placed in the inspection report file and the papers put up to the Principal Director of Audit when Part-I of the Inspection Report is submitted for his perusal. To avoid delays in issue of Inspection Reports, following steps may be taken:
 1. Branch Officers should finalise the proposed Inspection Report within three days of completion of audit and send it for typing immediately so that the Inspection Reports can be dispatched to the Headquarter office within 10 days of completion of the Audit.
 2. The Inspection Report should be submitted to headquarters after typing within 2-3 days. At places where there is only one units, the Branch officer may use his discretion to depute staff more than once a week as per the requirement to minimize transit delays in submission of Inspection Reports to Headquarters. Where there are more than one unit, the staff may be deputed twice a week if the necessity arises.
 3. The General section shall ensure that Inspection Reports received are sent to the concerned IR Cell on the same day and not later than the following day.
 4. The IR Cell should vet the Inspection Report within three days of its receipt and submit it to the Group Officer. If the Branch Officer of the concerned IR cell is on leave or on inspection duty, the Inspection Reports should be submitted directly to the Group Officer.
 5. Inspection Reports should be finalized by Group Officer within three days of its receipt. The concerned PAs should maintain a register indicating the date of receipt of IR and date of sending it to Principal Director of Audit's Secretariat, The Principal Director of Audit's Secretariat should also maintain a register indicating date of receipt of IR from the Group Officer and date of its return to General Section after Principal Director of Audit's approval.
 6. When the Inspection Reports are received back in the units, they should be re-typed and issued within three days.

The Branch Officer should personally ensure that the IRs are issue on time.

(P.O.O No. 228 dated:-20/02/04)

7. The Inspection Report should be issued, as soon as possible, after return to Headquarters, If in any case there is expected to be some delay in respect of an item or items for which further information is necessary before incorporation in the Inspection Report, the whole report need not be delayed but supplementary report can be issued subsequently. Reports should be concise but if these should be still long, some special steps should be adopted temporarily to have them typed without any delay, at the most within three days of their approval.
8. The Inspection Reports both part-I and Part-II should be issued as early as possible after the last date of the inspection and in no case later than one month from the date of completion of the Inspection. This limit is the ceiling and not the normal time permitted. The report on points requiring detailed examination at Headquarters may be issued in a supplementary Inspection Report, if necessary. The period of one month for issue of Inspection Report Part-II from the date of completion of audit may be computed as under:
 - 10 Working days for submission of the draft report by the Audit Party (the report is expected to be discussed with the officer-in-charge before the closing day of inspection).
 - 4 Working days for the Senior Audit Officer/Audit Officers to pass the report.
 - 10 Working days for the typing and issue of the report.
 - 24 Working days, say one month.

In case the inspection reports are not issued within one month of the completion of audit, the arrears on this account should be computed as stated above and invariably exhibited in the Monthly Arrear Report as "Internal Arrears". In cases of delays adequate reasons should be indicated, while submitting the Part-I Inspection Report to the Principal Director of Audit for perusal/approval. It should also be recorded briefly in the Register of Progress of Inspections and in the relevant statements of Monthly arrear Report sent to Central Section.

(Headquarters letter No. 256-12-RAIII/8-2/82 dated 7/7/1984 and 799-TAI/83-83 dated 18/7/1983).

9. All the inspection reports will be issued over the signature of Senior Audit Officer/Audit Officer. The report on offices the inspection of which is not personally conducted by the Senior Audit Officer/Audit Officer will be scrutinized by Officer concerned and issued over his signatures. Part-I Inspection Report should be submitted to the Principal Director of Audit before issue by the Branches and Divisions. Every inspection report submitted to the Principal director of Audit, should have a covering note indicating the more important defects, which are likely to develop into draft paragraphs for mention in the audit Report. The month of which the accounts were test checked during the local inspections should also be indicated in the note submitted to the Principal Director of Audit, while submitting the Part-I Inspection Report.

(P.O.O No. 101, dated 22.3.1965)

10. Five copies of the part-I Inspection Report will be prepared by and will be dealt with as given below:
- (i) two copies will be sent direct to the office inspected who will retain one copy and return the other one to the Accounts Officer concerned, through his Divisional Officer with his remarks for transmission to the Senior Audit Officer/Audit Officer concerned.
 - (ii) Two copies will be sent to the Accounts Officer concerned who will forwarded one copy to the Divisional Officer.
 - (iii) One copy will be retained as an office copy.
- 11 Part-II Inspection Report will be prepared in five copies and disposed of as under:
- (a) Two copies will be sent to the office inspected who will retain one copy and return the other copy to the Accounts Officer through his Divisional Officer with his replies.
 - (b) Two copies will be sent to the Accounts Officer concerned who will forward who will forward one copy to the Divisional Officer concerned.
 - (c) One copy will be retained as office copy and will be referred to at the time of review of Part-II Inspection Report.

NOTE: It should always be indicated in the endorsement to the Accounts Officer that the Inspection Report has been endorsed to the concerned Executive Officer.

- 12 The inspection Report should indicate the dates of inspection and by whom the inspection was carried out.
- 13 Points noticed during inspection of any office which indicate possibility of existence of similar irregularities over the whole railway should be brought to the notice of Central Section which will get the position examined on all the Divisions/Branches, with a view to take them up with the Financial Adviser and Chief Accounts Officer, so that general instructions may be issued and adequate action is taken promptly.
- 14 Reminder for the reply to the Part-I Inspection Report or rejoinder thereto should in the first instance be issued after a month and thereafter at an interval of one month. In case no reply is forthcoming inspite of issue of regular reminders the Branch Officer should issue a D.O reminder and if even after issue of D.O reminders there is no response, reminders may be issued at Group Officer/Principal Director of Audit's level.
- 15 If any point noticed at inspection is considered to be very important and is likely to find a place in the Audit Report, the Inspecting Officer should examine all the records available by extending the duration of local inspection, if considered necessary under advice to the Principal Director of Audit in the due course, and prepare a Factual Statement after such an examination and get it accepted by the Executive Officer and submit the same to the Principal director of audit through the Supervising Deputy Director for approval and further action as per extant orders.

15.27 PROGRESS REGISTER OF INSPECTIONS;

(See Para 426 of Railway Audit Manual).

The register of Inspections mentioned in Para 426 of Railway Audit Manual would be kept in the following form:

S. No	Name and Designation of the Head of the office inspected	The date of last inspection		The name of the senior audit Officer/Audit Officer and the staff who conducted last inspection
		Accounts Department	Audit Department	
		(a)	(b)	
1	2	3		4

Dates of present inspection from..... to.....	Name of the SAuO/AuO and staff conducting the Inspection	The month(s) of Account checked and the period generally covered	The date of submission to B.O of draft Inspection Report by the Head of the Inspecting Party	The date of submission to Group Officer /PDA	Dated of approval	Date on which sent for type.
5	6	7	8	9	10	11

Date of return from type.	No and date of issue of inspection Report	Particulars of reminder issued.	Date of receipt of first reply	Date of issue of further Audit Remarks	Particular of further correspondence	Date of closure of Inspection Report
12	13	14	15	16	17	18

The register should also record on separate page a progress report of the inspections showing the number of offices due for inspection, the number inspected up to the end of the month, the inspections carried out during the month and the balance remaining to be carried out. (Separately for supervisory and non-supervisory), Reasons should be given for arrears in inspections. This register should be reviewed every month by the Principal Director of Audit.

This register will also record Inspection Reports not issued within 15 days/one month, for Part-I and II respectively and brief reasons for delays will be given in the Monthly Progress Report to be submitted to Central Section. The Central Section will indicate the consolidated position of Inspections as detailed above in its Monthly Progress Report Register and submit to the same to the Principal Director of Audit.

The Register will be submitted to the additional Deputy Comptroller and Auditor General of India (Railways) during his tours and will also be reviewed by the Principal Director of Audit and the Group Officer at the time of their visits to the Divisions/Branches

15.28 POINTS TO BE SEEN IN MISCELLANEOUS RECORDS AT THE TIME OF INSPECTION.

The following are some of the points to be looked into during the inspection of the different offices.

(i) Establishment:

The Strength of the office should be check of with the Establishment Rolls or other sanctions and if any excess is noticed which is not covered by sanction, the same should be taken up.

The Office copy of the salary bills should be scrutinized to see that alterations, disallowances etc, in the audited bills are duly carried out and that no general irregularities are being committed.

(ii) Service Registers:

It should be seen that the same have been maintained neatly and carefully and that all the alterations have been attested by a superior officer. The pay noted in the service register should be compared with the rate of salary as sanctioned on date of inspection and charged in the salary bill taken on inspection

(iii) Leave Account:

During local inspections, the leave accounts of all the employees due to retire prior to the end of the year in which the next inspection is due should be checked completely. If the total number of leave accounts thus checked does not work out 5% of the total number of employees in that office, a further selection should be made to make up the required.

(iv) Labour pay sheet:

Labour pay sheets need not be checked in Central Audit. It is sufficient if these are checked during local inspection. However, before returning the paid vouchers to the Accounts Officer, posting of 50% of labour pay sheets checked during local inspections should be traced in the works and Revenue Allocation Register. In checking labour pay sheets the instruction contained in paragraph 276,431 and 438 of Railway Audit Manual and Para 1355-E and Para 1404-A.I should be borne in mind. It should be seen that the rates fixed for casual labour (not governed by the Minimum Wages Act) are in accordance with the orders issued by the Railway Board from time to time. The labour engaged on scheduled employment under Minimum Wages Act, 1948 are paid at the rates fixed thereunder. It should also be seen that the employment of Labour has not been misclassified.

(v) Log Books

Log Books of motor lorries and Cars should be checked at inspection to verify the account of issue of petrol, recoveries of charges from parties and reasonableness of the consumption of petrol etc. at Headquarters stations where the relevant records are available in the Divisional Accounts Office, the check may be conducted quarterly, in other cases necessary check should be conducted during local inspections of the office maintaining the log books.

(vi) Postage Account:

The stock of stamps on hand should be counted and agreed with the balance as appearing in the stamp account and results recorded. The account should be reviewed to see that in cases where stamps in excess of the minimum charges have been affixed, weight of the letter is noted. Letters sent by registered post, telegrams etc. should be supported by receipts issued by the postal authorities. Total of the month selected should be completely checked and test check applied to the rest.

In the cases of Accounts Office, this check should be conducted annually. For this purpose, selection of the month of account to be checked should be obtained from the Branch Officer.

(vii) Stationary, Account, Dead Stock Register, Passes and P.T.Os. issued.

The above accounts and documents relating to the departmental offices should be scrutinized during the local inspections. As regards these relating to the Accounts Office, the same should be scrutinized annually by each auditing

unit by obtaining necessary selection of the month of account to be checked from the Branch Officer in the case of stationary account and passes and P.T.Os. issued.

(viii) Check of passes issued by non-Railway Officer:

(see Para 440 of Railway Audit Manual)

It has been decided by the Comptroller and Auditor General of India that the inspection of the office of P&T Departments need not be carried out merely for the purpose of examining card pass movement register.

(Authority: Ex. D.R.A's No. R 10-28/45, dated 26.4.1960).

15.29 MAINTENANCE OF DETAILED RECORDS OF DOCUMENTS AUDITED DURING INSPECTION:

(Para 429—Railway Audit Manual)

In order to enable fixation of responsibility at a subsequent date for any failure of checks during inspections, a detailed record of documents checked during inspection should be maintained.

Every member of the Inspection Party (including the Branch Officer) should record the details of the documents audited pertaining to each item of work done by him in a separate list. These details should be completed as far as possible. Details to be recorded in respect of some of the items are given below:

Item of work	Particulars to be recorded
(i) Service Registers	Name and designation of the employee and the period of service checked
(ii) Leave Account	-- do --
(iii) T.A Bills	Name, designation, month & amount.
(iv) Mileage Bills	-- do—
(v) Pay Orders	Number, date and amount
(vi) Payment under W.C. Act.	Name, designation, station under whom employed and amount.
(vii) Contractor's Bills	Number and date (CO.6 and CO.7) contract/work order No. and date, name of work, Name of contractor and amount.
(viii) Forms and Miscellaneous	Number and date, amount, name of firm and Bills particulars
(ix) Adjustment vouchers	Number, date and amount.
(x) Tenders and Agreement:	
(a) Accepted tenders	Particulars of work or supply, amount of accepted tender, name of Supplier.
(b) Summaries of tenders	Particulars of work or supply, name of accepted tenderer, amount of Accepted tender.

(xi) Detailed records of items checked during inspection of station account should be maintained in the proforma attached to the list of items to be seen during the Traffic Inspections.

The lists should be signed in full by the persons concerned, Branch Officer, Assistant Audit Officer or Auditor and filed. The lists should be preserved for a period of 15 years.

15.30 TRAFFIC AUDIT INSPECTION:

With the passage of time various changes in Railway working i.e. Rake load, movement of Traffic, issue of single Railway Receipt for full rake, privatisation of parcel and luggage traffic etc. have taken effect and the number of vouchers/invoices and other transactions of station has come down resulting in some reduction in work load of stations specially in the areas of issue and account of invoices in respect of freight earnings. However, there is a general increase in commercial activities both in terms of passengers Goods carried. large scale of accounts and operational system is another noticeable feature. Certain big stations have noticed to prepare upto four separate Balance Sheets of the stations i.e. for Goods, Coaching, Parcel and CPRS. Therefore the reclassification of stations for the purpose of Inspection on basis of earnings reported through each Balance Sheet, are given below:

CATEGORISATION , PERIODICITY, DURATION OF AUDIT AND PARTY COMPOSITION

Category of station	Monetary limit	Duration (in days)	Party Composition		BO's Supervision	Periodicity
			AAuO/S.O	Sr.Ar/Ar		
Very Big	Rs.5 crore and above	8	2	1	100%	Once in two year
Big	Rs.2 crore and above but less than Rs.5 crore	6	2	1	100%	Once in Three year
Major	Rs.50 lakhs and above but less than Rs.2 crore	4	1	1	50%	Once in Four year
Minor	Below Rs50 lakhs	2	1	1	Nil	15 to 20 Stations per year

NOTE

I. The criteria for categorization of stations may continue to be on the basis of earnings reported through each Balance sheet of respective stations. If the Balance Sheet of the stations is prepared separately for Goods, Coaching, Parcel, CPRS then those units of the stations may be considered as a separate unit for inspection.

- II. If any siding has a large number of paid Inward Traffic but according to the earning of the station it is not falling under the category of Big station then such a sidings should be treated as a Big station for the purpose of inspection if the siding deals with a minimum 5 rakes per month.
- III. To reduce the extent of Audit of Minor Stations, only 15 to 20 Stations should be selected in a year. The Selection of Stations should be such so as to ensure that both remunerative and unremunerative Stations are evenly covered in a local audit. 4 to 5 Stations should be inspected in continuity and a quarterly report should be issued.

(NOTE: Report of the Committee on Railway Audit Norms March 2003)

The programme of the Traffic Audit Inspection should be kept confidential.

Remarks of the Station Master should be obtained on the report against each Para of the Inspection Report.

Before recommending names of stations for Principal Director of Audit's approval, the special features of the station such as the existence of sidings, seasonal traffic, booking of special commodities, earning and any special facilities afforded should be taken into account. The position of missing returns may be ascertained. The latest Traveling Inspector of Account's report should also be referred to. These points should be brought out in the note submitted to Principal Director of Audit for making selection of stations. As far as possible stations having some special features such as sidings heavy pilgrim traffic, heavy parcels or goods loading should be selected for check.

The checks conducted during station inspection generally follow the pattern of checks conducted by the Traveling Inspector of Accounts. The items to be seen during the inspections of the stations are given in Annexure I to this chapter. The list of item is not, however, to be taken as exhaustive.

In addition to the points already being looked into during Station Inspection, the audit party should watch closely the general working of the station and if any possible leakage of revenue is suspected due to almost regular miss declaration of consignments or ticket less travel, a surprise check of the station by the Administration may be suggested. The system of allotment of wagons could also be reviewed to see that covered wagons are not demanded for non-perishable materials, which sometimes lead to Railway's providing open wagons accepting liability for damages enroute.

The handling contracts and their executing and recovery of siding charges should be intelligently checked during local inspection. The refund of fares and freight and payment of compensation claims should be scrutinized with reference to the documents of both outward and inward stations. The scope of local audit should also include the check of claims originating at the station locally inspected. For this purpose, station inspection parties may send a list of claims cases in detail noted by them to the compensation claims. Audit section, who should scrutinize these cases in detail with reference to the local information furnished by the Traffic Audit Inspection Parties.

In respect of transshipment points handling bills may be reviewed by sending local audit party at the said local point besides the check exercised in Central Audit. Some stations which are transshipment stations should be selected for local audit every year. Such audit parties need not always be supervised by an Audit Officer.

As regards review of handling bills relating to transshipment sheds located away from the stations, they should be included in the list of stations for the purpose of selection for audit inspection.

While check of accuracy of accounts has to, be done, the importance should be given to other spheres of transportation activity of Railways, such as weapon placement timings and recovery of haulage charges, routing of traffic, claim position vis-à-vis prescribed packing and handling procedures etc.

CHAPTER – XVI

DIVISIONAL AUDIT

16.12 DUTIES AND RESPONSIBILITIES

The Divisional Audit Offices at Ambala, Delhi, Ferozepur, Moradabad and Lucknow are responsible for audit of accounts maintained in the Divisions and the work done in the respective Divisional Accounts Offices, in accordance with the Programme of Audit as laid down in the Secret Memorandum of Instructions (Railway Audit) and the orders issued from time to time. The Inspection of the accounts and the records maintained in the executive offices under the Divisional Railway Manager, and a few other offices other than those under him, also devolves on the Divisional Audit Office. Instructions relating to items of work in the division common to other branches wherever they may occur in this manual equally apply to the Divisional Audit Offices.

16.13 APPORTIONMENT OF DUTIES BETWEEN THE ASSISTANT AUDIT OFFICERS/SECTION OFFICERS (AUDIT) IN THE DIVISIONAL AUDIT OFFICES.

The Assistant Audit Officers/Section Officers (Audit) working in a Division should not work in water tight compartments. Whenever an Assistant Audit Officer/Section Officer (Audit) is out on inspection or other duty, the Assistant Audit Officers/Section Officers (Audit) at Divisional Headquarters should look after the entire work of the Division. The inspection work should be distributed in such a way that all of them get experience of inspection work of all branches viz. Engineering, Mechanical and Electrical etc. The Assistant Audit Officers/Section Officers (Audit) and the Assistants in the Divisions should read all circulars, office orders etc. and not only those pertaining to their charges. All the Senior Auditors/Auditors and Lower Division Clerks working in the Division should be guided by all the Assistant Audit Officers/Section Officers(Audit) and should be considered to be working under them so that if one is absent the assistants should look up to the other Assistant Audit Officer/Section Office (Audit) for guidance and instructions etc.

Whenever one Assistant Audit Officer/Section Officer (Audit) is absent on leave, his work including current and post reviews should be done by the other Assistant Audit Officers/Section Officers (Audit) and there need be no occasion for showing it in arrears. Each Assistant Audit Officer/Section Officer (Audit) will, however, remain responsible for 2 days original audit work selected for him. In cases, however, where an Assistant Audit Officer/Section Officer (Audit) cannot do his original audit in a particular month due to his absence on leave for a greater part of the month, orders of the supervisory Deputy Director/Director of Audit may be obtained for its postponement to the next month.

NOTE: The above instructions should be observed in all the branches where more than one Assistant Audit Officer/Section Officer (Audit) is posted. (Authority: Office order No. C-17 dated 25.6.1958 and C- 56 dated 5.8.1959).

In order to complete the inspections within the scheduled time at the Divisional Headquarters or at the headquarters of the Railway, the Assistant Audit Officer/Section Officer (Audit) and the Senior Auditors/Auditors who are entrusted with the inspection work of a branch of the Divisional Railway Manager's Office or other office at the Headquarters of the Division or the Railway should devote themselves wholly to the inspection work and should not do other office work.

(Authority: Office Order No. C- 20 dated 5.7.1958).

16.14 MAINTENANCE OF POLICY FILES BY DIVISIONS/BRANCHES:

In order to keep the policy files current and up to date by the Divisions/Branches, The policy files maintained by the Executive and Accounts Offices should be reviewed in January and July every year by each of the Division/Branch to ensure that the latest circulars are available in audit files. The review should be conducted properly and not in a perfunctory manner. Non-receipt of important circulars may be pointed out to Headquarters Office. A note may be kept in the Sectional Calendar of Returns. (Authority: C- 120 dated 27.3.1963).

16.15 RENT ROLLS AND VARIATION MEMA OF RESIDENTIAL BUILDINGS OCCUPIED BY RAILWAY STAFF ATTACHED TO DIVISIONS:

The instructions contained in para 221 of the Railway Audit Manual and item IV- 14(a) Central Audit appendix to Secret Memorandum of Instructions (Railway Audit) and the Railway Board's letter No. 68/AC-II/Dir/Spl/22 dated 12.8.1963 and Joint Executive and Accounts P.O.O. No. 70 dated 16.11.1963 regarding simplification of the procedure for compilation of the deduction lists and check and review of recovery of rent of residential buildings occupied by Railway employees may be kept in view. The following points should also be seen:

- (i) that where the limit of 10% of emoluments is operative, the amount recovered is recalculated with every change in emoluments;
- (ii) that appropriate action is taken by the Administration to allot the quarters lying vacant;
- (iii) that penal rent wherever recoverable is recovered from the Officer/staff concerned.

NOTE: 1.The rent rolls and variation Mema of Gazetted Officers attached to the Workshops /Divisions will be checked by the local Divisional Audit Offices/Workshop audit Offices.

The rent rolls and variation mema of other Departments will be checked during local inspections (Item No. IV(14)(a) of Secret Memorandum of Instruction and S.No.III(6) of Revised Railway Audit Norms.

16.16 PAY BILLS:

(See para 210 of Railway Audit Manual and Para 1205 to 1212 Account Code Volume-I).

- (A) **Pay Bills of the non-Gazetted staff of the following categories are audited in the Divisions:** (at the time of Local Inspection of the respective Branch)
- (i) **Engineering Staff**, including, SEs, SSEs (P.Way, Works) and other subordinates.
 - (ii) **Loco Staff:-** (a) Loco inspectors, fuel Inspectors, Loco Foreman and Fitters etc. (b) Loco Running Staff, Drivers, Shunters, Cleaners etc. (c) Diesel Locomotive Staff
 - (iii) **Mechanical staff:** (a) SEs, SSEs (Mechanical) and Fitters, etc. (b) Loco Running Staff, Drivers, Shunters and Cleaners (c) Electric and Diesel Locomotives staff.
 - (iv) **Signal and Inter locking staff:** SEs, SSEs (Signal), Telephone Operators and Mechanics, SEs, SSEs (Telecommunication).
 - (v) (a) **Staff of the Traffic Departments:** (a) Transportation staff, Station Masters and Assistant Station Masters, Signallers, Trains Clerks, Yard Masters and Assistant Yard Masters, Traffic Inspectors, Shunting Jamadars, Cabinmen Switchmen etc.
(b) **Commercial Staff: Ticket** Collectors, Booking Clerks, Parcel Clerks, Goods Clerks, Commercial Inspectors, Traveling Ticket Examiners etc.
(c) **Traffic Running Staff:** Guards including conductors and Brakesmen.
 - (vi) (a) **(Power and Train Lighting):** Electrical staff – such as SEs, SSEs (Power, Airconditioning, Train Lighting and Pumps) (b) Electric Traction Staff both maintenance and operation- Linemen etc.
 - (vi) Divisional Accounts Office staff.
 - (vii) Divisional Railway Manager's Office staff.
 - (viii) Railway Schools staff.
 - (ix) Misc. staff, such as security Force, Medical and Sanitary staff.
 - (x) Cash and Pay Department staff.

NOTE: The Pay Bills of the non-gazetted staff of the offices of Railway Board claim branch and Railway liaison officer will be audited by the E&PI Section, that of Indian Railways Conference Association will be audited by the Divisional Audit Office, Delhi and that of the Director of Research, Designs and Standards Organisation by Research, Designs and Standards Organization Audit Office, Lucknow.

In auditing the Pay Bills, the instructions given in para 210 of Railway Audit Manual, Paragraphs 1205 to 1212 A and relevant paragraphs of this manual, should be borne in mind. The entries in the mema of differences and absentee statements should be subjected to a careful and complete scrutiny and it should be seen that the salary and leave allowances drawn are in accordance with the prescribed rules. Original authority on the basis of which any special pay and allowances are charged should also be referred to. For this purpose, the service records and leave accounts where available in the Accounts Office, should be consulted. Initial fixation of pay and all subsequent revisions to the extent prescribed in the programme of Audit should be checked to see that the rates of pay are properly fixed.

NOTE: Consequent on computerization of Pay Bills the memorandum of differences (viz. Statement explaining the differences in pay drawn in the current month's pay bill) is prepared on the computer wherein the reasons for variations in pay drawn etc. are not being recorded as was done prior to computerization and as such it is in its present form of little help in checking the computerized pay bills. Pay bills should therefore be checked with reference to the charge 'statements' or also known as A.R.D. Statements (Addition Revision and Deletion Statements). The pay in respect of each employee under check should be compared with the pay in the previous month's Pay Bill. The difference should tally with charges statement's.

In the case of bills not accompanied by the mema of differences and absentee statements audit should be conducted on the basis of information given in the bills themselves. During local inspections, the rates at which pay has been charged in the pay bills for the month selected for audit should be checked with the employee's service cards where maintained in the Executive Offices.

(B) The Pay Bills of Gazetted Officers attached to the Divisions are also checked by the respective Divisional Audit Officers. The Provident Fund recoveries affected through the pay bills of permanent Gazetted Officers, are however, advised by the respective Divisions to the E & PI Section Headquarters office for tracing the same into their provident Fund Ledger which are maintained by the Provident Fund Section of F.A.&C.A.O.'s Office.

Note: NGOs of other departments: Branch Officer should select one month for detailed check during local inspection of respective office.

16.17 ALLOWANCES

Overtime and running allowance bills (see para 213 of Railway Audit Manual and Item IV (1 to 7) of under Secret Memorandum of Instructions (Railway Audit) and S.No.III (1) under Central Audit. Programme as given in Revised Railway Audit Norms and Secret Memorandum of Instructions (Railway Audit).

1. The running Allowance is paid to the locomotive and Traffic Running Staff, who perform duties directly connected with the charge of moving trains.
2. It should be seen that the rules applicable to the particular staff have been correctly applied and there is clear indication in the bills as to the set of rules by which they are governed. The check of mileage and overtime allowance to Guards, Drivers, Asstt. Drivers, Shunters and Firemen charged in the pay bills should be conducted with reference to the initial records which are available in the Divisional Headquarters. The running allowance journals of guards are submitted alongwith pay sheets and are available in the pay bill section of the Divisional Railway Manager's Office. In respect of the Loco Running Staff the posting books showing the mileage etc. and the Joint Train Journals are available in the Pay Bill section of the Divisional Railway Manager's Office.

In the case of overtime allowance it should specially be seen whether there is any evidence in any case that the grant of the allowance tends to slow down work during the regular hours of duty.

3. While checking overtime bills, it should be seen that basic pay includes substantive pay or officiating pay and personal pay and dearness pay but does not include any allowance such as compensatory allowance, house rent allowance, dearness allowance or running allowance.

4. Reckoning of Running Allowance as Pay.

- (i) For the specified purposes for which running allowance is reckoned as Pay at present, 30% of the basic pay of the running staff concerned will be reckoned except as below:
 - (a) For the purpose of retirement benefits, 55% of basic pay will be taken into accounts.
 - (b) When running staff are on leave, they shall be entitled to be paid their leave salary based on their basic pay plus 30% thereof representing the pay element of running allowance and the other allowances including dearness allowance/due on such basic pay plus 30% thereof.
 - (c) While 30% of the basic pay of running staff will be taken into account for the purpose of entitlement to passes and P.T.Os. such individual members of the running staff as are already entitled to a higher class of passes/ P.T.Os on regular basis as on 31.7.1981 will continue to be eligible to such passes/ P.T.Os.
 - (ii) In addition to the existing provisions, 30% of the basis pay of running staff is also to be reckoned for the purpose of dearness allowance.

(Authority: Ministry of Railways, (Railway Board)'s letter No. E(P&A) UU- 80/RS-10 dated 17.7.1981).

Note: NGOs of other departments: Branch Officer should select one month for detailed check during local inspection.

16.18 SPECIAL ALLOWANCES:

In addition to overtime and running allowances, the following allowances are also admissible to non-gazetted staff:

- (a) Consolidated traveling allowance.
- (b) Bicycle or conveyance (including Motor car allowance).
- (c) Consolidated overtime allowance;
- (d) House rent allowance in lieu of rent free quarters;
- (e) Allowance to nurses;
- (f) Washing allowance;
- (g) Night Duty allowance;
- (h) Educational Assistance Allowance;
- (i) National Holiday Allowance;
- (j) Children's Educational Allowance;
- (k) Break down allowance to Loco and Carriage staff and the Engineering staff under Permanent Way Inspectors etc.
- (l) Accident Allowance;
- (m) Waiting Duty Allowance;
- (n) Trip Allowance;
- (o) Shunting Duty Allowance.

The sanctions pertaining to consolidated traveling allowance, consolidated overtime allowance, conveyance allowance and house rent allowance should be checked to see the justification for the continuance of these allowances in general or in any particular case. It should also be ensured that Messing Allowance granted to Nurses is invariably taken into account for the purpose of recovery of rent. The rules given in the Establishment Code Volume-I and Railway Board Establishment Manual, may also be seen.

Note: NGOs of other departments: Branch Officer should select one month for detailed check during local inspection.

16.19 CHILDREN EDUCATION ALLOWANCE:

The assistance shall be permissible to all permanent and temporary Railway Government servants and educational assistance is admissible for Children studying in Primary, Secondary and Higher Secondary Classes (From I class to class XII). **Note:** NGOs of other departments: Branch Officer should select one month for detailed check during local inspection of respective office.

16.20 REIMBURSEMENT OF TUITION FEE:

The Tuition Fees are actually paid on behalf of the children of the railway employees for education in recognized Primary, Middle and High Schools or Higher Secondary Schools subject to the terms and condition laid down in Railway Board's letter No. E(w)84EDI-I dated 4.10.1985, 26.11.1987 and PCIV/86AL-2 dated 14.1.1988& 23.6.1988 as modified from time to time. The reimbursement of tuition fee will not be in excess of the rates approved by the Government of the area for Government and aided schools. In the case of Central Government Schools, however, an exception has been made and the scale of tuition fees' approved by the Central Government forms the basis of re-imburement as decided vide Railway Board's letter No. E (W) 84 EDI-I dated 29.01.1989.

Note: NGOs of other departments: Branch Officer should select one month for detailed check during local inspection of respective office.

16.21 NIGHT DUTY ALLOWANCE:

The weightage of night duty is to be given to such categories of staff whose duty involves continuous application to work during the whole of night shift and not the night shifts in general. The weightage has been termed as 'Night Duty Allowance' and has been treated as of the nature of compensatory allowance.

- (i) the night duty for this purpose will be from 23 hrs to 06 hrs. Each hour in the period is weighted equal to 10 mts.
- (ii) Railway servants whose employment is essentially intermittent under the Railways Act, will be admitted to the benefit of night duty allowance and be paid the allowance at two thirds of the rates for the intensive and continuous workers.
- (iii) Out of Railway servant who are in the excluded category under the Act such as Matrons who are on regular shift duty will be admitted to the benefit of night duty allowance at the same rates as for 'intensive and continuous workers'. The above will be effective from 1.9.1970 on the basis of existing rates.
- (iv) The night duty allowance is payable per weighted hour of night duty (. i.e. it is payable at the rate of one hour for 6 hours of night duty and proportionately at the rate of 10 minutes for every hour of night duty).

NOTE: (i) For the purpose of giving weightage of 10 minutes per hour of duty performed, duty of less than half an hour shall be ignored and duty for half an hour and more but less than an hour shall be reckoned as one full hour.

(ii) Hourly rates should be related to pay plus dearness allowance instead of basic pay (substantive or officiating), as at present. The revised rates of night duty allowance are given in Railway Board's letter No. E(P & A)-I-70/HW-2/9 dated 19.2.1971 as amended from time to time.

Note: NGOs of other departments: Branch Officer should select one month for detailed check during local inspection of respective office.

16.22 NATIONAL HOLIDAY ALLOWANCE:

1. The Railway Board have decided that the staff who do not enjoy three National Holidays viz., 26th January, 15 the August and 2nd October, and the nine holidays other than the three National Holidays to be chosen by the staff representatives in accordance with the general directive of the Government and are not relieved of their duties will be compensated by additional payment at the rates shown against the particular pay ranges as given in Railway Board's letter No. PC-66/MI-2/2 dated 3.9.1968 received under Additional Deputy Comptroller and Auditor General of India (Railways)'s endorsement No. 3976-RAI-II/4-28/66 dated 26.9.1968 as amended from time to time.

2. The monetary compensation will also be applicable in the following circumstances:

- (a) When the day of rest and the National Holiday fall on the same day; and
- (b) When the running staff are on 'waiting duty' on a National Holiday.

NOTE: The pay ranges for determining the rates of monetary compensation for attendance on National Holidays notified in Board's letter No. PC-66/ML-2/2 dated 3.9.1968 should be determined with reference to basic pay as defined in Rule 103(5) Establishment Code Volume-II.

(Authority: Railway Board's letter Nos. PC-66/ML-2/2 dated 10.12.1969 and E/LR/III/78/HLI dated 23.12.1978).

Note: NGOs of other departments: Branch Officer should select one month for detailed check during local inspection of respective office.

16.12 SCHOOLS FEE BILLS

(Paragraph 233 of Railway Audit Manual).

The rule contained in paragraph 1419 A-I should be seen. in respect of Railway Schools which receive grants-in-aid from the State governments etc. it should be seen that the amount of the grant received is correctly accounted for in the Railway Books and the grants are not allowed to lapse due to the fault of the Railway Administration.

16.13 SERVICE RECORDS ETC. OF THE STAFF BELONGING TO THE DIVISIONAL PAY OFFICES

As the Service Records of the staff belonging to Divisional Pay Offices are maintained in the office of the Chief Cashier, Delhi the Appropriation and Books Audit Section of Headquarters office will check the Service Records of such

staff during the inspection of the office of the Chief Cashier Delhi. Pay bills and connected memoranda of differences and absentee statements for the month selected for audit should be obtained from the Divisions for the purpose, if not available with the Chief Cashier, Delhi.

Note: NGOs of other departments: Branch Officer should select one month for detailed check during local inspection of respective office.

16.14 REGISTER OF BUILDINGS

(See Paras 221 and 259 of Railway Audit Manual).

The Register of Buildings maintained in the Divisional Accounts Offices should generally be reviewed at the time of check of Capital and Revenue Accounts of Residential Buildings to see that they are maintained properly indicating the required particulars. It should be seen during the audit of completion reports that necessary additions are made in the Register of Buildings.

With the introduction of simplified procedure of recovery of Rent of Residential Buildings, the maintenance of Rent Register has since been discontinued. Instead the Rent Rolls have been introduced which give the full particulars of the quarters, names of employees occupying the quarters, assessed rent etc.

16.15 REGISTER OF FOREIGN SERVICE CONTRIBUTIONS

(Paras 1221–A to 1223–A and para 225 of the Railway Audit Manual should be seen).

The registers maintained by the Accounts Office should be carefully scrutinized to see that the Broad sheet of Recoveries (A- 1222) is correctly prepared. Delays in recoveries should be taken up. When sanctions or facts relating to the transfer of services of employees come to notice during audit, it may be seen whether the names and particulars have been duly entered in this register, to ensure the recovery of the contributions.

16.16 STAFF ENGAGED ON BEHALF OF NON-RAILWAY DEPARTMENTS, PUBLIC BODIES ETC.

It should be seen that recoveries of pay and allowances and other incidental charges on accounts of staff engaged on behalf of other Departments are made from them in accordance with Rule 2021-RII and the orders of the Railway Board issued from time to time.

Pay and allowances paid to such staff are allocated to 'Miscellaneous Advances' in the first instance and recoveries are effected from the parties concerned through monthly bills. The outward bills register should be carefully reviewed to see that it contains all the cases where recovery is due and that the entries showing recoveries are supported by documentary evidence. The outward bills registers and the Miscellaneous Advances registers should be carefully scrutinized to see if there is any delay in affecting the necessary recoveries.

The acknowledgements of advices from the Chief Cashier or the Books section should be verified with the entires in the Outward Bills Registers.

When new registers are opened, it should be seen that the current cases have been correctly brought forward and that all sanctions of recovery known to Audit have been recorded therein.

16.17 PASSES AND PRIVILEGE TICKET ORDERS:

The extent of check to be applied at Headquarters during inspections and the points to be looked into are given in Para 440 of the Railway Audit Manual and Para 65 of the Secret Memorandum of Instructions (Railway Audit). It should be seen that the home and Foreign line passes and P.T.Os are issued in accordance with the Pass Rules of the Railway and the conference Rules, Part II respectively. The orders issued by the Railway Board, from time to time should also be seen. The checks as prescribed in paragraph 440 of the Railway Audit Manual should be carried out by the Divisional Audit Offices. The scrutiny of the amendments to Pass Rules issued by the General Manager from time to time is the responsibility of the Traffic Audit Branch.

In checking School Passes, it should be seen that:

- (i) the School certificate duly signed by the Head Master/Principal of the recognized Institution is furnished in all cases;
- (ii) where a guardian is included in a pass, it should be seen that the age of the child is within the limits prescribed in the Pass Rules; and
- (iii) In the case of School Card Passes issued to the School going Children of the employee, it should be seen that a certificate from the head of the Institution that the child is a bonafide student is furnished each time the pass is renewed;
- (iv) No School Passes would be admissible where the child is studying at the Headquarters of the employee.

(Authority: Railway Board's letter No. E (Trg) I-70 PS- 5-1/63 dated 13.9.1971).

16.18 EXECUTION OF WORKS

(See Chapter X of Engineering Code and Para 27 of Secret Memorandum of Instructions (Railway Audit).

As a general rule, no work should be commenced and no liability or expenditure incurred on a work until a detailed estimate for it has been sanctioned and an allotment of the funds made by the competent authority. But under the special circumstances, indicated in Para 1103-E, the commencement of a work may be authorized on an Urgency Certificate and Expenditure incurred prior to the sanction of the estimate by the competent authority. In such cases, Audit should scrutinize the justification of the work started on urgency certificate. It should also be seen that the cases are covered by the provisions of Paras 1104 to 1107- E and the necessary estimates are prepared and submitted to the competent authority for sanction within the time limit and sanctioned by him.

NOTE: It would not serve any purpose to form a comment merely based on the statistical number of works stated on urgency certificate over a period of years. Individual works should be examined with a view to bringing out in concrete terms how the execution of such works without proper estimates had resulted in laxity of control and possible loss or extravagance.

(Authority: Para 12 of the Minutes of the Director of Audit's conference held on 7.4.1961).

16.19 PERFORMANCE AUDIT OF SELECTED SCHEMES.

The Divisions/Branches should get the works/projects proposed for conducting the efficiency audit approved by the Principal Director of Audit through Performance Audit Section by the 31st March each year. The review of the selected works/projects will be done by the Divisions/Branches in accordance with the instructions contained in Comptroller and Auditor General of India's letter No 65-Code/3-61-11 dated 01.12.1962 and the result will be intimated to Performance Audit Section by the 15th June each year for consolidation and submission to the Principal Director of Audit.

The above procedure will also apply mutatis mutandis to the construction Performance audit of works estimated to cost over Rupees 1 crore and executed to the extent of above 75% required to be done by the Construction audit branches, in terms of Additional Deputy Comptroller and Auditor General of India (Railways)'s D.O. letter No. 1546-RAI/A12-40/60 dated 18.5.1963.

(Authority: Office Order No. C – 126 dated 25.3.1964).

16.20 WORK ORDERS (Contract of Special Works such as contracts of bridgeworks)

(Para 267(ii) of the Railway Audit Manual and Para 1262 and 1263-E.

It should be seen:

- (i) that the work order is complete in all respects and has been sanctioned by the authority competent to do so;
- (ii) that the work order has not been executed after the commencement of work;
- (iii) that the rates quoted are not in excess of the scheduled rates or accepted tender rates. Whenever new rates are charged in a contractor's bill, the analysis of rates should be carefully scrutinized and it should be seen that the rates have been sanctioned by the competent authority.
- (iv) that the special terms and conditions in a work order do not contravene the extent rules and orders and are not prejudicial to the interest of the railway.
- (v) that the case of work orders based on tender, the fact of the rates shown thereon having been compared with the accepted tender has been endorsed by the Accounts Office.
- (vi) that when a work is completed a reference to the bills passed in connection with the work order is endorsed on it to guard against a second claim on the same account and that the work orders have on final payments, been duly crossed;
- (vii) that the work has been completed in time; and
- (viii) that the rate and unit of calculation have been entered in words as well as in figures against each item in a work order.

16.21 PRIVATE AND ASSISTED SIDINGS

(See Paras 255 and 285 of Railway Audit Manual and items VIII (15) under Central Audit of Secret Memorandum of instructions (Railway Audit) and Paras 1822 to 1842 Engineering Code).

(a) Private and Assisted Siding Accounts:

The Outward bill register and the siding Register (E-1840) maintained by the Accounts Office should be reviewed with a view to see that the interest and maintenance charges and such other charges as wages of gate keepers, Goods Clerks etc. which may be provided in the agreement, are duly recovered and accounted for. The annual Examination of Earnings of siding (1833-E) done in the Divisional Railway Manager's Office should also be reviewed to see whether the reviews have been correctly conducted and the conclusions arrived at as to the retention or otherwise of the sidings are reasonable. The statement prepared by the Divisional Administration in this regard should be reviewed by the Divisional Audit Office from the basic records available in the Divisional Railway Manager's Office. The figures in respect of Earnings may be referred to the Traffic Audit Branches for verification. The concerned Traffic Audit Branches should, if possible verify the figures from the records

available in the Accounts Office, otherwise this may be done during local inspections of the stations if the same is provided in the annual programme of Inspection for that particular year. The relevant Tariffs should be examined by the concerned Traffic Audit Branches to see as far as possible whether all the assisted sidings have been shown therein. It should be further seen by each Divisional Audit Office that the agreements entered into with the owners of sidings confirm in essentials to the standard form; that the rates of maintenance charges have been fixed in accordance with the rules and generally that the interests of the Railway Administration, as safeguarded.

The Traffic Audit Branches should be asked to advise particulars of any new sidings opened for traffic, or of any existing sidings closed down during the year. It should be particularly seen that all charges provided in the agreements are recovered from firms or Government Departments promptly otherwise interest charges wherever due are levied for delayed payments as required under Para 1837-E. It may further be seen that the cases where payments are disputed and involve huge amounts, are vigorously pursued by the Accounts Department.

(b) Agreements for Private Sidings.

The sidings agreements should be fully reviewed yearly in addition to the full check of new agreements and amendments to existing agreements executed during the year, certain existing agreements as per percentage laid down should be thoroughly checked annually. The Siding Register, printed pamphlet of sidings, and the goods Tariff should be consulted for a correct list of the sidings. A proper record should be kept of the agreements checked by the Audit so that an agreement is not reviewed more than once or omitted altogether. While reviewing the agreements, it should be seen that the same have been executed in the prescribed form and that the interest of the Railway has been duly safeguarded. While checking the estimate and completion reports of sidings, it should be watched that the necessary agreements are promptly executed. It should further be seen that the relevant terms of the agreements have been incorporated in the Goods Tariff.

The Traffic Audit Branches will keep in view during inspections of stations, the remunerativeness of the sidings and report doubtful cases to the Divisional Audit Office concerned. The latter will then specially scrutinize the case in question from the records and statistics maintained in the Divisional Railway Manager's Office and pursue the matter if necessary. In case, Traffic Audit comes across any traffic booked to or from a siding not incorporated in the tariff, the matter should be reported to the Divisional Audit Office concerned for necessary action.

16.27 LABOUR PAY SHEET:

(Sec Paras 1354 and 1355-E, 1404 AI, 275 and 276 of the Railway Audit Manual and para 605 of the Way and Works Manual).

It should be seen that there is evidence on records to show that the necessary checks prescribed for check of calculations, number of days charged, total carry forwards and summaries, sanctioned strength and rates of pay have been exercised by the Divisional Account Office. With a view to seeing whether the internal check is efficient, the pay sheets completely checked by the Account Office may also occasionally be selected for Audit. The scale check registers should also be audited as per programme of Audit.

Note: The Audit of Labour Pay Sheets is to be done during local inspections.

(Authority : Para (III) (2) of Revised Audit Norms)

16.28 STRENGTH OF MAINTENANCE GANGS

The strength of maintenance gangs is fixed on certain formulae laid down in the Indian Railway Way & Works Manual. A general review of the strength of maintenance gangs should be conducted on the basis of yard stick laid down for his purpose during local inspections of Assistant Engineer's Offices.

(Authority: Para 3 of the Minutes of the Audit Officers Meeting held on 11/11/1954.)

16.29 REGISTER OF DEPOSIT WORKS

(See Paragraph 1843-E to 1854 and para 3101 to 3104 to the Indian Railways Way and Works Manual)

It should be seen that the register is maintained in terms of Para 1848-E and reconciled monthly with the General Books as prescribed therein. In case of Deposit Works for public sector undertakings (e.g. Assisted Sidings, Exchange Yards etc.) where proper agreements have been executed and the estimated cost of the deposit work exceeds Rs. 1 crore, it may be seen that the work has been commenced only after obtaining an initial cash deposit equal to the 20% of the estimated cost or 6 months expenditure whichever is more. It should be further seen that this revolving deposit is replenished from time to time on not more than 2 weeks notice or at monthly/quarterly intervals as may be considered necessary. It may also be seen that this concession is withdrawn in case of delay or default in replenishment by any of the undertakings (Railway Board's letter No. F(X)1 – 62- BW/1 dated 23.1.1965 received under Additional Deputy Comptroller and Auditor General of India (Railways)'s endorsement No. 412-RAI-5-2/65 dated 20.2.1965).

16.30 IMPREST STORES IN RUNNING SHEDS AND TRAIN EXAMINER'S OFFICES

(See Paragraph 1801-S and Para 290 of Railway Audit Manual).

These imprest Stores are held in stock in the running sheds and carriage and wagon offices not for specific works but as a standing advance for meeting day to day requirements in connection with the repairs, maintenance and the operation of Rolling Stock. The following points should be looked into during Audit:

- (i) The combined requisition and issue notes received from the Stores Department, alongwith the daily summaries should be compared with the accepted copies of the imprest holders. It should be seen that the cases of missing acknowledgements are duly followed up and regularized. The acknowledgements of the parties to whom stores are issued by the imprest holders or transferred by him to other imprest holders should be carefully checked;
- (ii) The summaries and allocation should be checked and the allocation traced into the accounts;
- (iii) It should be seen whether a review of the Imprest Stores is undertaken by the Mechanical Department from time to time.

NOTE: All the Engineering Imprest Stores holders may be divided into 12 units and one unit taken up for audit each months so that the entire ground is covered during the course of a year. The check of non-Engineering Imprest accounts relating to recoupments made by Shakurbasti Depot i.e. for Diesel and Electric Sheds, DMU Car Sheds situated in Delhi and Ferozpur Divisions will be conducted by Stores audit Section (Headquarters).

(Authority: Para 8 of the Minutes of Audit Officer's meeting held on 5.1.1957).

16.31 INSPECTION OF RUNNING SHEDS AND CARRIAGE AND WAGON DEPOTS

During the local inspection of Running sheds and Carriage and Wagon depots Offices it should be seen:

- (i) That the quantities of each item of stores are based on 3 month's average consumption or lower limit as the case may be;
- (ii) Whether there are transactions with more than one Stores Depot in respect of any one item of stores by same imprest holder, and, if so, the reasons therefore;
- (iii) that all issues are made on proper issue tickets bearing printed serious numbers and are fully signed by authorized persons. It should also be seen that for every article replaced out of imprest, the corresponding old article is accounted for in the books of the subordinate.
- (iv) that the numerical ledgers for each item of stores are maintained and are posted daily from issue tickets and closed monthly on the prescribed date; the recoupment schedules are prepared from the closing balances of each months and the balances of the item in stock are verified by actual count of ground balances on the completion of each sheet and the actual balances are recorded from the last entry.
- (v) that the departmental verification of stores is carried out annually and a certificate to this effect is appended to the annual statement;
- (vi) that the stock is verified by the Accounts stock verifiers at least once in two years;
- (vii) On Shed's inspections, coal accounts including issues to engines, periodical coal returns, departmental accounts verification of coal may also be seen; and
- (viii) In the case of Diesel shed, the receipts, issues and balances of oil should be seen. Arrangements for the supply of bulk oil by Indian Oil Company and other suppliers may also be seen.

16.27 INSPECTION OF DIVISIONAL OFFICES

The instructions contained in chapter XXI of the Railway Audit Manual and section VI of the Comptroller and Auditor General of India's M.S.O. (Audit) chapter XV of this Manual and orders issued by the comptroller and Auditor General of India and the Additional Deputy Comptroller and Auditor General of India (Rlys) from time to time should be seen.

16.28 GENERAL

1. The Attendance Register should be put up to the branch Officer daily or when he visits the office as the case may be.
2. The Assistant Audit Officer/Section Officer will be responsible for official cases, books of reference, Tools and Plant etc.,
3. A proper account of Service Stamps received and issued should be maintained and put up to the Branch Officer.
4. The Selection Voucher Register should be put up to the Branch Officer on the due date of each month for selection of the Vouchers to be audited. Where the Audit Officer is not stationed at the Headquarters Office of the Division or is out of Headquarters, the initial selection may be made by the Assistant Audit Officer/Section Officer and put up to the Audit Officer for confirmation during his monthly visit or on his return to Headquarters.

16.29 REVIEW OF REMISSION OF WHARFAGE AND DEMURRAGE CASES:

The Audit Officers of Traffic Audit Branches concerned would intimate, the particulars of important cases of remission of wharfage and demurrage charges selected for monthly review to the Divisional Audit Offices concerned who would arrange to obtain the Divisional files and renew them, the cases in arrears being reflected in their monthly arrear reports.

(Authority: Para 5 of the Minutes of Audit Officers Meeting held on 14.12.1964).

16.32 REVIEW OF COURT JUDGEMENT CASES;

(See item No. XVII under Central Audit Programme).

The review of Court Judgment cases decided against the Railway relating to

Compensation Claims shall be done by the Compensation Claims Audit Section. The other cases shall be reviewed by the Divisions/Branches to which they relate.

In order to find out the cases in which the judgments had been made against the railway, vouchers representing payment of Compensation should be listed and examined to see in which cases payments have been made in satisfaction of the court judgment against the Railway. The files relating to these judgments should be obtained from the Railway Administration and reviewed. These judgments would bring out inter-alia, the shortcomings of the Administration which should be critically reviewed to determine whether they provide material for the Railway Audit Report. The result of the review should be submitted to the Branch Officer for orders.

This items may be noted in the Register of Selection of Vouchers.

(Authority: O.O. No. 42, dated 24/6/1958).

16.33 REVIEW OF ABRITRATION AWARDS

(See para 132 of Railway Audit Manual)

All sanctions for payments arising out of arbitration awards should be scrutinized by the concerned Division/Branch with reference to the files leading to such sanctions.

The Following points should be specifically looked into:

- (i) that the proper legal and financial advice was obtained before deciding on the necessity for arbitration and that the points for arbitration were reduced to specific terms and were not in any way left ambiguous or vague;
- (ii) that the Railway's case was properly prepared and presented, utilizing all available evidence for the purpose and that there was no joint submission with the contractor;
- (iii) that the points of defence were based on the actual conditions of the contract, the question whether these conditions were equitable should have no consideration in preparing the Railway's cases;
- (iv) That claims of nature of 'ex-gratia' payments did not form a matter for settlement by arbitration and if such claims were pressed by the contractor, they were firmly opposed and the fact that they were not contractual was prominently placed before the arbitrator;
- (v) that arbitration was not rendered necessary on account of any lack of precision in terms of the contract;
- (vi) that adequate steps were taken by the Administration to rectify and defects in procedure which might have come to light, and
- (vii) that necessary report of cases exceeding Rs.1000 has been duly sent to the Railway Board.

CHAPTER – XVII

CENTRAL SECTION

17.1 FUNCTIONS OF CENTRAL SECTION

The main functions of the Central Section are as under:-

1. To consolidate the material received from the Branch Officers/Sections in connections with the various returns due to be sent to the Deputy Comptroller & Auditor General of India (Railways) or Principal Director of Audit excepting those relating to the Office Administration and Finance Accounts, Capital and Revenue Accounts, Appropriation Accounts, Transports.
2. To deal with important references received from the Deputy Comptroller & Auditor General of India (Railways) relating to more than one section of the office and requiring collection of information from the various Branch Officers/Sections.
3. To examine the important objections reported to the Principal Director of Audit by the Branch Officers/Sections through the monthly D.O.s to the Principal Director of Audit and to pursue them centrally with the Financial Adviser and Chief Accounts Officer after ascertaining the position in that respect from units concerned.
4. To issue periodical bulletins containing important orders and circulars etc.
5. To deal with all matters concerning periodical meetings of the Sr. Audit Officers/Audit Officers of this office and the meetings of the Heads of Departments of the Railway.
6. To scrutinise and submit to the Principal Director of Audit the paragraphs for Register of Audit Activities received from the Branch Officers/Sections and to circulate to other Railway Audit Offices, the items selected by the Principal Director of Audit from this Register and similarly to circulate to the Branch Offices/Sections the extracts of important results of Audit received from other Railway Audit Offices and digest of important and interesting cases, received from the Comptroller & Auditor General of India's Office.
7. Maintenance of the Registers of:-
 - (i) Audit activities (important results of Audit);
 - (ii) Progress Report of Divisions/Branches;
 - (iii) P.O.O.s and O.O.s (Having C-series).
8. To deal with the tour notes of Deputy Comptroller & Auditor General of India (Railways) and Principal Director of Audit.
9. To deal with the charge report of Principal Director of Audit and Group Officers and to maintain copies of charge reports of all Sr. Audit Officers/Audit Officers.
10. Scrutinising quarterly tour programme of the Audit Officers and communicating Principal Director of Audit's approval to them. Preparation of summary of tour programmes and endorsing copies thereof to the concerned officers at Headquarters.
11. Scrutinising quarterly special investigation reports received from Divisions/Branches and submitting a consolidated report to Principal Director of Audit.
12. Scrutiny and consolidation of Monthly Arrear Report.
13. Agenda for Principal Director of Audit conference and correspondence in regard thereto.
14. Scrutiny of Annual Inspection Programme prepared by all Divisions/Branches and getting Principal Director of Audit's approval.
15. Statistics of volume of work done in Railway Audit Offices.
16. Maintenance of Policy files regarding Programme of Audit.
17. Circulation of correction slips to the Railway Audit Manual and Secret Memorandum of Instructions regarding the Extent of Audit (Railway Audit) and periodical verification of Secret Mema.
18. To obtain yearly selection from Principal Director of Audit for review of major works (completed and in progress) and completion reports and to advise the concerned Divisions/Branches (along with Annual Inspection Programme)
19. Study of newspapers and periodicals.
20. Quarterly selection of Post Review to be done by Asstt. Audit Officer/Section Officer (Audit) at Headquarters.
21. To compile a consolidated list of outstanding vouchers due from the Accounts Offices and to furnish the same to Financial Adviser and Chief Accounts Officer quarterly.
22. To compile a consolidated report of the position regarding audit arrears due to arrears in the Accounts Office.
23. To examine the percentage of Current Review every alternate year.
24. To examine the list of original audit units every 3rd year.
25. To compile the monthly statement of audit objections.
26. To maintain and circulate the correction slips to Office Manual.

27. To review cases of losses on the Railway and watch reports to be sent to Deputy Comptroller & Auditor General of India (Railways) in respect of losses due to thefts, frauds, fires and such other calamities etc.
28. Submission of quarterly arrears report (Computerised) to the office or CAG of India.
29. Submission of Monthly Performance Report to Dy. CAG of India (Railways).

17.2 VETTING OF INFORMATION COMPILED BY ACCOUNTS AND EXECUTIVE

(See Para 504 of Railway Audit Manual)

The Divisions/Branches are required to vet only that information which is compiled by the Administration for submission to the Public Accounts Committee. If the Audit Officers are called upon to vet any other information, the matter should first be referred to Headquarters office for instructions. In cases of extreme urgency the Branches may vet the information after the Executive/Accounts Offices certify that the same is meant for submission to the Public Accounts Committee and inform the Headquarters office. In Branches, where the Officer is not headquartered, the vetting may be done at the level of the Asstt. Audit Officer/Section Officer (Audit) only in case of extreme urgency but post facto approval of the Branch Officer must be obtained and Headquarters office also informed.

(Authority : Para 15 of Minutes of Audit Officer's meeting held on 5th and 6th March, 1965)

17.3 ISSUE OF PERIODICAL BULLETINS CONTAINING IMPORTANT CIRCULARS ETC.

Important orders issued by the Railway Board, General Manager/Northern Railway, Additional Deputy Comptroller & Auditor General of India (Railways) etc. relating to Workshop, Traffic, Departmental regulations, expenditure and Inspections, Books, Budget and Appropriation and Stores which are of a standing character will be consolidated under different heads mentioned as above by Central Section in the form of a bulletin and distributed amongst all the Divisions/Branches, Officers and Section Officers (Audit) every half year in the month of April and October incorporating the important orders issued during the half year ending March and September, each year. For this purpose, a spare copy of each circular/order will be taken by the Central Section from the 'Dak' and a remark 'copy taken for bulletin' given on the original circular/order. However where a spare copy of the circular/order is not available, a remark 'copy to be supplied for bulletin will be given on the original circular/order by the Central Section for compliance by the Section receiving the communication. This may be noted in the Calendar of Returns of Central and other Sections.

NOTE :- It may be ensured that orders issued in the form of correction slips to any of the codes or manuals, are excluded from the scope of these bulletins.

(Authority : P.O.O. No.86 dated 17.7.1961 as amended by Central Section's letter No.C/7-4/60 dated 1.5.1963)

17.4 MEETINGS OF THE SENIOR AUDIT OFFICERS/AUDIT OFFICERS OF THE RAILWAY AUDIT DEPARTMENT

All section should send information/suggestions for the agenda of the Sr. Audit Officers/Audit Officers meeting to Central Section by the middle of February, May, August and November. 'NIL' return need not be sent. Meetings would be held wherever there is enough agenda to tackle.

The exact date of each meeting and the agenda for the meeting as finally approved by the Principal Director of Audit will be circulated to all the Branch Officers sufficiently in advance of the date of meeting.

A record of the minutes of meeting would be maintained by the Central Section and a copy of the same circulated to all Divisions/Branches and Officers for information and necessary action. The Branch Officers will intimate to the Central Section the action taken on the various items wherever necessary. A final report will be put up to the Principal Director of Audit, if necessary, for information. The minutes of the meeting indicating the action taken on various items wherever necessary would be put to the Additional Deputy Comptroller & Auditor General of India (Railways) during his visit to the office.

17.5 MEETINGS OF THE HEADS OF DEPARTMENTS

Such meetings are held monthly. The intimation regarding the exact date of meeting together with the agenda for discussion in the meeting is received from the Railway Administration. All the connected papers received from the Administration should be scrutinized by the Central Section and submitted to Principal Director of Audit, sufficiently in advance of the day of meeting. Any point requiring the attention of the General Manager, be brought to the notice of the Principal Director of Audit while submitting papers to him. A copy of the minutes of these meetings should be circulated by the Central Section to all Divisions/Branches at Delhi and another to outside places to enable them to see if there are any cases of interest for being pursued by them (Para 9 of minutes of Audit Officers meeting dated 29.6.1955).

17.6 CIRCULATION OF IMPORTANT RESULTS OF AUDIT AND MAINTENANCE OF REGISTER OF IMPORTANT RESULTS OF AUDIT

(Para 484 of Railway Audit Manual)

1. A register would be maintained in the Central Section where in a copy of all the epitomes duly approved by the Group Officer, indicating the results and important objections raised in Audit, would be pasted. Reference to the section's file No. Name of the Asstt. Audit Officer/Section Officer (Audit)/Sr. Auditor/Auditor who detected the irregularity and Para number should invariably be quoted along with the authority in support of the objection raised/accepted. A suitable heading of the Para may also be given by the section concerned. The register will be

put up to the Principal Director of Audit by the Central Section for selection of important Para to be circulated to the Principal Director of Audit of other Railways/Additional Deputy Comptroller & Auditor General of India (Railways)/Divisions/Branches of this Railway in the months of January, April, July and October. A note should be kept in the register of the paragraphs circulated to other Railways. The register should be put up to the Additional Deputy Comptroller & Auditor General of India (Railways) for perusal during his visit.

2. Copies of all the extracts of important results of audit received from other Principal Director of Audit should be circulated to all Divisions/Branches for information and guidance. Each of the epitomes concerning the Divisions/Branch should be specially allotted by the Branch Officers for investigation within a period prescribed by him. The results should be kept on record in the register maintained for the purpose.
3. Extracts from the digest of important and interesting cases reported by the various Audit Offices are circulated by the Comptroller & Auditor General of India to all the officers under his control. These extracts are received by the Central Section and forwarded to all the Audit Officers for guidance and investigation of the position on the Divisions/Branches under them in respect of various irregularities mentioned in the digest.

- Notes :-
- I. These digests are meant for guidance of Audit Offices only and are not be quoted in any official reference to departmental authorities of the Railway.
 - II. A copy of the approved epitomes should be sent to the Accounts Office for information by the Division/Branch preparing it.
 - III. Each Division and Branch should also maintain a sectional register of important results of audit in which approved copies of the epitomes prepared by that divisions/branch should be pasted. The register should be put up to the Branch Officer on the 10th of every month and Group Officers and the Principal Director of Audit on their visits. The dates should be noted in their Sectional Calendar of Returns.

17.7 CHARGE REPORTS OF THE DEPUTY COMPTROLLER & AUDITOR GENERAL OF INDIA (RAILWAYS)/PRINCIPAL DIRECTOR OF AUDIT AND OTHER AUDIT OFFICERS

Necessary material for the charge reports of the Additional Deputy Comptroller & Auditor General of India (Railways) and the Principal Director of Audit will be obtained from the Branches/Divisions as and when there is any change in the incumbency, by the Central Section and a memorandum showing inter-alia in what respect the working of the various sections of the office is defective or is in arrears will be prepared and sent to the Comptroller & Auditor General's office. A list of all keys and valuable and secret documents and metal pass to be handed over by the relieving Principal Director of Audit to his successor should be attached to the charge reports, which should be put up to the relieved Principal Director of Audit for his signatures and to his successor for his countersignatures.

The charge reports of the other officers will be prepared by the Divisions/Sections under their charge. Copies of these reports will be received by the Central Section also for reference and record.

17.8 SELECTION OF ITEMS FOR POST REVIEW, ORIGINAL AUDIT AND CURRENT REVIEW BY BRANCH OFFICERS

The selection of items for Post Review, Original Audit, Current Review and for check at the time of inspections for Branch Officers should be done by themselves. The results of these reviews should be submitted to Principal Director of Audit in the respective registers by the 10th of the following month.

The registers of results of Post Review by Branch Officers should also indicate the dates of selection, and completion of Post Review, the Arrears, if any, and the reasons for the arrears.

17.9 POST REVIEW OF THE WORK OF ONE SECTION BY THE ASSTT. AUDIT OFFICER/SECTION OFFICER (AUDIT) OF ANOTHR SECTION

The Post Review of Divisions/Branches/Sections where there are more than one Asstt. Audit Officer/Section Officer (Audit) will be done by the Asstt. Audit Officer/Section Officer (Audit) other than the one incharge of the section whose unit is selected. In the case of Sections/Branches located in Delhi (including Delhi Division), the Central Section will obtain necessary selection of the names of Asstt. Audit Officer/Section Officers (Audit) who would Post Review the work of another section in the months of January, April, July and October.

Similarly, the Post Review of Audit Offices at Lucknow (Division, Workshops and Research Designs and Standards Organisation) will be done in the above months by the local Asstt. Audit Officers/Section Officers (Audit) of other Divisions/Branch/Section, in rotation as nominated by the respective Sr. Audit Officers/Divisional Audit Officers. The Asstt. Audit Officer/Section Officer (Audit) should put up the results of Post Review to the Principal Director of Audit through Internal Test Audit (ITA) Section latest by the 15th of February, May, August and November each year.

The register should indicate the dates of selection and completion of the Review, the arrears, if any, and the reasons for the same. Necessary entry may be made for submission of the review register in the Calendar of Returns of the Branches concerned.

17.10 TOUR PROGRAMME OF ALL THE BRANCH OFFICERS AND PREPARATION OF SUMMARY THEREOF

All the Branch Officers are required to send their tour programme quarterly so as to reach Central Section by the 15th of the month preceding the quarter to which it relates. Central Section will send copies of the approved programme to each Branch Officer with a copy to Personal Assistant to Principal Director of Audit and Administration Section. A

summary of all the tour programmes would also be prepared and copies sent to all Branch Officers and the P.A. to Principal Director of Audit.

17.11 SPECIAL INVESTIGATIONS

Every Sr. Audit Officer/Audit Officer and Asstt. Audit Officer/Section Officer (Audit) is required to undertake at least one special investigation in a year. The result of such investigations should be put up to the Principal Director of Audit, through the supervisory Deputy Director. Quarterly reports of the progress of Special Investigations in the prescribed form done by the Asstt. Audit Officers/Section Officers (Audit)/Sr. Audit Officer/Audit Officers should reach Central Section by the 1st week of January, April, July and October for the quarter ending December, March, June and September along with a copy of the inspection sheet of the register maintained for special investigations.

A summary of the position of special investigations for each quarter in respect of each Division/Branch will be prepared in the Central Section and shall be submitted to the Principal Director of Audit by the 3rd week of January, April, July and October.

17.12 SUBMISSION OF MONTHLY ARREAR REPORTS TO THE PRINCIPAL DIRECTOR OF AUDIT/ADDITIONAL DEPUTY COMPTROLLER & AUDITOR GENERAL OF INDIA(RAILWAYS)

(See Para 101 of Railway Audit Manual)

The monthly arrear reports showing the position of arrears due to arrears in Accounts Office, non-supply of vouchers, arrears in Audit Office proper, arrears in reviews and in correspondence, position of inspections etc. from Divisions/Branches will be received in the Central Section by the 5th of each month in the prescribed proforma. After being scrutinized, these will be posted in the prescribed register and a consolidated position will be put up to the Principal Director of Audit by the 12th of each month.

17.13 STATISTICS OF THE VOLUME OF WORK DONE IN AUDIT OFFICES

For the purpose of collection of suitable statistics to serve as a fair index of the volume of work done in Railway Audit Offices, the statistics in the proforma shown in Annexure-I to this chapter shall be prepared in two main columns as shown below by each Division/Branch and sent to the Central Section by the 15th of July each year. The Central Section will compile a consolidated statement in the prescribed proforma and send the same to the Additional Deputy Comptroller & Auditor General of India (Railways) by the 10th August each year.

	<u>PREVIOUS YEAR</u>	<u>CURRENT YEAR</u>
Figures reported previously	Final figures after closing of the Accounts including sub-column. (a)	Latest figures upto.....
(a)	(b)	(c)
2.	Even if final figures after March closing are not available by the prescribed date, the latest figures available may be given by the Divisions/Branches.	
3.	In the compilation of statistics, the following points should be observed:	
(i)	Section I-Item (i) No. of offices/Departments etc. whose accounts are audited, should be shown separately under the following heads:	
	1. Administrative offices.	
	2. Heads of Department.	
	3. Divisional Offices.	
	4. District Offices	
	5. Assistant Offices.	
	6. Others-Shops, Stores Depots, Stations, Sub-offices etc.	
(ii)	No. of pay bills, muster rolls etc. should only be shown in the statistics and not the number of employees or items contained therein.	
(iii)	Loco freight bills', collected Passes and PTOs and 'returned stores' should be included under items XII, XV(2) and XVI-1 (i) respectively of the form.	
(iv)	Section II-item XVI (iii) Transportation Register. The No. of items of accounts checked in the Transaction Register should be shown against this item.	
(v)	Items of any special or peculiar character which cannot normally be grouped under any of the prescribed heads should be indicated separately.	
(vi)	In column '2' under the Head' current year, the figures up to the month of check of March Accounts should be intimated.	
(vii)	Against item No.14 viz. No. of compiled Accounts checked, the details of the Accounts checked, should be furnished to Central Section.	

(Authority : C/8-A/64 dated 25.8.1964)

17.14 SELECTION FOR REVIEW OF MAJOR WORKS COMPLETED AND IN PROGRESS AND COMPLETION REPORTS

Review of major works is to be conducted according to Para 4.2.2 (chapter 4) of Revised Railway Audit Norms.

17.15 SCRUTINY OF NEWS PAPERS AND PERIODICALS

The Asstt. Audit Officer/Section Officer (Audit) Central Section will read the news papers and the periodicals issued by the Railway Administration/Board and pick up interesting cases for investigation and of general interest. The result of review should be put up to the Branch Officer for information on every Monday.

17.16 QUARTERLY D.O. LETTER TO THE FINANCIAL ADVISER AND CHIEF ACCOUNTS OFFICER REGARDING LIST OF OUTSTANDING VOUCHERS DUE FROM THE ACCOUNTS OFFICES AND REGARDING ARREARS IN AUDIT DUE TO ARREARS IN ACCOUNTS OFFICE

1. Central Section will send a consolidated list of outstanding vouchers to be received from all the Accounts Offices and files of the executive offices which are awaited in audit to the Financial Adviser and Chief Accounts Officer under a covering D.O. from the Principal Director of Audit before the end of February, May, August and November each year so that it may be possible for the latter to have these outstanding cleared before the report to Additional Deputy Comptroller & Auditor General of India (Railways) is sent.
2. Similarly the Central Section will send a consolidated report of the arrears in Audit Offices due to arrears in the Accounts office showing the position as at the end of March, June, September and December each year to the Financial Adviser and Chief Accounts Officer under a covering D.O. over the Principal Director of Audit's signatures in the 2nd week of the following month so that there may be enough time for him to have these arrears cleared before the report for the next quarter is sent to the Additional Deputy Comptroller & Auditor General of India (Railways).

(Authority : Circular letter No.C/18-5/63/0 dated 14.8.1964).

17.17 PERCENTAGE OF CURRENT REVIEW

(See Para 49 of the Secret Memorandum of Instructions (Railways Audit))

The Principal Director of Audit has fixed specific percentage of Current Review for various items of audit as per statement attached with Central Section's circular letter No.C/15-3/69 KW dated 5.4.71. The percentage will be subject to a review every alternate year in the month of December. On receipt of reports from the Divisions/Branches an overall review will be conducted in the month of January and the Principal Director of Audit's orders shall be obtained for charges, if any. The necessary entry may be made in the Sectional Calendar of Returns.

17.18 LIST OF ORIGINAL AUDIT ITEMS TO BE DONE BY AUDIT OFFICERS

An upto date list of original audit items from which necessary selection is to be made by the Branch Officer in case of original audit to be done by Audit Officer and Asstt. Audit Officers/Section Officer (Audit) shall be kept by each Division/Branch. This list is to be reviewed every third year with a view to bring it upto date. For this purpose Central Section will call for suggestions from the various auditing units sufficiently in advance of the months in which the review is due and obtain Principal Director of Audit's final orders after conducting the necessary review. The final approved list may then be circulated to auditing units to enable them to bring their registers upto date.

17.19 MONTHLY CONFIDENTIAL D.O. LETTER FROM THE BRANCH OFFICER TO THE PRINCIPAL DIRECTOR OF AUDIT

Each Branch Officer is required to send in the form of a Monthly Confidential D.O. letter to the Principal Director of Audit so as to reach him before the end of each month. Care should be taken to avoid inclusion of superfluous and routine material. Only cases of major events, developments of policies with financial repercussions, objections of rare importance noticed during the month and matters affecting morale of our men and relations with the Railway Administration need be mentioned in the monthly D.O. The intention is to enable the Principal Director of Audit to know the latest developments in the various Division/Branches as well as matters on the Administration's side which have general or particular interest to us.

The information as per the following format should be given in the annexure to the Monthly Confidential D.O. and only important matters should be included in the main D.O. It should be ensured that the monthly D.O. is invariably despatched well in time so as to avoid any delay in transit.

1. State of work: -

Arrears in Audit Office as well as general state of work in Accounts Office. The arrears should be expressed in terms of man hours and reported under the three prescribed headings: (i) Arrears in Audit Office proper (ii) Arrears in Audit Office due to Accounts Office (iii) Arrears in Audit Office due to non-availability of vouchers.

2. Significant audit activities: -

Major areas of audit covered; programme of audit for the next month and a resume of the previous month's work (both in brief).

3. Important points noticed in the inspections undertaken: -

A brief resume of the important points noticed during inspections should be given. A resume should be drafted for each important points separately in such a manner that if considered fit it could be included without much redrafting in the Quarterly D.O. of the Principal Director of Audit to Comptroller & Auditor General of India.

4. Special letters issued and replies thereto received during the month indicating also the final position.
5. Major events in the units under Audit control of the Branch Officer and important matters discussed at the Divisional Officers meetings which are attended by him.
6. Staff matters including training arrangements and other aspects.

7. Tours undertaken during the month:-

Tours undertaken by Group Officers (Deputy Directors only) should be mentioned. Major points noticed during tours by Group Officers should also be indicated.

8. Inspections of the office/units/divisions/sections by Group Officers (Deputy Directors).

It should be indicated whether Group Officers have been inspecting periodically units in their own offices, Divisional Audit Offices and other units under their control. Significant findings during inspection and action taken thereon should also be mentioned.

9. Work on Reviews:-

Progress in the work of finalisation of reviews (Central and local) for the Railway Audit Report allotted to the officers should be reported. Visits undertaken, discussions held in this connection and guidelines drawn up should also be indicated while giving the progress.

10. Reports of the Principal Director of Inspection:-

Progress made in the settlement of the deficiencies pointed out by Principal Director of Inspections during his last inspection relating to Unit/Branch should be reported. Information under this heading should be given so long as the objections have not been finalised. (This should also be shown to Principal Director of Audit, Deputy Director on their visits to the Unit/Branch).

11. Position of letters received from Comptroller & Auditor General of India/Additional Deputy Comptroller & Auditor General of India (Railways).
12. Position of special investigations.
13. Progress of Hindi.
14. Relations with Executive and Accounts.
15. Position of Audit objections (over one year old) but outstanding at the end of the month.
16. Progress of finalisation for Appropriation Accounts in the prescribed proforma.
17. Material from Periodical Confidential D.O. of Divisional Railway Manager/Additional Chief Mechanical Engineer/Deputy Chief Mechanical Engineer/Works Manager etc.
18. Position of Review of Tenders and contracts.
19. Other matters.

17.20 MONTHLY STATEMENT OF AUDIT OBJECTIONS

The position regarding Part-I Inspection Reports and Audit Notes and Special Letters relating to each Division/Branch for each month shall be intimated over the signature of the Branch Officer in the prescribed form so as to reach Central Section by the 7th of the following month. The Central Section will prepare a consolidated statement from the reports received from Divisions/Branches and put up the same to the Principal Director of Audit by the 12th of the month. A note to this effect may be kept in the sectional Calendar of Returns.

17.21 LIST OF CASES/REGISTERS TO BE PUT UP TO THE ADDITIONAL DEPUTY COMPTROLLER & AUDITOR GENERAL OF INDIA (RAILWAYS) DURING HIS VISIT

The following registers and files should be collected and kept ready for submission to the Additional Deputy Comptroller & Auditor General of India (Railways) during his visit:-

- (i) Results of original Audit by Sr. Audit Officers/Audit Officers (All Branch Officers).
- (ii) Results of Post Review by Sr. Audit Officers/Audit Officers (All Branch Officers)
- (iii) Register of Draft Paragraphs for Railway Audit Report (Report Section).
- (iv) Register of Important Results of Audit (Central Section).
- (v) Register of cases dealt with in E.C.P.A. Section (ECPA Section).
- (vi) Files of Tour Notes of the Principal Director of Audit (Central Section).
- (vii) File of minutes of meeting of Audit Officers (Central Section).

17.22 PROCEDURE OFFICE ORDERS-ISSUE AND UPKEEP OF REGISTER

The orders issued by the Principal Director of Audit/Group Officers (WST) from time to time, affecting the work of the department would be circulated to all the Branch Officers/Sections in the form of P.O.Os. Draft P.O.Os. as and

when necessary will be put up to Principal Director of Audit by the Division/Branch concerned. After they are approved by the Principal Director of Audit, these will be allotted serial No. by the Central Section. These will then be got reopened by the concerned Division/Branch and copies will be supplied to all Divisions/Branches. Two copies will be sent to Central Section so that one copy may be pasted in the Register of P.O.O. maintained in that section. It should be ensured that reference to the section and file No. in which the P.O.O. originated is invariably given in bracket under the P.O.O.

Central Section will keep a separate file of office orders issued by that Section. These office orders will be of 'C' series. Other instructions as applicable to the Procedure office orders will equally apply to the office orders issued by Central Section.

17.23 DISPOSAL OF PRINCIPAL DIRECTOR OF AUDIT'S TOUR NOTES

All the Tour Notes will be serially numbered by Principal Director of Audit's P.A. and copies thereof forwarded to the Branch/Division concerned for necessary action. A copy will also be endorsed to Central Section. This section will maintain a register of all the Tour Notes issued by the Principal Director of Audit. The concerned Sections/Branches will put up the disposal of each tour note to the Principal Director of Audit through the concerned Deputy Director and Central Section as early as possible. It will be the duty of Central Section to keep a note of disposal of Tour Notes in its register and to give a remark 'seen in Central Section' in the relevant file of the concerned Division/Branch. If the concerned Division/Branch finds that this has not been done, then it should send its file to the Central Section for noting the final disposal in its register. Central Section will watch the final disposal of the Tour Notes.

(Authority : O.O.No. C-74 dated 9.3.1960)

17.24 INSPECTION BY THE PRINCIPAL DIRECTOR OF INSPECTIONS

(See Para 16 to 20 of the Comptroller & Auditor General's Manual of Standing Orders)

Central Section will assist the inspection party of the Principal Director of Inspections for obtaining documents, records, registers, etc. The remarks of the section concerned on the inspection notes may also be obtained by the Central Section. The documents when done with by the inspection party will be returned by the Central Section to the Section concerned. Any discrepancies noticed by the Section may immediately be brought to the notice of the Central Section for taking up with the Incharge of the Inspection Party.

The preliminary inspection memos will be given by the inspection party to Central Section in quadruplicate which will note the time of receipt of memo and will immediately pass on two copies to the section concerned and submit the third copy to the officer-in-charge Central Section for information. The Section concerned will return one copy with its remarks to officer-in-charge Central Section as early as possible. After scrutinizing the remarks of the section concerned and also consulting the Principal Director of Audit where necessary, the officer-in-charge Central Section will give final remarks to the inspection party on one copy, retaining one copy for office record. The inspection report of the Principal Director of inspections will be received by the Central Section in duplicate. Central Section will obtain Principal Director of Audit's final orders for giving suitable remarks to the Principal Director of Inspections. When the remarks against all the Para of the Inspection Report are ready, the same would be arranged in juxtaposition and one copy of the inspection report will be sent to the Principal Director of Inspections.

(Authority : Circular letter No.C/8-17/63 dated 15.6.1964)

17.25 CUSTODY, DISTRIBUTION AND DESTRUCTION OF COPIES OF SECRET MEMORANDUM OF INSTRUCTIONS REGARDING EXTENT OF AUDIT

A copy of the Secret Memorandum of Instructions regarding extent of Audit is supplied to each Section Officer and Asstt. Audit Officer. This book should not be treated as a personal copy. It should be ensured that the book is duly handed over to the successor through the charge report whenever the person to whom it is supplied proceeds on leave or is transferred to another section.

A stock register should be maintained both for Railway and Civil Books of Secret Memorandum of Instructions by the Central Section to record the receipt and issue of books. A half-yearly stock verification of the books should be carried out in the month of January and July each year showing the position by end of June and December and for this purpose all Section Officers and Gazetted Officers to whom the books have been issued should furnish a certificate in the proforma given below regarding physical existence of the books, to Central Section by first week of January and July every year. Each section should make an entry in the Calendar of Returns under half yearly item and should collect the certificate from all the Section Officers/Gazetted Officers attached to the section and forward them to the Central Section under a covering letter on the due dates. After the receipt of these certificates, the stock register along with the certificates should be put up to the Principal Director of Audit.

Certificate regarding physical existence of Secret Memorandum of Instructions regarding extent of audit (Railway and Civil) for half year ending June/December.

"It is certified that the Secret Memorandum of Instructions regarding extent of audit bearing No..... together with correction slips is under my custody."

Gazetted Officer/Section Officer.

The copies of the old editions may be destroyed according to the preservation period mentioned against item No.75 of Appendix 1 to the Railway Audit Manual.

17.26 SUBMISSION OF QUARTERLY ARREARS REPORTS (COMPUTERISED) TO DY.CAG OF INDIA

The quarterly arrears reports in the form (Annexure II) prescribed by the ADAI (R) vide their letter Nos. (i)1314-Audit-II/105-90, dated 21.10.91, (ii) 368-EDP/4-92, dated 26.5.92 and (iii) 430-Audit II/105-90, dated 5/93 will be received in the Central Section from the all the units by 5th of the following months of quarter ended. Consolidated report (Computerised) will be sent to EDP Cell of CAG office in floppy and print out copy of the same to Railway wing of Headquarters office by 20th of January, April, July and October in respect of the quarter ending December, March, June and September.

17.27 SUBMISSION OF MONTHLY PERFORMANCE REPORT TO DY.CAG OF INDIA

Monthly Performance Report in the form (Annexure III) prescribed by DAI (R) vide their letter No.789-RAI/RR/2-2/93, dated 3.8.93 will be received in Central Section from all Units by 5th of the following month. Central Section will consolidate the information and submit the report to Headquarters office by 10th of the following month.

ANNEXURE-I

Para 17.13

PROFORMA IN WHICH STATISTICS OF THE VOLUME OF AUDIT WORK DONE IN RAILWAY AUDIT OFFICE SHOULD BE PREPARED 20..... TO.....

SECTION-I

- I. No. of offices, Departments, Stores etc. whose accounts are audited.
- II. No. of Constructions.
- III. No. of Inspections.
- (A-Total No.)**
- (i) Executive Offices.
 - (ii) Stores Depots.
 - (iii) Stations.
 - (iv) Workshops.
 - (v) Others.
- (B-Number Inspected)**
- (i) Executive Offices.
 - (ii) Stores Depots.
 - (iii) Stations.
 - (iv) Workshops.
 - (v) Others.

SECTION-II

- I. No. of letters
- (i) Receipts.
 - (ii) Issues.
- II. No. of estimates checked in a year as per programme of audit.
- III. No. of completion reports.
- IV. (i) No. of Pay bills Gazetted Officers.
(ii) No. of T.A. Bills of Gazetted Officers.
- V. (i) No. of Pay bills Non-Gazetted Officers.
(ii) No. of T.A. Bills of Non-Gazetted Officers.
- VI. Leave applications of G.Os, Accounts Office only.
- VII. No. of Contractor's Bills checked in a year.
- VIII. No. of Labour Pay Sheets.
- IX. No. of applications for pension, special contribution and gratuity checked in a year.
- X. Provident Fund Account
- (i) No. of accounts checked in a year.
 - (ii) No. of payments both permanent and temporary.
- XI. No. of Journal Vouchers and adjustments.
- XII. No. of other bills.
- XIII. No. of Reviews.
- (i) Suspense Registers.
 - (ii) Allocation and Works Registers.
 - (iii) Exchange and Remittance Accounts.
 - (iv) Others.
- XIV. No. of compiled Accounts.
- XV. (i) No. of Station Accounts.
- (ii) Local**
- (a) Coaching.
 - (b) Goods
 - (c) T.T.E. Returns.

Foreign

- (a) Coaching.
- (b) Goods
- (c) T.T.E. Returns.
- (iii) Refund lists and overcharge sheets.
- (iv) Compensation claims.
- 2. Collected passes.
- XVI. 1. No. of Stores vouchers including bills.
 - (i) Receipts
 - (ii) Issues
 - (iii) Priced Ledger (TRANSACTION REGISTER)
- 2.
 - (i) Manufacturing Accounts.
 - (ii) Suspense Accounts.
- XVII. Workshop Accounts
 - (i) Work orders.
 - (ii) Labour Pay Sheets.
 - (iii) Stores Bills.
 - (iv) Time Sheets.
 - (v) Bonus and Piece Work Bills.
 - (vi) Job Costing Sheets.
- XVIII Credit Notes and Military Warrants.

Annexure – II**MIS – AUDIT**

(Para 17.26)

Arrears Reduction Targets for the year

(Due by end of April)

S. No.	Item of Work	Unit of Arrears	Cumulative Arrears as on 31.3.1992	Targets fixed for clearance as percentage of column 4
1	2	3	4	5
E 1.	External Arrears			
E 2.	Vouchers not received from A & E offices	Numbers	Total of Column 4 in MIS-AUD-2	e.g. 100%
E 3.	Accounts not received from A & E Office for Central Audit	Number of sanctions in months	Total of Column 3 in MIS-AUD-2	e.g. 75%
E 4.	IRs /Paras outstanding for more than 6 months	number	Total of Column 3 & 4 in MIS-AUD-5-S & MIS-AUD-5-C	
E 5.	Value of Objections outstanding	In Rs.	Total of Column 5 in MIS-AUD-6-5 & MIS-;AUD-6-C	
E 6.	Issue of Audit Certificate	Number	Total of Column 6 in MIS-AUD-7-S & MIS-AUD-7-C	
E 7.	No. of Audit Para in all outstanding report where Action Taken notes not received by A.G.	Number	Total of Column 7 in MIS-AUD-9	
I	Internal Arrears			
I.1	Local Audit in Arrears	Number of Auditee units	Total of Column 7 in MIS-AUD-3	
I.2	Issue of IRs in Arrears	Number	Total of Columne 8 in MIS-AUD-4	
I.3	Outstanding disciplinary cases (more than 2 years)	Number	Total of Column 7 in MIS-AUD-11	
I.4	Outstanding CAT/Court cases (more than 2 years)	Number	Total of Column 7 in MIS-AUD-12	
I.5	Old Records awaiting consignment to Old Record Room	Bundles/Files/ Registers in cubic feet.	Total of Column 4 in MIS-AUD-13	
I.6	Outstanding Pension/ GPF cases relating to staff of IAAD	Number	Total of Column 2 & 3 in MIS-AUD-14	

MIS-AUD-I

Annual Statement showing Auditee details for the year 1992-93
(Staff strength sanction : AO.....AAO/SO.....Sr. Auditor/Auditor.....)

S. No.	Group	Name of Auditee Organisation				Expenditure as per Auditee			Periodicity of Audit	Party days to be allowed (including transit time) as per norms
		Apex	Middle	Office	Station	1990-91	1989-90	1988-89		
1	2	3	4	5	6	7	8	9	10	11

Party days actually allotted (including transit item) in the annual programme	No. of Paras In Pt.I/ Spl. Letters	No. of staff days as per Col. 12 for		
		AO	AAO/SO	Sr. Ar./ Auditor
12	13	14	15	16

MIS-AUD-2R

Item of Central Audit	Month due for audit	Months Actually audited	No. selected for audit	No actually audited			No pending for audit cumulative	
				Current Period	Old Period	Cumulative Current Period	Old Period	Vr. not available
1	2	3	4	5	6	7	8	9
General Vouchers								
Stores and Construction Bills								
Purchase Orders								
Competed Contracts								
Railway Board's Sanctions								

Reasons for pendency Current period					No. of TA Note Pt. I issued	No. of Spl. Letters issued
Arrears in A/cs office	Arrears Audit office	Vrs. Not available	Arrears in A/cs office	Arrears in Audit office		
10	11	12	13	14	15	16

MIS-AUD-3

Statement showing the parties deployed and the position of Local Audits programmed but not carried out for the quarter ending.....1993-94
(Total No. of Inspection Section sanctioned..... Total No. of Inspection section in position/ deployed during the qutr....)

S. No.	Group	Total No. of auditee Units	No. of units Programmed for local Audit during the year	No. of units due for audit up to end of the qtr.	No. of units actually audited during the qrs.	No. of units for audit in arrears (cumulative) up to the qrs.	No. of party days required for completing arrears in end of qrs.	Action being taken to overtake the audit arrears.
1	2	3	4	5	6	7	8	9

MIS-AUD-4

Statement on issue of inspection reports/Special Letters

S. No.	Group	No. of issue (including carry forward from previous quarter) by end of quarter.	(age wise in months)					Nil reports issued	The report in the quarter in Pt. I	Issued report in Special Letter
			1 to 3	3 to 6	6 to 12	12 and above	Total			
1	2	3	4	5	6	7	8	9	10	11

MIS-AUD-5-C

Statement of Paras outstanding for over 6 months for the quarter ending.....

S. No.	Group	Outstanding Paras		Targeted No. of DPs for Current Audit Report	No. of Pt. I I/R converted into DPs in the qtr. for Current Audit	Further No. of Paras likely to be issued as DP for Current Audit Report	No. of paras outstanding (agewise in months)							
		Pt. I I/R	Spl. Letter				6 & = 12		12 & = 18		18 & = 24		24	
							Pt. I I/R	Spl. Letter	Pt. I I/R	Spl. Letter	Pt. I I/R	Spl. Letter	Pt. I I/R	Spl. Letter
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

MIS-AUD-7-C

**ISSUE OF AUDIT CERTIFICATE (AUTONOMOUS BODIES, SECTION *14
CASES, WORLD BANKJ PROJECTS ETC.) REPORT FOR THE QUARTER ENDING.....**

(CENTRAL GOVT. CASES)

S. No.	Name of Auditee of project	Due date for issue of Audit certificate	Date of receipt of accounts for Audit.	Date of issue of Audit certificate (Give in bracket probable date of issue where certificate not issued)	Total No. of Audit Certificate	Action taken to Expeditious issue of Audit Certificate.
1	2	3	4	5	6	7

MIS-AUD-11

Report on Disciplinary Cases for the quarter ending.....

No. of disciplinary cases pending	Nos. of Major penalty cases	No. of Minor penalty cases	No. of cases outstanding (age wise in months) .			
			6 & 12	12 & 18	18 & 24	24
1	2	3	4	5	6	7

MIS-AUD-12

Report on CAT/Court cases for the quarter ending

No. of CAT/ Court cases pending	No. of original cases	No. of Appeal cases	No. of cases outstanding (age wise in months)			
			6 & 12	12 & 18	18 & 24	24
1	2	3	4	5	6	7

MIS-AUD-13

Report on non-consignment of old records to be old record room for the quarter ending.....

Total accommodation in old records room in cubic feet:

Spare accommodation in old records rooms in cubic feet:

No. of Section with records over due for dispatch to	No. of bundles over due for dispatch to old records.	No. of Files/Registers over due for dispatch to old records	Approximate additional accommodation in (feet) required for taking in records (Vouchers, Files, Registers) requiring further preservation and overdue for dispatch to old records.
1	2	3	4

MIS-AUD-14

Report on outstanding pension cases/GPF payment cases of staff of IA& AD for the quarter ending.....

No. of persons who retires during the quarter.	No. of persons in whose cases Pension/GPF payment pending.	No. of pension/GPF cases pending in respect of those who retired in earlier quarter.	Remedial Action being taken in respect of pending cases.
1	2	3	4

PERFORMANCE REPORT FOR THE YEAR.....
Report at the end of the month of
Para 17.27

1. AUDITEE COVERAGE

(a) Local Audit

	No. of Units/Offices Programmed	Total No. of Offices/Units audited so for
1	2	3
Division Workshop Stores Construction Traffic Production Unit Others.		

(b) Efficiency cum Performance Audit and System Appraisal not done as part of transaction audit.

	No. of Units/Offices Programmed for audit for the year	Total No. of Offices/Units audited so for
1	2	3
Division Workshop Stores Construction Traffic Production Unit Others.		

Should include all Review efforts, Special Investigation and any other System Appraisal undertaken.

(c) Central Audit.

	No. of Units/Offices Programmed for audit for the year	Total No. of Offices/Units audited so for
1	2	3
Division Workshop Stores Construction Traffic Production Unit Others.		

(d) Accounts audit (with reference to Finance and Appropriation Accounts check) not done as part of transaction audit.

	No. of Accounts Programmed for certification during the year	Total No. of Accounts audited and certified so for
1	2	3
Division Workshop Stores Construction Traffic Production Unit Others.		

II MANDAYS AVAILABLE AND UTILISED

(a) Transaction Audit.

	No. of Mandays Programmed for audit for the year	Total No. of Mandays utilised so for
1	2	3
. Division Workshop Stores Construction Traffic Production Unit Others.		

NOTE: Available Mandays for the field offices including branch offices = No. of Staff in position including Sr. A.O., A.O., A.A.O., Sr. Ar. And Ar. X 260 = days

(b) Efficiency cum Performance Audit and System Appraisal not done as part of transaction audit.

	No. of Mandays Programmed for audit for the year	Total No. of Mandays utilised so for
1	2	3
Division Workshop Stores Construction Traffic Production Unit Others.		

(c) Central Audit.

	No. of Mandays Programmed for audit for the year	Total No. of Mandays utilised so for
1	2	3
1. Division Workshop Stores Construction Traffic Production Unit Others.		

(d) Accounts audit (with reference to Finance and Appropriation Accounts check) not done as part of transaction audit.

	No. of Mandays Programmed for utilisation during the year	Mandays utilised so for
1	2	3
Division Workshop Stores Construction Traffic Production Unit Others.		

III NON PRIORITY AUDITEE UNITS

	No. of Officers/ Units not Programmed for audit for more than 5 years	No. of Vouchers not test checked for the last 5 years.	No. of sanctions/ contracts not scrutinised in audit for the last one year.
1	2	3	4
. Division Workshop Stores Construction Traffic Production Unit Others.			

PERFORMANCE Transaction Audit

	No. of Part –I Objections				
	O. B.	Issued during the year	No. made into DP	No. closed	C.B.
1	2	3	4	5	6
Division Workshop Stores Construction Traffic Production Unit Other					

No. of Special Letters issued

	O. B.	Issued during the year	No. made into DP	No. closed	C.B.
1	2	3	4	5	6
Division Workshop Stores Construction Traffic Production Unit Other					

(b) Efficiency cum Performance Audit and System appraised not part of transaction audit.

	No. of Part –I Objections				
	O. B.	Issued during the year	No. made into DP	No. closed	C.B.
1	2	3	4	5	6
Division Workshop Stores Construction Traffic Production Unit Other					

No. of Special Letters issued

	O. B.	Issued during the year	No. made into DP	No. closed	C.B.
1	2	3	4	5	6
Division Workshop Stores Construction Traffic Production Unit Other					

(c) Central Audit

	No. of Part –I Objections				
	O. B.	Issued during the year	No. made into DP	No. closed	C.B.
1	2	3	4	5	6
Division Workshop Stores Construction Traffic Production Unit Other					

No. of Special Letters issued

	O. B.	Issued during the year	No. made into DP	No. closed	C.B.
1	2	3	4	5	6
Division					
Workshop					
Stores					
Construction					
Traffic					
Production Unit					
Other					

CHAPTER XVIII

ITA SECTION

18.1 GENERAL

The scope of Internal Test Audit and the procedure to be followed in that connection has been explained in Chapter XXV of Railway Audit Manual. The Internal Audit wing of the Office of the Principal Director of Audit (Railways) is of great importance as it provides an independent source of information and the factual position of the work in the office. It helps him to gauge the efficiency and effective working system and cause to direct any remedial measures that may be required for improving the quality and quantum of work in various sections. Thus the main purpose of Internal Audit is to see how far the auditing sections of the office are following the procedural rules and regulations, the prescribed percentage for Original Audit as well as Current Review, maintaining the various registers that have been prescribed, submitting the returns on due dates and generally functioning as efficient units of the office. The Internal Audit calls for an intelligent scrutiny of the works done in the various auditing sections and should therefore generally be entrusted to senior staff who are expected not only to detect defects and irregularities but also to suggest improvement in procedure [Refer Chapter 24 – Manual of Standing Orders (Audit) (Second Edition-2002) and Annexure thereto]. The Internal Audit Section should also check the quality of audit work done and comment specifically on this aspect in their reports with a view to taking suitable steps to improve the quality of work where needed.

The Internal Audit Section is not intended to do and should not be saddled with other work and should be under the direct charge of the Head of Office/or one of his Deputies. Its functions are analogous to those of the Principal Director (Inspection). It can usefully supplement the work of the Principal Director (Inspection) and also serve as a liaison between him and the Audit Office in pursuing the objections raised by him till their final settlement and by issuing instructions to see that the irregularities pointed out by him do not recur.

18.2 FUNCTIONS OF INTERNAL TEST AUDIT

The Internal Test Audit Section will also undertake:-

- (i) review of the working of any branch/office/section that may be selected by the Principal Director of Audit every month;
- (ii) submission of registers to Principal Director of Audit received from various units/Branches;
- (iii) surprise check of registers of the units as selected by the Principal Director of Audit;
- (iv) scrutiny of important special adjustments carried out towards the close of the financial year in respect of one Division/Branch as selected by the Principal Director of Audit;
- (v) check of passes and P.T.O.s issued by General Section of Headquarters office, and Signal Workshop/Ghaziabad;
- (vi) inspection of the rosters for giving effect to reservation for Scheduled Castes and Scheduled Tribes in services and submission of Inspection Report to Headquarters office.

Note : The Principal Director of Audit's orders should invariably be obtained before any line of investigation is started by Internal Test Audit Section so that he may be satisfied so that he may be satisfied as to its fruitfulness and that the time and energies of the staff are not being wasted.

18.3 INTERNAL AUDIT FOR REVIEWING THE STATE OF WORK IN THE VARIOUS BRANCHES OFFICES/ SECTIONS AT HEADQUARTERS TO JUDGE THE EFFICIENCY OF THEIR WORKING:

(See Para 3.24.1 to 3.24.5 of Manual of Standing Orders (Audit).

1. The Principal Director of Audit will select by 10th of every month, one Division/Branch, the working of which should be reviewed before the end of that month. The review would be carried out by ITA Section and the results thereof would be put up to the Principal Director of Audit immediately after the review has been completed. The review interalia, consists in seeing:

- (i) the position of arrears in the Section/Branch and whether the periodical arrear reports submitted by the Section concerned represent the actual position of arrears in that section;
- (ii) in the Calendar of Returns whether returns shown as having been sent on the dates mentioned therein were actually sent on these dates;
- (iii) whether cases of delays in the disposal of correspondence have been brought to the notice of the Branch Officer/Principal Director of Audit, where ever necessary through the arrear reports and otherwise;
- (iv) whether queries made by the Principal Director of Audit/Group Officer/Branch Officer are being attended to expeditiously;
- (v) whether the files and other records of the section have been maintained in a neat and systematic manner, whether weeding of old records is being undertaken periodically;

- (vi) Number of audit notes, Inspection reports and special letters issued in the previous quarter to see the quality of audit work done in the Divisions/Branch;
- (vii) Whether a prescribed programme of audit is being followed in the Section and whether the processes of audit employed in the Section ensure a complete scrutiny of the record under audit;
- (viii) whether the prescribed programme of audit is itself adequate or whether any modification or addition is necessary to enable the Principal Director of Audit to record his annual certificate on the Accounts of the Railways;
- (ix) whether the sectional library has been maintained upto date by posting correction slips and orders etc. received from time to time;
- (x) whether the prescribed reviews such as current review, post review and original audit are being correctly carried by the supervisory staff;
- (xi) whether the register of inspection has been maintained properly
- (xii) whether the register of tenders and contracts has been maintained properly by Stores Audit Section and whether suitable record has been maintained to watch the execution of tenders and contracts and the supply of Stores;
- (xiii) whether suitable record has been kept in respect of leave accounts and Service Books checked at local inspection;
- (xiv) whether review of major works as selected by Principal Director of Audit and review of completion reports has been conducted by the Division/Branch at inspections as well as Divisional Headquarters;
- (xv) whether the figures given in statement of volume of work done in Railway Audit Offices is correct as per actual work done vide Selection Voucher Register;
- (xvi) whether the tools and plants register, stationery register, Stamp Account Register, Inward/Outward Registers, Pending Register, Casual Leave Account and Library Account etc. have been maintained properly and requisite certificate given wherever necessary;
- (xvii) whether decisions/orders issued through Procedure Office Orders, minutes of Audit Officers Meeting, 'C' section Office Orders have been implemented;
- (xviii) whether cash Imprest accounts wherever kept, are being maintained properly;
- (xix) whether defects pointed out by Principal Director of Inspections have been rectified and are not continuing;
- (xx) Complete check of the records of Administration Bill Section, such as Service Books, Pay fixation, Pay Bills, Travelling Allowance Bills, Contingent Bills, Cash Book for Imprest, Operation of rosters for reservation for scheduled castes and scheduled tribes, check of Passes and P.T.Os., entitlements and Accounts thereof and stock register of Passes and P.T.Os. etc.
- (xxi) Whether the man-hour statistics prepared by section faithfully represent the work done in the section. A test check of this statement should be carried out.

(Authority: Additional Deputy Comptroller and Auditor General of India (Railways)'s letter No. 845-RAII 17-20/81 dated 19.9.1981).

2. This list is not exhaustive but is only illustrative. The object to be achieved is that the review should ultimately help the Principal Director of Audit to assess the efficiency of the working of the section concerned and the adequacy of audit processes employed there.
3. After review is over or in the course of review itself the Officer incharge of ITA would discuss his findings with the Officer incharge of the section and the Branch Officer wherever possible. His notes however, need not be routed through the Branch Officer in the first instance. Principal Director of Audit will ask for the views of the Branch Officer later, if considered necessary.

(Authority: Comptroller and Auditor General of India's letter No. 3633-RAI-3-36/62 dated 20.11.1963 and Procedure Office Order No. 96 dated 28.1.1984).

18.4 INSPECTION OF OFFICES BY INTERNAL TEST AUDIT

- (i) Out of the Offices to be supervised by the Principal Director of Audit/Deputy Director (Admn.)/Deputy Director (Divisions) the inspection of some of the offices may be taken by Internal Test Audit Section in collaboration with the concerned auditing section at the discretion of the Principal Director of Audit with a view to explore of Internal Test Audit .
- (ii) Whenever the Divisional Audit Offices or other sub-offices (e.g. Traffic Audit Office, Workshop Audit Office etc.) are inspected by the Principal Director of Audit, Officer-in-charge, Internal Test Audit Section should reach these places a day or two in advance. All the registers and other records should be seen by him and the results put up to the Principal Director of Audit when he reaches there.

Authority: Director of Audit's Memorandum NO.CA/ON/1/68 29.4.1968 to the Section Officer , Internal Test Audit Section.

18.5 PROGRAMME OF INTERNAL AUDIT

The programme of Internal Audit should be arranged by the Principal Director of Audit that all the section of the Headquarters and Branch Audit Offices are covered in a cycle of two years.

18.6. REPORTS OF INTERNAL AUDIT

The reports of Internal Audit along with the remarks of the Unit subjected to Internal Audit should be submitted to the Principal Director of Audit so that he may order necessary remedial action to prevent the recurrence of the defects and irregularities pointed out in the report.

18.7. DUTIES OF INTERNAL AUDIT SECTION

- a) The Internal Audit Section will conduct a test check of the work of other sections of the office keeping in view the principles mentioned supra. Further, it is the duty of Internal Audit to see that the defects noticed are remedied by the Sections concerned and there is no recurrence of such defects. Common defects noticed in a group of sections should be circulated periodically so that such defects may be guarded against in future.
 - b) Besides the test check of the work done by other sections [vide (a) above] Internal Audit Section should independently check:
 - (i) one or two important items of audit work of each section to see whether the prescribed processes of audit have been correctly applied;
 - (ii) the entitlements of the salary etc. of the staff and officers;
 - (iii) the outstanding list of audit objections to see if, there are any important issues which can be developed into draft paras.
 - (iv) In addition to the points mentioned in the Annexure to Chapter 17 of Manual of Standing Orders (Audit), a list of items to be seen during the Internal Audit of units audit offices is given as under:-
 - (v) List of items to be seen during Internal Audit of Unit audit offices
 - (vi) Whether the prescribed programme of audit is being followed by the sections and whether the processes of audit employed in the section ensure a complete scrutiny of the records under audit.
 - (vii) The position of arrears and the periodical arrear reports submitted by the section concerned faithfully represent the actual position of arrears in that section.
 - (viii) Delays in the disposal of correspondence and whether these have been brought to the notice of the Branch Officer/Group Officer/Principal Director of Audit wherever necessary through the Arrear Reports prescribed.
 - (ix) The Calendar of Returns – whether returns shown as having been sent on the dates mentioned therein were actually sent on those dates.
 - (x) Whether queries made by the Principal Director of Audit or Deputy Director or Branch Officer are being attended to expeditiously.
 - (xi) Scrutiny of some Part II Audit Notes or Inspection Reports to see that objections meriting inclusion in Part - I Audit Note or Inspection Reports are not included in Part II Audit Notes/Inspection Reports. Test check of the issue of Audit Notes/Inspection Reports with a view to seeing whether there was any laxity at any stage in the issue of these reports.
 - (xii) Whether the files and other records of the section are maintained in a neat and systematic manner.
 - (xiii) Whether the prescribed programme of audit is itself adequate or whether any modification or/addition is necessary to enable the Principal Director of Audit to record his annual certificate on the accounts of the Railway.
 - (xiv) Whether the Selection-cum-Audit Completion Registers and Registers of Original Audit, Current Review, Post Review etc. are maintained properly and details of the vouchers/documents audited/reviewed are recorded in the concerned Registers.
 - (xv) Whether in programming of Station Inspections (Traffic Audit Inspection Section), the classification/categorization of a station with reference to its earnings, periodicity of inspection, composition of the inspection party and the extent of supervision by the Branch Officer concerned are as per the extant orders on the subject.
 - (xvi) Whether the Sectional Library has been maintained up-to-date by pasting correction slips and orders etc. received from time to time.
 - (xvii) Whether proper arrangements are made to weed out old records which are due for destruction at regular intervals and to store the records of permanent nature.
- (B) List of items to be seen in the internal audit of Administration:**
- (xviii) Check of Service Registers and leave account of employees who are due to retire within next two years.
 - (xix) Registers of Medical Bills/Travelling Allowance Bills/Children's Educational Allowance, Reimbursement of Tuition fees and other claims of employees to see that they are not unduly delayed.
 - (xx) Settlement of dues of retired/resigned/dismissed employees.

- (xxi) Register of advances granted to employees to see that recoveries are made correctly and in time; interest for interest bearing advances are assessed and recovered correctly and in time.
 - (xxii) Scrutiny of monthly review report on the activities of Administration.
 - (xxiii) Deployment of manpower to achieve optimum utilisation and system of estimating the requirement of manpower.
 - (xxiv) System of attending to redressal of complaints/grievances of outsiders as well as staff.
 - (xxv) System of ensuring timely disposal of disciplinary, confirmation cases, EB cases.
2. This list is not exhaustive but is only illustrative. The object to be achieved is that the review should ultimately help the Principal Director of Audit to assess the efficiency of the working of the section concerned and the adequacy of audit processes employed there.

18.8 RESULTS OF THE INSPECTIONS CONDUCTED BY THE OFFICER IN CHARGE OF INTERNAL TEST AUDIT AND PURSUANCE THEREOF

1. After the Principal Director of Audit has seen the results of the inspection conducted by the Officer incharge, Internal Test Audit Section, the Internal Audit Report will be issued induplicate to the Branch Officer concerned who shall offer his remarks in juxtaposition with the points raised in the report and return one copy to Internal Test Audit Section through the supervisory Group Officer as early as possible to enable the latter to assess the correctness of the replies given and of the action taken before reporting compliance to the Principal Director of Audit. The Branch Officer should ensure that the points raised in the report are settled and report finalized within a month of its issue.
2. The Internal Test Audit Section shall enter Internal Audit reports before issue in a register to be maintained in the following proforma:-

S. No.	Name of the Division/Branch inspected	Date of issue of report	Date of receipt of replies from Division/Branch
1	2	3	4

Date of further observations by the Internal Audit Section	Particulars of reminders issued by the Internal Audit Section	Date on which finalized	Remarks
5	6	7	8

With a view to keeping a watch over the final disposal of Internal Audit report, Officer Incharge will review the above mentioned register quarterly (in the second week of April, July, October and January) and put up the results immediately thereafter.

3. The Officer in charge Internal Test Audit shall circulate periodically through Procedure Office orders the common defects noticed in a group of sections so that similar defects may be avoided in future by Branches and Divisions.

Authority :P.O.ONo.98 dated 9.10.1964 and P.O.O. No. 130 Dated 27.9.1967.

18.9 SCRUTINY OF IMPORTANT SPECIAL ADJUSTMENTS AND CONTRACTS:

The following items of work also devolve on the Internal Test Audit

- (1) Scrutiny of contracts other than those relating to the Engineering Department exceeding Rs.50,000/- wherever there is a deviation from the standard form of contract. Division and sections which are required to scrutinize contracts should intimate to Internal Test Audit Section all cases of contracts under the above category which come to their notice at the time of their quarterly review of contracts. Internal Test Audit Section will examine each case in detail and submit a report to the Principal Director of Audit on the implications of the deviation from the standard form of contract.
- (2) Scrutiny of important/Special adjustments initiated towards the close of the financial year which require special examination in Internal Test Audit Section.

During the scrutiny of March Account and Supplementary March Accounts, Divisions and Branches should keep a careful watch over all major adjustments carried out by the Accounts office. Any Special adjustment which the Branch Officer considers as requiring special investigation should be intimated to Internal Test Audit Section which will investigated the adjustments in detail.

Authority :Comptroller & Auditor General of India's letter No.419-Admn/42-59 dated 12.2.1960 received under Additional Deputy Comptroller & Auditor General of India (Railways) No.475-RAI/A17-I/59 dated 18.2.1960 and Procedure Office Order No.64 dated 30.3.1960 and circular letter No.HA/5-1/60 dated 2.9.1964.

18.10 RESPONSIBILITY OF AUDITING SECTIONS TOWARDS INTERNAL TEST AUDIT

The constitution of a separate Internal Test Audit Section does not relieve other auditing sections of their responsibilities as regards audit from the Internal Test Audit point of view. It is the dealing auditing sections who will come across cases which may require detailed examination or will detect cases in which the standards of financial propriety appear prima-facie to have been infringed. They should, therefore, be always on the look out for such cases and as soon as they come across a case of the type, they should submit for orders of the Audit Officer in charge who will consider each such case, forward it to The Internal Test Audit Section (with all the connected papers) for examination. The cases which the Audit Officers may come across while going through the letters and sanctions at the 'dak' stage or during their review work or in the course of disposal of correspondence may also be transferred to Internal Test Audit Section under the orders of the Principal Director of Audit. The Audit Officer who scrutinizes proposals for forwarding a case to Internal Test Audit Section should make sure that the case is one which is likely to develop into one of real importance. The exact point which is required to be examined should be clearly brought out and the views of the sections on it clearly brought out and the views of the section on the issue involved should also be incorporated in the notes.

It should be borne in mind that Internal Test Audit Section is not intended to be utilized for assisting in elucidation of ordinary though knotty audit problems, nor in investigating a large number of petty cases or in advising other sections in the disposal of old and long drawn cases.

Cases should, therefore, be referred to the Internal Test Audit Section only under the orders of the Principal Director of Audit.

18.11 WATCH AGAINST RECURRENCE OF THE DEFECTS POINTED OUT BY PRINCIPAL DIRECTOR OF AUDIT/DEPUTY DIRECTOR/BRANCH OFFICER

With a view to ensuring that the defects once pointed out by the Principal Director of Audit, Deputy Director or the Officer in charge, Internal Test Audit, do not continue to exist, each Divisions/Branch would maintain a special register in the following form to watch the removal of the defects and omissions pointed out. This register should be submitted to the Branch Officer half yearly as also in the month in which any entry is made therein and to the Principal Director of Audit/Deputy Director on their visits. Officer in charge, Internal Test Audit, should review this register on his visit to Divisions/Branches and should give a special report about the existence of these defects in the section concerned besides his usual review note.

Note: The defects which the Principal Director of Audit/Deputy Director pointed out during his visits to the Divisions/Branches and those pointed out by The Internal Test Audit Section containing important mistakes in Internal Audit Report either noticed during the inspection of the Divisions/Branches or circulated to them need only be entered in the above register and not the whole Internal Audit Report.

Form of the Register

S.No.	Order/tour note No.	Brief particulars of irregularities/ omissions pointed out	Action taken thereon	Initials of the Branch Officer
1.	2.	3.	4.	5.

Authority: Comptroller & Auditor General of India's letter No.449-Admn/1/56-60 dated 12.2.1960 and P.O.O. No.63 dated 7.4.1960 as amplified vide Procedure Office Order No.146 dated 13.9.1973.

18.12 REGISTER TO WATCH THE TIMELY SUBMISSION OF VARIOUS REGISTERS TO THE PRINCIPAL DIRECTOR OF AUDIT BY DIVISIONS/BRANCHES.

The Internal Test Audit Section will keep a record of the due date and actual date of submission of the various registers by the Divisions/Branches to the Principal Director of Audit. For this purpose the Divisions/Branches should submit the registers to the Principal Director of Audit through Internal Test Audit Section. The Internal Test Audit Section on receipt of these registers, would record the date of the submission of the registers by the Divisions/Branches in the register maintained by that section and would also give a tick mark in the respective registers as an indication of the registers having been seen by The Internal Test Audit Section and pass on these registers to the Principal Director of Audit. The Internal Test Audit Section would, however, take up for special review, during the month only the registers of the particular unit which is selected by the Principal Director of Audit. The results of such review would be put up by Internal Test Audit Section separately for Principal Director of Audit's approval, after which the defects noticed by The Internal Test Audit Section would be communicated to the unit concerned for rectification.

Authority : Amendment to Office Order No.153 dated 20.5.1968 circulated under Central Section letter NO.C/16-1/64 dated 2.4.10.969.

18.13 REVIEW OF ROSTERS FOR GIVING EFFECTS TO THE RESERVATIONS FOR SCHEDULED CASTES/SCHEDULED TRIBES, MAINTAINED BY ADMINISTRATION SECTION

Rosters for giving effect to the reservations for Schedules Castes and the Administration Section are required to be checked by the Asstt. Audit Officer/Internal Test Audit Section every year and the Inspection Reports in respect of rosters for direct recruitment/promotions should be sent to the Headquarters office by middle of February/August each year. **Authority:** Comptroller & Auditor General of India's letter No.2164-NGE.II/58-70(1) dated 17.12.1970 and No.1052-NGE.III/SC Cell/78-79-II dated 2.4.1980.

18.14 POINTS TO BE SEEN DURING THE INTERNAL AUDIT OF UNITS.

The following important points may be seen during the Internal Audit of Units.

- 1 Whether Annual Audit Plan has been drawn up based on the audit norms revised in March 2003?
- 2 Whether scrutiny/review of invoices and Parcel bills is being done as per revised norms of March 2003 and Proper record maintained showing the No. of invoices/bills audited and reviewed by Branch Officer(BO)/Group Officer(GO)?
- 3 Whether review of remission and refund of wharfage and demurrage charges is being done and results submitted to GO for review?
- 4 Whether cases of compensation for goods lost etc. are being reviewed monthly and outcome of review submitted to the Principal Director of Audit for information and further direction, if any?
- 5 Whether returns of tourist agents are being checked and necessary records maintained?
- 6 What are the total number of sidings? Whether record of sidings being used frequently, not being utilized, siding constructed during last 3 years, status of earning from sidings etc. maintained?
- 7 Whether any data bank of major works/projects has been created and copies of background papers, sanctions status of financial and physical progress and major audit findings have been kept?
- 8 Whether complete list of tenders and contracts is made available by Railway Administration and tenders/contracts are called for as per prescribed norms? How many tenders and contracts are awaited from Railway Authorities may be ascertained?
- 9 Whether all tenders/contracts above Rs.10 crore or such other prescribed amount were being submitted to the Principal Director of Audit?
- 10 Whether review of productivity tests applied by Railway Administration is being conducted?
- 11 Whether Inland way bills issued by CONCOR are being audited at prescribed percentage and necessary record maintained indicating level of supervision made and list of unaccounted for Inland way bills issued by CONCOR is called for to cross check the realization?
- 12 Whether system exists to ensure that all sanctions having financial bearing, issued by various competent authorities are received in the Audit Office and examined by various level officers, as prescribed and proper note/record kept?
- 13 Whether scrutiny of journal vouchers including scrutiny of adjustment memos is being conducted monthly as per laid down norms and submitted regularly to the Group Officer along with results of audit scrutiny for their review? Records maintained in this regard may be checked.
- 14 Whether list of cases of court judgements decided against Railways and arbitration cases is being received/obtained monthly for detailed scrutiny and proper record maintained?
- 15 Whether any data bank/details regarding number/value of claims against railways pending at the end of each year, number of claims added/settled maintained/scrutinized?
- 16 Whether prescribed percentage of PF Accounts are scrutinised regularly and record maintained? In case the accounts are computerized, whether computer trained staff are deputed for PF audit to check the accounting by running the programme on computers?

Authority : Chapter 14 of Model Internal Audit Manual issued by Comptroller & Auditor General of India

CHAPTER XIX

PERFORMANCE AUDIT SECTION

19.1 GENERAL

The scope of Performance Audit Section and the procedure to be followed has been explained in Chapter XXIV of Railway Audit Manual. The items of useful investigations are reproduced in Annexure to Para 509 of Railway Audit Manual.

19.2 FUNCTIONS OF PERFORMANCE AUDIT SECTION

The object of Performance Audit Section is to review and assess the various schemes introduced by Government from an overall propriety angle. The idea is to study the justification for the scheme as such and to see if the justification is achieved on the implementation of the scheme. Useful investigations of important and general matters dealt with on Northern Railway, Railway Board's Office and R.D.S.O. Office would be carried out by the staff of Performance Audit Section under orders of the Principal Director of Audit. The Performance Audit Section will undertake:-

- (i) examination of such other important cases as may be marked by the Principal Director of Audit
- (ii) examination and processing of potential cases of draft paras for Railway Audit Report in respect of those cases which may be assigned
- (iii) review of periodical reports of the Economy Committee sent by Railway Administration to the Railway Board
- (iv) review of the Annual Narrative Reports/monthly statistics statement published by the Railway Administration with a view to see whether there is anything of importance which may develop into a draft paragraph for Railway Audit Report

Note : The Principal Director of Audit's orders should invariably be obtained before any line of investigation is started by Performance Audit Section so that he may be satisfied as to its fruitfulness and that the time and energies of the staff are not being wasted.

A core group for Performance Audit has been formed. The duties of the core group also includes to work as a nodal agency for carrying out the Performance Audit over Northern Railway. The core group is also responsible for ensuring observance of all the procedures outlined in the Performance Audit guidelines by the officers and staff undertaking the Performance Audit at the field level.

(Authority: - POO No. 234 dated 14.03.2005)

19.4 REGISTER OF CASES DEALT WITH IN PERFORMANCE AUDIT SECTION:

(See para 509 of Railway Audit Manual).

The form in which the register should be maintained is given below. The register should contain all the investigations ordered by the Principal Director of Audit, be put up to the Principal Director of Audit on the 15th of each month and to the Additional Deputy Comptroller and Auditor General of India (Railways) when he visits this office.

FORM OF THE REGISTER OF CASES DEALT WITH IN PERFORMANCE AUDIT SECTION.

S. No.	Case No.	Date of orders of PDA/GO/BO	How and by whom a particular case was initiated whether by Principal Director of Audit/Dir/Deputy Director/Branch Officer/Performance Audit Section or other Section
1	2	3	4

Subject Matter of the case with Brief History	Orders of the Principal Director on Investigation by Performance Audit.	Progress in respect of the case	Final decision	Remarks
5	6	7	8	9

FORM OF THE INSPECTION SHEET OF THE ABOVE REGISTER.

Month	Selected No.	Completed No.	Still to be done	Initials of AAO/SO/BO/PDA
1	2	3	4	5

19.4 REVIEW OF THE PERIODICAL REPORTS OF THE ECONOMY COMMITTEE:

Quarterly progress report on achievement of economy and improvements are sent by Rly. Admn. to the Railway Board. These reports should be reviewed in Performance Audit Section and Points of interest, if any, should be reported to the Additional Deputy Comptroller and Auditor General of India (Railways). (**Authority**: Additional Deputy Comptroller and Auditor General of India (Railways)'s letter No. 336-RAI/8-23/62 dated 2.3.1963).

19.5 EXAMINATION OF IMPORTANT CASES:

The following reports are to be reviewed by the Performance Audit Section as and when received and the results bringing out important points, if any, put up to Principal Director of Audit:

- (i) General Manager's Annual Report
- (ii) Railway Board's Annual Report
- (iii) Civil Audit Reports
- (iv) Digest of important and interesting cases appearing in Audit Bulletins.
- (v) Reports of Estimates Committee
- (vi) Reports of different committees constituted by Central Government having financial bearing such as Railway Reforms Committee etc.
- (vii) Quarterly progress Reports of the Railway Administration on economy-Fuel staff etc.
- (viii) Reports on the working of the Railway Protection Force.
- (ix) Domestic statistical Reports, selected statistical results and minutes of statistical meetings.

(Authority: Office Order No. C-186 dated 11.3.1981).

19.7 SPECIAL INVESTIGATIONS BASED ON PUBLISHED RAILWAY STATISTICS AND ANNUAL NARRATIVE REPORTS:

All the published statistics will be reviewed by Performance Audit Section. The Divisional Audit Officers will also arrange to obtain copies of Narrative reports from the local administrations. They will study the Publications closely and suggest investigations of items, if any, indicating also the lines on which such investigations should be carried out. These suggestions by the Branch Officers will be received in Performance Audit Section together with any information that may be extracted from the records available in the Divisional Offices and or other subordinate offices of the Railway Administration. The Audit Section will further examine these suggestions with reference to the records of the General Manager's Office and proposal for further investigation of the items or otherwise will be put up to the Principal Director of Audit for his orders. If there are important results of investigations the same will be advised to the Comptroller and Auditor General of India.

A list of statistics likely to provide useful study for the purpose of making suggestions for economy in expenditure or augmentation of revenue has been compiled and appended to this para. Principal Director of Audit will select one or two topics occasionally for investigation to be done by the Performance Audit Section or by the various auditing sections concerned according to the nature of the topics selected. In the latter case, the Performance Audit Section will coordinate the investigation.

The published statistics will also be circulated among the Gazetted Officers to enable them to initiate investigations and also for suggesting fruitful topics for investigation.

LIST OF STATISTICAL SUBJECTS

I. Operating Stations.

- (1) Fuel Consumption
- (2) Engine Usage
- (3) Engine failures
- (4) Lubricating Oil Consumption
- (5) Repairs and maintenance cost of rolling stock per engine k.m./coaching vehicle/wagon on line.
 - (a) Rolling stock under repairs or awaiting repairs.
 - (b) Locos.
 - (c) Coaches.
- (6) Average kilometrage run by engine undergoing POR, since last POR.
- (7) Engine held up in sheds for want of repair material from the Mechanical Department.
- (8) Cost of Special repairs/POH per standard Unit of repair in workshops.
- (9) Detention to wagons :
 - (a) In yards
 - (b) At terminal stations

- (c) in transit
- (d) In workshops
- (e) At transshipment points
- (f) At Sick Lines

(10) Utilisation of Wagons

(11) Number of wagons dealt with per shunting hour

(12) Average time taken in sending out a wagon from station after being released or re-loaded--quick turn-round of wagons.

(13) Review of the effect of introduction of diesel traction/electrification with special reference to effective utilisation of diesel/electrical locos and disposal of old steam locos.

II. Maintenance.

Cost of maintenance per unit of track, building bridges etc. on different Railways or on the same Railway over some years.

III. Claims.

Examination of statistics of compensation claims vis-a-vis the cost of Commercial staff, RPF staff and the efficiency of the arrangements for handling traffic.

IV. Traffic.

Ton Kms. per engine hour (to serve as an index of efficiency) for different Railways and for the same Railway over some years.

19.7 RESPONSIBILITY OF AUDITING SECTIONS TOWARDS PERFORMANCE AUDIT SECTION

The constitution of a separate Performance Audit Section does not relieve other auditing sections of their responsibilities as regards audit from the Performance audit point of view. It is the dealing auditing sections who will come across cases which may require detailed examination or will detect cases in which the standards of financial propriety appear prima-facie to have been infringed. They should, therefore, be always on the look out for such cases and as soon as they come across a case of the type, they should submit for orders of the Audit Officer in charge who will consider each such case, forward it to the Performance Audit Section (with all the connected papers) for examination. The cases which the Audit Officers may come across while going through the letters and sanctions at the 'dak' stage or during their review work or in the course of disposal of correspondence may also be transferred to Performance Audit Section under the orders of the Principal Director of Audit. The Audit Officer who scrutinise proposals for forwarding a case to Performance Audit Section should make sure that the case is one which is likely to develop into one of real importance. The exact point which is required to be examined should be clearly brought out and the views of the section on it clearly brought out and the views of the section on the issue involved should also be incorporated in the notes.

It should be borne in mind that Performance Audit Section is not intended to be utilised for assisting in elucidation of ordinary though knotty audit problems, nor in investigating a large number of petty cases or in advising other sections in the disposal of old and long drawn cases.

Cases should, therefore, be referred to the Performance Audit Section only under the orders of the Principal Director of Audit.

19.8 REVIEW OF WORK STUDY REPORTS

A Work Study Organisation is functioning on each zonal Railway for undertaking a d-tailed study of specific projects on the Railway with a view to stream line and standardise working procedures, cut down unproductive work and achieve' economy in expenditure and better utilisation of resources. The work study may be of projects initiated by the Railway Board, those suggested by Railway and approved by the Railway Board of those referred by Heads of Departments.

After the work study of a selected project is completed, a Report is compiled bringing out the findings and recommendations of the work study group. The work study reports should be reviewed in audit as and when received in Performance Audit Section.

For this purpose a register should be maintained in the Performance Audit Section for recording the particulars of :

- (i) Projects selected by the Railway Board/General Manager/Head of Department for work study.
- (ii) Period during which the work study in respect of item (i) above was completed and the report.
- (iii) Month in which the work study report was reviewed in Audit.
- (iv) The remarks/comments as a result of the review.

While noting the particulars in the Register, the continuity in the numbering of the work study reports should be watched.

This register be submitted to the Principal Director of Audit for information every month during the first week. Besides, whenever a work study Report is received by the Performance Audit Section, within a month, they should submit a note to the Principal Director of Audit Inter-alia bringing out the interesting points/aspects which could usefully be brought to the notice of the field units for further probe/action/guidance.

CHAPTER-XX

REPORT SECTION

20.1 FUNCTIONS OF REPORT SECTION:

The Report Section deals with the work relating to Draft Paragraphs for inclusion in the Report of the Comptroller and Auditor General of India - Union Government (Railways). The main functions of the Section are detailed below:

To issue and pursue to finality with the Railway Administration the Draft Paragraphs for Railway Audit Report and to deal with any reference in respect of Draft Paras received from the ADAI (Railways).

Maintenance of the Register of :

- (i) Draft Paragraphs for Railway Audit Report.
- (ii) Potential cases of Draft Paragraphs for Railway Audit Report.
- (iii) Review Notes.
- Annual Report on the Efficiency of Internal Check - scrutiny & finalisation thereof.
- to compile a list of outstanding Draft Paras and Review Notes for onward transmission to the F.A & C.AO. Circulation of potential cases to other PDsA.
- Corrections to Railway Audit Report.
- Circulation of Railway Audit Report.
- Memorandum for Public Accounts Committee.

20.2 DRAFT PARAS (CHAPTER XXIII-RAM):

The procedure of processing of Draft Paras and correspondence thereon with the Railway Administration ADAI(Railways) will be as under.

In accordance with the instructions issued by the (Railways) in March 1987, Principal Director of Audit will issue paragraphs to the Railway Administration. The Draft Paragraphs duly supported by key documents will be sent under D.O. letters to the General Manager (in duplicate), Financial Adviser and Chief Accounts Officer, Director (Accounts), Railway Board and Additional Dy. Comptroller and Auditor General of India (Railways).

- (i) The selection of material and its processing before issuing a Draft Paragraph must receive utmost importance and have the prior approval of the Principal Director of Audit. The Draft Paragraph should be processed only after a thorough investigation of the case and collection of complete factual material on the subject. As soon as an irregularity having sufficient potential for comment in the Audit Report comes to notice. It should be ensured that complete information on the subject is collected even though special letters and D.O. reminders at higher levels at the initial stage have been issued and the case taken up expeditiously at Principal Director of Audit's level with the Financial Adviser and Chief Accounts Officer and the Head of Department concerned.
- (ii) The qualitative aspect should be given more importance so that relatively less important matters of routine and repetitive nature are not issued as Draft Paragraph and about 80% of the material selected ordinarily finds a place in the Audit Report.
- (iii) Sections initiating the Draft Para should send to the Report Section, typed copy each of all key documents together with their file and other relevant papers along with the Draft Para. The Report Section will examine the Draft Para and put up the same for Principal Director of Audit's approval. Whenever reference to other sections for collection of similar information is considered necessary, Report Section, will collect such information expeditiously and incorporate it in the proposed Draft Para.
- (iv) The last date for issue of Draft Paras is fixed by ADAI (Railways) each year. It should be ensured that there is an even flow of issue of Draft Paras during the whole year. As Audit Reports are treated as confidential documents till they are presented to the Parliament, Draft Paras and correspondence thereon should also be treated as confidential.
- (v) The Railway Administration is required to furnish their replies to the Draft Paras within the prescribed time limit of 8 weeks (9 weeks in the case of review notes). The Railway Administration's replies are required to be issued over the personal signature of the General Manager. Any modification which the Railway Administration may desire to suggest or any comments which it wishes the Principal Director of Audit to consider before giving its final reply, will be settled by personal discussion so that the final reply of the Administration is obtained within the overall time limit of eight/nine weeks.
- (vi) Final replies to Draft Paras should be scrutinised immediately on receipt and comments furnished to the ADAI (Railways) with utmost expedition. The replies of the Railway Administration to the Draft Paragraph and comments of the Principal Director of Audit thereon, should be furnished to the ADAI (Railways) in a tabular form showing in juxtaposition the sentence of the Draft Paragraphs, Railway Administration's remarks and

Principal Director of Audit's comments. The para will be finally edited by the ADAI (Railways). Paras approved for inclusion in the Audit Report will be issued by the ADAI (Railways) to the Railway Board. Reports and enquiries, if any, for further information at this stage should be dealt with on highest priority. Such information should, as far as possible, be supplied duly vetted by the Administration.

- (vii) Additional Deputy Comptroller and Auditor General of India (Railways) prepares Draft Paras on cases of Railway Board's sanctions pertaining to more than one Railway or during the review of Railway Board's files connected with tenders contracts etc.
- (viii) Occasionally, Principal Director of Audit are required by ADAI (Railways) to study certain aspects of Railway working and submit a report to him. In such cases, the required information is sent to the ADAI (Railways) after getting it vetted by the Financial Advisor and Chief Accounts Officer. The consolidated 'Draft Para will wherever necessary, be prepared by the ADAI (Railways) and sent to the Railway Board, copies being endorsed to the Principal Director of Audit concerned. Further action to deal with the Draft Para will be initiated according to directives contained in letters issued by the Comptroller and Auditor General of India forwarding the Draft Paras.
- (ix) Draft Paragraphs may not be treated as closed until a formal intimation is issued by the Principal Director of Audit to the Railway Administration.

The section should maintain the following, registers :

1. Registers of Draft Paragraphs for Railway Audit Report.
2. Register of Potential cases of Draft Paragraphs for Railway Audit Report. .

These registers should be submitted to the Principal Director of Audit once in a month.

20.3 CIRCULATION OF DRAFT PARAS TO OTHER PRINCIPAL DIRECTORS OF AUDIT.

Report Section will circulate to other Principal Directors of Audit the Draft Paras when the subject matter relates to more than one Railway and keep Headquarters office advised of the results of their reference. This would be done with a view to reducing the delay in collection of data on all Railway basis as experienced at present. Headquarters office would, however, continue to examine and collect the data on all India basis wherever necessary.

(Authority: Para 21 of the minutes of Conference of Directors of Audit (Railways) held on 6th and 7th December, 1984).

20.4 PROCEDURE REGARDING PREPARATION OF REVIEWS:

In order to enable to Principal Director of Audit to select a few schemes/projects for reviews, the Divisions/Branches are required to send their suggestions in this regard alongwith a brief note on the background material of each scheme/project to Report Section by 15th December, each year. This may be noted in their Sectional Calendar of Returns. Out of the proposals/ suggestions furnished by the Divisions/Branches, the Principal Director of Audit will select a few schemes/projects for reviews and sent his proposal along with a brief note on the background material of each Scheme/Project as also broad guidelines for the field parties to Headquarters office by 15th January, every year. The Headquarters office will examine the brief note sent by Principal Director of Audit with reference to other relevant materials available at Headquarters and will supplement with additional directions/guidelines to the field offices. This may be noted in the Calendar of Returns of Report Section, so that the due date may be kept up.

Before selecting schemes/projects for purposes of performance review. Budget papers, Administrative Reports of the Departments on the Schemes/Projects proposed for detailed review should be studied apart from materials from other sources like debates/questions in the Parliament and also discussions/comments in Newspapers, Periodicals and Journals. While selecting subjects for detailed review it would be desirable to discuss with the General Manager/Financial Adviser and Chief Accounts Officer and the suggestions received from them should also be given full consideration.

The criteria for selection of various programmes for review should be the expenditure incurred, progress of Projects/ Schemes, benefits anticipated and realised, etc. and not merely the possibility of our being able to highlight a few irregularities. The object should be to bring out areas in which system can be improved or coordination is lacking so that a positive contribution is made by our Study.

After the Scheme/Projects have been selected for review, a collection of the material required should be planned and undertaken. If necessary, the relevant files of the Headquarters of the Railway and the Railway Board should be gone into. Plan papers and Budget documents and information issued by the Railway Administration for a proper follow up of the Schemes and the results of the follow up action taken should also be examined in detail.

Progress on the selected reviews should be sent to Headquarters office along with the monthly progress report forfactual statement.

The following guidelines may borne in mind while gathering material for Audit Report (Railways) and drafting the same:

A. Review/Appraisal:

When a particular scheme/project/topic is taken up for over all appraisal of the performance, the review should take the following form:

- (1) Background leading to the formation of the scheme/project, financial details, sanctioned expenditure, variations in the estimates etc.

- (2) Summarised version of actual realisation of the objective or the extent of such realisation.
- (3) Specific points that have arisen as a result of scrutiny of records of the executive organisation at various levels and they should be grouped under each subject.
- (4) While dealing with the specific points it is not enough to mention facts. Reasons for situations obtaining should be analysed. If no reasons are on the records, the facts should be clearly spelt out.
- (5) Statistical information given should have co-relation with audit comments and the specific audit conclusions may be drawn. Mere presentation of statistical information should be avoided as this unnecessarily makes the review loaded with details not required or irrelevant.
- (6) Every paragraph in each Section should be developed in such a way that the narration leads to particular point or aspect intended to be brought out in the paragraph.

The reviews should avoid unnecessary be concise and brief, not more than, say, seven to eight pages, and bring out clearly the Comments/failures/lapses. The facts and figures incorporated therein should be got vetted by the Railway Administration in the first instance itself to the extent this is found feasible.

'B' Other Individual paragraphs:

The point to be borne in mind is that matter pertaining to procedural lapses or omissions or other lacunae that have contributed to a particular situation need to be brought so that paragraphs make meaningful reading and help all concerned to draw lessons for the future.

20.5 CONSOLIDATED DRAFT PARAS REGARDING RECOVERIES MADE AT THE INSTANCE OF AUDIT

It has been decided by the Additional Deputy Comptroller and Auditor General of India (Railways) that a consolidated Draft Para on this subject will be considered for inclusion in the Audit Report (Railways) each year. A recovery register should be maintained in the prescribed proforma by each unit for this purpose. The entries made in this register should be got vetted monthly and then annually.

Annual recovery statement should be sent to the Report Section by all Sections/Divisions/Units up to 30th June every year. A consolidated statement of recoveries should be prepared by Report Section and sent to DAI (Railways) by 15th July every year.

Authority: (Additional Deputy Comptroller and Auditor General of India (Railways)'s letter No. 1967-RAII8-4/66 dated 28.7.66 and Central Section's letter No. C/11-1/45/66 dated 3.8.66 and C/11-22167 dated 15.11.67 and DAI(Railways) letter No. 12-Rly/Coord/17-1/2007 dated 09.01.2007)

20.6 MEASURING OF AUDIT EFFECTIVENESS

A statement showing the number of Audit Objections issued and settled during the financial year should be sent by all Sections/Divisions/ duly vetted by their respective Accounts Officers to Report section by 15th July. A consolidated statement will thereafter be prepared by Report Section and sent to DAI (Railways) up to 31st July every year.

Authority:- C&AG's (Railways) letter No. 124-Rly/2-4/Recovery/2004 dated 25/26.02.2004

20.7 EFFICIENCY OF INTERNAL CHECK:

A report showing the position of arrears in Accounts Office and lapses/defects in internal check should be prepared by all the Branch Offices/Auditing Sections after the close of March Accounts every year and forwarded to the respective Accounts Officers for their remarks/acceptance. The report should be prepared in four parts in the form given in Annexure I to this Chapter and the same should be sent to Report Section duly accepted by the Accounts Office by 15th November. While preparing the report, it should be ascertained by a complete review of all the registers maintained for the purpose in the Accounts Office that adequate machinery exists in internal check to watch recovery of all charges for services rendered to staff e.g., Diet charges, Electrical Energy Charges, Rent for quarters, Rent for Electrical Installations and Sanitary Fittings. Conservancy Charges and Miscellaneous charges, lapses on part of the Account office to take the appropriate action for recovery of these should be brought out in the report. The Report Section will consolidate the reports and pursue the matter further with the Financial Adviser and Chief Accounts Officers wherever necessary, after obtaining the order of the Principal Director of Audit.

Important arrears in Internal Check should be taken up by the sections concerned with the Accounts Office. Such of the items in which there is no improvement in arrears even after bringing it to the notice of the Accounts Office, should be included in Part I of the Report on Efficiency of Internal Check.

As regards cases relating to defects in Internal Check to be included in Para II to IV of the Report, serious lapses in the sense that those which would facilitate fraud leakage of revenue etc. should be taken up with the Accounts Office promptly as and when such cases are noticed. The more important lapses in Internal Check meriting inclusion in the Audit Report may be processed as Draft Paras.

20.8 MONETARY LIMITS FOR ISSUE OF DRAFT PARAS

It has been decided by the Additional Deputy Comptroller and Auditor General of India (Railways) that:

- (1) Although no rigid monetary limits can be laid down for commenting in Audit Reports, yet only cases involving substantial money value (say Rs. 1 Crore and above for Paragraphs relating to "Earning", Rs. 50 lakhs and above in the case of Paragraphs relating to "Works and Construction" and Rs. 25 lakhs and above for the Paragraphs relating to "Stores and Establishment") should normally be considered for inclusion in the Audit Report. Irregularities of the similar nature on

different or the same Railway will be added up for the purpose of applying the above limit. This limit will not, however, apply in cases of audit criticism on grounds of principles or of serious procedural irregularities of lapses.

(Authority: Comptroller and Auditor General's letter No. 3984-RAI/A8-6/62 and 1224-RAI/RR2-1/90 dt. 27.11.62 and 17.8.92 and Deputy Comptroller and Auditor General of India's D.O. No. 464-RAI/RR22-179 dated 5.5.79.)

The authority for monetary limits - Headquarters office email dated Rly/Co-ord/RR2-2/2002 dated 27.02.2002.

(2) The Railway Administration is also required to send replies to the Principal Director of Audit for those Draft Paras which are not included in the Audit report for a particular year.

(3) The following points should be borne in mind while preparing Draft Paras;

(i) All relevant points bearing directly upon the nature and extent of the irregularity should be mentioned only after these have been thoroughly checked:

(ii) All the replies to the Draft Paras should be examined critically so that the facts stated in the Draft Para do not require any amendment at a later stage on receipt of the Administration's reply;

(iii) The Para should be brief, concise and in plain language, but clarity of exposition should not be sacrificed for the sake of brevity;

(iv) To make the Draft Paragraph a fair and unbiased record of facts, such details as are essential, should be incorporated in the Statement;

(v) The Draft Paragraph should be written in half margin;

(vi) The Audit 'Comments' on the irregularity should be based on facts and not on inferences;

(vii) If facts and figures in a Draft Para are questioned by the Railway Administration, the necessary corrections in the Draft Para should be reported to the Additional Deputy Comptroller and General of India (Railways) promptly;

(viii) Draft Paras should not be held up till the last date (as fixed from time to time). Their flow should therefore be regulated evenly throughout the year;

(ix) Copies of letters, notes etc. mentioned in the margin of the Draft Para should also be sent in duplicate to the Additional Deputy Comptroller and Auditor General of India (Railways);

(x) Whenever a Draft Para is prepared, a copy of the Draft Para should always be endorsed to the concerned Divisions/Branches. Similarly when the Draft Para is dropped all intimation should be sent to the Division/Branch concerned;

(xi) The Assistant Audit Officer/Section Officer (Audit) and the Branch Officer should personally check the figures carefully so that the figures in the Draft Para do not require revision at a later stage;

(xii) All reference received from the Additional Deputy Comptroller & Auditor General of India, (Railways) relating to Draft Paras, in respect of which replies cannot be given from the Report Section file, should be endorsed to the concerned Division/Branch which sponsored the Draft Para. If simultaneously some further information is required by the Report Section, the enquiry should be incorporated in the endorsement of the copy of the ADAI (Railways) letter. The Branch Officer should see the exact enquiry made by the ADAI (Railways) and the Headquarters office and send a reply after examining such papers and files of the Administration as may be necessary.

20.9 DRAFT PARAGRAPH AND CASES OF FRAUD AND LOSSES ETC.

The Paragraphs on really important cases of frauds, serious irregularities etc. involving heavy amounts not disclosing procedural and other defects should be prepared from the periodical reports received from the Railway Administration and irregularities maintained by the Accounts Office.

In respect of items of losses amounting to less than Rs. 5,000/- where the action on the part of the Administration is considered inadequate or ineffective a general Draft Para would be prepared supposed by instances of :

- (i) inadequate action;
- (ii) delayed action and
- (iii) cases in which action is

pending for a long time and copies thereof sent to the ADAI (Railways) by the target date fixed by Additional Deputy Comptroller & Auditor General of India (Railways) from time to time. For this purpose all Division/Branches will send the requisite material to the Appropriation Audit Section for further action (ADAI (Railways) letter No. 2583-RAI/A8-10/59 dated 8.9.59 circulated under Central Section endorsement No. C/14-2/55/Pt.II dated 24.9.59).

20.10 REGISTER OF DRAFT PARAS/SPECIAL REVIEWS

(see para 496 of Railways Audit Manual)

With a view to keep watch over the disposal of Draft Paragraphs, a register should be maintained in the following form in which a copy of each Draft Paragraph will be pasted on the right hand side of the register and on the left hand side of the register, the progress of the case will be recorded. The register should be put up to the Principal Director of Audit by the 5th of each month and the Additional Deputy Comptroller and Auditor General of India (Railways) during his visit.

FORM OF THE INSPECTION SHEET OF THE REGISTER

Month	Balance brought forward		
	Draft Para with the Railway Administration	Draft Para with Audit	Total
1	2	3	4

Fresh Draft Paras		Revised Draft Paras		Total
No.	S. No.	No.	S. No.	
5	6	7	8	9

No. of Draft Paras to which replies received during the month		No. Cleared during the month				Total
		Dropped		Finally accepted		
No.	S. No.	No.	S. No.	No.	S. No.	16
10	11	12	13	14	15	

Balance Draft Paras				Total
with Railway Administration.		Draft Para with Audit		
No.	S. No.	No.	S. No.	21
17	18	19	20	

Form of the Register inner side

S. No.	Case No. and date of issue	Brief Particulars	Remarks date of issue

NOTE: In the column 'Brief Particulars' particulars of letter (No. and date) communicating acceptance/remarks an Draft Paras by the Railway Administration and also particulars of letters conveying Audit comments on the remarks of the Railway Administration to the Additional Deputy Comptroller and Auditor General of India (Railways) may be recorded.

20.11 DISTRIBUTION OF COPIES OF RAILWAY AUDIT REPORTS:

Copies of the Railway Audit Reports intended for the use of the Railway Administration should be sent demi-officially to the General Manager, Financial Adviser and Chief Accounts Officer and respective Head of Department's of Northern Railway, Northern Railway Construction Organisation, RCF/Kapurthala, RDSO/LKO, DMW/Patiala, Railway Electrification and COFMOW etc.

20.12 ACTION TO BE TAKEN ON PUBLISHED AUDIT REPORTS AND PUBLIC ACCOUNTS COMMITTEE'S REPORT:

(See para 503 of Railway Audit Manual).

On receipt of the copy of the Railway Audit Report, the Report Section should review and check all the facts and figures given in the Audit Report relating to the Paras of transactions in respect of this Railway and bring to the notice of the ADAI (Railways) without delay, important corrections that are considered necessary by the Principal Director of Audit.

The Report Section would also scrutinise the Audit Report with a view to see if the cases which have arisen on other Railways indicate the necessity of investigation on this Railway. Important points noticed as a result of this review should be advised to ADAI (Railways) without any further instructions from him.

In respect of cases relating to this Railway appearing in the published Railway Audit Report of anyone year, where final action is to be taken by the Railway Administration. steps to be taken to call for further reports from the Branch Officer/ Section concerned indicating the developments from time to time till they are finally closed.

Further developments, if any, in regard to the cases relating to this railway appearing in the Railway Audit Reports which are subjudice or yet to be finalised or those where disciplinary action is pending etc. are required to be communicated to the Additional Deputy Comptroller and Auditor General of India (Railways) through periodical report

A continuous watch should also be kept on the Administrative action taken by the Administration on certain items of the Audit Report (Railways), which have not been specifically commented upon by the Public Accounts Committee.

20.13 POTENTIAL CASES OF DRAFT PARAGRAPHS AND SPECIAL REVIEWS:

Each auditing unit will send to the Report Section a synopsis of potential cases for Special Reviews/Draft Paras by the 30th June, September, December and March every year in the following form:

NAME OF THE DIVISION/BRANCH

REPORT REGARDING POTENTIAL CASES FOR SPECIAL REVIEWS/DRAFT PARAS FOR THE QUARTER ENDING

S.No.	File No.	Subject	Month in which first reported	Further developments
1.	2.	3.	4.	5.

NEW CASES

S.No.	File No.	Brief Synopsis of the case
1.	2.	3.

The Report Section will maintain a Register of Potential cases for Special Reviews/Draft Paras, in which all the cases intimated by the Branches/Divisions through the above quarterly reports will be entered, Branches/Section wise along with their further developments as reported from time to time. The register will be put up to the Principal Director of Audit on the 10th of January, April, July and October each year.

(Authority: 0.0. No. C-129 dated 12.6.1964)

NOTE: Potential cases for Draft Paras/Special Reviews will also be noted as and when the orders are passed by the Principal Director of Audit while dealing with the following :

- (i) Major Audit Objections communicated to the Additional Deputy Comptroller and Auditor General of India (Railways);
- (ii) Review of Part I Inspection Reports;
- (iii) Monthly confidential D.Os from Officers to the Principal Director of Audit.
- (iv) Discussion in the Audit Officers meeting; .
- (v) Principal Director of Audit's orders on individual files.

(Authority: 0.0. No. C-79 dated 8.7.1960).

20.14 PREPARATION OF INDEX IN EACH CASE OF THE DRAFT PARA/SPECIAL REVIEWS

In each case of the Draft Para/special reviews an index would be prepared and kept upto date on the note side by the Report Section in the following form :

Draft Para/Special Review.....	at page
Administration's reply.....	at page
Draft Para/Special Review at page.....	

(1) Correspondence with Additional Deputy Comptroller and Auditor General of India (Railways) from A.D.A.I. (Rlys.) at page.....
To A.D.A.I. (Rlys) at page.....

(2) Correspondence with General Manager/Financial Adviser and Chief Accounts Officer From G.M./F.A.&C.A.O. at page
To G.M.I.F.A. & C.A.O. at page.....

(3) Correspondence with Division/Branch From Division.....
To Division

(4) Remarks Page.....
Page.....

As soon as a letter is placed on the file, it should be entered in this index and as soon as orders are passed, suitable remarks should be given in the remarks column; Assistant Audit Officer/Section Officer (Audit) will be personally responsible for the upkeep of the index in each case of Draft Para.

(Authority: Office Order No. C-90 dated 2.9.1960).

20.15. PURSUANCE OF PARAGRAPHS INCLUDED IN AUDIT REPORT (PARA 502 RAM) :

Further developments in regard to the paragraphs (including those cases which were centrally processed by the Comptroller and Auditor General of India (Railways)'s office with reference to information available in Railway Board's files or furnished by this office) should be intimated to the Additional Deputy Comptroller and Auditor General of India (Railways) duly accepted by the Administration wherever necessary through periodical reports.

20.16 MEMORANDA FOR PUBLIC ACCOUNTS COMMITTEE:

Information furnished by the Railway Administration for preparation of notes/memoranda for the Public Accounts Committee should be verified quickly on receipt. The result of verification should also be advised to the Additional Deputy Comptroller and Auditor General of India (Railways) promptly; in any case of not later than a week of its receipt.

CHAPTER-XXI

ELECTRONIC DATA PROCESSING AUDIT (EDPA) SECTION

21.1 Introduction

EDP audit is part of comprehensive audit of an organisation. EDP audit principles are the same as those which govern all other spheres of audit. The difference is only in application of these principles. While computerisation is often viewed in terms of changes in way things are done, an automated system does not necessarily require any new ideas. An automated system simply applies the processing abilities of a computer to the task. By using the Computer, the limitations of human processing abilities are eliminated with proper system and design, the tasks can be performed in/much the same manner but more efficiently by using the computer as a processing tool. Computers do not alter the basic concepts or objectives of the system control. However, the techniques and points of control must be adopted to the changing conditions and responsibilities of an EDP environment

Authority: (Para 1.2 of EDP Audit Guide)

21.2 Objectives:

EDP Audit includes all activities undertaken to evaluate EDP system at any stage of its life cycle; from acquisition or development through operation and maintenance and ultimately replacement. The basic and broad objectives of EDP Audit are to see:

1. System Effectiveness

Does the system fulfill the aims for which it was acquired or developed? Does it provide the information needed by users in a convenient format and timely fashion?

2. System Economy and Efficiency

Is the use of system resources (hardware, software, people, money) optimised?

3. Data Integrity

Are the internal controls adequate to ensure that errors are not introduced when entering, communicating, processing, storing or reporting data.

4. System Security

Are the internal controls adequate to ensure that data can not be altered maliciously or accessed by unauthorized personnel? Are the system resources adequately protected against theft, waste, fraud and natural disasters?

5. System regularity

Are system activities e.g. (acquisition, development, operation maintenance), compliance with applicable laws, regulations, policies, directives and guidelines?

21.3 Functions and duties of EDP Audit Section:

1. To impart basic training in computer culture to staff and officers by holding seminars at various offices located at outstation and Delhi.
2. To formulate effective audit procedures relating to computerised accounting systems/records.
3. To conduct inspections/audit of the computer system/records covering the following main headings.
 - i. Planning and acquisition of EDP facilities.
 - ii. Review of installation controls.
 - iii. Review of systems under development.
 - iv. Review of Production systems.
 - v. Review of data systems
 - vi. Review of micro computer systems/office automation.

The extent and scope of EDP audit under the above headings (i) to (vi) depends upon the state of development of auditee computer organisation and the technical expertise of the audit personnel.

21.4 Documentation

The importance of good standards of documentation insisted upon in audit holds good for EDP audit too. Maintenance of:

- an installation file containing details of hardware, software, staffing, basic procedures and controls.
- an application file giving an outline of the system its important control features, description of data stored in data files etc.; and
- an audit file containing computer listing of programmes, input, output data description and the objectives of the programme,

can prove to be of great help in the course of EDP audit form verification and review.

21.5 (i) Audit Review of Planning and Acquisition of EDP Facilities and use of Resources.

The purpose of audit of "EDP facilities planning" is to identify the impact of technological and environmental changes and to ensure that the most appropriate EDP services are provided. The questions asked are

- Is there a strategic plan for provision of EDP services and does the plan take into account organisational, environmental and technological changes likely to occur in a three to five years time frame?
- In auditing EDP facilities planning, we have to see whether services are provided in accordance with a published EDP policy. The purpose of audit in this case is to ascertain whether there is
 - lack of central coordination of EDP
 - a high degree of EDP centralisation in a decentralised organisation.
 - uncontrolled proliferation of computers.
 - lack of user awareness of service availability
 - any complaint from users regarding service offered.

(ii) Audit of Acquisition of EDP Facilities

The overall objectives in an audit review of acquisition of EDP facilities is to see the adequacy of administrative procedures and controls used by a department when considering and deciding upon the acquisition of computer facilities.

- Acquisition of computer facilities may include;
 - Acquisition of hardware
 - introduction of a completely new installation,
 - enhancement of central processor
 - enhancement of peripherals,
 - addition/replacement of a specific equipment, and
 - introduction of several small processors.
 - Acquisition of software
 - general software associated with changes in hardware (a new operating system).
 - specific purpose software, and
 - 'off the shelf' application software.

The first step in audit should be to identify the organisation's computer policy. The degree of complexity of hardware and software installed, and cost and time scale for the installation will determine the precise procedure to be followed in each installation.

The auditor should direct his attention to the following areas;

1. Justification of hardware and software
2. Feasibility study/project report containing proposals, costs and benefits
3. Equipment selection
4. Installation of equipment and adequacy of testing
5. Post implementation review of costs and benefits.

The points to be looked into in each of these areas are given below:

1. Justification

Responsibility for examining and establishing the need for computer facilities lies with the Department (accountability for investment).

- Instead of saying "we have a computer, what can be put on it?" The decision to acquire the EDP facility should be because "we see inefficiency; can the computer save us time or money?"
- Absence of a thorough study of the perceived shortfall in computing facilities or staff is indicative of a for conclusion till there was no alternative to acquiring more computer facilities.
- Failure to upgrade the equipment at the right time may involve risk of dependence on manufacturers for re parts.
- Delays in processing, one of the reasons for acquiring a new facility) may be caused by overloading of the existing computer, computer malfunctioning, inefficient programme design, staff shortages, poor staff performances in particular areas.
- An examination of computer staff may reveal quite unexpected results which point to a solution other than acquiring computer facilities.

2. Feasibility Studies

The feasibility study report should cover the following points:

- Clear statement of objectives
- existing arrangements
- alternative solutions
- proposed solution

3. Equipment selection

The following points should be borne in mind:

- specification of requirements for acquisition, enhancements or replacement of computing facilities are stated

- consisely and precisely as they form the potential;
- both technical and commercial aspects of the proposal are evaluated according to standard contracting procedures;
- procurement action is taken after ensuring that the suppliers offers meet the requirements of the specifications through;
 - * bench marking tests with sample representative jobn mix for measuring throughput of the system;
 - * technology options available at the time of procurement;
 - * obtaining first-hand experience of other users having similar systems installed in their organisations;
 - * future development plans of the potential suppliers in terms of expandability, upgradeability communicability, trade in options;
 - * financial appraisals are on the same lines as those of any other form of capital purchase and should take into account:

21.6 Installation of equipment and Adequacy of Testing:

The following points should be borne in mind while monitoring:

- plan/schedule for installation and for monitoring progress (whether they are available):
- schedule for conversion of software (extent of efforts required) and how it will affect the commissioning of the installation;
- payments to suppliers are authorised after testing and user acceptance of the system;
- maintenance and support services include basic training, production documentation, option for upgrading.

21.7 Post Implementation Review

The detailed process of evaluating proposals specifying the requirements,. organisation and installation should be followed by a post implementation review by the department to satisfy itself that the cost and benefits expected have materialised. The purpose of the audit review in this case is to see whether;

- the estimated savings projected in the feasibility study compare favourably with the actual results;
- there is evidence of major cost variations from budget estimates due to
 - *inadequate planning,
 - * unusual growth,
 - * changing technology,
 - * unforeseen conversion problems.

21.8 The use of Computering Resources

The purpose of audit review in this case is to appraise and report upon waste, extravagance, inefficient administration or poor value for money. While the responsibility for effective and efficient use of all resources rests with the auditee organisation, it is the auditor's job to satisfy himself that the procedures laid down are adequate to make proper use of hardware, software staff and data; maximising the benefits and minimising the costs; and satisfying users by providing effective and efficient applications. Failure to complete the projects in estimated time scale, poor turnaround of jobs, inadequately defined standards, insufficient monitoring, too optimistic forecast, to little users' participation and excess costs of new system development are some to the areas requiring auditor's attention.

The following aspects should be reviewed in consultation with the computer management:

- often smaller applications are computerised without a cost justification exercise mainly because there ius surplus computing power;
- increasing the productivity of the existing computer facilities by making better use of staff resources through well-defined functional distribution should be considered as an alternative to increased staffing level; computing resource of an organisation is not just hardware installed but the total contribution of software, hardware and staff. The performance can, therefore, be increased more effectively by improving contribution from these factors rather than acquiring more equipment.

21.9 Audit review of EDP Installation controls.

I. Audit of EDP installation controls is closely bound to the audit of computer applications. However, in a large installation, it is usually advantageous to break up the audit into a number of smaller projects each dealing with some elements or with certain functions within the computer department. That is to say, the audit project could be broken up into functional units such as review of data control facilities, organisational controls, environment controls.

2. The object of review of installation controls is to see that the regulations providing for the duties and responsibilities of various computer staff and other control staff and standards in regard to operation functions, access to computer and computer files, terminal activity etc. are such as to ensure efficient day-to-day running of the computer installation. The areas to be covered by audit are:

- Functions and responsibilities of those involved in installation management and computer processing. procedures for data preparation, data control and operating functions; access to the computer and its software and their custody.
- Terminal controls in interactive systems.
- Physical security and risk management which ensure environmental controls.

2. The following points should be covered while reviewing the installation controls.

- Obtain a list of hardware including computer, ancillary and terminal equipment in use indicating model, performance details and check the existence of this equipment.
- Obtain an organisational chart which is up-to-date and see how the computer fits into the overall organisation. Obtain an up-to-date staff organisation chart of the computer department showing the relative responsibilities and authorities and note any changes on review.
- Obtain job specification (role definition) for senior computer staff and supervisors of the ancillary section and note any changes.
- Obtain the details of standards and norms fixed for each of the functions like data control, data preparation, system operation and verify their implementation:
 - * computer utilisation per shift in terms of CPU time and peripheral use;
 - * Key depressions per shift per data entry operator and error allowance;
 - * document standards and controls-batching, balancing and sequencing;
 - * run to run controls maintained by system operators;
 - * whether manuals are maintained and kept up-to-date specifying the control procedures and whether they are enforced in practice-through a 'test check'.
- Obtain and verify existence of the following terminal; controls to protect data and system integrity;
 - * physical access controls to terminal rooms;
 - * software controls through password protection and user directories;
 - * logging of terminal activities by all users.
 Obtain details of security measures, both physical and system, for check and review of the following;
 - * adequacy of protection of hardware and software against risk of fire (fire prevention steps and fire fighting arrangements);
 - * maintenance of hardware and system software;
 - * air conditioning and protection against possible radiations. vibrations;
 - * possible industrial action, malicious action by programmers, operators, input-out staff (discontent among computer operating staff);
 - * security, awareness and training provided to all employees;
 - * emergency shut-down procedures in case of power failures;
 - * safe custody of software and data files and tape library;
 - * adequacy of back-up files (off-site storage included);
 - * operator access to programme files and data;
 - * procedures for reconstructing files in the event of loss or disk errors/tape errors (contingency plans);
 - *computer equipment back-up through the use of compatible equipment at other dispersed sites;
 - * computer room should be off limits to all except systems operators, hard ware engineers; and
 - * insurance of the installation to cover possible risk.

21.10 Audit Review of Systems Under Development

1. The overall objective of audit is to ascertain whether adequate controls are incorporated during the system development phase and to ensure that these controls form part of the operational systems when implemented and that any amendment to the system does not invalidate the controls. The auditor as a user of the system should, therefore involve himself during the system design so that he can evaluate the need for controls and auditability requirements while the system is being developed. This will avert the need for 'retrofit' controls at a later date.

2. While reviewing systems under development, the auditor should examine the following points either through questionnaires or by interviewing the system development groups.

- Whether a published standard methodology is being used for designing and developing systems.
- Whether there is a common understanding by all parties-users, systems analysts, management and auditors - of the basic structure of both manual and computer processing activities, as well as of the concepts and needs for control and of the applicable control techniques. 'This understanding must be reached first at a nontechnical user level.
- Who authorises EDP applications development - user or steering committee or management?
- Whether the system development work was proceeded by a feasibility study to determine the most appropriate solutions to standard problem?
- Whether there is adequate cross referencing between the following stages:
 - * content and format of preliminary studies,
 - .. feasibility studies,
 - * system specifications;'
 - * programme coding?
- Whether project management techniques are applied in system development work-that is to say, are there project decision milestones, time and cost estimates so that progress could be monitored against estimates? Whether

programming standards using modular, structured methodology are being adhered to in coding? Whether existing in-house or external available application packages were considered before deciding upon new in-house application development?

21.11 Audit Review of Production Systems

1. "EDP application" refer to production system which are processed on an EDP facility, such as a pay roll system or an inventory control system. When the auditor proceeds to perform the audit of applications systems, the process consists of:

- Obtaining, understanding and reviewing documentation (physical and documentary evidence); Interviewing the EDP personnel and surveying the users of the applications on production stream for testimonial evidence;
- Completing questionnaires for testimonial evidence; and
- Reporting on the basis of physical, testimonial and documentary evidence collected in the course of EDP audit.

2. Documentation of applications is a by-product of the system development function. The accepted standards require that documentation should consist of system description. System flow chart Process description process flow chart, data dictionary, input forms/files, output reports/files computer operator run manual, user manual, data entry instructions, report distribution. The auditee documentation should be reviewed to see whether it conforms to these accepted standards.

3. The following EDP personnel may be interviewed by EDP manager, system analysts, systems development group, supervisors. The purpose of the interview is to obtain the following information.

- whether there is any wastage/redundancy in relation to the work load;
- case of maintenance/operation of the application systems;
- processing problems such as returns due to inefficient system design/programme coding weakness;
- cost effectiveness of ongoing applications systems.

4. In the audit of applications systems the most important method of assessing the usefulness of applications is to survey the various users and obtain their views through interviews and questionnaires. The following points may be included.

- Are the users sufficiently aware of what the systems will do for them?
- Are users sufficiently involved in system review, manual forms design, clerical procedures, input/output controls, testing etc.?
- Are users aware of responsibilities to make data available, to ensure that all data are adequately processed, to arrange back-up facilities and recovery procedure and to initiate action to incorporate changes in regulations?
- What percentage of time the user makes use of computer output?
- To what extent the user considers the application important and relevant?
- Whether the computer output for the most part has to be reconciled with other documents before it is relied upon?
- Is the computer output accurate, timely and easy to use?

5. The audit of an application system which is operational involves verification of input/output controls, processing controls and audit trail. Testimonial evidence may be obtained through the following questionnaire in the course of audit to come to a reasonable conclusion regarding existence of controls and their adequacy.

- whether the data processed are genuine, complete, accurate and not provisional?
- whether expected output is produced and distributed on time?
- whether application programmes process the data as intended and accurately (refer EDP audit techniques)? whether a complete audit trail is available for tracing back a transaction from the final result to the initial input?
- whether the data and changes to it are authorised by appropriate authority both in the user and computer departments?
- whether schedules for receipt of input data are maintained and what is the extent of compliance? whether there is a preliminary check on input data to ensure completeness?
- whether the application system provides for the following programmed controls;
 - * check for missing/duplicate transactions; e.g.,
 - * Check for continuity of goods invoice numbers issued by a station for missing numbers
 - * More than one subscription for the same month for one PF account number.
 - * Controls on rejected items and keeping them under computer suspense;
 - *The monthly treasury transactions are rejected if they do not have valid heads of account as given in the budget master. The rejected items are kept under suspense and control totals along with valid transactions tallied with the cash account and list of payments.
 - * Rejection of issue notes in a stores accounting system due to want of balance.
 - * Input validation for data purification (alpha-numeric checks to conform to data types), e.g.,
 - * Personal identity number should be numeric
 - * Station name field is alphabetic (depends on system requirements). Limit/range checks; e.g.

- * The transaction type in a financial accounting system cannot have values less than 1 or greater than 6.
- * The maximum basic pay cannot exceed Rs.30,000/- p.m. Basic pay, plus Dearness Pay, plus Non-practice Allowance (NPA) cannot exceed Rs.44250/- p.m.
- * The field length for withdrawal/advances in a PF system cannot exceed 7 digits.
- * The treasury code for Nagaland State can have values only between 01 and 12.
- * Overflow checks; e.g.,
- * If the field length for withdrawal/advances in a PF system is 5 digits and there is a valid debit transaction with 6 digits, the high order digit gets truncated.
- * In arithmetic operations like weight multiplied by rate to give freight, if adequate field length is not provided for 'freight', a zone bit will be generated which can be checked. * Some fields should not be blanks or zeros (mandatory fields); e.g., ,
- * In a leave accounting system, the leave type code cannot be left blank since the entire transaction will be invalid without this.
- * A treasury transaction should indicate in the relevant fields whether it is vote/charged, plan/non-plan, and not be left blank.
- * Check digits; e.g.,
- * In a payroll system, the account number, which is a control fields to identify an employee, has a built in check digit. The program works out the check digit on the basis of the account number input and verifies the correctness of the check digit given. If the check digits do not tally, then the account number is wrongly entered (may be a transposition error).
- * The station code in the freight accounting system in the Railways has a check digit detect data entry errors in this code.
- * Compatibility checks; e.g., if the transaction type is for official receipts in a financial accounting system, the account cannot be a negative value.
- * Exception check; e.g., the amount column in a treasury transaction for a month has a value greater than the budget for a quarter.
- * Totals for a batch/lot; e.g., the batch total for a major head under a treasury is worked out on the computer and tallied with the total given in the schedule of payments/receipts for that batch (to ensure complete accounting of transactions in a batch).
- * Record totals summaries for reconciliation; e.g., in a freight accounting system, when a goods basic tape is created it gives the total number of records, which should tally with the total number of invoices input.
- * Whether output reports are test - checked before being distributed to the user department and the output is produced in accordance with a prescribed schedule.

21.12 AUDIT REVIEW OF BUSINESS CONTINUITY PLANNING

Business continuity planning is about planning to recover key business processes following a disaster. Disasters are not just restricted to fire, flood and other causes of damage to property; they can equally result from more mundane problems, such as strikes, or hardware or software malfunctions. .

The overall objective of producing and maintaining a business continuity plan is to *maintain the integrity of the organisation's data together with an operational service and processing facilities and, if necessary, provide a temporary or restricted service until normal services can be resumed.*

The objective of business continuity planning is to make plans that are designed to reduce downtime - and hence loss to the business - to a minimum.

Contingency and continuity planning

A well designed computer system is usually reliable but, like everything else, it is subject to unpredictable events. When these occur users are faced with a situation where what they believed to be trustworthy has become unusable. Nevertheless they must be able to continue the business during the period of unavailability. This can extend for several weeks or, in extreme cases, to months.

The many questions that need to be addressed when drawing up a business continuity plan cannot be resolved by the IT Department alone. The wider problems that relate to people, communications, office accommodation, vital paper documents, etc must also be resolved. Whereas a contingency plan focuses on specifics, such as the actions that are necessary to transfer a business system to a standby site, a business continuity plan contains everything that is necessary to provide an organisation with the ability to fulfill its corporate mission during the period of disruption, and then to return to normal in a controlled manner.

Audit Considerations

If the organisation do not have a business continuity plan the auditor will need to ascertain whether any of their business systems - both manual and computer - are sufficiently critical to justify the cost of developing and maintaining a continuity plan. If, in the auditor's opinion, the "do nothing" option cannot be fully justified, the matter should be brought to the attention of top management to ensure that they are aware of the extent of their exposure to disaster.

Regardless of the need for a business continuity plan, there ought to be a workable (i.e. has it been tested?) strategy designed to ensure that computer systems can be recovered from backup within an acceptable time-frame. And at least one full copy of the backup should be stored remotely.

Other questions which the auditor will need to consider when reviewing a business continuity plan are as follows.

- a) Is the continuity plan documented? *It is very unlikely that an undocumented plan will prove effective either to support testing or in a real emergency.*
- b) Does the plan define what will constitute a “disaster” or “emergency”, who will take control should one occur, and from where control will be exercised? *A plan will be of very little use if it is unclear who will be responsible for implementing it, under what circumstances, and from where control is to be exercised.*
- c) Is the plan based on risk assessment? Has the maximum tolerable outage for each key business system been defined? Has an order of system recovery been specified that reflects the criticality of each system? *It is unlikely that the organisation will be able to afford to protect all their systems, or that this is indeed necessary, so resources must be focused on those systems that are most important to the business.*
- d) Does the plan take full account of non-technical needs, such as the re-location of personnel, and the diversion of support services to their emergency accommodation? *There is no point in recovering business systems if their users cannot be connected to them and supported in other ways that are essential to their operation.*
- e) Are the disaster recovery strategies for each business system appropriate to its criticality? (‘hot start’, ‘cold start’, etc) *An inappropriate recovery strategy will prevent the system from being restored within its critical time-frame.*
- f) Has the plan been allocated an adequate financial budget to pay for annual testing and maintenance? *No plan will remain up-to-date, and therefore dependable, for long in the face of changing business needs. Plans must be tested regularly to prove their dependability and updating as necessary.*
- g) Has a manager of appropriate status been appointed as Continuity Manager, or have other effective arrangements been made which ensure that the plan has an “owner”? *If the plan does not have a clearly recognised owner it will gradually become obsolete through lack of updating.*
- h) Where are copies of the continuity plan held? *To ensure that the plan is readily available in an emergency the minimum distribution should include copies in the remote store, the emergency control centre, and both at the homes of all key personnel involved with its implementation. Other organisation who are closely linked to the plan (e.g. linked by a reciprocal agreement) might also need to have a copy to define the roles that they are to play.*
- i) Does the plan contain a version number to indicate the currency of each section, an up-to-date circulation list and a record of the amendments that have been made to it (i.e. have all amendments been incorporated in this copy?). *{Are out-of-date versions of the plan collected and destroyed? Out-of-date versions of the plan must be easy to recognise because it is unlikely that they will be of much use}.*
- j) Testing the plan.
 - * Has the organisation an adequate strategy for testing the plan?
 - * Does the strategy include the need to carry out complete end-to-end testing under a full live load periodically? Has the plan been tested in line with the strategy?
 - * Were test criteria set before the test to help measure effectiveness? Were test results analysed against the criteria? *Targets are necessary to ensure that key systems can be recovered within an acceptable time-frame.*
 - * Was a report to top management produced to summarise test results, the overall conclusion reached, and to specify where changes are necessary?
- k) Awareness training.
 - * Do personnel know what action they are to take in an emergency? (e.g. where to go, who to contact, what to do);
 - * Are users familiar with the standby site?
 - * Are building evacuations practiced periodically?
 - * Are personnel included in live tests of the continuity plan?
- l) Backup and recovery *(the auditor will need to exercise judgement in deciding whether the backup strategy is adequate. Its nature will depend on the rate of change of data and software, and the criticality of the system to the business).*-
 - * Has a backup strategy been agreed between user and IT management’s? If adequate backup does not exist, many aspects of the continuity plan might become worthless.
 - * Does the frequency of backing up defined in the strategy adequately reflect the rate of change of the underlying files and the criticality of the system?
 - * Are a sufficient number of backup copies taken at each pass to allow for distribution of the copies between media library, fire-safe and remote store? Also, to protect against the possibility of a defective tape or disk?

- * Does the backup strategy adequately address the need to take full system backups taken periodically?
 - * Are a sufficient number of generations of backup maintained to allow the system to be rolled back and restored from any dates? (*A system error might extend over a number of processing cycles before its effects on system data are detected. This might mean that the system will need to be recovered from its state some days, or possible weeks, previously*)
 - * Is a log maintained of the serial numbers of backup media, their contents and their location? Is a copy of the log maintained at the remote media store?
 - * Is a full system restoring test periodically to prove the integrity of the backup process? Are these repeated on standby computers to prove that the system can be transferred to a standby site?
- m) On-site and remote storage.
- * Is a purpose-built fire/water proof safe provided for the on-site storage of backup media? Is the safe kept locked when not in use?
 - * Is a secure store well removed from the home site provided for the storage of backup media and copies of vital documents?(*The remote store should be at such a distance that access will not be affected if access to the home site and its immediate neighborhood is denied.*)
 - * Are physical access and environmental controls at the remote store sufficient to safeguard backup material against threats such as fire, water-damage, unauthorised copying and theft? Is the remote store located near to anything that might endanger its security, such as water tanks and pipes, central heating boilers and heating oil, cooking equipment? *All the latter increase the risk of fire or water damage.*
 - * Are copies of important paper records held in the remote store? (e.g. user and operations manuals, telephone directories, equipment lists, lists of equipment suppliers and maintainers)
 - * Is access to the remote store guaranteed at all times? This will include access to the site or building housing the remote store, and to any keys or key combinations that are necessary to unlock cupboards, etc.
- n) Emergency Control Centre: has an off-site location been designated for managing an emergency should the home site be damaged or access to it denied? Have adequate facilities in the form of telephones, faxes and meeting rooms been provided? Is an up-to-date copy of the continuity plan and telephone directories held there? Also an adequate supply of stationery? (including cheques)
- o) Vital non-magnetic records: have non-magnetic records (papers, fiche, and microfilm) that are vital to the business process been identified? Is their location known? (*to facilitate salvage*) Are they stored in appropriate containers? (*to prevent damage*) To the extent that it is feasible to do so, have duplicates been transferred to the off-site store?

Security at the home site : have adequate measures been made for protecting the home site in the event of severe damage to the buildings? (*following fire, storm damage, bomb blast, etc*). Does the plan include procedures for salvaging vital records? (*both magnetic and non-magnetic*) Does the plan include instructions for secure disposal of damaged magnetic media?

21.13 Audit Review of IT Security Objectives:

The requirement for security arises from the need for management to reduce to an acceptable level the risk of a significant breach of the confidentiality, integrity or availability of information systems or the data handled. This can be achieved by reducing threats, reducing the vulnerability to a threat or reducing the impact of a threat occurring and adversely affecting the business.

The key security objectives are:

- **confidentiality** relates to avoiding unauthorised disclosure of information and involves measures such as encryption and access control;
- **integrity** relates to avoiding unauthorised modification of information and involves measures such as control totals, access controls and signatures; and
- **availability** relates to avoiding loss of service and involves measures such as backup and duplication.

Audit Issues in IT Security

The various checks to be carried out in audit while reviewing IT Security are as follows:

- ☒ Is there a comprehensive IT Security Policy for the Organisation spelling out the major perceived threats, the minimum standard of security applicable to all systems in the organisation, responsibility and accountability for security at all levels etc.,?
- ☒ Does the IT Security Officer report to the top management and is he/she supported by a IT Security team?
- ☒ Is the efficacy of security controls reviewed by internal audit every year and reported to top management?
- ☒ Does everyone in the organisation know about the IT Security Policy?
- ☒ Are all the staff aware of their responsibility relating to IT Security and on what is expected of them?
- ☒ Is there a mechanism to ensure prompt reporting of security violation events and timely investigation where necessary?

- ☒ Does the organisation have a well defined personnel management policy covering the recruitment process of IT Staff, their training, procedure to be followed on the termination of service of IT Staff etc.,?
- ☒ Has the top management identified the risk management approach and the methodology to be adopted? Has the top management agreed to adopt the qualitative or quantitative approach?
- ☒ Does the risk management process cover analysis of threat, vulnerability and the impact of threat?
- ☒ Are the security controls commensurate with the risks? If the controls were more than necessary it would mean unnecessary costs and if controls are inadequate it indicates unacceptably high risk.
- ☒ Is a cost-benefit analysis carried out before selecting the security control to be used?
- ☒ Is the risk reviewed periodically as risk is a snapshot of time and is not static?
- ☒ Does the organisation have adequate physical access controls to prevent unauthorised users from accessing the system?
- ☒ Does the organisation have adequate logical access controls, so as to prevent unauthorised access as well as to keep track of the activities of the users?
- ☒ Does the organisation have a regular mechanism for backing up data and for keeping backups in offsite locations?
- ☒ Does the organisation have business continuity plans for critical systems, so that business is not disrupted despite disasters?
- ☒ Does the management has a catalogue of all assets and categorised them according to the security requirements?

21.14 AUDIT TRAIL AND ITS OBJECTIVES :

1. The audit trail objective is to obtain sufficient evidential matter regarding the reliability and integrity of the application system. To achieve this, the audit trail should control enough information to allow management the auditor and the uses;

- to recreate processing action;
- to verify summary totals; and
- to trace the source of error and abuse.

2. The audit trail should include the following information;

- System information including start up time, stop time, restarts, recovery etc.
- Transaction information including input items which change the database, control totals, and rejected items (relevant to database application).
- Communication information including terminal long-on/off, password use, security violation, network changes and transmission statistics (relevant to transaction processing (TP) applications.)

3. In a computer system, the audit trail may not always be apparent as in a manual system since data are often retained in magnetic media and output is limited to a small number of total items processed with reports produced only on exception basis. The general procedure is to first investigate control totals and run to run totals within the whole system and then to check and substantiate the audit trail by limited checking through records and files or by taking intermediate printouts of audit interest. If the design of the computer system does not provide for adequate audit trail this should be brought out in audit review, highlighting control weaknesses or lack of controls in the system. Apart from that might creep into the system there is a possibility of frauds, which might go undetected due to control weaknesses.

21.15 AUDIT OF DATABASE SYSTEMS

I. The advent of database management system (DBMS) with the new generation of computers has brought about a shift from conventional batch processing to on-line interactive processing. DBMS requirements are developed in the light of a set of basic objectives; viz., data independence, reliability, non-redundancy, integrity, security, performance and compatibility with the existing concepts.

2. While reviewing the DBMS, in addition to general guidelines given for the audit of application systems, the auditor should see that;

- the DBMS in use meets the requirements in the light of the basic objectives stated above;
- procedures exist for;
 - * access controls (user's "right to know" and need to know basis with field level access control definitions.
 - * maintenance of back-up,
 - * journalising all transactions for reconstruction in case of a crash,
 - * roll back and recovery, and
 - * ensuring data integrity by protecting the stored data from being contaminated through exclusive and shared control and by imposing restrictions on the values that can be assigned to data items. When an application programme terminates part way through an update procedure, it should be possible to reverse the effect of changes to the database;
- the data dictionary is complete and update and could be relied upon as a comprehensive documentation; and
- there is a data administrator who is assigned the responsibility for describing the data, defining the data relationship and mappings, establishing data security rules, specifying performance measurement procedures and evaluating the system on the basis of the results.

21.16 REVIEW OF MICROCOMPUTERS/OFFICE AUTOMATION:

1. In the past any cost justification of computer facilities was relatively straight forward because savings in staff could very easily be identified and these savings usually outweighed the cost of Computerised applications. This approach is no longer practical as the advent of microcomputers and the introduction of information technology have shifted the emphasis from cost justification to improvement in the quality of service and better management control of the resources available. This aspect should be borne in mind by the auditor while reviewing microcomputer based system.

2. The purpose of audit is to see:

- whether there is a comprehensive EDP Policy for the organisation;
- that there is no unplanned proliferation of computers due to lack of coordination of EDP facilities; and
- that only persons with extensive specialized training are employed to use microcomputers, to ensure quality and standards of data processing (when tools are introduced and used without detailed understanding, the potential for misapplication always exists)

3. The software industry is full of "user-friendly" packages for microcomputer systems, but in many cases these programmes have limited capabilities and are more suitable for the novice operator. Users quite often do not consider what their requirements are, and this can have far reaching consequences with regard to acceptance of the system.

4. Audit implications of office automation stem from weakening overall controls in the office automation environment. Major control implications of office automation are listed below :

- loss of audit trail due to reduction/elimination of paper work;
- rejection of source documents/authorisation and authentication of input;
- information access by more people and hence possible abuse;
- creation of sub-standard systems, and
- inadequate back-up and recovery facilities.

These control implications apply equally to any microcomputer based system in operation. Therefore audit should verify that at least the controls, procedures and security aspects that are currently available in the manual system are taken care of, if not improved upon while designing an automated system. In addition audit should verify that network security, proper communication provision and user interface exist where automated systems are installed and in use.

5. In general information should be automated only when there are clear benefits to be gained from doing so. For example, automation makes sense if the volume of information is large, requiring analysis in several different ways and/or used by various users in different ways.

21.17 EDP AUDIT TECHNIQUES

1. EDP. audit techniques refer to the use of computers including software, as a tool to independently test computer data of audit interest.

2. Some well-established techniques are;

- collecting and processing a set of test data that reflects all the variants of data and errors which can arise in an application system at different time;
- using integrated test facilities, built into the system by the auditee to help the auditor in his requirements, as one of the users of the system;
- simulating the auditee's application programs using audit software to verify the results of processing; reviewing programme listing periodically to see that there are no unauthorised alternations to the programs; using either commercial software or in-house developed programmes to interrogate and retrieve data applying selection criteria and to perform calculations; and
- extracting samples of data from the auditee data base/files, using sampling techniques, for post analysis and review. The nature of data and type of analysis required determine what technique is to be employed. The auditor should give the sample size and design.

3. Computer audit techniques are employed for;

- verification of ledger balances and control totals independently;
- recalculation of critical computerised calculations to check mathematical correctness;
- range checks to verify the working of computer-based controls and testing for exception conditions; testing the validity of data which have gone into the master file;
- detection of data abuse/frauds; and
- substantive testing with large volumes of data which is difficult if not impossible in a manual audit process.

4. The particular computer audit technique employed depends on the type of application system under review, the extent of testing required and the availability of resources in terms of computer facilities, and the level of EDP skills among the audit staff (audit skills are assumed here). Where data volume is small and adequate printed information is available to carry out a meaningful clerical audit, there is no need to employ computer techniques, which are costly and time consuming. To elaborate further, the auditor should break up his project of application system audit into three stages. In the first stage, he will carry out the examination of audit trails, intermediate printouts as required, system logs, operational

controls. As a result of audit in the first stage, if the auditor feels that the adequacy of controls requires further verification, in the second stage he can carry out compliance testing by using the test check method and integrated test facilities with resident audit programs. If the compliance testing exposes some control weaknesses, substantive testing may be resorted to in the third and final stage using retrieval software and simulation techniques with audit software.

5. Some EDP audit techniques are briefly described :

21.18 TEST DECK METHOD

1. In this method, the auditor prepares both real and fictitious data to test the accuracy of the programmes. In designing the test data, care should be taken to include all variants to test all possible conditions. Using this techniques audit can check whether;

- the system and programs operate as specified in the documentation;
- only valid data is accepted and processed correctly;
- erroneous data is rejected as anticipated; and
- exception conditions are tested by the application programs to avoid absurd results.

2. INTEGRATED TEST FACILITIES

This technique requires involvement of auditors at the system development stage. Separate programmes are written exclusively for audit use and are operated by auditors at periodic intervals. These programmes reside in the software as an integral part of the application system. For example, all the transactions which affect the master file could be written into another file for post audit and review. Similarly, audit modules could be built into the system to check exception conditions, like stocks below minimum levels, issues without balances and purchases of items when no issues have been recorded, in the case of an inventory control system.

3. SIMULATION USING AUDIT PROGRAMMES

While, in the test check method, the auditee's programmes are tested with the auditor's data, in the simulation method, the auditor uses his own software to test the auditee's data and then compare the results of this independent processing with those of the auditee. This is a very time consuming and expensive method. Moreover, this calls for special programming skills on the part of the auditor. Employment of this technique is generally discouraged. It is certainly not suited to our environment, since we do not have the required time or resources. The time required for developing simulated systems could be profitably employed in developing new systems of audit interest.

4. PROGRAMME REVIEW AND COMPARISON

This technique requires programming skills on the part of the auditor to periodically go through the programme listing find compare such listings for each application system. It is a time consuming method. There are utilities available today for comparison of files on the computer itself. However the examination of programme listings can only be done manually. This technique is not recommended for our environment since we do not have the time or resources to do this job. Moreover, the object module could be manipulated by a skilled programmer without touching the source programme files; in such situation, the examination/comparison of programme files does not serve the purpose.

5. RETRIEVAL/INTERROGATION PROGRAMS

Retrieval software should be comprehensive and include the following functional routines/facilities to :

- retrieve record by record from a file;
- total value fields for reconciling computer figures with booked figures;
- perform calculations on numeric data to check the resident modules' mathematical correctness;
- sort and merge data in any desired sequence;
- select data from an indexed file on any desired criteria; and
- print reports for post-audit analysis and review.

There are a number of commercial packages like FILETAB, EASYSTRIVE, IDEA available off the shelf. There are versions for use both on conventional files and data base systems. The auditor can also develop in-house retrieval programs. Such projects are not only expensive but also call for high levels of programming skills and knowledge of a variety of computer languages. Also auditee data files would require conversion to an acceptable format before retrieval software can be used. Even for using commercially developed packages, the auditor is required to possess:

- knowledge of the computer system with the auditee;
 - programming skills to construct queries X-retrieve data;
 - knowledge of the operational aspect of the package; and
 - the layout of data files subject to examination.
- (Availability of computer resources and time is assumed).

Today many DBMSs have built-in query and report writer facilities. Unstructured queries on the data. files are also possible in some advanced systems. These utilities could be profitably employed for audit purposes. The auditor will be able to obtain the relevant information from the auditee's computer centre.

The distinct advantages of retrieval packages over other methods are 100 per cent review of data and accuracy of processing and effective use of the auditor's time in analysing results of interrogation. Use of retrieval software will,

however, always remain a problem area primarily because of the multitude of hardware and software systems in use in various departments, necessitating expertise in several programming languages.

21.19 WORK PAPERS OF EDP AUDIT

The preceding processes are only tools in the hands of the artisan, namely the EDP auditor. The shape of the final product depends on his level of skills. The work papers at the end of an EDP audit exercise constitute the evidential matter on which conclusions will be based. Stated broadly, the contents should address the following issues:

- Does the auditee have an EDP Policy or clearly defined objectives for acquiring EDP facilities?
- How much has been invested in commissioning the facilities and the details of inventory, both hardware and software?
- Are the installed EDP facilities adequate to meet the objectives?
- How are the resources utilised ?
- What are the applications processed on the EDP facilities and their utility and impact on management/users? Is there a relationship between the management objectives and the products churned out by the computer centre?
- What is the extent of controls with reference to installation, applications and processing to ensure safety of assets, data integrity and reliability of the end products?
- Is there a review of EDP functioning by management and, if so what is the periodicity?
- Where does the EDP set-up fit in, considering the overall auditee organisational set-up and what is the position of the EDP incharge?

Some typical objectives and possible audit observations are given in the annexure for illustrative purposes.

21.20 REPORTING ON INFORMATION TECHNOLOGY AUDIT

Format of IT Audit Report

It is best to adhere to the normal reporting format for audit reports in case of IT audit also. The format for audit review and audit paragraphs as they are published in the audit reports are well known.

When the system is running in more than one unit, audit examination should be spread over suitably, so that audit conclusions become more representative.

A typical IT Audit report in the review format would contain observations with and without money value attached to them. However, in case of a draft paragraph, normally money value will be one of the important considerations for processing it further.

Regarding IT Audit reports, following guidelines may be followed:-

- a. The report must contain a few introductory paragraphs which will include audit objectives, scope and coverage, a statement of nature and extent of audit and the system(s) audited. A short description of the audit procedures adopted including CAATs used may be included.
- b. The report must briefly give details of the system highlighting application and operating software environment and hardware resources required to run the system. The volume of data, the complexity of processing and other details should also be highlighted so that the reader can gain a clear idea about the system to appreciate subsequent audit findings.
- c. The criticality of the system must be assessed and mentioned. The parameters for judging the criticality also should be mentioned in brief. A few examples of such criticality parameters will be (i) there will be serious disruption in the business of the entity if the system fails (PRS). (ii) the large part of auditee's revenue is earned through the operation of the system (UTS). Disruption of the system or wrong inputs/outputs may lead to underpayment or overpayment (Pay Roll or Inventory Management) (iv). The confidence of public in the auditee organization largely depends on the running of the system (PRS/UTS).
- d. If a data/process flow is complex, a flow chart may be annexed to the report.
- e. From this point on, the report may be divided into three parts; the first part should deal with project and policy issues etc. This part is more in the nature of traditional audit. The second part should deal with general controls, application controls and other such issues. The third part should deal with the result of data analysis. However, these parts may not always be compartmentalized into part I, II and III as in many cases these parts will be
- f. For conducting a review on controls, it is better to keep a framework in mind. It can be COBIT guidelines. Other organizations like INTOSAI (International Organization of Supreme Audit Institution) or IFAC (International Federation of Accountants) have also come out with guidance notes on many aspects of IT. However, it should also be borne in mind that no single framework can be made applicable across all the systems and such framework can only be used as reference but not blindly followed. Broad fundamental of the framework that audit has used to assess controls should be mentioned in the report.
- g. Sweeping conclusions regarding absence of controls and risks thereon must be avoided, when they are not supported by substantive testing. In other words, just because it is mentioned in the guidelines, it cannot be

audit conclusion. (e.g. Absence of IT policy may lead to haphazard development in an organization and it may lead to mismatch between hardware procurement and software development. This, itself cannot be audit conclusion even if audit discovers that an organization does not have an IT Policy. Audit should further examine whether it has actually led to haphazard development and whether such development can be ascribed to lack of IT policy and if so, in what way.

- h. The audit conclusion must be supported by overall evidence gathered during the audit.
- i. Analysis of data often reveals startling facts. In one case, it revealed allotment of houses by a housing board to minors against rules. In another case, programming errors were detected which resulted in inflated basic pay, resulting in chronic overpayment. To be on the safe side, it will be advisable to double check manually, on a sample basis, the documents to be sure about the veracity of such observations.
- j. While technical jargons should be avoided as far as possible, it is advisable to use flowcharts, snapshots of programmes/data to make a point clear. Acronyms of technical jargons must be avoided.
- k. Timeliness in the reported is required. If the hardware had been procured about 10-15 years ago, it will hardly be justified to comment on that now, unless the matter is serious enough to merit reporting or some other comments requires this fact as a context. Similarly, if the system has been developed 15-20 years ago, it is not worthwhile to comment now that User requirement specifications were not drawn.
- l. Generalities should be avoided. Instead of saying that “System documentations do not exist”, audit should be able to report what precise documents are being referred to and why they are required. Terms like “System documentations” may mean different things to different persons.
- m. Some of the golden rules of audit reporting are worth reiterating. They are:
 - a. One thought per sentence;
 - b. Use short paragraphs;
 - c. Use headings and sub-headings to break up long paragraphs;
 - d. Substitute longer words with shorter words;
 - e. Be specific.

n. Reply from the Management

In case of IT Audit Reports, it is extremely important to get the confirmation of/replies to the audit observation. While formal reply may be difficult to get, the concerned field office should try to have meetings with the Management at the highest level. Even if these efforts fail, adequate evidence about efforts made should be kept on record and mentioned in the report about these efforts. Lack of these is one of the main reasons why such reports cannot be processed in the Headquarters office.

o. AUDIT Evidence

Electronic evidence is admissible as evidence for consideration of the report in the Headquarters office. It should be ensured that, as far as possible, that timestamps are marked on this evidence invariably. For instance, while making a SQL query, the evidence should include the query also. In the body of the query, system date and time may also be included, even if for the purpose of the query, this may be irrelevant.

While using data dumps, to the extent possible, a forwarding letter may be taken. If the same is not possible, the field audit party should generate internal documents noting down important information like the date on which the data was handed over, from what file the data dump was created, whether the data was from production environment or from some other environment etc. The electronic evidence generated and used for audit reporting should be related to such documents.

p. Recommendations:

The Indian style of Audit reporting does not require recommendations in the audit report. It is not absolutely necessary to incorporate recommendation in the IT Audit reports. However, recommendation may be made if the context and gravity of the conclusions warrant such recommendations.

Even while making recommendations in the audit report, it is necessary to avoid bookish, very general recommendations. Any recommendation has an effect on cost and it should be commensurate with the cost of the system. “The introduction of all controls may not be practicable when the size of the business is small or when microcomputers are used irrespective of the size of the business.

q. Limitations:

It is important to mention in the audit report, limitations that were faced by audit. For example, if the data used was not from production environment, it should be so mentioned. Similarly, if there is only production environment and audit could not test dummy data to evaluate input controls comprehensively, it should be mentioned.

r. Miscellaneous

No such information about a system should be mentioned in the body of the audit report which might help outsiders to break into the system. Such information can only be treated as audit evidence but the reporting has to be carefully monitored.

21.21 INSPECTION OF OFFICES

Northern Railway started computerisation in autocoder in the early '60s and then moved on to COBOL. Very recently Railways have switched over from their old systems, using COBOL programming, to Relational Database Management Systems. Today they have several application packages, which covers Accounting, Financial Management, Inventory/Store Management, Payroll, Personnel and Administration and Decision support systems/MIS. Apart from that, computerization has also been done at Rail Coach Factory, Kapurthala, Research Design Standard Organisation, Lucknow, Diesel Modernisation Works, Patiala, Centre for Modernisation of Workshop (COFMOW), Tilak Bridge, New Delhi. .

EDP section is conducting the inspections of offices listed in Annexure-II covering the following points:

(i) Installation (environmental) audit which comprises audit of Administrative controls and organizational controls. Administrative controls include the areas relating to IT Strategic Planning, planning and acquisition of EDP facilities and use of resources, physical security, fire control, theft controls, power fluctuation controls, power supply backup, hardware maintenance, logging of maintenance schedules; disaster management, software maintenance, whereas organization controls relate to access control, job responsibilities file control.

(ii) Audit of computer and applications comprises development controls (common for all computer applications), and operation controls (for each application). Development controls cover system study and feasibility, design control, programming control, list control, change control, documentation control. Operations controls consist of input controls, processing controls, output controls and master file controls.

Audit should be taken up at 2 levels as follows:

(a) Audit around the computers

This can be conducted by staff having basic knowledge of the application package and would involve examination of inputs for ensuring correctness and completeness of data and verification of results from the outputs generated as being done in conventional audit.

(b) Audit of and through the computers

It requires good knowledge of the IT systems, software design, structure, languages and experience in handling IT audit tools like Computer Aided Audit Techniques (CAATs). CAATs are very useful and powerful techniques for conducting detailed analysis, sample selection and manipulation of data maintained in a computerised system to check the adequacy of inbuilt data validations and processing control existing in the system. It requires knowledge of system design, file structures, data type and record lay out i.e. record length, field length, file type etc. and involves data downloading in cases where online access to the database is not provided. .

ANNEXURE - I

1. Some typical objectives given by auditees in provisioning EDP facilities are:

- We anticipate 20 percent return on the investment.
- The entire investment will be paid back in a year's time in terms of savings and overall increase in productivity.
- We plan to achieve qualitative improvement in services, increased productivity, better data discipline and streamlined information flow, timely, accurate and up-to-date information etc.
- Generally the objectives should be in quantifiable terms, except a few which are only perceivable or measured in terms of indirect benefits.

2. Some possible audit observations are given below:

- There is no EDP policy or well-defined quantifiable objectives.
- After sanctioning the EDP facility, management has neither involved itself in the EDP functioning nor depended so far on the EDP services for its vital decisions.
- Users are either indifferent to the EDP services or lack awareness of the service potential in the user area of activity.
- The hardware and software are inadequate for meeting the objectives.
- The technology options were not considered at the time of technical scrutiny.
- There were time and cost overruns in commissioning the EDP facility.
- The applications are not decided on the basis of any clear guidelines set by the management or based on steering committee's recommendations.
- The computer installation being under the control of a functional manager, there is bias in the choice of application areas.
- Lack of or inadequate installation controls :
 - * there are no physical access controls for entry to the computer room and terminal room;
 - * the programmers operate the computer for processing application systems ;
 - * there is no provision for off-site storage of back-up files;
 - * the Operators have access to all program files.
- Application control review:

1. Payroll system

- * Using test deck method, the following control weaknesses could be detected:
- * Payroll master file accepts duplicate account numbers in the same bill unit;
- * A person who has crossed 60 years of age is accepted by the system; records of retired employees require physical deletion in the master file, which is not automatically done
- * the system does not reject recoveries in excess of gross pay which are un-enforceable.
- * No audit trail is available to enable verification of the actual process of updating the master file with reference to the input.
- * Balances of interest-bearing advances and the number of installments are not adjusted on a month to month basis; even after the last installment the recovery goes on until physically deleted.

2. Civil Accounts compilation

- * Run to run totals are not reconciled, with the result that totals of classified absa-acts across treasuries do not tally with totals of the consolidated abstract for the same month (processing control weakness).
- * In printouts of consolidated abstract and civil accounts, previous month's transactions were repeated in the current month without affecting the progressive totals, although there were no transactions against those particular heads of accounts. The source of error could be detected using a retrieval programme to extract relevant records from the budget master file, which indicated that the previous month's amount columns were not being initialized before posting the current month's transactions in the master file.

ANNEXURE – II

LIST OF MAIN OFFICES AND NAME OF THE APPLICATIONS BEING USED BY THEM

Sr. NO.	Name of the office where EDP system are installed	Name of the main application	Time required for conducting inspection
1.	Zonal EDP Centre, Baroda House, New Delhi.	1. Pay Roll and Interrelated Modules (PRIME) 2. Financial Management Information System 3. Material (Inventory) Management Information System 4. Blank Paper Ticket and Passenger Card Ticket Apportionment System (Traffic Application)	Inspection time can vary normally from 1 to 4 months depending upon the application selected for audit, scope of audit, composition of the audit party, technical and functional knowledge and experience of audit party etc. Inspection duration can be fixed after considering the above factors.
2.	Office of Chief Commercial Manager (IT), I.R.C.A. Building, New Delhi.	1. Country Wide Network for Computrised Enhanced Reservation and Ticketing (CONCERT) 2. Unreserved Ticketing System (UTS)	-do-
3.	Rail Coach Factory, Kapurthala	1. Material Management System 2. Financial Accounting System 3. Scrap Disposal 4. Personal Information System 5. Employee Accounting System 6. Time Attendance Maintenance System 7. Plant Maintenance System 8. Integrated Design Office Management System 9. Jigs & Fixtures Quality Control 10. Employees Incentive Computing System	-do-
4.	Diesel Modernisation Works, Patiala	1. Payroll & Personnel Management System 2. Material Management Information system	-do-
5.	Workshop, Charbagh, Lucknow	1. Personal Management Information System 2. Pay Roll 3. Rolling Stock Management System	-do-
6.	Jagadhri Workshop	1. Pay Roll 2. Financial Management System 3. Personal Management Information System 4. Machinery & Plant Maintenance 5. Rolling Stock Maintenance 6. Coaching & Wagon Condemnation Information system 7. Production & Planning Control System	-do-
7.	DRM Office, Lucknow Division	1. Pay Roll and allied application	-do-
8.	COFMOW, Tilak Bridge, New Delhi.	1. Management Information system 2. Pay Roll System	-do-
9	Construction Office, Kashmer Gate, Delhi	1. Expenditure Management System 2. Financial Management Information System	-do-

Sr. NO.	Name of the office where EDP system are installed	Name of the main application	Time required for conducting inspection
10	Signal Shop, Ghaziabad	1. Material Management Information System 2. Integrated Transactions Accounting System	-do-
11	Ferozpur Division	1. Freight Operation Information System 2. Material Management Information System 3. Supervisory Control and Data Acquisition System 4. Integrated Transaction Accounting System	-do-
12.	DRM office, Ambala	1. Material Management Information System 2. Payroll and Interrelated Modules 3. Integrated Transaction Accounting System	-do-
13.	Research Design Standard Organisation, Lucknow	1. Financial Management Information System 2. Pay Roll 3. Vendor Management System 4. Project Management System 5. Track Management System	-do-
14.	Chief Claim Officer, S.E. Road, New Delhi.	1. Web-enabled Claim Software	-do-
15	Moradabad Division	1. Pay Roll	-do-
16.	Delhi Division	1. Electrical Engineering Management Information System 2. Crew Management System 3. Personal Management Information System 4. Integrated Transaction Accounting System 5. Control Management System 6. Freight Operation Information System	-do-
17.	Workshop, Amritsar	1. Integrated Transaction Accounting System	-do-
18.	**Centre for Railway Information System, Chanakayapuri, New Delhi.	1. Pay Roll System 2. FOIS 3. UTS 4. CONCERT	
19.	Workshop, Alambagh Lucknow	1. Integrated Transaction Accounting System	-do-

** Applications at S. No. 2 to 4 are operational at multi-locations but are centrally managed by CRIS office.

Railway has recently developed following main applications which are in various stages of implementation over Indian/Northern Railway.

1 Self Printing Ticket Machine (SPTM) / Unreserved Ticketing System (UTS)

IR run about 8500 trains out of which about 1000 trains have reserved accommodation. A large chunk of Passenger traffic is therefore, in the unreserved segment. Lately, the use of SPTM has been extended for speedy issue of unreserved tickets and the use of SPTM will increase in future so as to facilitate easy availability of tickets for passengers.

2 Freight Operation Information System (FOIS)

Freight operation Information System (FOIS) has been developed to take care of the operational functions relating to Freight Train Operations, Yard management and activities pertaining to Good Shed working.

FOIS comprises two modules i.e. a) Rake management system (RMS) and b) Terminal management system (TMS). The RMS covers computerisation of various operational functions relating to Yard and Freight Train operation. This system was developed to monitor the movements of the Rakes providing an improved, reliable, effective information and decision support system to ensure operational discipline at any time. This module has been developed in 2 phases. TMS relates to computerisation of different activities pertaining to Goods Shed working. This module has been developed in phase 3.

The objective of the system is to provide a powerful tool to the management for exercising effective and viable control on day to day Railway operations by capturing the relevant data through computer application and generating information as per requirements.

This system has been introduced to keep the records of the loads/train, wagons, loco movements and consignment details etc. by reporting load formation, forecast, train arrangements, crew assignment, train consist including consignment details besides train departure, train arrival, shunting performed enroute, changes to train locos, train stabling, rake formation, correction in rake composition, placements, releases, removal from sick lines/goods sheds, RR details, loco irregularities and maintenance activities. Further, it also provides facilities to make inquiries from the system in regard to the above activities and furnish minute-to-minute, accurate, reliable and comprehensive information about status of any operation.

3. Material Management Information System (MMIS) (Oracle based)

Railways have developed new MMIS applications, in an on-line environment making use of an RDBMS and new hardware systems. It has mainly five modules i.e. the finance, purchase, sales and auction, depots and uniforms module. The finance module comprises the various functions and responsibility of stores accounts branch. The purchase module caters to the demands sent by various depots and generation of purchase orders against those demands. Sales and auction module is related with scrap disposal. Depot module takes care of stocking and custody of materials needed by railways and to be sent for other depots respectively. Uniform module relates to stitched and purchased uniform items.

The primary objective of Material Management is to ensure better user satisfaction by making available the right quantity at the right time, without unnecessary blocking up of capital.

4. Advance Finance and Railway Expenditure Information Management System (AFRES)

It is an integrated financial management and information system. The objective of AFRES is to support bill passing and other related processing for different types of claims/bills against Railways including cheques printing and to support receipt and processing of various types of credits and debits and other adjustment transactions. It also intends to support compilation of budget at various phases of budgeting and inspection function of accounts office and connected procedures. Besides, it will support headquarters consolidation of Zonal Railway accounts and help to process and monitor various finance proposals and historical database support for finance decisions.

5. Payroll and Inter related Modules (PRIME)

Personnel Branch is responsible for the co-ordination of preparation and providing data for drawing of salary bills, maintenance of salary records, service records, leave accounts etc. These exercises are integrated into a system called Payroll & Inter-Related Modules (PRIME). PRIME has been designed, developed and implemented for a distributed processing environment (on a LAN within a unit and WAN linking other units with Southern Railway Headquarters). The processing is done at designated central locations either as On-Line or as batch process. PRIME has interface with Advanced Financial & Railway Expenditure Management System (AFRES).

PRIME aims to support the activities of Human Resource Management as a decision support system and to capture and maintain all career events of employees and monitor recoveries from employees on the computerised system. Further it will also process and generate all types of bills including regular salary bills and generate various MIS reports required by different departments and units.

6. Passenger Accounting System (PAS)

This system will ensure coverage of all types of passenger ticketing, including PCT, BPT, EFT, SPTM and PRS by the system, enabling, production of complete accounting and statistical information relating to passenger traffic. It will also maintain relational database for the production of various accounting and managerial reports as well as for on line queries. It will perform online or periodical capture of basic data either by transaction processing systems or by data entry and production of both originating and carried accounting and statistical information for various parameters like distance, class, type, Full fare, concessional fare etc. Besides matching of collected tickets with original sale information, automatic generation of ticket indents and centralised apportionment of net earnings will also be achieved through PRIME.

7. Freight Accounting System (FAS)

The objectives of FAS are preparation of RR on computers (PC) from Forwarding note, checking of freight with validation of all related information (charged weight, rate, distance etc.) and comparison of station freight with machine calculated freight to post under charges or over charges in RR table for manually prepared RRs. Thereafter it will the print error sheet directly. FAS will also perform checking and calculation of other charges and rebates, checking of continuity check of RRs., printing weight-only bills for customers under weight only systems processing of unconnected RRs., apportionment of earnings (originating), production of statement 7C (carried traffic) and creation, maintenance and printing of Masters.

CHAPTERXXII

STATISTICAL CELL

22.1 Functions:-

The Statistical Cell will serve as knowledge centre on statistics related issues and will maintain a database of various types of audits conducted in this office, sampling methods used, lessons learnt, new techniques and scope for improvement in future audit. The Statistical Cell will be permanent and headed by Sr. AO/AO or AAO/SO having technical expertise in use of statistical tools and methods.

The Statistical Cell will be guided by Nodal Statistical Officer (NSO) appointed by the headquarters office time to time.

Authority:- Headquarters office vide their letter No.CAG/Stat.Sampling/plan/2006-07/21 dated 23.03.2007.

22.2 The Statistical Cell will be headed by the Branch Officer Performance Audit vide POO No. 248 dated 24.04.2007

CHAPTER XXIII

COSTING CELL

23.1 FUNCTIONS:-

The duty list/job description of the Costing Cell shall be as given below:

- 1) To review the justification of introduction/change in frequency/extension of passenger trains by the Railway Administration along with the patronage of these trains and occupancy ratio in order to ensure that the available resources and assets are optimally utilised. The review of occupancy ratio, the line capacity, impact on the efficiency of freight movement and track maintenance etc. should be done at Divisional and Zonal levels 6 months after the introduction of new trains/change in frequency of existing trains/extension of run of existing trains. Further, 2 to 5 existing trains at random may be selected by the Principal Director of Audit for general review of their profitability.
- 2) To review one station per Division per year. The expenditure incurred on upkeep and maintenance of stations, pay and allowances of staff deployed over stations, provision of facilities such as SPIMS, CPRS terminals, FOBs etc. have to be viewed in the context of the remunerativeness of the station in terms of earnings.
- 3) To review the reports of the Traffic Coaching Cell the Efficiency Cell and the Work Study Cell of the Railway Administration to evaluate expenditure incurred on operation and maintenance of track, track maintenance machines and rolling stock and to review and evaluate the carrying cost of inventory.

23.2 TRAINING

Arrangement for Training in costing has to be made especially in Railway Cost Accounts so that a proper review of costing exercises Undertaken by various Costing Efficiency Cells of the Railways can be conducted.

23.3 SUBMISSION OF REPORTS

A Quarterly Report containing a brief of the work allotted to the cell during the quarter and progress achievement of the Costing Cell is to be sent to Headquarters' office. The first report in this regard should reach Headquarters office by the 2nd week of July 2003 indicating the progress of work done in the preceding quarter (April to June 2003).S

APPENDIX - I

**SCHEDULE OF POWERS OF THE PRINCIPAL DIRECTOR OF AUDIT (PARA 1.5)
SECTION 'A'**

Powers under the Central Govt. Book of Financial Powers and Central Government compilation of the General Financial Rules.

S. No.	S.No. as per M.S.O. (Admn.) Vol.II	Nature of Powers	Extent of Powers	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	3 (B)	Creation of posts in I.A.&A.D. Group 'C' and 'D' posts	Full powers only for conversion of temporary posts into permanent. These powers are exercisable subject to the conditions. (i) the temporary posts have been in existence for three years (ii) they are required for work of a permanent nature (iii) these have been included in the approved budget and (iv) not more than 90% of the temporary posts are covered into permanent.	Rule 11 and 13 of Delegation of financial powers, rules and schedules II and III thereto.	
	3(a)	Conversion of posts in IA&AD Group 'C' and 'D' posts.	Full powers for conversion of 90% of temporary posts upto SOs into permanent subject to the conditions : (i) The temporary posts have been in existence for 3 years. (ii) They are required for work of a permanent nature. (iii) These have been included in the approved Budget. The conditions enumerated against (A) will apply mutatis mutandis.	Same as 3 (B) above	
3.	5(i)	Continuance of temporary posts (i) Group 'A' and 'B'	Full powers to sanction continuance of temporary posts of Asstt. Audit Officers, Asstt. Accounts Officers and Senior personal Assistants initially sanctioned by CAG. Provided that all the circumstances justifying the original sanction continue to exist and funds have either been provided in the Budget Estimate or can be found by valid reappropriation from within the budget allotment.	GI decision No. MF File No. F-1(9)E-II (A) 74 under schedule II of delegation of Financial Power Rules and read with GOI, MOF (Deptt. Of Expenditure) letter No.3(1) EGI/66 dt. 16.6.67 (CAG's Endt.No.258-TA-II/280-66dt.1.2.69)	Subject mutatis mutandis to the conditions enumerated against item 3(A) (Creation of Temporary Posts Group 'A' and Group 'B' posts).
	5(ii)	Group 'C' and 'D'	Full powers to sanction the continuance of temporary posts initially sanctioned by the CAG provided that all the circumstances justifying the original sanction continue to exist and funds have either been provided in the budget estimates or can be found by valid reappropriation from within the budget allotment.	Same as against (i) above.	
4	6(i)	Sanctioning grants-in-aid e.g. to staff recreation clubs of IA&AD	Full powers subject to specific allotment under relevant unit of appropriation.	Rule 20 of Delegation of Financial Power Rules.	Subject to the terms and conditions laid down in the

S. No.	S.No. as per M.S.O. (Admn.) Vol.II	Nature of Powers	Extent of Powers	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
					GOI, MHA OM No.21/167/59 Welfare dt. 10-3-61 & 27.7.61 incorporated in GOI decision No.1 below Rule 153 of GFRs 1963 which interalia stipulates that the accounts of expenditure incurred out of grants-in-aid should be regularly subjected to audit and also budget provision therefore should be made.
5.	7	Re-delegation of powers in the matter of items in schedules II to VII of Delegation of Financial Powers Rules 1978 to the Heads of Departments and Heads of Offices	Full powers upto the limit vested in himself.	Rule 13 of DFP Rules and GOI decision No.7 below (GIMF OM No. F.10(13)-E(Coord)/75 dt. 10.4.75	Redelegation to be reviewed once in 3 years.
6.	8	Declaring of Gazetted Officers to be "Head of Office"	Full powers.	Rule 14 & 16 of Delegation of financial powers rules.	
7.	9(i)(a)	Write off of losses on irrecoverable losses of stores or public money due to theft, fraud, negligence etc.	Rs. 20,000/-	CAG Circular No.12/NGE/2002 , No.330-NGE (APP)/38-2002 dt.3.4.2002	Subject to conditions laid down in Schedule VII to the DFP Rules and GI decisions thereunder.
	9(i)(b)	Write off of losses on irrecoverable losses of stores or public money otherwise from due to theft, fraud, negligence etc.	Rs.50,000/-	- do -	-do-
	9(ii)	Write off of Losses of Revenue or irrecoverable loans and advances.	Rs.10,000/-	- do -	-do-
	9(iii)	Write off of Deficiency and depreciation in the value of stores (other than a motor vehicle or a motor cycle)	Rs.2500/-		-do-

S. No.	S.No. as per M.S.O. (Admn.) Vol.II	Nature of Powers	Extent of Powers	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
8.	11	Alteration of date of birth	Full powers to alter in the case clerical errors the date of birth recorded in the Service Books of non-Gazetted Govt. Servants.	-	<p>The date of birth shall be declared by the govt. servant at the time of appointment and accepted by the competent authority on production as far as possible, of confirmatory documentary evidence such as High School or Higher Secondary or Secondary School Certificate or extracts from Birth Register. The date of birth so declared by the govt. servant and accepted by the appropriate authority shall not be subject to any alteration except with the sanction of the CAG of India if :</p> <p>(a) a request in this regard is made within five years of his entry into govt. service,</p> <p>(b) it is clearly established that a genuine bonafide mistake has occurred and</p> <p>(c) the date of birth so altered would not make him ineligible to appear in any school or University or UPSC Examination in which he had appeared or for entry into govt. service on the date on which he first appeared at such examination or on the date on which he entered govt. service.</p>

S. No.	S.No. as per M.S.O. (Admn.) Vol.II	Nature of Powers	Extent of Powers	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
9.	12	Investigation of arrear claims	Full powers in respect of persons serving in their respective offices.	Rule 83 of GFR	Subject to provisions of Rules 85 of GFRs 1963 which interalia envisage that claims against governments which are time barred under the provisions of section 3 read with first schedule of Indian limitations Act, 1908 shall not be paid without the previous consent of the MOF. In cases where investigation of arrear claims is sanctioned but the Audit Officer and/or the Accounts Officer is unable to investigate the claim due to limited period of preservation of records or otherwise the CAG may sanction ad hoc payments vide item 13 of MSO (Admn.) Vol.-II.
10	14	Contingent expenditure on items other than those in respect of which specific limits/scales have been prescribed by the Govt.	(i) AGs & other Heads of Deptts. Classified as such under S.R. 2(10) upto Rs.25000 p.a. (Recurring) & Rs.60000 p.a. in each case (Non-recurring) (ii) Head of office Rs.1000/- p.m. in case of (recurring) and Rs.5000 in each case (non-recurring)	C&AG's Circular No. 61/NGE/2001, No. 1391-NGE(App.)/58-2001 dt. 27.12.2001 CAG Circular No.12/NGE/2002, No.330-NGE(APP)/38-2002 dt.3.4.2002	
10	15	Hiring new office accommodation	Rs.3,00,000/- p.a. A-I & A class cities and Rs.2,00,000/- p.a. B-I & B-2 and Rs.1,00,000/- p.a. in C class cities and other unclassified places	CAG Circular No.61/NGE/2001, No.1391-NGE (APP)/58-2001 dt.27.12.2001.	Subject to conditions laid down in Annexure to Schedule V of DFP Rules and subject to approval of HQrs. for area to be newly hired.

S. No.	S.No. as per M.S.O. (Admn.) Vol.II	Nature of Powers	Extent of Powers	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
11.	17(a)	Local purchase of stationery	Full powers	Item 21 (B) of Annexure to Schedule V to DFP Rules	-do-
12	17(b)	Local purchase of rubber stamps and office seals	Full powers	Item 21 (C) of Annexure to Schedule V to DFP Rules	- do-
13	1818(i)	Incurring expenditure on : Freight & demurrage/wharfage charges	Full powers	Item 6 (ii) of Annexure to Schedule V of DFPR.	-do-
	18(ii)	Maintenance, upkeep & repairs of motor vehicles	Full powers	Item 10(iii) of Annexure to Schedule V of DFPR	
	18(iii)	Petty works & repairs	(i) Execution of petty works and special repairs to Govt. owned buildings including sanitary, water supply and electric installations in such buildings, Rs.10,000/- in each case. (ii) Ordinary repairs to Govt. Buildings Full powers. (iii) Repairs & alternations to hired and requisitioned buildings Rupees 5000/- p.a. (non-recurring) & Rs.2000/- p.a. (recurring).	Rule 130 of GFR, GI, MF letter No. 20(9) EGI/59 dt. 28.9.59, schedule V to DFA rules and item 12 of Annexure thereto	In exercising these powers the provisions of relevant paragraphs of GFR & DFP Rules should be observed.
	18(iv)	Other stores required for the working of an office establishment	Full powers vide item 22 of annexure to schedule V of DFP Rules	Rule 102 of GFR and schedule V to DFP Rules	
	18(vi)	Liveries clothing and other articles	Full powers	Rule 89 & 100 of GFR and item 23 of schedule V to DFP Rules	Subject to the scales and conditions laid down in the Hand Book of uniforms of Gr. 'C' and 'D' employer and instructions of GOI/Hdqrs office from time to time.
	18(vii)	Postal and Telecommunication changes	Full powers Head of Office –Full Powers	Rule 89 of GFR and item 13 & 24 of Annexure to schedule v of DFP Rules	
	18(viii)	Printing and binding through Chief Controller, Printing and Stationary	Full powers	Rule 89 of GFR & item 14 of annexure to schedule V of DFP rules	
	18(ix)	Local printing & binding in emergent cases (where the work is not executed through Chief Controller Printing and Stationary)	Rs.40,000.00	Circular 61/NGE/2001, No. 1391-NGE(App)/58-2001 dt. 27.12.2001	

S. No.	S.No. as per M.S.O. (Admn.) Vol.II	Nature of Powers	Extent of Powers	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
	18(x)	Purchase of publications - official and non-official	Full powers	Rule 89 & 100 of GFR and item 15 of annexure to schedule V to DFP Rules	The discretion in the matter of purchase of books & publications should be exercised by HODs keeping in view, whether these are likely to be useful for and have relevance to the work done in the offices of IA & AD.
	18(xi)	Staff paid from contingencies	Full powers	Rule 89 of GFRs and item 20 of Annexure to Schedule V of DFP Rules.	Subject to the condition that the casual employment should be restricted to work of a truly casual nature and that same rates of wages should be fixed for casual labour in un-scheduled employment as are fixed for comparable scheduled employment under the Central Govt. under the minimum Wages Act or if it is considered that the rate should bear some relationship to the local rates, they may be fixed with reference to the minimum wages prescribed by the respective State Govt. for comparable Scheduled employment. All casual labour including those to whom the Minimum Wages Law is not applicable should have the benefits and safeguards provided by the Rule 23-25 of the Minimum Wages (Central Rules 1950)

S. No.	S.No. as per M.S.O. (Admn.) Vol.II	Nature of Powers	Extent of Powers	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
					relating to weekly holidays working hours night shifts and payment for overtimes. Govt. of India MOF (Deptt. of Expdr.) Memo No.F8(2)/Estt. (Spl.)/60 dt.24.1.1961 as amended. Employment of casual hands for regular work is not to be resorted to under this power.
	18(xii)	Supply of water for drinking etc. & dusting offices	Full powers	Rule 89 of GFRs	Subject to availability of budget provision.
	18(xiii)	Hiring of office furniture, electric fans, heaters, coolers, clocks & call bells	Full powers	Rule 89 of GFRs & item 7 of Annexure to Schedule V of DFP Rules.	
	18(xiv)	Purchase, hiring, maintenance & repairs of office machines etc. detailed in item 26 of Schedule V to DFP Rules	Full powers	Rule 89 & 100 of GFR, MF letter No. F 20(5)/EGI/61 dt. 30.01.62 CAG letter No. 4181-N3/43-83/Vol.III dt.12.12.86 and item 26 of Annexure to Schedule V to DFP Rules.	Subject to the condition that purchases involving foreign exchange will require the approval of CAG. Delegation to HODs does not cover FAX machine.
	18 (xv)	Purchase of scale items of furniture	Full powers	Para 89 of GFR	Subject to availability of funds and scale of furniture prescribed from time to time for various grades of officers.
	18(xvi)(a)	Purchase of non scale items of furniture.	Rs.1,00,000/- p.a.	CAG's circular No. 61/NGE/2001 No. 1391-NGE(App)/58-2001 dt. 27.12.2001	Subject to the availability of funds and conditions laid down in CAG's letter No.1534-NGE.I/122-67 dated 21.7.67 which interalia prescribes that the proposals for purchase of non scale furniture should be scruti-nized by the AGs etc. personally and purchase of only such items

S. No.	S.No. as per M.S.O. (Admn.) Vol.II	Nature of Powers	Extent of Powers	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
					sanctioned as are considered essential and unavoidable. Purchase of costly articles must be restricted to the minimum and utmost economy observed in effecting their purchase. Actual purchase of scale as well as non scale furniture should be effected through a Purchase Committee comprising of three officers. It is further subject to the economy instructions issued from time to time by the GOI/CAG of India.
	18(xvi)(b)	Installation of PABX/PBX system	Full powers subject to budgetary allocations	-do-	--
	18(xvi)(c)	Purchase of ACs	-do-	-do-	--
	18(xvi)(d)	Purchase of fax machine	-do-	-do-	--
	18(xvii)	Sanctioning telephone connections for residence of officers	Full powers to sanction telephone connections at the residence of Sr. Scale Officers incharge of Admn. and others of the rank of Jr.Admn. grade and above	Rule 89 of GFR	The powers are exercisable subject to orders regarding economy etc. issued from time to time.
	18(xviii)	Sanctioning telephone connections for govt. offices	Full powers	- do -	--
	18(xix)	Shifting of telephone	Full powers	- do -	In the case of residential telephones, the power can be exercised by Heads of Department if - (a) the shifting is occasioned due to (i) change in the residence of the officer concerned. (ii) change in the incumbency of the post and if the successor happens to occupy a residence other than the one occupied by his

S. No.	S.No. as per M.S.O. (Admn.) Vol.II	Nature of Powers	Extent of Powers	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
	18(xx)(a)	Legal charges, a) fees to Barristers, Pleaders, etc.	Full powers	Rule 13 of DFPR	predecessor (b) the connection is shifted to the residence of an officer who is otherwise entitled to a residential telephone connection under orders of appropriate authority. Subject to the conditions mentioned against S.No.9 of Annexure to Schedule V of DFP Rules 1978 which interalia envisages that expenditure shall ordinarily be incurred with the previous consent of the Ministry of Law except when fees are paid at the approved rate, scales etc.
	18(xx)(b)	Other legal charges	Upto Rs. 5000/- in each case.	CAG's circular No.61/NGE/2001, No.1391-NGE(App)/58-2001 dt. 27.12.01	--
	18(xxi)	Electricity, gas and water charges	Full powers Head of Office- Full Powers	CAG's circular No. 412-NGE.I/13-77 dt. 24.2.77	
	18(xxii)	Replacement/purchase of staff cars and office motor vehicles	For new staff cars : no power For replacement: powers may be exercised by Head of Deptt. Subject to fulfillment of prescribed conditions (life/mileage). The disposal of old cars should be made within 6 months and report sent to headquarters	CAG's circular No.61/NGE/2001, No.1391-NGE(App)/58-2001 dt. 27.12.01	
15.	19	Sanctioning permanent advance for subordinate officers	Full powers for officers under their control	Rule 90 of GFR	
16.	21	Grant of advances for law suits in which govt. is a party	Full powers	Rule 255 and class (c) of Rule 256 of GFR	
17.	25	Grant of advances of pay & TA to Govt. Servants on transfer to foreign service	Full powers	GI, MF letters No.16A(10)E II(A)/58 dt. 6.1.59 and No.(DE)No.I (11) EGI/69 dt. 10.2.69 and Rule 222 of GFRs and notes thereto	

S. No.	S.No. as per M.S.O. (Admn.) Vol.II	Nature of Powers	Extent of Powers	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
18.	26	Grant of advances in connection with leave travel concession	Full powers	Rule 235 of GFR	
19.	27	Advances for the purchase of conveyance	Full powers	Rule 191 of GFR	
20.	28	Sanctioning advances of Pay and TA on transfer	Full powers	Rule 222, 223, 225 & 226 of GFR of 1963	
21	29	Sanctioning advances of TA for journey on tour	Full powers	Rule 231, 232 & 234 of GFRs	
21.	30	Sanctioning second advance for one more month for journeys on tour in r/o non-gazetted staff of OAD/WAD inspection parties in the IA&AD pending receipt of adjustment bills for the first advance in relaxation of para 269 of GFR's	Full powers	Rule 233 of GFRs. read with GOI, MOF letter No.F17(4)-E.II(A)/75 dt.24.2.76.	
22.	31	Advance of pay of non gazetted staff on the eve of important festivals	Full powers	Rule 236 of GFRs.	
23.	32	Advance in lieu of leave salary	Full powers	Rule 259 of GFR	
24.	33	Interest free advances to Govt. servants involved in legal proceedings to meet the expenses of their defence.	Full powers	Rule 267 A of GFR	Upto the limits and subject to the conditions laid down in the relevant instructions issued by the Govt.
25.	34	To reduce the amount of monthly instalment of recovery of advance in exceptional cases.	Full powers	Rule 184 of GFR	Provided that in the case of interest bearing advances. The original period of payment is not extended.
26.	35	To permit sale or transfer of motor vehicles purchased out of advances from the govt.	Full powers	Rule 205 of GFR & GOI decision thereunder.	Subject to the condition that sale proceeds are applied towards repayment of outstanding advances together with interest when the vehicles is sold only in order that another car may be purchased. The competent authority may

S. No.	S.No. as per M.S.O. (Admn.) Vol.II	Nature of Powers	Extent of Powers	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
					<p>permit the govt. servant to apply the sale proceeds towards such purchases subject to the following conditions :</p> <p>i) the amount outstanding shall not be permitted to exceed the cost of new car.</p> <p>ii) the amount outstanding shall continue to be repaid at the rate previously fixed.</p> <p>iii) fresh mortgage bond should be executed in favour of the President for the amount then due and not for the amount originally advanced (iv), The new car must be mortgaged to Govt. Subject to the condition laid down in item 35 above except provisions of agreement & mortgage bonds.</p>
27.	35 A	To permit sale or transfer of Motor cycle purchased out of advances from the Govt.	Full powers	Rule 211 of GFRs	
28.	36	Sanctioning of expenditure in connection with foundation stone laying ceremonies and opening of buildings relating to IA&AD	Head of Deptt. - Rs.5000/- a year (recurring) on each individual items, Rs.20000/- a year (non-recurring) on each individual items.	CAG's circular No.12/NGE/2002 No.330-NGE(App)/38-2002 dt.3.4.2002	
29.	38(a)	Expenditure on entertainments and light refreshments at formal inter-departmental or other meetings/conferences	Rs.5/- per head per official meeting for tea and Rs.50/- per head per official meeting for lunch subject to Rs.2000/- p.a.	CAG's circular No.61/NGE/2001, No.1391-NGE(App)/58-2001 dated 27.12.2001	Expenditure on light refreshed alone excluding other contingent expenditure if any in such formal meetings and conferences is to be regulated under this delegation.
	38(b)	Hospitality and entertainment other than light refreshment	Rs.1000/- p.a.	-- do --	Subject to provisions laid down in MOF (DE) No.F10(19) E, (Coord)/68

S. No.	S.No. as per M.S.O. (Admn.) Vol.II	Nature of Powers	Extent of Powers	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
30.		To sanction telephone charges	Full powers	S.No.24 of Annexure to Schedule V of DFP (1978)	dated 17.12.68 and F.I.(50) EGI/69 dated 21.6.1969. Subject to funds being available to sanction charges or connection of govt. offices with existing telephone systems whatever the amounts.
31.		Power to grant advances of one month's pay to non-gazetted staff of Railway Audit Deptt., when their belongings are seriously damaged by floods etc. on the same terms and conditions as are granted by the GM's of Rly. to Rly. Employees in terms of para 1517 of the Indian Rly. General Code vol. I recoverable in 3 equal monthly instalments.	Full only when the GMs of Indian Railway sanction such advances to their own employees in similar circumstances	GOI, MOF letter No.F3(2)-EG.I(B)/63 dt. 25.5.63 received under CAG's endorsement no.888-NGE.I/30-62KW-2 dt. 22.6.63	
32.		Powers to decide belated medical claims submitted after the expiry of three months time limit	Full powers to decide the claims on merits	CAG's letter No.4007-NGE.I/46-81-I dt. 2011.81	
33.		Grant of House building advance	Full powers in case of Group 'B' officers and non gazetted officers.	CAG's letter No. 1049-NGE.I/116-56 dt. 15.6.56	

SECTION – B

Powers under the Fundamental Rules

S.No.	S.No. as per MSO (Admn.) Vol. II	Nature of Powers	Extent of	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	1	Power to treat enforced halt occurring enroute on tour journeys and also journeys undertaken in connection with temporary transfer or training necessitated by breakdown in communication due to blockade of roads, on account of floods, heavy rains, snowfalls, landslides etc. as duty under FR 9(6) (b)	Full powers in r/o Group B officers and non-gazetted staff	GOI decision No.10 under FR 9(6)(b) and CAG's letter No.1033-GE II/36-85 dt. 3.4.1986.	Subject to the condition that daily allowance for such halts is regulated under the relevant rules of the G.O.I.
2.	2	Powers to treat the period of Training or instructions in India as 'duty' under FR 9 (6)(b)	Full powers in case of Group 'B' officers and non-gazetted staff.	GI decision No.6 under FR 9 (6)(b)	
3.	3	Powers to make officiating appointments in a vacant post.	Full powers in cases in which he can make substantive appointments to the posts (vide section E).	FR 9(19) & Sl.No.3 of Appendix IV of FRs.	
	4	Protection of special pay drawn in a post on promotion to another post.	Full powers in respect of Group B and non gazetted staff	Below GI decision No.FR 9(25).	Subject to the condition mentioned below: special pay granted for specific additions to duty or for arduous nature of work will be protected on promotion by granting a personal pay equal to the difference between pay plus spl. Pay drawn in the lower post and the pay due in the higher post on the basis of the basic pay in the lower post. Spl. Pay granted in the following instances among others, falls within this category: (a) Cashiers and (b) Machine operators. The conditions are (i) it must be certified that but for promotion to the other post the govt. servant would have continued to draw spl. Pay (ii) the protection will only be for so long as the govt. servant would have drawn the spl pay

S.No.	S.No. as per MSO (Admn.) Vol. II	Nature of Powers	Extent of	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
4.	6	Dispensing with the production of Medical Certificate of fitness before appointment to non gazetted post in the IA & AD in individual cases.	Full powers	SR 4 (A)	(iii) the personal pay will be absorbed in subsequent increases of pay. Note : Once a govt. servant is asked to produce a medical certificate of fitness for entry into govt. service whether in a permanent or temporary capacity and has been examined and declared unfit, it is not open to the competent authorities to use their discretion to ignore the certificate that has been produced.
5.	8	Powers to suspend a lien	Full powers in the case of Group 'B' and non-gazetted posts on which lien is held	FR 14 Appendix 4 to FRs Vol - II	
6.	9	Power to transfer a lien	Full powers provided that they are authorised to make appointments to both the posts concerned.	FR 14 B	
7.	10	Powers to transfer a govt. servant from one post to another (F.R.15)	Full powers in respect of Group 'B' Officers and N.G. staff within the jurisdiction of their own officers	FR 15	Page No.42 & 43 of MSO (Admn) Vol. II
8.	11	Power to fix the pay and allowances of Govt. servant treated as on duty under FR-9(6)(b)	Full powers in r/o govt. servants whom he is competent to appoint in a substantive capacity (vide Section E)	FR 20	
9.	12	Power to withhold increments (FR-24)	Full powers in r/o Group 'B' and Non-gazetted staff	FR 24	
10.	13	Powers to allow govt. servants to count extra-ordinary leave for increments FR-26	Full powers in cases in which he has powers to make substantive appointments to the post which the govt. servant holds (vide Section E).	FR 26	Conditions laid down in the Note below G.I. decision No.2 below FR 26.
11.	15 (i)	(i) Grant of advance increment to section officers/AAuOs/Sr.Ars. on passing Revenue Audit Exam./Incentive Exam. For SOs/Incentive Exam. For Sr.Ars.	Full powers	FR 27, CAG's letter No.3229-NGE-I/81-79 dt.30.10.1979 and para 4.1.2 of Manual of Instructions for Restructuring	Subject to power being exercised strictly in accordance with the scheme laid down by Headquarters office .
	16	Grant of advance increments to Stenographers on passing Higher Speed (in shorthand) of 100/120 words per minute	Full powers	CAG's letter No.1142-NI/107-90 dt.21.6.91	In terms of G.I. Deptt. Of Personal & Trg. O.M. No. 18/44/88-Est. (Pay I) dated 14.8.89 advance increment(s) for passing higher speed test by stenos are to be treated

S.No.	S.No. as per MSO (Admn.) Vol. II	Nature of Powers	Extent of	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
12.	18	Protection under FR 22 of the last pay drawn of those who come from other offices to IA&AD where such protection is called for.	Full powers	GOI 29 below FR 22	as separate element w.e.f. 1.1.86 and will not count as pay for allowances and as emoluments for pension/gratuity. Therefore, for granting this increment(s) invocation of provisions of FR 27 is now not necessary. The same can be sanctioned by the Heads of offices just like personal pay granted under Hindi Teaching Scheme As against item 15(I) above
13.	19	Stepping up of the pay of senior in terms of G.I.Oms dated 2.2.66 and 18.7.74	Full powers	GOI 23 below FR 22 (1) a (1)	- do -
14.	22	Issue of declaration under the second proviso to F.R.30(i)(next below rule) and protection of officiating pay while an officer is holding a post outside the ordinary line of his service.	Full powers in the case of the staff under them upto and including Audit Officers borne on their respective cadres.	GOI 34 below 22	Pay is to be regulated under FR 22 vide (GI No.1/10/89 Estt.(Pay-I) dt. 30.8.89
15.	23.	Power to reduce the pay of an officiating govt. servant	Full powers in case of Group 'B' Officers & non gazetted staff	FR 35	In case of appointment on promotion in the normal line within the cadre but which are not on regular basis, initially the pay may also be fixed under FR.22(I)(a)(i). If there is substantial increase in pay so fixed, the pay may be restricted under F.R.35 in accordance with the provisions contained in G.I.O.M. No.18/12/85-Estt. (Pay-I) dt.18.7.86 and modified vide No.18/12/86-Estt. (Pay-I) dt. 29.7.87 and No.1/10/89-Estt.(Pay-I) dt. 22.10.90
16.	24	Power to authorize govt. servants in his office or in the office under his control to undergo a course of training or instruction in any office whether in Audit Department or outside it and	Full powers. Trg. Upto Gr.'B' officials to the RTIs under which the official is listed as user office for trg. Programme approved by RAC/hdqrs office.	ADAI (Report-Central) Orders dt.19.10.94 at P-5n of file No.69-Trg. Div./94.	i) trg. Outside the jurisdiction of nominated RTI and organized by hdqrs. Trg.Div. of hdqrs can nominate officers upto Gr.'B' ii) All trg. For Gr.'A' in India/abroad (a) may be nominated by AC(P), (b) for Gr.'B'

S.No.	S.No. as per MSO (Admn.) Vol. II	Nature of Powers	Extent of	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
		power to allow officiating arrangements to be made in place of govt. servants authorized to undergo a course of training.			and below, the trg. Abroad may be nominated by AC(P).
17.	25	Power to fix the pay of a temporary post which will probably be filled by govt. servants	Full powers	F.R.40	Provided they have power to create a temporary post on the proposed pay/pay scale
18.	26	Power to sanction the undertaking of work for which an honorarium is offered and the grant or acceptance thereof	Full powers upto a max. limit of Rs.2500 in each case	FR 46(b) DPT's OM No. 17011/9/85 Estt. (Allow.) dt. 23.12.85 circulated vide No.3- Audit I/143-85/1-86/Gr. IV (2) dt. 13.1.86	In the case of recurring honorarium this limit applies to the total of the recurring payment made to an individual in a financial year.
19.	27	Power to appoint a govt. servant to hold temporarily or to officiate in more than one post and to fix the pay of subsidiary posts and the amount of compensatory allowance to be drawn	Full powers in cases where he can appoint the govt. servants permanently to each of the posts concerned (vide section E).	F.R. 49	In exercising power of permitting the govt. servants of and below the rank of section officer and Divnl. Accountant to undertake the audit of Accounts or other similar private work, AG etc. should see – (i) that the remuneration granted for such work should not be excessive in relation to the pay of the govt. servant, (ii) the previous sanction of the CAG has been obtained before any such govt. servant allowed to undertake remuneration for the work of
20.	28.	Power to grant extension of service in the public interest to a govt. servant to whom clause (a) of F.R.56 applies but other than a workman referred to in clause (b) or a ministerial govt. servant referred to in clause (c) after the age of 60 years.	Full powers in the cases in which he has power to make substantive appointments to the post or service (vide section E)	F.R. 56 (d)	
21.	29.	Power to retire a govt. servant (other than Group 'D') from service in the public interest (i) on attaining the age of 50 years in the case of group 'A' and 'B' officers who entered govt. service before attaining the age of 35 (ii) on attaining the age of 55 years in other cases: after giving a notice of not	-do-	F.R. 56 (j)	

S.No.	S.No. as per MSO (Admn.) Vol. II	Nature of Powers	Extent of	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
22.	30	less than three months in writing or three months' pay and allowances in lieu of such notice Power to allow a govt. servant (other than Group 'D') to retire voluntarily after attaining (i) the age of 50 years in case of Group 'A' & 'B' officer who entered govt. service before attaining the age of 35 years, (ii) the age of 55 years in other cases after giving notice of not less than 3 months in writing.	Full powers in cases where he has the power to make substantive appointments to the post or service (vide Section E)	F.R. 56 (k)	
23.	31	Power to allow employment including the setting up of a private professional practice as Accountant, Consultant, or legal or Medical practitioners to govt. servants during leave	Full powers in cases where he is competent to appoint the govt. servant concerned (vide section E)	-	Subject to the condition that the employment lies in India only.
24.	32	Power to fix the pay of retired persons on re-employment in the Indian Audit and Accounts Department	Full powers in respect of pensioners re-employed in non-gazetted posts.	Min. of Pers. Etc. O.M. No. 3/1/85-Estt. (PII) dt. 31.7.86, C.C.S./(Fixation of Pay of re-employed Pensioners) Orders No. 18(i) (ii), 1986	The exercise of powers by Accountants General etc. is subject to the condition laid down in para 2 of CAG's letter No.1502-NGE.II 207/60 dated 27.5.60
25.	33.	Pay fixation of Military pensioners re-employed in Indian Audit and Accounts Departments	Full powers	CAG letter No.3229-NGE.I/81-79 dt. 30 October 1979, CCS (Fixation of pay of re-employed Pensioners) Order No. 18 (i)(ii), 1986	
26.	34	Power to grant leave including extraordinary leave other than special disability leave and study leave to non-gazetted govt. servants.	Full powers	First Schedule to CCS(leave) Rules 1972.	
27.	35	Power to grant leave other than special disability leave to gazetted officers on foreign service in India	Full powers in respect of Gr. 'B' officers`	First Schedule to CCS(leave) Rules 1972	Note : Foreign employers can also grant leave on average pay or earned leave not exceeding 120 days.
28.	36.	Powers to sanction leave including extraordinary leave (other than special disability leave and study leave) to gazetted officers not on foreign service	1. Power to grant leave of all kind other than special disability leave, study leave, leave not due and leave preparatory to retirement to IA&AS officers serving in their own offices under their control to the extent	First Schedule to CCS (leave) Rules, 1972 and CAG's letter No. 3265-GE.I/209-68 dt. 10.10.74	

S.No.	S.No. as per MSO (Admn.) Vol. II	Nature of Powers	Extent of	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
			<p>indicated below subject to local arrangement : (a) officers in the JAG including selection grade in JAG and equivalent officers in the Senior Time Scale upto 45 days (b) other IA&AS officers upto 60 days. The above power is subject to the following conditions :</p> <p>(i) The Accountant General/ Principal Director of Audit etc. is satisfied that work will not suffer by the absence of the officer on leave.</p> <p>(ii) It is possible to make adequate internal arrangement so that work of the office as a whole does not suffer.</p> <p>(iii) If the Accountant General/ Principal Director of Audit needs a substitute in place of the officer proceeding on leave, prior approval of headquarters office should be obtained before leave is sanctioned.</p> <p>(iv) Heads of field offices may also grant leave of all kinds except special disability leave, study leave and leave not due upto 180 days to the temporary Asstt. Accountants General/ Asstt. Directors, serving under them and in the offices under their control subject to local arrangements.</p> <p>Note : 1. If leave be refused in any case a report of the reasons for the refusal should be made to the headquarters office.</p> <p>Note : 2. All grants of leave and the date of departure on, and return from leave shall be reported to the</p>		

S.No.	S.No. as per MSO (Admn.) Vol. II	Nature of Powers	Extent of	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
			headquarters office. Note: 3. The instructions will not apply in cases where orders transferring officers have been issued by CAG of India. In such cases separate orders of the CAG should be obtained before relieving officers proceeding on leave. This applies even if the leave had been actually sanctioned on a date before the receipt of transfer orders.		
29.	37.	Power to require a medical certificate of fitness before return from leave	2. Full powers in case of Group 'B' officers. Full powers in case officers whom the leave was granted by him.	Rule 24 of CCS (leave) Rules 1972	
30.	38.	Power to permit officers to return to duty before expiry of leave	Full powers in case of officers to whom the leave was granted by him.	Rule 24 of CCS (leave) Rules 1972.	Note : A govt. servant on leave preparatory to retirement is precluded from withdrawing his request for permission to retire and from returning to duty save with the consent of the authority empowered to appoint him.
31.	39	Powers to extend leave	Full powers in case of officer to whom the leave was granted by him.	Rule 25 of CCS (Leave) Rules, 1972	Subject to the condition that the govt. servant on leave will on his return be under his administrative control.
32.	42	Power to sanction transfer to foreign service in India and to fix pay in foreign service	Full powers in the case of govt. servants not above the rank of Accounts Officers or Audit Officers	F.R.110(b) & F.R. 114	Subject to observance of proper procedures for initial selection for deputation as prescribed and coordinated by CAG and also subject to the administrative instructions issued by the CAG.
33.	43	Power to decide the date of reversion of a govt. servant returning after leave from foreign service.	Full powers in the case of non gazetted staff whom they can transfer to foreign service (vide item 42 above)	F.R. 125	
34.	45.	Appointment of a person over the prescribed age limits	a) upto 1 year in respect of those who were within the age limit at the time of empanelling b) in case of departmental graduate	DPT OM No.15034/3/87-Estt.(D) dated 7.10.87 and 15012/1/88-Estt(D) dated 20.5.88 and 30.1.90.	Note : The extent specified under (b) of column 4 is limited to actual service of the individual concerned in the cadre. In respect of persons appointed through SSC it

S.No.	S.No. as per MSO (Admn.) Vol. II	Nature of Powers	Extent of	Authority	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
			clerks who compete for direct recruitment of Auditors/Accountants and in case of Group 'D' govt. servants who are considered for appointment as clerks – full powers		should be presumed that the candidates were within the age on the crucial date as per GOI orders.
35.	47	Power to permit handing over of charge away from headquarters	Full powers in respect of Group 'B' officers and non-gazetted staff	Section II (a) (1) of Appendix 3 of FRs and SRs Vol. I	Note : The power to permit handing over of charge also covers the power to permit taking over of charge away from headquarters.
36.	48	Power to authorize govt. servant to proceed on duty to any part of India	Full powers	SR 60 & item 20 of Appendix 1 to FRSR Vol. II	Subject to TA budget allotment and power being exercised for travel outside the jurisdiction of HOD only in accordance with standing orders of CAG e.g. sending on tour to NAAA/RTI etc. In case of official visits to Delhi including visits in connection with the work in CAG's office, approval of the concerned DAI/ADAI at Headquarter's office should be taken.
37.	49	Power to accept resignation of a govt. servant from service	Full powers in respect of persons appointed under his authority (vide section E)	Rule 26 of CCS Pension Rules.	
38.	50	Power to permit the withdrawal of resignation of govt. servant from service before it becomes effective	Full powers in respect of persons appointed under his authority (vide Section E)	Section IX(d) of Appendix 3 of FRs and SRs Vol. II and Rule 26(4) to 26(6) of CCS (Pension) Rules 1972	

APPENDIX - I
SCHEDULE OF POWERS OF THE PRINCIPAL DIRECTOR OF AUDIT (PARA 1.5)

SECTION 'C'

POWERS UNDER SUPPLEMENTARY RULES

S.No.	S.No. of MSO (Ad.) Vol. II	Nature of Powers	Extent of Powers	Authority	Remarks
1	2	3	4	5	6
1	1	Power to sanction the undertaking of work for which a fee is offered and the acceptance of fee.	Full powers upto a maximum of Rs.3000/- p.a. in each case	SR - 11	In the case of recurring fees this limit applies to the total of the recurring payment made to an individual in a financial year.
2.	2	Power to sanction conveyance allowance (including a motor car/motor cycle/ consolidated conveyance allowance)	Full powers	SR - 25 and CAG's letter No. 249-NGE.I/561 TAI/66 dated 10.2.67	Subject to the conditions that half yearly statement of the sanctions issued during the period from 1 st Jan. to 30 June and from 1 st July to 31 st Dec., are sent to the O/o the CAG by the 15 of the following months by AG etc. (NIL reports need not be sent).
3.	3	Power to decide shortest of two or more routes	Full powers (except in respect of themselves) for journeys within their jurisdiction	SR – 30 b	
4.	4	Power to allow mileage allowance to be calculated by route other than the shortest or cheapest	Full powers (except in respect of themselves) for journeys within their jurisdiction	SR 31	Provided that the selection of such routes is in the interest of govt.
5.	5	Power to decide in cases of doubt or hardship the class of steamer accommo- dation to which a govt. servant is entitled.	Full powers	SR 42	
6.	7	Power to prescribe a govt. servant's headquarters	Full powers except in the case of Indian Audit & Accounts Service Officers	SR 59	
7.	8	Power to define the limits of a govt. servant's sphere of duty	Full powers except in respect of themselves	SR 60	
8.	9	Power to decide in cases of doubt whether a particular absence is absence on duty.	Full powers except in respect of themselves	SR 62	
9.	10	Power to restrict the frequency and duration of journeys	Full powers	SR 63	
10.	12	Power to sanction daily allowance to the member of Inspection staff on Sunday and Holidays when they have to stay, while on tour, at a place other than the place of duty in relaxation of SR 72	Full powers	SR 72	Subject to the condition that it is certified that govt. servant concerned had to stay at a place other than the place of duty due to

S.No.	S.No. of MSO (Ad.) Vol. II	Nature of Powers	Extent of Powers	Authority	Remarks
1	2	3	4	5	6
11.	13	Powers to grant full daily allowance at a place outside govt. servant's headquarters for a continuous halt upto 180 days during tour/temporary transfer/training.	Full powers	GOI -1 below Rule SR 73	
12.	14	Power to permit a govt. servant to recover the actual cost of hiring a conveyance where no travelling allowance is admissible	Full powers	SR 89 and Note 2 thereunder	non-availability of boarding and lodging facilities at the latter place and not to suit his private convenience (Min. of Fin. Letter No. F.3(2)-SC/66, dt. 22.9.66 file No.96-NGE.I/66) Subject to the conditions and restrictions laid down against item No. 3 in Annexure to Schedule V of Delegation of Financial Powers Rules, 1978
13.	15	Power to permit the recovery of actual cost of maintaining a camp equipment during a halt at or near headquarters	Full powers	SR 91	
14.	16	Power to grant a free passage by sea to a person appointed to a post which he cannot join except by sea.	Full powers in case of persons appointed by them (vide Section E)	SR 108	
15.	17	Power to extend the time limits of six months and one month within which the members of family of a govt. servant may be treated as accompanying him in individual case attendant with special circumstances	Full powers	SR 116 (b) (iii)	
16	18	Power to prescribe the scale of tents to be carried at government expenses on transfer	Full powers	SR 116 (c)	
17.	22	Power to permit drawal of traveling allowance for a journey to attend an examination other than those mentioned in S.Rs 130 and 131	Full powers in the case of departmental examination only.	S. R. 132	
18.	23	Power to sanction traveling allowance as for a journey on tour to a govt. servant who is required while on leave in India to perform any public duty at a place other than the one where he is spending his leave.	Full powers	SR 135	Provided that traveling allowance may not be granted for a journey while proceeding on leave or while returning from leave.
19.	24	Power to sanction traveling allowance as on tour to a govt. servant who proceeds on regular leave from a tour station and resumes duty at another tour station or who proceeds on regular leave from headquarters and resumes duty at a tour station after the expiry of regular leave.	Full powers	SR 135	Provided that traveling allowance is granted from the place where regular leave is spent to the place of tour limited to that admissible between headquarters/tour station and the other tour station.

S.No.	S.No. of MSO (Ad.) Vol. II	Nature of Powers	Extent of Powers	Authority	Remarks
1	2	3	4	5	6
20.	25	Power to sanction traveling allowance as on tour to a govt. servant who proceeds on regular leave while on tour and returns direct to headquarters on the expiry of leave.	Full powers	SR 135 (GOI, Min. of Fin. (Deptt. Of Expdr.) OM No. F.19043 (5) E-IV B/74 dt. 30.4.74)	Provided leave is taken due to reasons beyond the control of govt. servant such as his own illness/or serious illness/ death in family and the period of leave is kept to the minimum called for in such situation. The TA admissible will be that from the place where leave is spent, or the tour station from where he proceeds on leave to headquarters, whichever is less.
21.	26	Power to allow the actual cost of a journey to appear before a Medical Board preliminary to voluntary retirement on invalid pensions.	Full powers in the case of Gr.'B' officer and non gazetted staff.	SR 160 (b)	
22.	27	Power to decide the rates of travelling allowance, admissible to a govt. servant or student not already in govt. service, deputed to undergo a course of training	Full powers in the case of gazetted and non gazetted govt. servants.	SR 164	Subject to conditions and restrictions laid down in govt. of India order below S.R. 164
23.	28.	Power to fix amount of hire or charges when a govt. servant is provided with means of locomotion at the expense of state etc. but pays all the cost of its use or propulsion.	Full powers except in respect of themselves	SR 183	
24.	29.	Power to grant traveling allowance or actual traveling hotel and carriage expenses instead of travelling allowance to persons not in govt. service attending commission of enquiries etc. or performing public duties in an honorary capacity and to declare the grade to which such person shall be considered to belong for purposes of grant of travelling allowances.	Full powers	SR 190 (a) & (b)	
25.	30.	Power to declare a Controlling Officer	Full powers	SR 191 & CAG Circular No.3-O&M/95, NO.270-Audit/MOM/254-94 dated 7.6.95.	i) all officer in the rank pf JAG of IA&AS may be declared as their own Controlling Officers. ii) AuO/Sr.AuOs may be declared as Controlling Officer for other GOs and NGOs under their control Group Officers concerned would be the controlling officer for AOs/Sr.AOs and officers in the rank of JT scale of IA & AS.
26.	31	Power to make rules for the guidance of Controlling Officer	Full powers	SR 195 (e)	

S.No.	S.No. of MSO (Ad.) Vol. II	Nature of Powers	Extent of Powers	Authority	Remarks
1	2	3	4	5	6
27.	32	Powers to waive provision (a) to S.R. 209 which precludes prefixing or affixing of holidays to leave when the transfer or assumption of charge by the govt servant proceeding on or returning from leave involves the handing over or taking over of securities or of money other than a permanent advance.	Full powers	Rule 22 (1) and (2) of CCS (leave) Rules, 1972	
28.	33.	Power to authorize departures from SR 211 which prescribes the point of time from which the leave and consequent re-arrangement of pay and allowances take effect, when holidays are prefixed or affixed to leave.	Full powers	Rule 22 (3) of CCS (leave) Rules 1972	
29.	34	Power to accept a certificate signed by any registered medical practitioner as evidence of the fitness of a gazetted govt. servant on return to duty from leave on medical certificates.	Full powers (as the authority under which the govt. servant is employed on return from leave)	Rule 24 (3) of CCS (leave) Rules 1972	
30.	35	Power to grant leave to a govt. servant in respect of whom a medical committee has reported that there is no reasonable prospect that he will ever be fit to return to duty.	Full powers in cases where he is competent to sanction leave	Rule 20 of CCS (leave) Rules 1972	Subject to the limits laid down in the rule cited in col. 5
31.	36	Power to grant maternity leave and hospital leave	Non gazetted staff - full powers Gazetted Officers - to the extent as shown against item 36 and 38 of Section B.	Rule 43 and 46 of CCS (leave) Rules 1972	
32.	39	Powers to extend the joining time on certain conditions within the maximum of 30 days.	Full powers	Rule 5 (5) of CCS (Joining time) Rules - Appendix X of FR SR.	
33.	40	Power to direct that an officer on leave shall be considered to be in occupation of a residence.	Full powers	SR 312 (4)	Note : powers relating to items 40 to 50 are exercised in respect of those residences only which are under the administrative control of IA&AD
34.	41	Power to allot residence of which the allotment has been suspended	Full powers	SR 313 (4)	
35.	42	Power to approve subtenants	Full powers	SR 314 (a)	
36.	43	Power to permit an officer to store furniture etc.,in residence during temporary absence.	Full powers	SR 316	
37.	44	Powers to estimate probable cost of maintenance and repairs of govt. residences and power to fix percentage to be adopted for calculation of cost and maintenance and repairs of govt. residences.	Full powers	SR 322(1)(a) and (b), 331 (1) (a) and (b)	
38.	45.	Power to review amount or percentage referred to in S. Rs. 322 or 331 for calculation of standard licence fee	Full powers	SR 322 (3) and 331 (3)	
39.	46	Power to determine licence fee for certain services and the estimated capital cost.	Full powers	SR 325 (1) and 334 (1)	

S.No.	S.No. of MSO (Ad.) Vol. II	Nature of Powers	Extent of Powers	Authority	Remarks
1	2	3	4	5	6
40.	47	Power to determine charges for electric, energy and water and meter.	Full powers	SR 325 (2) and 334 (2)	
41	48.	Power to fix charges for electric energy and water meters where no metres are provided	Full powers	SR 325 (2) (b), 334 (2) (b)	
42.	49	Power to estimate capital cost mentioned in clauses (a) (i) of S.R. 325 (2) and 334 (2)	Full powers	SR 325 (2) (c) and 334 (2) (c)	
43	50	Power to group a number of residences for purposes of assessment of charges for electric energy and water meters.	Full powers	Proviso to SR 325 (2) and 334 (2)	

APPENDIX - I
SCHEDULE OF POWERS OF THE PRINCIPAL DIRECTOR OF AUDIT (PARA 1.5)

SECTION 'D'
Powers under Civil Services Regulations and Civil Pension (Commutation) Rules

S. No.	S.No. of MSO (Admn.) II	Nature of Power	Extent of Power Heads of Departments	Authority	Remarks
1	2	3	4	5	6
1.	2	Allowing the period of suspension to count for pension if the govt. servant is not fully exonerated.	Full powers in the case of Gr. 'B' officers and non gazetted staff	Rule 23 of CCS (Pension) rules 1972	
2.	3	Retrospective communication of absence without leave into leave with allowances.	Full powers in the case of Temporary. Asstt. Accountants General, Temporary Assistant Director Gr. 'B' officers and non gazetted staff	Rule 27 of CCS (Pension) Rules 1972	
3.	4	Allowing the counting of extraordinary leave other than EOL granted on medical certificate toward pension.	Full powers in case of Gr. 'B' officers and non gazetted staff as appointing authorities (vide Section E)	Rule 21 of CCS (Pension) Rules 1972	Subject to the condition that such EOL is granted to a Govt. Servant (a) due to his inability to join or rejoin duty on account of civil commotion or (b) for prosecuting higher scientific and technical studies.
4.	5	Counting of service rendered after the date of medical certificate of incapacity for further service	Full powers as pension sanctioning authorities.	Article 455 of CSRs	
5.	6	Grant of extra ordinary pension	Full powers in respect of Gr. 'B' officers and non gazetted staff	CCS(Extraordinary Pension) Rules	Subject to the provisions of CCS (Extraordinary Pension) Rules and Govt. of India's decision No. 2 below Rule 13 of CCS (Extraordinary Pension) Rules.
6.	7.	To admit service on the basis of written statements and documentary evidence.	Full powers as pension sanctioning authority.	Rule 59 (i) (a) (iv) of CCS (P) Rules 1972	
7.	8	Sanctioning payment of the arrears of pensions to the heirs of deceased pensioner of Indian Audit and Accounts Department without production of the usual legal authority after inquiring into the right and the titles of the claimants and on execution of an indemnity bond with sureties in excess of Rs. 10,000/-	Full powers	Rule 370 of CTR Vol. I read with Rule 95 of Central Govt. Account (Receipts and payments) Rules, 1983	
8.	9	Sanctioning payment of arrears of pension exceeding Rs. 5000 to the heirs of the pensioners of the Indian Audit and Accounts Department not claimed within one year of the death of the pensioners.	Full powers.	-do-	

SECTION 'E'

Powers under Central Civil Services (Classification, Control & Appeal) Rules 1965

Part I – General Central Service-Group 'B'

S.No.	Description of the post	Appointing Authority	Authority competent to impose penalties and penalties which it may impose (with reference to item No. in the Rule 11 of CCS9CCA) Rules)	Appellate Authority	Remarks /Authority			
1.	2.	3.	Authority	Penalties	4.	5.	6.	7.
(A) (1)	Prior to 29.3.90 Audit Officers and Asstt.Audit Officers	Principal Directors of Audit, Railways	Principal Directors of Audit	All	For (I) to (iv) Comptroller and Auditor General, for (v) to (ix) President	Censure		
(B) (2)	w.e.f.29.3.90 All Group 'B' Posts	Heads of Deptt. In the rank of Principal Accountant General/ Accountant General	Heads of Department in the rank of Principal Acctt. General/Acctt.General	All	Deputy Comptroller and Auditor General of India/Additional Comptroller and Auditor General	Withholding of promotion		

Part – II General Central Civil Services - Group 'C'

(A) (3)	Prior to 29.3.90 Subordinate Railway Audit Services	Principal Director of Audit Rlys.	Principal Director of Audit, Railways and Dy.Director (Rlys).	All	DAI ADAI (Rlys) & Ex-officio Director of Audit(Rlys) Principal Director of Audit (Rlys)	Recovery from pay of the whole or part of any pecuniary loss caused by a govt. servant, to the govt. by negligence or break of orders.
(4)	All other posts	Deputy Director (Railways)	Deputy Director (Railways)		Principal Director of Audit (Railways)	Withholding of increments of pay.
(B) (5)	w.e.f. 29.3.90 All Group 'C' posts	Sr.DAG/DAG Officers of equivalent	Sr.DAG/DAG Officers of equivalent rank		Principal Director of Audit (Rlys)	Reduction to a lower stae in the time scale of pay for a specified period with further directions as to whether or not the govt. servant will earn increments of pay during the period of such reduction and whether on the expiry of such period, the reduction will or will not have the effect of postponing the future increments of pay.

S.No.	Description of the post	Appointing Authority	Authority competent to impose penalties and penalties which it may impose (with reference to item No. in the Rule 11 of CCS9CCA) Rules)		Appellate Authority	Remarks /Authority
			Authority	Penalties		
1.	2.	3.	4.	5.	6.	7.
Part III - General Central Services – Group ‘D’						
(A) (6)	Prior to 29.3.90 All posts	Deputy Director (Rlys)	Dy. Director (Rlys), ADAI (Rlys)/Audit Officer	All	(i) to (iv) Principal Director of Audit (Rlys) DD(Rlys)	Reduction to a lower time scale of pay grade, post or service which shall ordinarily be a bar to the promotion of the Government servant to the time scale of pay, grade, post or service from which he was reduced, with or without further directions regarding condition of restoration to the grade of the post or service from which the govt. servant was reduced and his seniority and pay on such restoration to that grade, post or service.
(B) (7)	w.e.f. 29.3.90 All posts	AAG/AO/Officers of equivalent rank Note: (B) CAG's letter No.900-N.2/ 137-88 dt.6.10.88 read with their subsequent letter No.336-N.2/10-89 dt. 23.4.90	AAG/AO's/Officers on equivalent rank	All	Sr.DAG/DAG/Officers of equivalent rank	(vii) Compulsory retirement (viii) removal from service which shall not be a disqualification for future employment under the govt. (ix) dismissal from service which shall ordinarily be a disqualifi-cation for future employ-ment under the Govt.

APPENDIX - I

**SCHEDULE OF POWERS OF THE PRINCIPAL DIRECTOR OF AUDIT (PARA 1.5)
SECTION 'F'**

Power under Central Civil Services (Conduct) Rules, 1964

S.No.	S.No. as perMSO (Admn.) Vol.II	Nature of Power	Reference to CCS (Conduct) rules	Competent Authority	Conditions and limitations if any.
1	2	3	4	5	6
1.	3	Receiving report from govt. servants who are unable to prevent members of their families from taking part in, subscribing in aid of or assisting in any other manner, any movement or activity which is, or tends directly or indirectly to be, subversive of the govt. as by law established.	Rule 5(2) read with govt. of India, Min. of Home Affairs, letter No.25/36(3) 65-Ests (A) dt.6.10.1965	Accountant General and other Heads of Deptt.	In respect of post for which they are appointing authority (vide section E)
2.	6(ii)	To permit a govt. servant to participate in a radio broadcast or contribute an article or write a letter to a newspaper or periodical either in his own name or anonymously or pseudonymously or in the name of other person.	Rule 8(2) (a) and (b) read with GOI, MOHA order No.25/36(2)/65-Ests(A) dt.6.10.1965.	AG and Heads of Department	For Group 'B', 'C' and 'D' officers
3.	9	Intimation to the govt. about acceptance of gifts by the govt. servants from his near relatives on occasions such as weddings, anniversaries, funerals or religious functions, if the value of any such gifts exceeds : i) Rs. 7000 in the case of a govt. servant holding any Group . ii) Rs.4000 in case of Gr.B posts. iii) Rs. 2000 in the case of a govt. servant holding any Group C posts and iv) Rs. 1000 in the case of a govt. servant holding any Group D post.	Rule 13 (2) read with GOI DOPT, Notification No. 11013/6/201-Estt.(A) dt 15-12.2003	i) CAG ii) AG and all Heads of Department iii) Heads of office.	For Group A officers For Group B and C officers For Group D officers
4.	10	Intimation to the govt. about acceptances of gifts by the govt. servant from his personal friends having no official dealings with him, if the value of any such gift exceeds : i) Rs. 1500 in the case of a govt. servant holding any Group 'A' or Group 'B' post ii) Rs. 500 in the case of govt. servant holding any Group C posts and Group D post.	Rule 13(3) read with GOI DOPT, Notification No. 11013/6/201-Estt.(A) dt 15-12.2003	i)Comptroller and Auditor General ii)Accountant General and other Heads of Department iii)Heads of Offices	For Group A officers For Group B and C officers For Group D officers

S.No.	S.No. as perMSO (Admn.) Vol.II	Nature of Power	Reference to CCS (Conduct) rules	Competent Authority	Conditions and limitations if any.
1	2	3	4	5	6
5.	11	To permit a Government Servant to accept a gift either by him or any member of his family or any other person acting on his behalf, if the value thereof does not exceed Rs. 1000/-	Rule 13 (4)	Comptroller and Auditor General Accountant General and other Heads of Department	For Group A officers Full powers in the case of Group B officers and non gazetted staff
6.	14	Intimation to the govt. by the govt. servant if any members of his family is engaged in a trade or business or owns or manages an insurance agency or commission agency.	Rule 15(3)	i)Comptroller and Auditor General of India ii)Head of Department iii)Head of Office	For Group A officers For Group B and C officers For Group D officers
7.	15	To permit a govt. servant to accept fee for any work done by him for any private or public body or any private person	Rule 15(4)	Authority competent under Supplementary rule 11	
8.	16	To permit a govt. servant in relaxation of Rule 16(4) (i) of CCS (conduct) Rules 1964 to lend or borrow money as principal or agent to or from any person within the local limits of his authority or with whom he is likely to have official dealings or otherwise place himself under any pecuniary obligation to such persons; or to lend money to any person at interest or in any manner whereby return in money or in kind is charged or paid; either by the govt. servant himself or through any member of his family or any other person acting on his behalf	Rule 16(4) (i)	Comptroller and Auditor General Accountant General and other Heads of Departments	For Group A officers For Group B officers and non gazetted staff
9.	17.	The prescribed authority to whom the circumstances are to be reported by govt. servant who are appointed or transferred to post of such nature as would involve him in the breach of any provisions of sub rule (2) or sub rule (4) of Rule 16	Rule 16(4)(ii)	Comptroller and Auditor General Accountant General and other Heads of Departments	In respect of posts for which he is appointing authority In respect of posts for which they are appointing authorities (vide Section E)
10.	18	Report on becoming the subject to a legal proceedings for insolvency.	Rule 17	Authority competent to remove or dismiss the govt. servant i.e. the appointing authority	All government servants
11.	19	To permit a govt. servant to acquire or dispose of any immovable property by lease, mortgage, purchase, sale gift, or otherwise either in his own name or in the name of any	Rule 18(2)	Comptroller and Auditor General Accountant General and other	For all classes of govt. servants : i) for Group A officers subject to conditions enumerated in GOI, MHA

S.No.	S.No. as perMSO (Admn.) Vol.II	Nature of Power	Reference to CCS (Conduct) rules	Competent Authority	Conditions and limitations if any.
1	2	3	4	5	6
		member of his family when the transactions are with a person having official dealing with him.		Heads of Departments	order No. 25/11/68 Ests (A) dt. 5.8.68 ii) for group B officers and non gazetted staff
12.	20	To permit a govt. servant to enter into transactions either in his own name or in the name of member of his family in respect of movable property if the value of such property exceeds Rs. 10000 in the case of a govt. servant holding any Group A or Gr. B posts or Rs. 5000 in the case of a govt. servant holding any Group C and D posts when any such transaction is with a person having official dealing with the govt. servant.	Rule 18(3)	Comptroller and Auditor General Accountant General and other Heads of Departments	For all classes of govt. servants : i) for Group A officers subject to conditions enumerated in GOI, MHA order No. 25/11/68 Ests (A) dt. 5.8.68 ii) for group B officers and non gazetted staff
13.	21	Requiring a govt. servant by a general or special order to furnish within a specified period of full and complete statement of such movable or immovable property held or acquired by him or on his behalf or by any member of his family, including the details of the means by which such property was acquired.	Rule 18 (4)	Comptroller and Auditor General Accountant General and other Heads of Departments Heads of office	For Group A officers For Group B officers For non gazetted staff
14.	23	To permit a govt. servant to have recourse to any court or to the press for the vindication of any official act which has been the subject matter of adverse criticism or an attack of a defamatory character	Rule 19(1)	Comptroller and Auditor General Heads of office	For Group A officers Any other govt. servants.

SECTION 'G'

Power under Central civil Services (Temporary Services) Rules

S.No.	Reference to S.No.MOS (Admn.) Vol. II	Nature of Powers	Authority competent to exercise the power in Group C & D govt. servant	Reference to rules or orders
1	2	3	4	5
1	1	Terminating the services of a temporary govt. servant	Appointing authorities	Rule 5 (1)

SECTION 'H'

Power under General Provident Fund (Central Services) Rules

S.No.	S.No. of MSO (Admn) Vol.II	Nature of powers	Reference to G.P.F. (C.S.) Rules, other Heads of Deptt.	Extent of powers	Conditions and limitation, if any.
1. 1.	2. 1	3. To direct recovery of arrears of subscription alongwith interest thereon in instalments or otherwise by deduction from emoluments of a subscriber who fails to subscribe to the Fund from the due date.	4. Rule 10 (3)	5. i) Full powers except in respect of themselves. ii) All officers in JAG, SG and Senior Time scale holding charge of Admn. Group /independent charge of field offices and Headquarters – full powers except in respect of themselves.	6. -
2.	2	To grant temporary advances for which special reasons are not required	Rule 12 (1)	- do -	-
3.	3	To grant temporary advances for which special reason are required	Rule (12)	- do -	Subject to the limits specified in Rule 12(1) of the G.P.F. (Central Services) Rule, 1960 Note : The AG & other Heads of Deptt. Shall not reject the application of Indian Audit and A/cs Service Officers for advance save with the approval of CAG
4.	4	To direct the recovery of the whole or the balance of the amount of an advance in lump sum or in monthly instalments not exceeding twelve in the event of a default in repayment thereof after the advance is disallowed before its repayment is completed	Rule 13 (3)	- do -	
5.	5	To order recovery of the amount of an advance, if it has been utilised for a purpose other than that for which it was sanctioned.	Rule 14	- do -	
6.	6	To sanction non-refundable withdrawals in cases where a subscriber has completed 15years service or is due to retire on superannuation within a period of ten years	Rule 15 (1)	- do -	Subject to the limits specified in Rule 16 of G.P.F. (Central Services) Rule, 1960
7.	7	To order the recovery of the amount of the whole or the appropriate part of the non-refundable withdrawal in case where the subscriber does not repay it after he fails to satisfy the sanctioning authority that it was utilised for the purpose for which it was withdrawn	Rule 16 (2)	- do -	
8.	12	To direct the mode of repayment of the whole or part of the amount paid from General Provident Fund to the subscriber proceeding on leave preparatory to retirement or leave	Rule 32	- do -	

S.No.	S.No. of MSO (Admn) Vol.II	Nature of powers	Reference to G.P.F. (C.S.) Rules, other Heads of Deptt.	Extent of powers	Conditions and limitation, if any.
1.	2.	3. preparatory to retirement combined with vacation or having been permitted to retire or having been declared to be unfit for further service while on leave, with interest thereon when on the Government servant's return to duty, the Government requires him to repay the said amount.	4.	5.	6.

SECTION 'I'
Powers under Miscellaneous Rules & Orders

S.No.	S.No. of MSO(Ad.) Vol.II	Nature of Powers	Reference to Rules/Orders	Extent of powers	Remarks
1. 1.	2. 1	3. Sanctioning the daily rates of audit fees for recovery of the cost of audit of accounts of non-government funds	4. DGP&T, Delhi No.1-32/75 PAP, dated 26.9.75 and CAG's letter No. 417 Audit I/23-85(50) dated 4.6.85	5. Full powers	6. Subject to the following criterion being adopted in this regard – (I) Audit charges should be calculated on the basis of average cost of the posts involved and (ii) indirect charges should be computed to 125% of the direct charges. Note : As and when the direct cost of establishment is changed due to provision of scales or dearness, compensatory and house rent and other allowances, the daily rates of the audit fee are to be recalculated by the Audit Officers concerned in accordance with the instructions issued from time to time and got approved by the Comptroller and Auditor General.
2.	3(a)	Sanctioning refund of medical expenses in relaxation of Medical Attendance Rules (except in their own cases)	Item No.5 of Appendix VIII of Central Service Medical Attendance Rules and G.I. M/Health OM No. S. 14012/9/ 75-MC (MS) dt. 18.6.82	Medical claim to the extent admissible and subject to the limits and ceilings prescribed	Subject to the conditions laid down in G.I. Ministry of Health OM No.S.14012/9/75 Mc(MS) dated 18.6.82
3	3(b)	Condonation of delay beyond three months in submission of medical claims under CS(MA) Rules	Govt. of India, Ministry of Health & Family Welfare (Deptt. Of Health) OM No.S 14025/22/78-MS dated 13.8.81 and CAG's circular letter No. 4007-NGE.I/46-81.I dt. 20.11.81	Full powers	Subject to fulfilment of the conditions laid down in para 2(I) & (iii) of OM No. S-14025/22/78/MS dated 20.8.1981
	4	Sanctioning refunds of contributions made under the Central Government Health Scheme in connection with the issue of temporary family permits	Government of India, Ministry of Finance letter No.5(5)/EGI/66 dt. 3.11.66 and CAG's letter No. 983-NGE.I/91-66 dt. 24.4.68	Head of Audit and Accounts Offices where Central Govt. Health Scheme is in force. Full powers	Subject to the condition laid down in Govt. of India M/O Health letter No.4(1)/34/63-Hosp. Dt. 12.6.64 and No.4-123/67 dt.14.3.68
	5	Sanctioning deputation to Central/State Governments	Para 4.5 of MSO (Admn.) Vol.-I	For Group 'B' officers. Full powers in r/o deputation to respective State Govt. only. For Sos/SO Rly. Full powers in r/o deputation to State Govt./State Govt. bodies only.	
	6	Power to accord Administrative approval and expenditure sanction to works to meet the needs	Appx.IV of CPWD Code read with Govt. of India Min. of Fin. Memo	Residential Rs.20000 non residential Rs.40000	Subject to the provisions contained in para 62 and appendix IV of CPWD code and subject to

S.No.	S.No. of MSO(Ad.) Vol.II	Nature of Powers	Reference to Rules/Orders	Extent of powers	Remarks
1.	2.	3. of Indian Audit and Accounts Department	4. No.20/(5)EGI./68 dt. 5.12.62 & GOI Min. of Works Housing and Supply OM No.4/23/68-B dt. 16.5.68. CAG's orders dt. 10.9.90 circulated in No.1928-NI/34-90 dt.21.9.90 GI decision No.4 under SR 48-C	5. Full powers	6. formal sanction under DFP rules being issued for the financial expenditure.
	7	Refund of cancellation charges on unused air tickets to persons serving in Indian Audit & Accounts Deptt. Who are authorised to travel by air.			1. Powers are exercisable in cases where the cancellation of air journey on tour is made due to circumstances which are unavoidable and beyond the control of Govt.
	8	Permanent absorption of Section Officers and Auditors, including Selection Grade Auditors and other lower staff in public section undertakings.	G.I. Dept. of P en. & Pen. Welfare, OM No.4/15/88-P &PW (D) dated 13.11.91	Full powers	servant. 2. In r/o their own claim for an amount upto and not exceeding 25% of cost of the air ticket in each case, AG/ Heads of Deptts. Etc. will record a certificate to the effect that the cancellation of the journey was due to unavoidable circumstances. 3. CAG of India will obtain from AG etc. quarterly statements of reimbursements allowed by them. The powers are exercisable subject to I) the conditions precedent to absorption as prescribed by Govt. of India in orders issued from to time are satisfied in each case and Ii) the absorption being on such terms and conditions as prescribed by Govt. of India from time to time.
4.		To forward application for employment in other Government departments or offices	GI Dept. of Per. & Trg., OM No.AB 14017/101/92-Estt.(RR), dt. 14.7.93.	Full powers subject to the instructions issued from time to time	
5.		Section Officer Grade Examination a) Approval of candidature b) Withdrawal of candidature	Para 9.2.10.1 of CAG's Manual of Standing Orders (Admn. Vol.I)	a) Full powers subject to the order issued from time to time b) Full powers subject to the prescribed restrictions prescribed by the CAG of India	

S.No.	S.No. of MSO(Ad.) Vol.II	Nature of Powers	Reference to Rules/Orders	Extent of powers	Remarks
1. 6.	2.	3. Departmental examination for Auditors a) conducting departmental examinations for Auditors in his office b) condonation of deficiency upto two months in service required for eligibility to appear for the examination c) To grant honorarium to examiners of the departmental examination for Auditors	4. Para 9.4.1 of MSO/Admn.Vol-I Para 9.4.4 of MSO/Admn. Vol.I Para 9.11 of MSO/Admn. Vol.I	5. a) Full powers b) Full powers c) Full powers subject to conditions laid down in Min. of Fin. No.F.16(40) Admn.A/50 dt. 15.9.50	6.
7.		Fixation of seniority of Clerks	MSO Para 10.2	Full powers subject to the prescribed rules of seniority and orders issued thereunder from time to time.	
8.		Fixation of seniority of Section Officers Grade Examination passed Clerks for the purpose of promotion to the rank of Section Officers (Audit)	5.6 & 5.7 of MSO/Admn. Vol.I	Full powers, subject to the prescribed rules of seniority and orders issued from time to time.	
9.		To retain a ministerial servant in service after the age of 55 years	56 (j)(ii) of FRSR	Full powers, subject to the usual conditions and instructions issued from time to time.	
10.		Grant of Special Casual Leave to commuters due to dislocation of traffic arising and of natural calamities	Appendix III-(EVI) of FRSR Part-III	a) Special Casual Leave wherever admissible under the provisions in this regard may be granted by the Head of Deptt. b) All such cases where Special Casual Leave has been granted should be reported to the Min. Deptt./CAG of India, as the case may be.	
11.		Permanent absorption of (Section Officers, Sr.Ar. and Auditors) and other lower staff in Public Staff Undertakings and autonomous bodies	G.I Dept. of Pen.& Pen. Welfare, O.M. No.4/15/88-P&PW(D) dt.13..11.91.	Full powers The powers are exercisable subject to (i) the conditions precedent to absorption as prescribed by Govt. of India in orders issued from time to time, are satisfied in each case and (ii) the	

S.No.	S.No. of MSO(Ad.) Vol.II	Nature of Powers	Reference to Rules/Orders	Extent of powers	Remarks
1.	2.	3.	4.	5.	6.
				absorption being on such terms and conditions as prescribed by Govt. of India from time to time.	
12.		Grant of increments on passing Revenue Audit examination for Sos/AauOs	CAG's letter No.3229-NGE.I/81-79 dt. 30.10.79 and Para 4.1.2 of MIR	Full powers	
13.		Grant of advance increments to Stenos on passing higher speed (in shorthand) of 100/120 words per minute	-- do --	Full powers	
14.		Grant of advance increments on passing ICWA Examination	CAG's letter No.3229-NGE.I/81-79 dt. 30.10.79	Full powers	
15		Protection under Fundamental Rules 22 of the last pay drawn in the case of those who come from other offices to IA&AD where such protection is called for	GOI 29 below FR-22	Full powers	
16.		Stepping up of the pay of seniors in terms of Govt. of India, Office Memorandum dt. 2.2.66 and 18.7.74 incorporated as Govt. of India's decisions No.4 and 9 respectively below Fundamental Rule 22 'C' (Chowdhury's Compilation of FRs and SRs 7 th Ed.)	GOI 23 below FR 22(1) a(i)	Full powers	
17.		Pay fixation of Military Pensioners re-employed in IA&AD	CAG letter No.3229-NGE.I/81-79dated 30.10.79 CCS fixation of Pay of re-employee (Pensioners) order No.18(i), (ii), 1986	Full powers Subject to subsequent sanction by the Headquarters. In all these cases the actual fixation of pay and adjustment thereof will be made by the AG etc. provisionally under the provisions of FR 27. The pay is to be fixed according to the orders of CAG of India/Govt. of India issued on the subject. Quarterly statements of such cases may be sent to CAG of India for according sanction, so as to reach the Hdqrs. On 15 Jan.,April, June and	

S.No.	S.No. of MSO(Ad.) Vol.II	Nature of Powers	Reference to Rules/Orders	Extent of powers	Remarks
1.	2.	3.	4.	5. October each year	6.

APPENDIX II

SCHEDULE OF POWERS OF GROUP OFFICER/DEPUTY DIRECTOR (ADMN.) para 1.5 :

The Administrative and financial powers specially delegated to the Head of office are given below. The Group Officer has been declared to be the Head of Office (See item No.8 of Section 'A' of Manual of Standing Orders (Admn.) Vol. II

Nature of Powers – Administrative	Extent of Powers	Rule or Authority
1. Increments to all Group B (Non Gazetted), 'C' and 'D' staff)	Full powers	FR 26
2. Signing of bills	Full powers	Rules 141 and 142 of Treasury Rule Vol. I
3. Appointing authority of all Group "C" staff	Full Powers	Section E Pt.II item No.2 of MSO (Admn.) Vol.II
4. To impose penalty under Central Civil Services(CCS) Rules 1965 for Group "C" Staff	Full powers	CCS Rule 11
5. Permission to remain absent from Headquarters during leave	Full powers in respect of Group 'B' and non-gazetted staff	Para 44 of Railway Audit Manual
6. Controlling Officer for purpose of T.A. to staff of Group 'B'	Full powers	S.No.54 of Appendix I-F.R. Vol. II and P.O.O. No. 200 dated 20.08.1998
7. Counter signature of	Full powers (without any monetary limit)	Rule 6(2) Section I of Central Services (Medical Attendance Rules) 1944
8. a) Leave to Group 'B' Officer other than disability and study leave	Full powers	Item No.1 of Schl. I of FRSR Pt.III (Leave Rules)
b) Leave to Sr.Ar./Ars., Record Keepers, Stenographers and group 'D' staff other than special disability leave	Full powers	
c) Transfers and posting of Sr.Ar./Ar./Clerks, Record Keepers and Group 'D' staff	Full powers, except in cases where Group Officer feels that Pr. Director of Audit's orders are necessary	
II. Financial :		
9. Maintenance of service books annual and periodical verification of service of non-gazetted staff with pay bills or acquittance rolls	Full powers	Para 81-G.F.R. (1963 Edition)
10. Advance of pay and TA on transfer/tour to non-gazetted staf	One month's pay received immediately before transfer/tour or entitled after transfer/ tour whichever is less and TA entitled	Para 222, 223,231 and 233 of GFR (1963 Edition)
11. Advances of TA on tour and advances of pay and TA on transfer to temporary and officiating government servant.	Full powers	Paras 222,223,232,233 of GFR (1963) read with Min. of Finance letter No.F.20(5)-EG/58 dt. 12.3.1959 received under CAG's letter No.1562-NGE.I/16-59 KW dt.15.7.59. Paras 191, 195, 212, 214 of GFR (1963 Ed.) received with GOI, MOF letter No.F.20(5), E.41/58 dt.12.3.59 received under CAG's letter No.704-NGE.I/16-59, dated 1.4.59
12. To grant advances for the purchase of other conveyances including bicycles (except those to be sanctioned by the Pr.Director of Audit)	Full powers subject to the conditions laid down in GFR (1960)	Rule 191 GFR

Nature of Powers – Administrative	Extent of Powers	Rule or Authority
13. To sanction advance of leave salary in the case of non gazetted govt. servants	2. Full powers	3. GOI, MOF OM NO.F.7(75)/E.IV(A)/60 dt. 12.7.61 read with para 259 of GFR (1963 Ed.)
14. Advance to Group 'D' Central Govt. employees for the purchase of table fans	Full powers	Rule 221(A) GFR
III. CONTINGENCIES :		
15. Repairs to bicycles	Rs.50/- per cycle per annum subject to the remarks under item 2 (II) of App.8 to GFR Vol. II	S.No.1(3) of Annexure to Schedule V of DFP
16. Conveyance hire to non-gazetted officers	Actual expenses	S.No.3 of Annexure to Schedule V of DFP (1958)
17. Electric, Gas and water charges	Full powers	S.No.4 ibid of Annexure V of DFP Rules
18. Fire protection	Full powers (upto Rs.100/- per annum)	Item 1 ibid
19. Hot and Cold weather charges	Full powers within allotment for the purpose	Item 1 ibid
20. Liveries, Clothing and other articles	Within the prescribed scale and budget allotment	Item No.23 of Schedule V of DFP Rules, 1978
21. Service postage stamps	-do-	Item 13 of Schedule V of DFP Rules 1978
22. Supply of water for drinking etc.	-do-	Item No.4 of Schedule V of DFP Rules 1978
23. Misc. office expenses incurring of charges on the following items which are commonly required for all offices – rat traps, glass, tumblers, water pots, matches, candles, insecticides, brasso or other metal polish, cardboards, dusting or binding cloth, calicocloth, name boards etc.	-do-	Item 21 (A) of Schedule V of DFP Rules 1978
(II) to sanction local purchase of rubber stamps and office seals in case of non supply or delay in supply from the agency of the Govt. of India, stationary office		Item 21 (c) of Schedule V of DFP Rules 1978
24. Winding and regulating office clocks, maintenance of call bells etc.	Upto Rs.15/- per month	S.No.8 of Schedule V of DFP (1958)
25. Repairs to furniture (fixtures and furniture)	Upto Rs.100/- p.a.	S.No.5 of Schedule V of DFP (1958)
26. Hire of office furniture	- do -	S.No.7 of Schedule V of DFP (1958)
27. To incur recurring and non recurring expenditure of contingencies	Extent of power Monetary limit upto which expenditure may be incurred. 1. Head of offices (JAG) 2500 p.a. 2. Heads of offices (STS) 1500/- p.a. These powers are to be exercised in such a manner as not to exceed overall limit of Rs.7000/- p.a. upto which	CAG's letter No.1770-NGE.I/198-69 dated 11.8.70 Schedule V of DFP Rules 1978

Nature of Powers – Administrative	Extent of Powers	Rule or Authority
1.	2. the head of the department is competent to incur expdr. Unless the non-availability certificate is obtained from the Controller of Stationery as required in CAG's office circular letter No. 299-NGE.1103/68 dt.17.2.69	3.
28. To incur expenditure on demurrage charges	Rs.1000/- in each case, in which he is satisfied that the expenditure is unavoidable	Item 6 (ii) of Schedule V of DFP Rules
29. To incur expenditure on light refreshments at formal inter-departmental meetings and other meetings of the staff committees and with the representatives of the recognised staff Associations convened by the heads of offices.	Full powers subject to the maximum limit per head for any meeting laid down by the CAG of India	CAG's letter No.483-HE 227-58 5.3.59 and 179-Admn..II/ 333-62 dt. 25.1.63 and CAG's letter No.2438-Tech. Admn. II/57-67 dt. 9.10.68 and CAG's letter No.3229-NGE.I/81-79 dated 20.10.79
30. The other contingent expenses permissible under rules and powers of Pr.Director of Audit within limits of budget allotment except following : i) initial or additional supply of furniture ii) expenditure on any individual item of contingencies costing more than Rs.10/- (recurring) and Rs.50/- (non- recurring) at a time	Full powers In case where an office machine is required to augment the existing stock and hiring is resorted to , upto a period of 4 months provided, the purchase of additional machine has already been sanctioned by competent authority	Item 5 of Annexure to Schedule V of DFP Rules 1978
IV. POWERS UNDER PROVIDENT FUNDS RULES		
31. Advance under Rules 12(1) of full powers. The GPF (CS) Rules for which special reasons are not required, advance under Rule 12(2) for which special reasons are required and withdrawal under Rules 15 read with rule 12(2) to staff and officers except Group 'A' officers (Dy.Director being competent to grant advance of pay on transfer vide Rule 222 of GFR 1963 (Rule 12) to GPF (CS) Rules.	Full Powers	Rule 12 (1) of GPF Rules 1960
32. To incur expenditure on local printing (including the cost of paper and other binding materials.	Rs.100000/- per year.	Item No.14 of Annexure to Schedule V of DFP Rules
33. Counter signature of nomination papers of the non gazetted staff for pension and death cum retirement gratuity.	Full powers	Rule 53 (7) (b) of CCS (Pension) Rules, 1972
34. Advances on accounts of festival to non gazetted staff (Permanent and temporary)	Full powers	Rule 236 of GFR OM No.16(1)E(A)/97 dated 11.12.97
35. Counter signature of House Rent Receipts (half yearly)	Full powers	CAG's letter No. 2152-NGE.I/66-57 dt. 19.12.57 and 1902-NGE.I/42-61 dt. 23.9.61
36. Power to sanction casual leave	Power to sanction Casual	Appendix III to FRSR Part-III

Nature of Powers – Administrative

1.

Extent of Powers

2.

Leave/Restricted holiday Gr.
'B' 'C' and 'D' staff for a
period upto 5 days at a time.

In exceptional cases 8 days

C.L. can be sanctioned on
the merits of each case.

RHnot being counted in
computing the limit of 8
days to

iv) Upto Rs.250/- in the case
of mistake in the
apportionment of earnings
between Government

Railways (see note under
para 183-Railway Audit
Manual)

Rule or Authority

3.

APPENDIX – II (a)

SCHEDULE OF POWERS OF AUDIT OFFICERS/SR.AUDIT OFFICERS Para 1.6

S.No.	Nature of powers	Extent of power	Authority
1.	2.	3.	4.
1.	To sanction casual leave to the Section Officers/Assistant Audit Officer, Group “C” and “D” upto 5 days and also R.H. if in continuation of Casual leave, Restricted Holiday not being counted in computing the limit of 8 days.	Full powers	Appendix III to FRSR Part-III
2.	To sanction earned leave upto 15 days at a time to the Group “B” Non Gazetted without a substitute	Full powers	Do
3.	To sanction earned leave upto 30 days to Group “C” and “D	Full powers	Do
4.	To sanction earned leave to Asstt.Audit Officers without substitute	Upto 15 days by Audit officer (Admn.) only.	CAG of India’s letter No.2991-GE/109-84 dated 5.1.1985 (SOO No.410-NR/84 dt. 1.3.1985)
5.	To issue Passes and PTOs on behalf of the Principal Director of Audit to the staff working under him available on Indian Railways subject to review and confirmation by the Principal Director of Audit and also such restrictions as may be imposed by the Principal Director of Audit.	Full powers	CAG of India’s letter No. 3482-164-RA-I/2-2/73 dt. 4.10.73
6.	Various items of Central Audit	Full powers	As per appendix to the chapters on Railway Audit Norms March 2003
7.	To act as appointing authority for all Gr.’D’ staff	Full powers (Audit Officer/Admn. only)	Item II Pt .III of Section E of MSO (Admn.) Vol.II
8.	Controlling Officer for purpose of TA to staff of Cadres of AAuO, Group “B” (Non-Gazetted), Group “C” and “D”.	Full powers (Audit Officer/Admn. only)	P.O.O. No. 200 dated 20.08.1998.

APPENDIX – II (b)

SCHEDULE OF POWERS OF SECTION OFFICERS/ASSTT. AUDIT OFFICERS Para 1.6

S.No. 1	Nature of powers 2	Extent of powers 3	Authority 4
1.	To grant Casual Leave and R.H. to Group ‘C’ and ‘D’ staff working under them upto maximum of 5 days at a time and R.H. not being counted in computing the limit of 5 days if granted in continuation of Casual Leave	Full powers	Appendix III of FRSR Part-III
2.	Condonation of late attendance of the staff under them for a maximum of two days in a month. However, the Attendance Register should continue to be submitted to Branch Officer daily as usual	Full powers	-do-
3.	Various items of Central Audit	Full powers subject to the provision that only Routine audit objections may be issued.	As per appendix to the chapters on Railway Audit Norms – March 2003.
4.	Attestation of entries in the Service Books of non-gazetted officers other than those on the 1 st page of the service book and annual verification of service which will be attested by Branch Officer.	Full powers	CAG’s letter No. 4-OSD(P) 73 Vol. III dt. 23.2.1974
5.	Issue of Rough/Draft Notes/Inspection Reports	Full powers subject to the following provisions. (i) RAN in respect of objections detected in Central Audit upto the level of Section Officers may be issued under the signature of SO(Audit). The prior approval of Branch Officer would however, be necessary in case of objections detected in Central Audit by Section Officer/ Audit during their original audit. (ii) the rough/drafts/ Inspection Notes both in respect of supervisory and non supervisory inspections may be issued under the signatures of SO(Audit) as these are only to elicit some information or to have remarks of the executive whose offices are being inspected (The Inspection Report, Pt.I/II and the Special letter should however, be issued under the signatures of Branch Officers.	CAG’s letter Nos.4-OSD(P) 73 dt. 6.3.73 and 27.3.73
6.	Signing of routine acknowledgements and also reminders under their own designations (except to Headquarters office)	Full powers	CAG of India’s letter No.F.4-OSD(P)/73 dt. 6.3.73 and 27.6.73
7.	Acceptance and noting of sanctions for Part/final withdrawals from PF and issuing of objections in connection there with in respect of other Railway Audit Offices only.	Full powers	Para 73 of Railway Audit Manual
8.	To issue Passes and PTOs on behalf of the Principal Director of Audit to Group ‘C’ and ‘D’ staff available on the Home Line only subject to review and confirmation by the Principal Director of Audit and also such restrictions as may be imposed by the Principal Director of Audit.	Full powers	CAG of India’s letter No. 3482-164/RAI/2-2/73 dt. 4.10.73
9.	Filing of all circulars of Routine nature	Full powers	CAG of India’s letter No.4-OSD(P)/73-III dt.

S.No.	Nature of powers	Extent of powers	Authority
1	2	3	4
10.	To grant permission to the staff to leave Headquarters upto the period they are empowered to grant Casual Leave	Full powers	31.1.74 Do
11.	In outstation (Resident) Branch Audit Officers of Railway Audit Department where an Audit Officer is not Headquartered, to issue acknowledgements and returns of routine nature to the Headquarters office of the Principal Director without waiting for Branch Officer's unit visit..	Full powers	CAG of India's letter No.4-OSD(P)/73-III dt. 31.1.74

APENDIX . III

(Para 5,32)

LIST OF MAJOR AND MINOR HEADS ACCORDING TO WHICH FILES SHOULD BE OPENED

MAJOR HEADS	MINOR HEADS
1. SANCTIONS	1. WORKS (a) By President, Railway Board. (b) By subordinate authorities.
	2. STORES (a) Purchases. (b) Sales. (c) Write off of Losses. (d) Other sanctions.
	3. ESTABLISHMENT (a) Creation and abolition of posts-Gazetted Officers. (b) Creation and abolition of posts-Non-Gazetted Officers. (c) Allotment of Railway Quarters-Gazetted Officers and Non-Gazetted Officers. (d) Leave to Gazetted Officers and Non-Gazetted Officers. (e) Travelling Allowances (f) Fees and Honorarium (g) S.R.P.F., S.B.F., S.C. to P.F., Gratuity and pension etc. (h) Foreign service. (i) W.C.A. Payment (j) Other Misc. Sanctions regarding Contingencies, Medical Attendance, and overtime. (k) Fortnightly Statement of sanctions confirmed by the General Manager. (l) Confidential Sanctions. (m) Waiver of overpayments.
	4. TRAFFIC (a) Local Traffic. (b) Compensation Claims for Goods/Parcels etc. lost or damaged. (c) Refund of earnings. (d) Refund of wharfage and demurrage. (e) Through Traffic. (f) Write off of losses. (g) Other Sanctions.
	5. CATERING (a) Tariff rates. (b) Schedule of ingredients. (c) Rates of Commission charges paid to vendors, waiters etc. (d) Write off of losses. (e) Other sanctions.

2. **RESULTS OF TEST
 AUDIT**
 1. Rough Audit Notes,
 2. Part II Audit Notes.
 3. Part I Audit Notes.
 4. Special letters (A separate file may be opened for every special letter.)
 5. Other references
 6. Audit programme.
 7. General instructions regarding preparation of audit notes

3. **REVIEWS**
 1. Review of Register of irregularities maintained by Account office.
 2. Review of Register of losses.
 3. Review of Register of overpayments waived
 4. Review of Register of Recoveries forgone by Executive
 5. Review of Register of sanctions having limited currency
 6. Review of the working of the Accounts Department
 7. Efficiency of Internal check
 8. Review of Audit Notes and Inspection Reports Part II
 9. Review of tests to judge the productivity of Capital Expenditure
 10. The Financial results of new Branch lines
 11. Review of tenders and contracts.
 12. Review of private siding and assisted siding accounts.
 13. Review of suspense Accounts.
 - (a) Misc. Advances.
 - (b) Deposits.
 - (c) Purchases.
 - (d) Sales.
 - (e) Demands payable.
 - (f) Security Deposits
 - (g) Traffic.
 - (h) Foreign Railways.
 - (i) Staff Benefit Fund
 - (j) Reserve Bank.
 - (k) House Building. Festival, Motor car, Table fans and Flood relief Advances.
 14. Review of O I Register.
 15. Review of long term contracts.
 16. Review of adjustment of experimental works.
 17. Review of Capital and Revenue Accounts of Residential Buildings.
 18. Review of scale check Registers.
 19. Review of Records of petty objections.
 20. Review of financial fore-casts of big Engineering projects.
 21. Review of completion Reports.
 22. Review of yearly statement of Stores Transactions.
 23. Review of Stock sheets relating to Accounts stock verification.

24. Review of yearly statement of Stores Purchases.
25. Review of Statistics.
26. Review of overall performance of audit.
27. Review of Stores Adjustment Sheets.
28. Examination of the piece work system.
29. Examination of the unit rate fixed for electric energy supplied to staff and other
30. Review of the proforma account of carriages reserved for the exclusive use of other Government Departments.
31. Review of listing of vouchers for the purpose of selection.
32. Review of the units into which the various items of work have been split up for selection of one unit for Audit.
33. Review of General Cash Book.
34. Review of Cashier's cash Book.
35. Review of Proforma Account of Terminal Tax.
36. Review of Register of points to be watched.
37. Check of re-fixation of pay due to revision of scales of pay,
38. Review of service books of Gazetted Officers.
39. Review of Joint station Accounts.
40. Review of pre-partition Accounts.
41. Certification of net proceeds of Terminal Pilgrim Tax on passengers (Separate file for each taxable station). .
42. Certificate of net proceeds of tax on passenger fares.
43. Check of maxima and minima of rates and fares.
44. Check of Compensation Claims for consignments lost on damaged.
45. Review of land Register.
46. Review of Register of abandoned assets.
47. Review of register of bills paid from station earnings.
48. Review of Dead Stock Register and Uniform Register of Accounts Office.
49. Review of credits and interest to S.R.P.F. Accounts.
50. Review of Disallowance lists.
51. Review of bonus contribution to S.R.P.F. Accounts.
52. Review of statement of staff sent on deputation out of India.
53. Review of recovery of Government share of fee received by Railway servants.
54. Review of coal Accounts and coal price ledgers.
55. Review of passes and P.T.O's issued by Accounts Office.
56. Review of register showing Jate payments of bills for electric supply and Telephone charges to Municipalities and other authorities.
57. Check of calculation and distribution of on-cost.
58. Review of statistics of periodical overhaul and cost of unit repairs:
59. Review of works orders.
60. Review of Works Registers.
61. Review of records of Rolling Stock.

62. Review of Stamp and Stationery accounts of Accounts Office.
63. Review of Register of Financial Advice.
64. Review of pending register of accepted Audit objections maintained by Accounts Office.
65. Review of Rev. Allocation Register.
66. Review of Accounts of one or two major works.
67. Review of imprest Stores Accounts and Plant reserve.
68. Review of yearly statement on New Services not contemplated in the budget.
69. Monthly Statement of Losses received from executive.
70. Review of job costing sheets.
71. Review of cost Accounts.
72. Review of half-yearly progress report of Accounts Office.
73. Review of comparison between C06 and C07 (A-206 and A-207).
74. Review of Audit Check under escalation clause.
75. Review of Register of foreign service contribution.
76. Review of incorporation of Accounts in General Accounts of Railways
77. Review of Account Current with Schedules.
78. Review of Outturn statement.
79. Review of reconciliation of monthly account current of stores under sub ledgers.
80. Review of sub-ledgers showing the total labour and store charges under each work orders for each day.
81. Review of Workshops General Registers.
82. Review of annual reconciliation of S.R.P.F. with General Books.
83. Review of Register showing recoveries on account of staff employed on behalf of other Government Department and outside bodies
84. Review of register of remission and abandonment of claims.
85. Review of Periodical items regarding catering.
86. Recovery of water charges from officers and staff.
87. Review of High Speed Diesel Account.
88. Review of Fund Registers.
89. Review of inter-depot transfer register.
90. Review of Auction Sale Account.
91. Review of Purchase Orders
92. Financial Reviews.
93. Review of Register of Rent recoverable and payable.
94. Review of Economy committee reports.
95. Review of proforma account of work done on behalf of other Government Departments.
96. Review of Manuals of the Admn. and Administrative reports.
97. Review of Printing Press Accounts
98. Review of Court Cases.

99. Review of Clothing manufacturing Accounts.
100. Review of Stores in transit register.
101. Review of stock Adjustment Account Register.
102. Review of Manufacturing Account of Saw Mills and foundries including balance sheets.
103. Review of plant and equipment.
104. Review of list of unaccounted invoices and Way Bills received from foreign railways.
105. Review of Traffic Book and station Balance Sheets.
106. Review of Rebate of Freight.
107. Review of Register of Misc. Receipts.
108. Review of Rate-circulars and Tariff changes.
109. Review of P.O.O's issued by the Accounts/Executive offices.
110. Review of Hospitality fund.
111. Review of Court charges and custom charges.
112. Review of Log Books.
113. Review of Reconciliation of unpaid wages with the General Books.
114. Review of survey Committee reports.
115. Review of Policy files maintained in Accounts/Executive Officers.
116. General review, specially seeing progress of expenditure with reference to sanctions and funds.
117. Review of reports issued by Railway Board Inspection Party on the inspection of Accounts Office.
118. Certificate regarding enforcement of vouchers
119. Review of Inspection reports of Accounts Inspection.

4. INSPECTIONS

1. Programme of Inspections.
2. Instructions regarding the procedure to be adopted for conducting inspections and drafting inspection reports.
3. Returns and other correspondence in respect of inspections.
4. Inspection Report issued by Director of Inspections.
5. Inspection report issued by Efficiency-cum-Performance Audit/Internal Audit
6. Revision of list of items for inspections.
7. List of offices to be inspected. Items to be looked into at the time of inspection of different offices.
8. Items to be looked into at the time of inspection of different offices.
9. Inspection report for each inspection.
10. Instructions issued by the Comptroller and Auditor General of India! Additional Deputy Comptroller and Auditor General of India (Railways) as a result of inspection by the Director of Inspection.
11. Correspondence regarding intensified Inspections.

5. BUDGET

1. Budget orders/allotments made by the Railway Board/General Manager.
2. Appropriations and re-appropriations sanctioned by the General Manager.
3. New services not contemplated in the Budget.

6.	.APPROPRIATION ACCOUNTS	<ol style="list-style-type: none"> 1. Grants and Annexure (A separate file for each grant and Annexure may be opened.) 2. General instructions. 3. Control over expenditure. 4. Audit certifications.
7.	OTHER COMPILED ACCOUNTS	<ol style="list-style-type: none"> 1. General instructions. 2. Capital and Revenue Accounts. 3. Finance Accounts. 4. Debt Head Report. 5. Profit and Loss Account. 6. Block Account. 7. Balance Sheet. 8. Stores Account and stock adjustment account. 9. Statement of Suspense balances. 10. Statement of losses. 11. Statement showing changes in Forms and classifications. 12. Statement showing particulars of the investments in shares of private companies etc. 13. Statement of Credit to Capital for retired assets. 14. Statement showing percentage of working expenses to Earnings. 15. Statement of Annual expenditure showing the reconciliation of the figures as appearing in the Account Current with those in tile Appropriation Accounts 16. Statements of voted and non-voted expenditure. 17. Depreciation Reserve Fund Statements. 18. Distribution of expenditure between commercial and strategic sections. 19. Annual accounts including certificates on March Accounts
8.	SCHEDULE OF POWERS	<ol style="list-style-type: none"> 1. Railway Board. 2. General Manager. 3. Deputy General Manager. 4. Principal Officers/Head of the Department. 5. Divisional Railway Manager. 6. Officers subordinate to Divisional Railway Manager. 7. Powers of the Officers in Accounts Department. 8. Powers of the Principal Director of Audit. 9. Powers of the Deputy Director [of Audit].
9.	CODES MANUALS PROCEDURES OFFICE ORDERS	<ol style="list-style-type: none"> 1. General Correspondence. 2. Circulars regarding Indents and verification of publications. 3. Correction slips to the office Manual of the Principal Director of Audit, Northern Railway

4. Correction slips to the Railway Audit Manual.
5. Correction slips to the Comptroller and Auditor General of India Manual of Standing Orders (Audit).
6. Correction slips to Indian Railway Code for Accounts Department, Vol. I
7. Correction slips to Indian Rly. Code for the Accounts Deptt. Vol. II.
8. Correction slips to Indian Railway Code for the Traffic Department.
9. Correction slips to Indian Railway Code for the Commercial Department.
10. Correction slips to Indian Railway Code for the engineering Departments..
11. Correction slips to Indian Railway Code for the Stores Departments
12. Correction slips to Indian Railway Code for the Mechanical Department.
13. Correction slips to Indian Railway Establishment Code Vol. I and II
14. Correction slips to Indian Railway Establishment Manual.
15. Correction slips to Indian Railway Financial Code Vol I and II.
16. Correction slips to the F.Rs. and S.Rs.
17. Correction slips to the Compilation of Treasury Rules Vol. I and II.
18. Correction Slips to General Financial Rules.
19. Correction Slips to the Coaching Tariffs (I.R.C.A.)
20. Correction Slips to the Introduction to the Indian Audit and Accounts Department.
21. Correction Slips to the Goods Tariffs (I.R.C.A.)
22. Correction Slips to Indian Railways Way and Works Manual.
23. Correction Slips to the Secret Memorandum of Instructions (Railway Audit).
24. Correction Slips to the Secret Memorandum of Instructions regarding the extent of check (Civil)
25. Correction Slips to the Manual of Audit Instructions.
26. Correction Slips to the Office Manual issued by the Financial Adviser and
27. Correction Slips to the pass Manual, Northern Railway.
28. Correction Slips to the CS.R.
29. Correction Slips to General Provident Fund Rules.
30. Correction Slips to other Civil Audit and Accounts publications (separate file for each code may be opened by General Section and others may have only one case.)
31. Procedure office orders issued by the Accounts Department.
32. Joint Procedure Office Orders issued by the Executive and Accounts Department.
33. Joint Procedure office orders issued by the Audit, Accounts and Executive Departments.
34. Office Orders issued by the Principal Director of Audit.
35. Procedure Office orders issued by the Principal Director ofZ Audit.

10. OFFICEMATIERS

1. Stationery.
2. Tools and Plant including purchase and repairs of furniture.
3. Preservation and destruction of records.
4. Duty list.
5. Principal Director of Audit's charge Report.
6. Branch Officer's Charge Report.
7. Charge report of the staff.
8. Supply of codes at confessional rates.
9. Purchase of books.
10. Standard rate for job analysis.
11. Correspondence regarding job analysis.
12. Casual leave to the staff.
13. Short leave-records etc.
14. Tour programme of the Comptroller and Auditor General of India/
Additional Deputy Comptroller and Auditor General of India
(Railways).
15. Tour programme of the Principal Director of Audit.
16. Tour programme of the Branch Officer.
17. Reservation of staff Car, Officer's carriage, Retiring room and Rest
House.
18. Application for Passes and PT.O's.
19. Returns for Passes and P.T.O's.
20. Indent of passes, PT.Os. Suburban tickets, Metal and Card Passes.
21. Monthly arrear reports.
22. Quarterly arrear report (applicable in case of Central Section).
23. Periodical D.O. to Financial Adviser and Chief Accounts Officer
regarding Arrears due to arrears in Accounting Office or due to non-
supply of Vouchers.
24. Holiday, yearly list of.
25. Correspondence regarding Postal dak/railway dak.
26. Allotment of Residential quarters.
27. Statistics of volume of work done in audit offices.
28. Agenda and Minutes of the meeting of Audit Officers.
29. Tripartite meeting of audit, Accounts and Executive Officers.
30. Principal Director of Audit's conference.
31. Accountants General conference.
32. Speeches of the Comptroller and Auditor General of India and other
higher authorities.
33. Principal Officers Meetings Agenda/Principal Officers Meetings
Minutes of.
34. Monthly Confidential D.Os. (to the Principal Director of Audit).
Note: Central Section will have a separate file for each Audit Officer.
35. Divisional Railway Manager/Branch Officers Meetings.
36. Return regarding List of Outstanding letters.
37. Audit Bulletins.

38. Bulletins issued by the Principal Director of Audit.
 39. Bulletin issued by the Personnel Branch.
 40. Liveries.
 41. Telephone connections and their charges.
 42. Benevolent Fund.
 43. Office Accommodation and Opening and Closing of Offices.
 44. Sports and other Welfare activities.
 45. Cash imprest.
 46. Printing.
 47. Type-writers/Duplicator.
 48. Acceptance of bills etc./summaries.
 49. Contingent expenditure.
 50. Selection and requisition for voucher and their return.
 51. Return regarding list of outstanding vouchers not made available to Audit.
 52. Periodical Returns of the Section.
- 11. INVESTIGATIONS**
1. Circulars regarding conducting of special investigations.
 2. Investigations to be conducted at the instance of Additional Deputy Comptroller and Auditor General of India (Railways), Principal Director of Audit and Branch Officers etc. (separate file to be opened for each Investigation).
 3. Quarterly returns regarding Investigations, sent to Central Section. (Separate file will be opened by Central Section for each Division/Branch).
- 12. CIRCULARS AND GENERAL ORDERS**
1. Pay and allowances including special pay and personal pay, deputation duty allowance etc
 2. Increments and Efficiency Bar.
 3. House Rent allowance.
 4. Dearness allowance.
 5. Compensatory allowance, compensatory Construction Allowance..
 6. Overtime allowance.
 7. Washing allowance.
 8. Messing and Uniform allowance.
 9. Travelling allowance.
 10. Running allowance.
 11. Medical Attendance.
 12. Educational Assistance Allowance.
 13. Grants-in-aid to schools.
 14. Night Duty allowance.
 15. Break down allowance.
 16. National Holiday allowance.
 17. Leave Rules - Fundamental and Supplementary Rules.
 18. Leave Rules - State Railways.
 19. Leave Rules - Revised - 1933.

20. Advances (Separate file for House Building, Conveyance, Provident Fund, Pay, T.A., Festival, Fan, Flood Relief.)
21. Staff Benefit Fund.
22. Fees and Honorarium.
23. State Railway Provident Fund.
24. General Provident Fund.
25. Special Contribution to Provident Fund.
26. Pension and Gratuity.
27. Recovery of House Rent. Electric rates and service charges.
28. Recovery of Electric current charges.
29. Workmen's compensation Act.
30. Payment of Wages Act.
31. Hours of Employment Regulation.
32. Terms and conditions of temporary service.
33. Discipline and Appeal Rules.
34. Government servant Conduct Rules.
35. Creation of posts fixation of percentages in various grades upgrading, percentage for leave reserve and other policy orders in regard to recruitment.
36. Recommendations of Pay Commission and awards.
37. Casual Labour.
38. Re-employment and extension of service.
39. Retirement.
40. Foreign service and Deputation.
41. Passes and P.T.O's.
42. Fraud losses and embezzlements.
43. Allocation rules and orders.
44. Accounts procedure.
45. Tenders and contracts.
46. Rules regarding land.
47. Schedule of rates and charges.
48. Hospitality fund and Entertainment expenses.
49. Productivity Tests.
50. Purchase Policy and Accountal :
 - (i.) Director purchase
 - (ii.) Purchases through the D.G.S. & D.
 - (iii.) Purchases through the Controller of Printing and Stationery.
51.
 - (a) Coal
 - (b) Cement.
 - (c) Iron and Steel.
52. Indian Freight and Misc. charges on stores from port or source of supply.
53. Fuel and Coal Account.
54. Over Stocks and Surplus Stocks.

55. Taxes and Duties.
 56. Rolling stock.
 57. Unit cost of repairs and target of performance.
 58. On cost and proforma on cost charges.
 59. Incentive scheme.
 60. Job costing
 61. Private work in Railway Workshop.
 62. Piece work system.
 63. Training of workshop staff including apprentices.
 64. Rates circulars - separate for foreign and local.
 65. Printing and supply of tickets.
 66. Out-agency and tourist agency.
 67. Withdrawal from station earnings.
 68. Taxes-Passenger and Terminal.
 69. Case laws in payment of compensation.
 70. Recommendation of the Estimate Committee.
 71. Departmental Catering.
 72. Court attachment.
 73. Territorial Army. Auxiliary force. Lok Sahayak Sewa. Home Guards. Pay, Allowances. Leave etc.
 74. Income Tax.
 75. Pay fixation.
 76. Provision of telephones.
 77. Provision of saloons for Railway Officers and High officials.
 78. Private and Assisted sidings.
 79. Summary of Railway Board's letters received from General Manager.
 80. Rules and orders relating to allotment of Residential quarters.
 81. Confidential circulars regarding Black-listing of contractors.
 82. Staff canteen and cooperative societies.
 83. Miscellaneous circulars issued by the Railway Board.
 84. Miscellaneous circulars issued by the General Managers.
 85. Miscellaneous circulars issued by the authorities subordinate to the General Manager
 1. General instructions regarding the preparation of Reviews and Draft Para.
 2. General correspondence with the Financial Adviser and Chief Accounts Officer/General Manager regarding Reviews Draft Paras and P.A.C. Reports.
 3. Review of Draft Paras (separate file for each case.).
 4. Review of published audit reports/P.A.C. Reports.
 5. Monthly progress reports regarding (F.S.) Reviews/Draft Para
 6. Return regarding potential cases of Draft Paras.
 7. Circular file regarding Railway Board's orders as a result of P.A.C. recommendations
13. **Draft Paras/Reviews/Audit Reports and P.A.C. Reports.**

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| 14. | Audit Activities | <ol style="list-style-type: none"> 1. Procedural instruction regarding preparation of epitomes. 2. Epitome for the Register of Audit activities. (Central Section will maintain separate files for each Division/Branch). 3. Epitomes received from other Divisions/Branches. 4. Epitomes received from other Railways/ Audit offices (separate files will be maintained by Central Section for each Railway). 5. Digest of important and interesting cases circulated by Comptroller and Auditor General of India. 6. Epitomes circulated to other Railway/ Addl. Deputy Comptroller and Auditor General of India (Railways). 7. Monthly report regarding major audit objections. 8. /Railway Board's sanctions 9. Quarterly statement of outstanding Inspection Report, Part I. Special letters and Audit Notes Part I. 10. Return regarding suggestion for simplification and reduction of work. 11. Miscellaneous |
| 15. | AUDIT PROCEDURF/
PROGRAMMF/REVIE
WS | <ol style="list-style-type: none"> 1. General Instructions regarding Audit Programme. 2. Procedure for selection of Vouchers etc. 3. General instructions regarding Current Review. 4. General instructions regarding Post Review. 5. General instructors regarding Original Audit 6. Lists of Original Audit Units. 7. Yearly list of Post Review Units. 8. Monthly selection of Unit. of Post Review, Current Review, Original Audit etc by Branch Officers 9. Selection of names of Section Officers (Audit)/Assistant Audit Officers who have to conduct quarterly post review of other Divisions/Branches. 10. Other matters |
| 16. | TOUR NOTES/
INSPECTION NOTES | <ol style="list-style-type: none"> 1. General instructions. 2. Tour notes/Inspection notes of Additional Deputy Comptroller and Auditor General of India (Railways) 3. Tour notes of Principal Director of Audit. 4. Tour notes of Deputy Director of Hd Qrs./Deputy Director (WST) 5. Brief of cases for discussion with Additional Deputy Comptroller and Auditor General of India (Railways). |
| 17. | OFFICE
ESTABLISHMENT | <ol style="list-style-type: none"> 1. Sanction to the Creation of Post Gazetted. 2. Sanction to the Creation of post-Non-Gazetted. 3. Recruitment-Auditors. 4. Recruitment -Stenographers. 5. Recruitment-Clerks. |

6. Recruitment-Peons.
7. Correspondence with the centralized recruiting agency.
8. Correspondence with the local employment Exchanges/Director, Labour training etc
9. Correspondence regarding Communal composition of staff.
10. Circulars regarding communal composition and maintenance of communal roster.
11. Gazetted Officers (Personal matters).
12. Non-gazetted Group 'C' staff (Personal matters), separate file for each employee.
13. Group 'D' staff (Personal matters), separate file for each employee.
14. Posting transfers, promotions and leave-Gazetted.
15. Posting, transfers, promotions and leave-Section Officers (Audit).
16. Posting, transfers, promotions and leave other than Gazetted Officers, Section Officer (Audit).
17. (i) Seniority list of Audit Officers.
(ij) Seniority list of Asstt. Audit officers.
18. Seniority list of Section Officers (Audit)
19. (j) Seniority list of Senior Auditor.
(ij) Seniority list of Auditors.
20. Character rolls.
21. Gradation list.
22. (i) Confirmation of Audit Officers.
(ii) Confirmation of Assistant Audit Officers.
23. Confirmation of Section Officers (Audit).
24. Confirmation of S.A.R.S. (Apprentices).
25. Confirmation of Senior Auditors.
26. Confirmation of Stenographers.
27. Confirmation of Clerks.
28. Confirmation of Group 'Do' staff.
29. Correspondence regarding conversion of the temporary posts into permanent ones.
30. Correspondence regarding Section Officers Grade Examination/Revenue Audit Examination
31. Correspondence regarding Departmental examination for Auditors.
32. Instructions regarding syllabus etc. for Section Officers Grade Examination.
33. Instructions regarding syllabus etc. for Departmental Examination for Auditors

34. Review of length of service in each branch of Assistant Audit Officers/ Section Officers (Audit), Senior Auditors/Auditors and Clerks
35. Last Pay Certificates-issued for headquarters.
36. Last Pay Certificate-received.
37. Papers connected with preparation of salary bills, Absentee Statements and unpaid wages lists
38. Correspondence regarding objections raised by the Principal Director of Audit, Central Railway, and Financial Adviser and Chief Accounts Officers Northern Railway, Director General Central Revenues on pay bills etc. of Audit.
39. Returns relating to Gazetted Officers. Non-gazetted Officers (A separate file for each return.)
40. Returns regarding advances (separate file for each type of Advance).
41. Circular files regarding I.R.L.A. Group Scheme.
41. Misc. correspondence with the I.R.L.A. Group.
42. Returns relating to Gazetted Officers, to be sent to the Director General,
43. Central Revenues.
44. Correspondence regarding forwarding of applications for outside posts.
45. Correspondence regarding applications for qualifying in Cost and Works Accounts Examination.
46. Correspondence regarding applications for further studies etc.
47. Transfer to other offices.
48. Application for transfers from other offices.
49. Cases for crossing of Efficiency Bar.
50. Certificates regarding verification of services.
51. Terms and conditions regarding the recruitment of apprentices.
52. Discipline and Appeal Rules - suspensions, Dismissals.
53. Foreign Service and Deputations.
54. Re-employment and extensions.
55. Retirement.
56. Circulars regarding pay, special pay, personal pay.
57. Circulars regarding increments and Efficiency Bar.
58. Circulars regarding House Rent Allowance.
59. Circulars regarding Dearness allowance.
60. Circulars regarding Compensatory City Allowance.
61. Circulars regarding Overtime allowance.
62. Circulars regarding Washing allowance.
63. Circulars regarding Educational Assistance.

64. Circulars regarding Reimbursement. of tuition Fees.
65. Circulars regarding Travelling Allowance (separate file for civil Travelling Allowance Rules and Railway Travelling Allowance Rules.)
66. Circulars regarding construction allowance, Festival advance, Fan Advance, House Building advance, conveyance allowance. .
67. Circulars regarding Fees and Honoraria.
68. Circulars regarding Medical Attendance and Treatment.
69. Circulars regarding Central Government Health Scheme.
70. Circulars regarding leave other than Casual Leave.
71. Circulars regarding Casual leave/Restricted Holidays and other Gazetted holidays.
72. Circulars regarding pension and Gratuity.
73. Circulars regarding Provident Fund.
74. Circulars regarding LA. & A.D. Benevolent Fund.
75. Circulars regarding Training of newly recruited Auditors.
76. Circulars regarding training of candidates for Section Officers Grade Examination.
77. Circulars regarding Hindi training/Hindi Typing/Hindi Stenography.
78. Circulars regarding correspondence in respect of Hindi Returns.
79. Circulars regarding Territorial Army, Home Guards, and Lok Sahayak Sewa.
80. Circulars regarding service Association and Staff Welfare.
81. Circulars regarding Grants-in-aid.
82. Circulars regarding Budget and Appropriation Accounts.
83. Circulars regarding Income Tax.
84. Circulars regarding Passes and P.T.O's.
85. Correspondence with the Estate Office.
86. Statement of Immovable property.
87. Budget Estimates and allotments other than pensionary charges.
88. Budget Estimates and allotments of Pensionary charges.
89. Budget Estimates and allotments of P. Loans and Advances.
90. Review of Expenditure of Railway Audit.
91. Appropriation Accounts.
92. Expenditure Statements and Reconciliation of Expenditure.
93. Temporary staff requirement of Gazetted officers.
94. Temporary staff requirement of Non-Gazetted Officers.
95. Correspondence regarding recommendations of the Branch Officers for annual increments of staff.
96. Sports (separate file to be opened for each game by Admn. section at Headquarters.)
97. Correspondence regarding grant of advances (separate file to be opened for each type of advance).
98. C.C.S. (Conduct) Rules.
99. Attendance in Court cases.
100. Attachment orders.

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| 101. | Circulars regarding rents of buildings (separate file for Civil and Railways). |
| 102. | Other Miscellaneous orders received from the Ministry of Finance. |
| 103. | Other Miscellaneous orders received from the Ministry of Home Affairs. |
| 104. | Other Miscellaneous orders received from the Comptroller and Auditor General of India/Additional Deputy Comptroller and Auditor General of India 'Railways). |
| 105. | Other Miscellaneous orders received from the Railway Board. |
| 106. | Other miscellaneous orders received from other authorities. |
| 107. | Training in Accounts Office (Separate file for Gazetted Officers, Section Officers Audit and Auditors). |
| 108. | Leave Intention of Gazetted Officers. |
| 109. | Correspondence regarding Commercial Audit in Govt. Deptt. |
| 110. | Parliament/Legislative Assembly questions. |
| 111. | Complaints of staff. |
| 112. | Monthly submission of check sheets of retiring personnel. |
| 113. | Correspondence regarding payment of allowances etc. to staff. |
| 18 | AUDIT OF EXPENDITURE OF OTHER RAILWAY AUDIT OFFICES |
| 1. | General instructions regarding scale closing. nominal audit, Audit Registers in form ATM-29 and ATM-30) |
| 2. | Sanctions (separate file for each Railways). |
| 3. | Requisition for vouchers etc. (separate file for each Railways) |
| 4. | Audit Certificate. |
| 5. | Verification of pension cases. |
| 6. | Verification of special contribution to P.F. |
| 7. | Pursuance of Audit objections with individual Railways (separate file for each Railway). |
| 8. | Monthly statement of recoveries of Advance etc. (separate file for each Railway). |
| 9. | Monthly statement of various advances sanctioned to the Gazetted Officers! Non-Gazetted Officers (separate file for each Railways). |
| 10. | Staff Office Orders regarding postings, transfers, promotions, increments, deputations etc. |
| 11. | Correspondence regarding 'No Demand Certificate'. |
| 12. | Pre-Audit of claims. |
| 13. | Fixation of Pay etc. |
| 19. | MISC. REFERENCES |
| 1. | References received from other Railways (separate file for individual case). |
| 2. | References made to other Railways. |
| 3. | Daily News Digest. |
| 4. | Northern Railway Gazettes and magazines. |
| 5. | Submission of various registers to the Pr. Director of Audit. |

APPENDIX. IV

(See Para 5.43 of this Manual)

INSTRUCTIONS REGARDING WEEDING AND DESTRUCTION OF RECORDS IN AUDIT OFFICE

(See Chapter X of the Comptroller and Auditor General of India's Manual of Standing Orders (Administrative) Volume-I, Para 96 of Railway Audit Manual and Appendix 2 thereof.

1. Each Division/Branch is responsible for the upkeep and weeding of its records: while the secret record should be burnt, other papers may be disposed of by the Audit Officers in the manner they deem fit.
2. As soon as a new file is opened or the old one closed the date of opening and closing of that file should be noted in the Index Register under Assistant Audit Officer/Section Officer (Audit)/Office Superintendent (General)'s initials. Sufficient space should be left after entry of each file in the Index Register with a view to insert entries regarding fresh files of the same numbers which are opened due to the old files becoming bulky.
3. When no action is required on file register it will be reviewed by the Assistant Audit Officer/Section Officer (Audit)/Office Superintendent General and an Index Slip in the following form will then be prepared and pasted on the file/Register.

All the Columns of Index Slip should invariably be completed in ink and serial number given on cases as well as on the list in consecutive order.

INDEX SLIP OF RECORDS

1. Name of record or Register
2. Subject.
3. Catch Word.
4. Year due for destruction.
5. Dated signatures of Assistant Audit Officer/Section Officer (Audit)/Office Superintendent (General).

Note :At the time of recording case of suitable catch word such as (i) Audit report, (ii) Inspection Report (iii) circulars etc. would be selected .and recorded on the Index Slip which may facilitate the tracing of a particular case.

4. On the basis of the above review, necessary remarks would be given on the Index Register of cases. The old records pertaining to Divisions/Branches should be destroyed at their end during the month of December each year. The destruction of records should be done in presence of Assistant Audit Officer/Section Officer (Audit) and Branch Officer. The prior orders of Dy. Director/Director should invariably be obtained to the sale of waste papers to the approved waste paper dealer and the amount should be credited to 2016-Audit, Pr. Director of Audit, Northern Railway contingency. The records proposed for permanent retention should be kept separately in the local record room. A list of weeded records should be sent to (General Section) Headquarters office for information in the proforma given below:-

A note will be kept in the sectional Calendar of Returns. A "NIL" return should also be sent to General Section even if no records have been weeded out.

OFFICE, NORTHERN RAILWAY BRANCH/OFFICE/DIVISION.

LIST OF WEEDED RECORDS TO BE SENT TO GENERAL SECTION, HEADQUARTERS OFFICE, NEW DELHI

Progressive No. of Record	Index No.	File No.	Subject	Period to which the record refers	Year in which due for destruction	Remarks
1.	2.	3.	4.	5.	6.	7.

5. The review of: the old record should be undertaken by each Division/Branch with a great deal of care. It will be the personal responsibility of the Assistant Audit Officer/Section Officer (Audit)/Office Superintendent (General) to ensure that important notes, decision or orders fit for retention get destroyed. The Branch Officers would also carry out a test check of the records (clearly indicating the cases test-checked).

6. Assistant Audit Officers/Section Officers (Audit) of the Section while marking cases for destruction should clearly indicate the papers that should be burnt being of a secret or confidential nature. The officer deputed to supervise the actual destruction should personally see that such papers are properly burnt and record a certificate to that effect.

When the destruction has been completed the Officer-in-charge will, under his dated initials, write against the item in the Remarks column of the register the word "Destroyed" and also give a reference to the orders of the Deputy Director sanctioning the destruction.

(Awhority: Additional Deputy Comptroller and Auditor General of India (Railways) letter No. 1911-RGI7-3/65-KW dated 3.8.1968 and General Sections circular letter No. G/I0-3/74 dated 7.2.1975).

7. The prior orders of the Director Admn. should invariably be obtained by General Section to the sale of a specified quantity of waste paper to the approved dealer. The removal of the waste paper by the waste paper dealer should be done in the presence of the Office Superintendent (General). The Gate Pass for the removal of the waste paper should be signed by the Audit Officer (General) and an office copy of the gate pass with the acknowledgement of the dealer should be kept on record. The gate pass should invariably mention the number of bags both in words and should also indicate the weight of waste paper sold.

8. The periods of preservation of various records maintained in Railway Audit Offices are indicated in appendix2 to the Railway Audit Manual. Beside this the items specified in that Appendix, there are certain orders for which period of preservation have not been indicated therein. A list of such records is given below, indicating against each item the period if its preservation.

**STATEMENT SHOWING PERIODS OF PRESERVATION OF CERTAIN RECORDS NOT INCLUDED IN THE
APPENDIX TO RAILWAY AUDIT MANUAL**

S. No.	Particulars	Periods of preservation
1.	Tour Notes of Additional Deputy Comptroller and Auditor General of India (Railways).	2 Years
2.	Correspondence/papers regarding job analysis	3 Years
3.	Material for Monthly D.O. to the Financial Adviser and Chief Accounts Officer and Additional Deputy Comptroller and Auditor General of India (Railways), Returns regarding Audit of Railway Board's sanctions	5 Years
4.	Para for Register of Audit Activity	10 Years for Central Section. 5 Years for other Section.
5.	Quarterly progress report	2 Years
6.	Papers regarding efficiency of internal check in Accounts Office.	3 Years
7.	Monthly statement of clearance of outstanding Audit Objections.	2 Years
8.	Cases in which final replies were furnished to the Additional Deputy Comptroller and Auditor General of India (Railways).	5 Years
9.	Cases for outstanding vouchers and documents information supplied to Central Section.	1 Years
10.	Periodical Reports of outstanding audit objections sent by Accounts	2 Years
11.	Monthly/Quarterly/Half Yearly and annual returns submitted to the Central and Administration Section	2 Years
12.	Files regarding requisition of vouchers, documents etc	2 Years
13.	Registers/files showing particulars of vouchers, documents etc. returned to accounts and executive offices	3 Years
14.	Register of cases to be watched	2 Years.

15.	Register of outward letters	2 Years
16.	Register of special letters Part I & II Audit Notes and Inspection Reports.	5 Years
17.	Register of Misc. outward letters.	2 Years
18.	Register showing particulars of recoveries effected at the instance of audit.	5 Years
19.	Register of remarks of original Audit and current Review by Asstt. Audit Officer/Section Officer (Audit) and Branch Officers	5 Years
20.	Register/Papers regarding indents for stationery.	2 years.
21.	Special letters.	5 Years.
22.	Ordinary letters	2 Years
23.	Files containing sanctions issued by authorities subordinate to the General Manager.	5 Years
24.	Papers regarding inter-dominion transactions.	5 Years.
25.	Correspondence on cases received from accounts office for opinion	5 Years
26.	Papers regarding Inspection Programme and test Audit work at outstation for Gazetted Officers and Non-Gazetted Officers	5 Years
27.	P.O.Os and S.O.Os issued by Accounts Office.	If these POOs are codified 10 years otherwise 20 years
28.	Files containing Northern Railway weekly gazettes.	5 Years.
29.	Dak Slips	2 Years
30.	Tour Programme of Pr Director of Audit/Group Officers/Audit Officers.	2 Years
31.	Charge report of Gazetted Officers and staff.	5 Years after next charge report.
32.	Staff matters-circulars and P Os	2 Years
33.	Papers regarding departmental Examination for Auditors	5 Years.
34.	Absentee statements.	1 Years
35.	Files containing casual: :leave	2 Years
36.	Register of movement of card passes.	3 Years
37.	Applications and requisitions for duty cheque passes.	3 Years
38.	Personal files of Audit staff transferred from the Divisions	3 Years
39.	Register of short leave taken by <i>staff</i> .	1 Year
40.	Papers regarding Benevolent Fund:	
	(i) Circulars	10 Years
	(ii) correspondence	3 Years
41.	Summary of Railway Boards dak.	2 Years
42.	Intimation-Estimates Committee Report	2 Years
43.	Misc. Orders etc. from General Manager/Divl. Railway Managers officers regarding celebration of various functions etc	2 Years
44.	Misc. Officer Orders received from General Manager/Divl. Railway Manager's office regarding promotions; transfer reversion etc. of staff	1 Years
45.	Papers regarding Officers' meetings.	5 Years
46.	Miscellaneous correspondence with the Divisions and other Railways	5 Years

APPENDIX. V

(Para 15.12)

LIST OF OFFICES TO BE INSPECTED INDICATING THE ITEMS TO BE SEEN AT EACH OF THEM.

S.No . Name of Offices.

1. General Manager, Deputy General Manager (Personnel), General Branch and Pass Section.
2. Controller of Stores.
3. Chief Commercial Manager. Marketing and Sales Organization.
4. Chief Operation Manager.
5. Chief Mechanical Engineer.
6. Public Relation Officer/Publicity Branch.
7. Chief Engineer, Engineer-in-chief (Construction).
8. Chief Electrical Engineer.
9. Chief Security Commissioner.
10. Chief Medical Director/Divisional Medical Officer/Assistant Divisional Medical Officer/Central Hospital and Assistant Divisional Medical Officer (Railway Dispensaries).
11. Chief Signal and Telecommunication Engineer.
12. Senior Engineer (Survey).
13. Senior Engineer (Floods) and Assistant Engineer (Floods).
14. Deputy Chief Engineer (Bridges), Senior Engineer (Bridges and Water Supply), and Assistant Engineer (Bridges).
15. Workshop Electrical Engineer.
16. Track Supply Officer, New Delhi.
17. Land Control Officer/Land Acquisition Officer.
18. Senior Mechanical Engineer (Fuel).
19. Railway Liaison Officer.
20. Director Research Designs and Standards Organisation:
 - (i) Joint Director (Establishment) including Section Officer (F-I), Section Officer (£-III) and Section Officer (E-IV).
 - (ii) Deputy Director, Establishment (£-11).
 - (iii) Deputy Director (A&T) including Section Officer (Administration) Section Officer (Recruitment). Section Officer (Pass) and Section Officer (Hindi).
 - (iv) Secretary to Director General, Transport, Welfare, Rest House etc.
 - (v) Director, Additional Director and Joint Director in charge, R.D.S.O., Lucknow.
 - (vi) Mobile and Stationery Research units of R.D.S.O., Lucknow.
 - (vii) Joint Director, Deputy Director, Assistant Director of Inspection Cell.
 - (viii) Joint Director, Publication.
 - (ix) Deputy Director Documentation.
 - (x) Deputy Controller of Stores, R.D.S.O., Lucknow.
 - (xi) Stores Depot, R.D.S.O., Lucknow including General Ward, Stationery Ward, Scrap etc.
 - (xii) Assistant Electrical Engineer (Construction) R.D.S.O., Lucknow.
 - (xiii) Assistant Electrical Engineer Maintenance), R.D.S.O., Lucknow.
 - (xiv) Town Engineer (Maintenance).
 - (xv) M & C Wing/CRJ and Lucknow.
21. Railway Board's Office.
22. Railway Sports Control Board.
23. Railway Recruitment Board/Cell
24. Deputy Controller of Stores/Assistant Controller of Stores Office.
25. Assistant Controller of Stores (Printing), Shakurbasti.
26. Assistant Controller of Stores (Clothing).
27. Assistant Controller of Stores (Tickets Printing and Forms etc.).
28. Indian Railways Conference Association Office.
29. Local Purchase Officer.
30. Sleeper Control Officer.
31. Chief Workshop Manager, Ghaziabad.
32. Assistant Chemist and Metallurgist.
33. General Inspection of Chief Cashier/Delhi including Cash verification.
34. Welfare Branch.

35. Complaint Branch.
36. Statistical Branch.
37. Chief Bridge Inspector/Chief Bridge Inspector.
38. Divisional Railway Manager.
 - (i) Personnel Branch.
 - (ii) Stores Branch.
 - (iii) Commercial Branch.
 - (iv) Transportation/Operating Branch.
 - (v) Works Accounts Branch (including Stores).
 - (vi) Way and Works Branch.
 - (vii) Mechanical Branch.
39. Divisional Signal and Telecommunication Engineer/Assistant Signal and Telecommunication Engineer (Works) and (Maintenance).
40. Security Branch/Security Inspector/Company Commander/Commander R.P.S.F. Battalion/Principal, Railway Protection Force Training Centre.
41. Divisional Mechanical Engineer/Assistant Electrical Engineer.
42. Additional Electrical Engineer/Deputy Chief Mechanical Engineer/Works Manager/Assistant Works Manager.
43. Assistant Engineer's Office.
44. Permanent Way Inspector.
45. Inspector of Works.
46. Health Inspectors/Malaria Inspectors.
47. Running Sheds.
48. Diesel Sheds.
49. Head Train Examiner/Train Lighting Inspector.
50. Station Manager's Office (Expenditure Side).
51. Yard Supervisor, Traffic Inspector, Commercial Inspector, Block Inspector, Signal and Inter Locking Inspector, Wireless Inspector, Boiler Inspector, Mechanical Boiler Inspector, Goods Supervisor, Fuel Inspector, Incharge Water Softening Plant.
52. Manager Catering.
53. Catering and Vending Units and Dining Cars.
54. Railway Subsidized Hostel.
55. Pump Chargeman/Fitter-in-charge (Pumps).
56. Superintendent Area.
57. Cash Verification of Chief Cashier/Divisional Cashier and Pay Master and Pay Clerks etc.
58. Railway Schools.
59. Electrical Foreman and Power Houses.
60. Workshop, shop and Power Houses.
61. Time Office of a Workshop.
62. Workshop Foreman/Divisional Workshop.
63. Road Transport Inspector/Foreman (Motors).
64. Principal Training School.
65. Chemical Laboratory.
66. Wagon Repair Depot.
67. Stores Depots.
68. Receipt Section.
69. Despatch Section.
70. Surplus and Scrap Section.
71. Advice Note Section.
72. Timber Depot.
73. Transshipment Centre.
74. Station Accounts.
 - (i) Passenger Traffic.
 - (ii) Parcel Traffic.
 - (iii) Goods Traffic.
75. Deputy Chief Commercial Manager (Claims)/Senior Commercial Office.
76. Joint Rates, Information Bureau.
77. Reservation and Booking Office.

78. Senior Mechanical Inspector, Ghaziabad.
79. Vigilance Branch, Inspector (Crime Intelligence).
80. Litigation Branch.
81. Senior Electrical Engineer/Divisional Electrical Engineer, T.R.D./R.S./P.S.I. and T.M.S.
82. C.T.F.O, O.H.E./P.S.I./G.S.S.
83. E.D.P.

LIST OF ITEMS TO BE LOOKED INTO AT THE TIME OF INSPECTION.

GENERAL MANAGER, DEPUTY GENERAL MANAGER (P) GENERAL BRANCH AND PASS SECTION:

1. Attendance Register for the month selected.
2. Casual Leave register.
3. Reconciliation of items 1 with 2.
4. Office orders regarding actual date of taking over higher duties and the postings in the Service Book-General Review.
5. Posting of sanctioned applications of leave and actual leave period in the Service Books.
6. Checking of leave from the postings of leave in the leave accounts (for the month selected).
7. Regularisation of absence before pay for the period is charged in the pay bills (for the month selected).
8. Compliance with Staff Office Orders.
9. Verification of increment certificates with the entries in the service books.
10. Check of fixation of pay (for the month selected and General review of all other months.)
11. Check of T.A. Bills of Staff drawing less than Rs. 5000/- p.m. with the corresponding T.A. Journals (for the month selected).
12. Appointment of substitutes (General Review).
13. Check of Stationery Account.
14. Check of Stamp Account.
15. Check of Inventory of Dead Stock.
16. Check of grant and availing of in lieu leave.
17. Check of Settlement cases.
18. Check of Leave Accounts.
19. Check of Passes and P.T.Os.
20. Check of Miscellaneous Receipts, if any, with the office.
21. Check of uniform or livery accounts, if any.
22. Check of register showing distribution of posts amongst various grades to see that the proportions fixed by the Railway Board for various grades in the same category of staff are not exceeded.
23. Review of important files.
24. Imprest Cash account and Pay Order Books.
25. (i) Contribution and Grants to Railway Schools.
(i) Grants to Private Schools.
26. System to ensure that the penalties imposed by the departmental and personal officers have been correctly posted in the service records of the employees concerned.
27. Check to annual certificate for verification of pensionable service in the service books.
28. Proper maintenance of index register of cases including secret files.
29. Cycle Account.
30. Library account of books including codes and publications.
31. Log Books and Petrol Account.
32. Telephone Account.
33. Tenders and Contracts regarding cycle stand etc.
34. Review of Expenditure on Independence Day, Republic Day, and Railway Week etc.
35. Hospitality Fund-Review of allotment of Bungalows to Gazetted Officers.
36. Issue Notes and Advice Notes.
37. Stores Ledger-if any.
38. Review of last Inspection Reports issued by Audit and Accounts.
39. Review of expenditure on T.A. and entertainment of the members of the Railway users Zonal Committee.
40. Report of Losses sent to Railway Board.
41. Check of Card Passes.

2. CONTROLLER OF STORES

1. System of Acceptance of Tenders.
2. System of Accountal of Misc. cash Receipts.
3. Fund Register.
4. Price Lists and Arrangements for their revision.
5. Surplus Stock and arrangements for its disposal.
6. Receipt, custody and disposal of samples.
7. Review of Risk purchases.
8. Attendance Register and Casual Leave Account.
9. Review of Misc. Register-such as Inventory of Dead Stock, Stationery and Forms, liveries and Office Library.
10. Scrutiny of last inspection reports by Audit and Accounts.
11. Review of Important Cases.
12. Review of documents concerning purchase of standard articles (stock items) such as contract estimate statements, tenders, purchase orders, position cards, rejection register, register of defaulting firms, contract and agreements, recoupment sheets.
13. Documents relating to purchase of Non-standard items such as scrutiny of requisitions, purchase orders records of Stores for trial purposes.
14. Documents relating to purchases made through Indian Supply Mission, U.S.A. and Indian Stores Depot, London.
15. Scrutiny of shipping documents.
16. System for release of foreign exchange.
17. Review of cases of Thefts of Railway Stores.
18. Imprest Account.
19. Lot Register of scrap.
20. Auction sales-Register of.
21. Register of rejected material and correspondence regarding discrepancies.
22. Empty receptacles Accounts.
23. System of Fabrication of Garments through Ordinance Factory, Handicrafts Centre and Open markets.

3. CHIEF COMMERCIAL MANAGERIMARKETING AND SALES ORGANISATION

1. Cooley contracts.
2. Refreshment Rooms and aerated water rates and book stall contracts.
3. Dining car contracts.
4. Agreement with Municipalities regarding hackney carriage and Tonga stands at stations.
5. Agreements with vendors and stall holders at Railway Stations.
6. Retiring rooms for passengers.
7. Agreements regarding railway sidings.
8. Review of Station outstanding for the clearance of which the Chief Commercial Manager is' responsible and the check of connected records e.g. overcharge sheets, error sheets and their index register etc. etc.
9. Review of cases of remission of wharfage and demurrage charges.
10. Check of the stock of green Pay orders Books and the review of Green Pay Orders issued by the CC.M.
11. Check of Stock of excess fare books and their accountal.
12. Review of Agreements with out-agencies and City Booking Agencies, specially to see that the purpose for which these out-agencies and City Booking Agencies were opened is served and these agencies do not merely act as an office for diverting the traffic from the legitimate area of influence of the serving stations to the agencies.
13. Cash Imprest and contingent bills.
14. Handling contracts and contract for carriage of luggage etc. from city booking agency to Station and back in respect of which contracts are entered the C.C.M.
15. Stamp Account.
16. Stores, Stationery and Uniform Accounts.
17. Inventory of Dead Stock.
18. Yearly statements of remunerative ness of Assisted Sidings.
19. Terminal Tax and Pilgrim Tax
20. Arrangement for road service, justification agreements.
21. Catering agreements and Card Passes.
22. Review of files relating to fraudulent use of tickets etc.
23. Scale of Rate Circulars.
24. Fixation of new and special rates.

25. Flag stations agreements.
26. Agreements with tourist agencies entered into by C.C.M.
27. Contracts for petromax lamps in respect of which tenders are accepted by C.C.M.
28. T.A. Bills of staff drawing less than Rs. 5000/- per month.
29. Register of staff responsibility maintained by Claims Office, Delhi Kishanganj.
30. Contracts entered into by C.C.M. for weighing bridges and weighing machines.
31. Street delivery contracts, if any.
32. Attendance Register and Casual Leave Accounts.
33. Review of Last Inspection Reports issued by Audit and Accounts.

4. CHIEF OPERATION MANAGER

1. Hire and Haulage Charges (account with I.R.C.A.)
2. Saloons of High Officials etc.
3. Inventory of dead stock.
4. Uniform account.
5. Stationery account.
6. Review of important files.
7. Attendance Register and casual leave accounts.
8. Review of last inspection reports issued by Audit and Accounts.

5. CHIEF MECHANICAL ENGINEER

1. Inventory of dead stock.
2. Stationery Account register.
3. Attendance and casual leave registers.
4. Uniform and clothing accounts.
5. Review of Important files.
6. Imprest cash account and account of Misc. Cash receipts, if any.
7. Tenders and contracts. if any.
8. Sanctions to write off of losses etc.
9. Sanction to undertake private work in Railway workshops.
10. Rolling stock programme.
11. History sheets of rolling stock Engines, Plant and Machinery (if maintained).
12. Review of monthly progress report of Major works sent to Railway Board and General Manager.
13. Contingent register and expenditure from contingency.
14. List of books and periodicals purchased from contingency.
15. Register of Card Passes and Provision passes.
16. Repairs to cycles kept in office.
17. Trunk Call-Telephone Bills.
18. Scrutiny of System of delegation of powers to see that there has been no abuse of powers.
19. Advice Notes of Returned Stores and Issue Notes.
20. Narrative Reports.
21. Records of rolling stock.
22. Check T.A. Bills of staff drawing less than Rs. 5000/- p.m. with the corresponding T.A. Journals.
23. Appointment of substitutes (General Review).
24. Check of settlement cases.
25. Review of last inspection reports issued by Audit and Accounts.
26. Passes and P.T.Os account.
27. Supplier's bills.
28. Measurements Books, if any.

6. P.R.O. PUBLICITY BRANCH

1. Imprest Account.
2. Sales Account of books and pamphlets.
3. Railway Advertisements on Railway premises. 4. Public Advertisements and charges thereon.
5. Commission for securing advertisements.
6. Tools and Plant accounts.

7. Printing account of publicity literature.
8. Cinema cards etc.
9. Other questions of general policy.
10. Accounts of demonstration and special trains.
11. Accounts of photography
12. Uniform account.
13. Misc. cash receipts.
14. Stamp and Stationery accounts.
15. Attendance register and Casual Leave Account.
16. Accounts of ceremonies, Republic Day, Independence Day and Railway Week etc.
17. Expenditure on distinguished visitors.
18. Quarter register and Rent rolls.
19. Purchase of Books, Periodicals, Newspapers and Government Publications etc.
20. Pass and P.T.Os. account.
21. Card Pass movement registers.
22. Contingent bills.
23. T.A. journals of staff drawing less than Rs. 5000/- per month.
24. Salary bills.
25. Review of last inspection Reports issued by Audit and Accounts.
26. Review of important cases.
27. Check of Accounts of Railway Magazine.

7. CHIEF ENGINEER, ENGINEER-IN-CHIEF (CONSTRUCTION)

1. Imprest account.
2. Contracts and tenders and work orders and tenders recommendation registers.
3. Sale account of tender forms, schedule of rates.
4. Estimates and completion Reports.
5. Contractors bills, measurement books and works registers.
6. Bills for Stores transactions.
7. Telephone connections etc.
8. Payment of Municipal taxes and Water charges.
9. Survey and Mathematical instruments accounts.
10. Questions of policy regarding tenders, security deposits etc.
11. Dead Stock.
12. Stationery and stamp accounts.
13. Uniform accounts.
14. Miscellaneous cash receipts.
15. Attendance register for the month selected.
16. Casual leave register.
17. Reconciliation of items (15 and 16).
18. Office Orders regarding actual date of taking over higher duties and the postings in the Service Books, General Review.
19. Verification of increment certificates with the entries in Service Books.
20. Posting of sanctioned applications of leave and actual leave period in the Service Books.
21. Check of T.A. Bills of staff drawing less than Rs. 5000/- p.m. with the corresponding T.A. journals (for the month selected).
22. Appointment of substitutes (General Review).
23. Check of settlement cases.
24. Contingent register and expenditure from contingency.
25. Leave accounts of staff due to retire during the next three years.
26. Lists of books and periodicals purchased from contingency.
27. Register of card passes and provision passes.
28. Issue of pass and P.T.Os. and card passes
29. Comparison of rates paid to temporary labour with civil or other rates.
30. Repairs to cycles kept in office.
31. Review of files.
32. Scrutiny of system of delegation of powers to see that there has been no abuse of powers.

33. Issue Notes and Advice Notes.
34. Narrative Reports.
35. Scrutiny of the physical progress of the individual works in relation to the up-to-date expenditure (construction only).
36. Review of Log Books and petrol Accounts.
37. Review of Works started on Urgency Certificates.
38. Handing over Notes of I.O.Ws, A.ENs and S.E.Ns.
39. Accounts of Surveys undertaken for construction of New Lines.
40. Requisitions for stores and Purchase Orders.
41. Check of Service Records including entry for verification of Service of Pensionable staff
42. Liability Register.
43. Register of measurement books including standard measurement books.
44. Review of Non-Schedule rates.
45. Additional Items of work on enhancement of rate besides the sanctioned work orders.
46. Works started without calling for tenders.
47. Splitting up of work orders to avoid calling for tenders.
48. Ballast Train Journals and Challans.
49. Review of temporary labour applications.
50. Recoveries of Hire charges of Tools and Plants hired out to contractors.
51. Commencement of work before issue of work orders or sanction to relevant estimates.
52. Accountal of trees; and sale of grass, trees etc.
53. Recovery of Freight charges at public rates in the case of Deposit Works.
54. Credit Note Books.
55. Engineering Stores, suspense Returns viz. Imprest Account-Surplus account, M.A.S. Account.
56. Review of cases of thefts and losses.
57. Review of the list of Buildings.
58. Review of Rent Rolls and register of allotment of quarters to staff.
59. Land lease Registers and Agreements.
60. Rest House Register.
61. Recovery of rent, taxes and other charges for building let out to outsiders and Government departments and recovery of rent on account of lease of Railway land etc.
62. Cash Remittance Notes/RM.C. Notes/P.W. Note Books.
63. Muster Roll of temporary labour.
64. Identification register of temporary labour.
65. Register of top-initials of Muster sheets, recording number of Muster sheets issued for each gang.
66. Salary Bills.
67. Adjustment Mema.
68. Departmental verification of stores.
69. Stores Ledgers, including tracing of Issue Notes.
70. Empties and their accountal.
71. Adequacy of Hire charges recovered from the contractors for the supply of tools, steam, road-rollers and cranes etc.
72. Misc. Bills and Pay Orders:
73. Review of arbitration cases.

8. CHIEF ELECTRICAL ENGINEER

1. Contracts and tenders.
2. Supply of electric current to outsiders-Policy rates and agreements.
3. Generating cost at the Railway Power House and its comparison with rates adopted for recoveries.
4. Financial justification of Electrical scheme.
5. Check of recovery of electrical duty.
6. Accounts of electrical tools, plant and machinery.
7. Electrical Estimates and sanctions.
8. Accounts of Dead Stock.
9. Review of Policy matters and other important files including question of general policy.
10. Stationery and stamp Accounts.
11. Card Passes and movement register.
12. Attendance Register and casual leave account.

13. Purchase of Books and periodicals
14. Narrative Reports.
15. Progress reports of Major Works sent to Railway Board and General Manager.
16. Review of Works Programme and Purchase of Machinery and Electrical Plants.
17. Scrutiny of system of delegation of powers to see that there has been no abuse of powers.
18. Imprest Account.
19. Tools and Plant Register.
20. Review of last inspection Reports issued by the Audit and Accounts.
21. Check of T.A. Bills of staff, drawing less than Rs. 5000/- p.m.
22. Issue Notes and Advice Notes.
23. Suppliers Bills.
24. Measurement Books, if any.
25. Review of important cases.

9. CHIEF SECURITY OFFICER

1. Check of service books.
2. Leave accounts of staff due to retire during the next three years.
3. Attendance register and casual leave register.
4. Fixation of pay and arrears of re-fixation, if any.
5. Sanctioned applications of leave.
6. Stamp and Stationery Accounts.
7. Tools and Plant Register.
8. Distribution of Staff sanctions to allotment over division.
9. Contingent register and expenditure from contingency.
10. T.A. Journal of staff drawing less than Rs. 5000/- p.m.
11. List of books and periodicals purchased from contingency.
12. Action taken on last inspection reports both Audit and Accounts.
13. Rewards payments of Watch and Ward Staff.
14. Uniform register.
15. Checking leave accounts from the posting of leave in the leave accounts (for the month selected).
16. Check of settlement cases.
17. Overtime bills and booking of overtime.
18. Pay Bills.
19. Rent Rolls.
20. Review of Band account.
21. Issue Notes and Advice Notes.
22. Consumable stores.
23. Cycle account.
24. Night Allowance.
25. Review of important cases.

10. CHIEF MEDICAL DIRECTOR/DIVISIONAL MEDICAL OFFICER/ASSISTANT DIVISIONAL MEDICAL OFFICERS :

1. Stamp account.
2. Stationery account.
3. Misc. cash collections.
4. Diet charges and register of indoor patients.
5. Washing charges and contracts for Dhobi etc.
6. Attendance register and casual leave account.
7. Sanctioned strength.
8. Pay Sheet copy book.
9. Rent of houses, furniture and linen given to hospital nurses.
10. Stores Ledgers :
 - (i) Consumable stores;
 - (ii) Dead stock;
 - (iii) Linen to nurses;

- (iv) Instruments-surgical etc.
 - (v) Medicines to staff and to outsiders.
 - (vi) Clothing and uniform.
 - (vii) Scrapped materials; and,
 - (viii) Requisitions and Issue Notes of Stores.
11. Passes and P.T.Os. including accounts.
 12. Grant of leave and appointment of substitutes in leave cases.
 13. Imprest account and Imprest Cash.
 14. Review of T.A. Journals of staff drawing less than Rs. 5000/- p.m.
 15. Tools and Plant Registers.
 16. Review of important cases.
 17. Accounts of ambulance cars, petrol account and log books.
 18. Scrutiny of contracts and tenders regarding diets etc. if any.
 19. Roster of duties of nurses and ward boys including check of their attendance.
 20. Account of X-ray plant, if any.
 21. Review of the registers, if any for examination of urine, blood etc. to see that examination fee for outsiders are paid for and proportionate share is credited to Government.
 22. Scrutiny of horse, cycle or motor car allowance paid to doctors.
 23. Check of boarding allowance to nurses.
 24. Visitors and complaint books.
 25. Register of indoor patients both employees and outsiders.
 26. Recovery of confinement charges etc.
 27. Local purchase and Purchase orders.
 28. Sanctions to write off expired dated medicines including Losses due to theft, leakage and breakage etc.
 29. Honorary consultant register.
 30. Telephone Register.
 31. Agreements of working contractors.
 32. Salary bills.
 33. Review of last inspection reports issued by Audit and Accounts.
 34. Check of recovery of rent and rent rolls.
 35. Register of buildings.
 36. Comparison occasionally of Railway Hospital Diet with civil Hospital diet and in case any tendency towards extravagance is noticed the same may be brought to the notice of Railway Administration for necessary action.
 37. Pairing of Issue Notes and Advice Notes.
 38. Credit Notes.
 39. Accounts of films and chemicals by the Radiologists.
 40. Library Account.
 41. Review of tenders and contracts.

11. CHIEF SIGNAL AND TELECOMMUNICATION ENGINEER

1. Attendance Register and Casual Leave Account.
2. Tools and Plants Register.
3. Stationery Register.
4. Estimates and completion reports.
5. Review of contracts, agreements and work orders.
6. Imprest Account.
7. Review of imprest Cash.
8. Question of General Policy.
9. Review of telephone trunk call bills received from P&T Department.
10. Review of rent of the telephone wires payable to P&T Department.
11. Review of Narrative Reports.
12. Review of Major Works sent to Railway Board and General Manager.
13. Scrutiny of system of delegation of powers.
14. Review of last Inspection Reports issued by Audit and Accounts.
15. Advice Notes and Issue Notes.
16. Stores-Purchase bills.
17. Measurement Books, if any.

18. Check of T.A. bills for staff drawing less than Rs. 5000/- p.m.
19. Review of Important cases.

12. SENIOR ENGINEER (SURVEY)

1. I. Review of previous inspection reports issued by Accounts and Audit.
2. Review of postings of works registers and their maintenance in accordance with the code rules.
3. Review of survey estimates.
4. Review of temporary labour applications.
5. Indents for stores and disposal of cases of missing stores.
6. Credit Note Books.
7. Review of cases of thefts and losses.
8. Scrutiny of delegation of powers to see that there has been no abuse of powers.
9. Accounts of survey and Mathematical instruments.
10. Review of important cases.
11. Review of progress reports.
12. Review of rent rolls and register of allotment of quarters to staff.
13. Cash remittance notes.
14. Payments to discharged labour.
15. Cash imprest account.
16. Muster rolls of temporary labour.
17. Identification register of temporary labour.
18. Register of top initials of muster sheets.
19. Register of advice notes and Advice Note books.
20. Account of petty and consumable stores.
21. Tools and Plant register.
22. Review of adjustment mema.
23. Departmental verification of stores.
24. Issue notes and their posting in the respective ledgers.
25. Salary bill with reference to the recovery register and rent rolls etc.
26. Attendance register and casual leave register.
27. Stationery register, uniform register and stamp account.
28. Passes and P.T.Os. (including Passes and P.T.Os. account).
29. Register of card passes-including movement register.
30. Review of T.A. Journals of Class III and IV staff.
31. Review of handing over notes of I.O.Ws, A.E.Ws and S.E.Ns.
32. Review of Log Books.

13. SENIOR ENGINEER (FLOODS) AND ASSISTANT ENGINEER (FLOODS)

1. Rent rolls and quarter register.
2. Payment from Station earnings.
3. Contractor bills.
4. Measurement books and register of Measurement books.
5. Muster rolls of temporary and permanent labour.
6. Register of sanctions of temporary labour.
7. Register of top initials of muster sheets.
8. Material at site account.
9. Material of advice notes.
10. Adjustment mema.
11. Departmental verification of stores.
12. Issue Notes and advice notes.
13. Estimate and completion reports.
14. Attendance register, service records and leave accounts and casual leave account.
15. Passes and P.T.Os. Accounts.
16. Movement of card passes register.
17. Clothing and uniform account.
18. T.A. Journals.

19. Register of Tools and Plant.
20. Register of Service Stamps.
21. Register of stationery.
22. Credit Notes and R.M.C. Notes.
23. Review of files.
24. Imprest account.
25. Empties and their accountal.
26. Accountal of scrap material.
27. Identification of temporary labour.
28. Salary bills.
29. Stores ledgers including C&P.
30. Review of last audit and Account.~ reports.
31. Handing over notes.

14. DEPUTY CHIEF ENGINEER (BRIDGES), SENIOR ENGINEER (BRIDGES AND WATER SUPPLY) AND ASSISTANT ENGINEERS (BRIDGES)

1. Imprest account.
2. Tenders and contracts.
3. Measurement books and Measurement Books registers-current and closed.
4. Stores Bills.
5. Survey and mathematical instruments Books.
6. Account Returns of Bridge Inspectors.
7. Register of Dead Stock.
8. Stationery account.
9. Stamp account.
10. Uniform account.
11. Misc. cash receipts if any.
12. Attendance register and casual leave account.
13. A general review of the office orders regarding actual date of taking over the duties and their postings in the service records.
14. Verification of increment certificates with the entries in the service books.
15. Check of TA. bills of staff drawing less than Rs. 5000/- pm.
16. Service books and leave accounts (including verification of service of pensionable staff).
17. Register of substitutes.
18. Check of settlement cases
19. List of books and periodicals.
20. Review of contingent bills.
21. Passes and P.T.Os. account.
22. Card passes and register of movement of card passes.
23. Repairs to office cycles.
24. Review of files.
25. Telephone Trunk Call bills.
26. Check of salary bills and Muster Sheets.
27. Scrutiny of system of delegation of powers too see that there has been no abuse of powers.
28. Issue Notes and Advise Notes.
29. Narrative reports.
30. Stores Ledgers.
31. Credit Notes and RM.C. Notes.
32. Rent rolls.
33. Review of last inspection reports issued by the Audit and Accounts.
34. Temporary labour register.
35. Report of losses.

15. WORKSHOP ELECTRICAL ENGINEER

1. Service cards and leave accounts.
2. Muster Rolls.
3. Attendance Register and casual leave accounts.

4. T.A. journals of staff drawing pay less than Rs. 5000/- p.m.
5. Card passes and movement register.
6. Superannuation lists.
7. Recording of certificate of annual verification.
8. Increment certificate.
9. Work orders.
10. Contractor bills.
11. Issue notes and Advice notes.
12. Freight bills.
13. Estimates and completion reports.
14. Tenders and contracts. .
15. Salary bills.
16. Imprest cash accounts.
17. Review of important cases.
18. Works registers.
19. Measurement books.
20. Rent rolls land quarter register.
21. Register of Railway Buildings.
22. Review of sanctions of T.A.A./E.L.A.
23. Register of top-initials of Muster Sheets.
24. Stores bills.
25. Review of last inspection reports issued by Audit and Accounts.
26. Stores ledgers.
27. Stationery and stamp account.
28. Electricity purchase bills.
29. Departmental verification of stores.
30. Clothing and uniform account.
31. Tools and Plant Register.

16. TRACK SUPPLY OFFICER, NEW DELHI

1. Scrutiny of previous inspection reports issued by accounts office and audit.
2. Review of important cases.
3. System of accountal of Misc. cash receipts relating to the sale of scrap material.
4. Review of indents relating to I.S.D. Items.
5. Review of Misc. register such as inventory dead stock. stationery and forms, stamp account liveries and office library etc.
6. Casual leave account register.
7. Attendance register.
8. 'Adjustment Merna.
9. Scrutiny of measurement books and registers of measurement books closed and current.
10. Scrutiny of work orders and bills.
11. Accountal and disposal of P. Way Scrap materials.
12. Arrangements for the purchase and supply of sleepers.
13. Budget files..
14. Scrutiny of Procedure office Order file relating to the maintenance of sleeper accounts like other stock items kept in the stores Depots.
15. Stationery account.
16. Card passes and movement register.
17. Fund Register.

17. LAND CONTROL OFFICER/LAND ACQUISITION OFFICER

1. Casual leave account and attendance registers.
2. Uniform account.
3. Stationery account.
4. T.A. Journals of Class III and IV staff.
5. Passes and P.T.Os account.
6. Register of card passes.

7. Salary bills.
8. Service records and leave accounts.
9. Diaries of Inspectors..
10. Register of Mathematical instruments.
11. Land Encroachment cases.
12. Kerosene Oil Account.
13. Imprest Account including cash book.
14. Compensation Payments.
15. Award statements.
16. Misc. bills.
17. Civil Court Deposits.
18. Register of Tools and Plant.
19. Tracing of Issue Notes and Advice Notes.
20. Review of Important Cases.
21. Verification of Increment certificates with service books.
22. Cycle Account.
23. Review of Last Inspection Reports issued by Audit and Accounts.

18. S.M.E. (FUEL)

1. Casual leave account and attendance register.
2. Freight bills cess bills, if any.
3. Position of missing wagons.
4. Review of inferior coal reports.
5. Review of coal economy reports etc.
6. Under loaded wagons.
7. Tenders and contracts files of coal handling contracts.
8. Reports regarding pilferage of coal.
9. Register of shortages in sheds and shops.
10. Demurrage incurred on coal wagons by Loco contractors or by department.
11. Acceptance of Colliery bills.
12. Cinder Register.
13. Non accountal of Wagons by sheds.
14. ' Review of last inspection Reports issued by Audit and Accounts.
15. Review of important cases.

19. RAILWAY LIASION OFFICER

1. Attendance Register and casual leave account.
2. Service records including annual verification of service in respect of pensionable staff.
3. Leave Accounts.
4. Tools and Plant Register.
5. Consumable and petty stores ledger.
6. Stamp and stationery accounts.
7. Cash imprest Account.
8. Uniform Account.
9. Publications and Library Books.
10. Conveyance allowance bills for sitting late in the office.
- II. Contingent expenditure.
12. Overtime allowance bills.
13. Salary bills.
14. T.A. Bills.
15. Pass work.
16. Review of important cases.
17. " Movement register of card passes.
18. Rent recovery register.
19. Review of last Inspection Reports issued by Audit and Accounts.

20. RESEARCH DESIGNS AND STANDARDS ORGANISATION

(i) Joint Director (E.establishment) including Section Officer (E-I), Section Officer (E-III) and Section Officer (E-IV).

1. Attendance Register and Casual Leave account including Statement of Late Attendance.
2. Index Register of cases including file movement register.
3. Review of files.
4. Dead Stock Register.
5. Service Sheets and leave Accounts including fixation of pay and annual verification of service of pensionable staff.
6. Admissibility of free quarters to staff entry in the Service Book.
7. Overtime bills and booking of overtime.
8. Superannuation lists.
9. Review of staff Register, individual diaries.
10. Recording of penalties in service cards and system to ensure posting.
- II. Review of special casual leave granted to staff.
12. Review of last Inspection Reports issued by Audit and Accounts.
13. Review of leave reserve.
14. Review of justification for creation of various posts in R.D.S.O. including extension etc.
15. Cycle Account.
16. Office Orders regarding actual date of taking over higher duties and posting in the service records (General Review).
17. Posting of sanctioned applications of leave and actual leave periods in the service records.
18. Compliance with staff Office Orders.
19. Review of sanctioned Strength.
20. Cases of Rewards sanctioned to staff by Director General Deputy Director General for any outstanding work.
21. Office copies of Salary Bills of Gazetted Officers and Non-Gazetted Officers including Travelling Allowance Journals.
22. Recovery Register including recovery of electric charges from staff (transferred outside).
23. Medical Attendance Bills (Gazetted Officers and Non-Gazetted Officers).
24. Educational Assistance including School Fee Bills.
25. Cycle and Other Conveyance advances including Fan Advance, Festival Advance.
26. Imprest Account.
27. Contingent Bills Office copies.

20. (ii) Deputy Director, Establishment (E-II).

1. Attendance Register and Casual Leave account including Statement of Late Attendance.
2. Index Register of cases including file movement register.
3. Review of files.
4. Dead Stock Register.
5. Service Sheets and leave Accounts including fixation of pay and annual verification of service of pensionable staff.
6. Admissibility of free quarters to staff-entry in the service book.
7. Overtime bills and booking of overtime.
8. Superannuation lists.
9. Review of staff Register. individual diaries.
10. Recording of penalties in service cards and system to ensure posting.
11. Review of special casual leave granted to staff.
12. Review of last inspection reports issued by Audit and Accounts.
- 1~. Review of leave Reserve.
14. Review of justification for creation of various posts in R.D.S.O. including extension etc.
15. Cycle Account.
16. Office Orders regarding actual date of taking over higher duties and posting in the service records (General Review).
17. Posting of sanctioned applications of leave and actual leave periods in the service records.
18. Compliance with Staff Officer Orders.
19. Review of sanctioned strength.
20. Cases of Rewards sanctioned to staff by Director General/Deputy Director General for any outstanding work.

20. (iii) Deputy Director (A&T) including Section Officer (Administration), Section Officer (Recruitment) and Section Officer (Pass) and Section Officer (Hindi).

1. Attendance Register and casual leave account including statement of late Attendance.
2. Dead Stock Register.
3. Overtime Bills and Booking for overtime.
4. Index Register of cases.
5. Review of important cases.
6. Cycle account.
7. Sanctioned strength.
8. Review of list of buildings available for allotment.
9. Register of quarters allotted to the staff including occupation and vacation reports and priority register.
10. Cases of unauthorised occupation of quarters including out of turn allotment.
11. System of distribution of circulars etc. to various wings and sections.
12. Review of working of receipt and despatch section.
13. Review of receipt and despatch register.
14. Stamp Account, Franking machine.
15. Review of last Inspection Reports of Audit and Accounts.
16. Review of Monthly Progress Report and other Reports submitted to Railway Board.
17. Review of reply submitted as a result of parliamentary question.
18. Review of training programme of the Officers and staff.
19. Recovery of rent of buildings let out to outsiders and scrutiny of contracts and agreements.
20. Review of service records and leave accounts.

20. (iv) Secretary to Director General, Transport, Welfare, Rest House etc.

1. Attendance Register and Casual Leave account and their reconciliation.
2. Salary bills, including Travelling Allowance Journals.
3. Inventory of dead stock register.
4. Passes and P.T.O.s account.
5. Metal Pass register and its accountal.
6. Cases of misuse of passes/metal passes.
7. Passes, wagon passes and P.T.Os issued and their accountal in the pass section.
8. Indent for card and cheque passes, wagon passes and P.T.Os Books.
9. Custody of blank passes and P.T.Os Books.
10. Register showing the receipt and issue of card passes including Trolley passes.
11. Register showing the receipt and issue of cheque passes and P.T.Os.
12. Card passes and their movement register.
13. Library Account.
14. Stamp and stationery Account.
15. Overtime bills and booking for overtime.
16. Review of last inspection reports issued by Audit and Accounts.
17. Departmental verification of stores etc.
18. Review of important files.
19. Review of sanctioned strength.
20. Review of the working of recruitment branch.
21. Telephone Account and their bills.
22. Contingent expenditure Account.
23. Sale of Waste Papers.
24. Application forms account including cash sales and remittance of cash.
25. Registration and disposal of applications received from advertised vacancies.
26. Appointment of and payment to examiners of question papers.
27. System of selection and interview of candidates.
28. Complaints, if any, from the candidates.
29. Hire charges of the buildings engaged for examination purposes.
30. Cases of direct appointment and promotion without constituting selection Board.
31. Index Register of cases.
32. Cycle Account.
33. Review of service records and leave accounts.

20. (v) Director, Additional Director and Joint Director in charge, R.D.S.O. Lucknow.

1. Attendance register and Casual Leave account including statement of late attendance.
2. Index register of cases.
3. Review of important cases.
4. Dead Stock register.
5. Sanctioned strength.
6. Library account including catalogues and purchases.
7. Departmental verification of library and Dead Stock items.
8. Overtime bills and booking of overtime including payment of Honorarium.
9. Review of cases of rewards/advance increments on passing Hindi Examinations.
10. Review of last Inspection Reports of Audit and Accounts.
11. Expenditure Register.
12. Review of service records and leave accounts.

20. (vi) Mobile and Stationery Research units of R.D.S.O., Lucknow.

1. Attendance register and Casual Leave account including statement of late attendance.
2. Dead Stock Register.
3. Salary and Travelling Allowance Bills including Absentee statement.
4. Index register of cases.
5. Review of important files.
6. Overtime bills and booking the staff for overtime
7. Recovery of hire charges for private use of staff cars.
8. Register of spare parts and other equipment of vehicles.
9. Register showing repairs, servicing, replacement of parts etc.
10. Half yearly report on the expenditure incurred on each car and fitness certificate.
11. Contribution and grant to Railway Schools. Institute and Clubs etc.
12. Account of holiday and Children Camp.
13. Account of Staff Benefit Fund.
14. Review of last Inspection Reports of Audit and Accounts.
15. Stores Ledger.
16. Departmental verification of Stores.
17. Sanctioned strength.
18. Cycle account.
19. Register of saloons.
20. Recovery of Rest House charges from outsiders and when used as residence.
21. Rest House Registers.
22. Review of service records and leave accounts

20. (vii) Joint Director, Deputy Director, Assistant Director of Inspection Cell.

1. Attendance register, Casual Leave account and statement of late attendance.
2. Salary bills of Gazetted Officer and Non-Gazetted Officers including Travelling Allowance bills and absentee statement.
3. Index Register of cases.
4. Review of important cases.
5. Dead Stock Register.
6. Imprest Account.
7. Muster Rolls of casual labour staff including surprise check of one day's muster roll of labour.
8. Register of top initials of Muster Rolls.
9. Identification Register of temporary labour.
10. Card passes and their movement register.
11. Library and publication account.
12. Estimates. completion reports and expenditure register of schemes.
13. Progress-cum-financial progress reports of sanctioned schemes.
14. Overtime bills.
15. Stores ledgers including consumable stores.
16. Cycle account..

17. Review of last inspection reports issued by Accounts and Audit.
18. Review of experimental works carried by research centre.
19. Register of machinery and plant.
20. Review of sanctioned strength.
21. Telephones and trunk call registers.
22. Review of drawing instruments register.
23. Recovery charges for consultative service rendered to outsiders
24. Review of Monthly Progress Reports
25. Review of deposit works
26. Adequacy of numerical strength of the labour staff employed
27. Review of service records and leave accounts

20. (viii) Joint Director Publication.

1. Attendance register and casual leave account including statement of late at attendance
2. Salary bills of Gazetted Officers/Non-Gazetted Officers including Travelling Allowance bills and absentee statement.
3. Imprest account including local purchase of Stores.
4. Muster Rolls of Casual Labour staff, including surprise check of one day's muster roll of labour staff.
5. Inventory of dead stock.
6. Tools and Plant register including Drawing Instruments register.
7. Passes and P.T.Os.
8. Card Passes and their movement register.
9. Library account.
10. Stamp and stationery account.
11. Overtime bills including booking of staff for overtime.
12. Stores ledgers.
13. Credit notes (including demurrage and wharfage).
14. Repairs of office cycle, type-writers, duplicators etc.
15. Departmental verification of Stores.
16. Review of important files and index register.
17. Review of sanctioned strength.
18. Advice notes of returned stores.
19. Review of last inspection reports issued by Audit and Accounts.
20. Empties and their accountal.
21. Expenditure registers.
22. Review of experimental works carried out by research unit. .
23. Review of monthly progress reports.
24. Register of top initials of Muster Sheets.
25. Identification register of temporary labour.
26. Adequacy of the numerical strength of the labour staff employed.
27. Review of service records and leave accounts.

20. (ix) Deputy Director Documentation.

1. Attendance Register, casual leave account including statement of late attendance.
2. Salary bills of Gazetted Officers/Non-Gazetted Officers including Travelling Allowance bills and absentee statement.
3. Index register of cases.
4. Review of important cases.
5. Dead Stock register.
6. Imprest account.
7. Muster Rolls of casual labour staff including surprise check of one day's muster roll of the casual labour staff.
8. Register of top initials of muster sheets.
9. Identification register of temporary labour.
10. Passes and P.T.Os account.
11. Card passes and Movement register.
12. Library account.
13. Stamp and stationery accounts.
14. Overtime bills and booking of the staff for overtime.

15. Stores ledgers including consumable stores.
16. Cycle account.
17. Review of last inspection reports issued by Accounts and Audit.
18. Departmental verification of Stores.
19. Review of sanctioned strength.
20. Credit Notes.
21. Review of monthly progress reports.
22. Telephone and trunk call register.
23. Recovery of charges for consultations services rendered to outsiders.
24. Register of Instruments.
25. Review of implementation of tenders and contracts.
26. Review of relaxation given by the Railway Board.
27. Review of cases regarding free supply of material to wagon builders.
28. Review of damages to wheel sets etc. their rectification.
29. Review of inspection notes issues by the Inspecting staff and their final reply/disposal.
30. Tour notes of the Director General/Directors, Joint Directors and Senior Inspecting Officer incharge.
31. Tour programme of the officers.
32. Sample Register.
33. Receipt and despatch register.
34. Recovery of testing charges on samples.
35. Review of service records and leave accounts.

20. (x) Deputy Controller of Stores, R.D.S.O., Lucknow.

1. Attendance register and casual leave account including late attendance statement.
2. Salary bills and Travelling Allowance bills.
3. Index register of cases.
4. Review of files.
5. Sanctioned strength.
6. Dead Stock Register.
7. Overtime bills and booking of overtime.
8. Imprest Account.
9. Sales account of books and pamphlets.
10. Printing account of publicity literature, reports and books etc.
11. Account of Photography.
12. Misc. Cash collections.
13. Accounts of ceremonies, Republic Day, Independence day and Railway Week etc.
14. Expenditure on distinguished visitors.
15. Purchase of books, periodicals, Newspapers, Government Publications.
16. Review of last Inspection Reports issued by Audit and Accounts.
17. Check of Account of Magazines.
18. Hospitality Fund.
19. Tenders and Contracts.
20. Library Account.
21. Cycle Account.
22. Review of cases regarding loss of books, non-return of books.
23. System of distribution of All India Time Table and return of old copy.
24. Sale of old newspapers and magazines.
25. Periodical departmental verification of Books, dead stock items, block account etc.
26. Press Bills including agreement with the Press.
27. Review of the working of D.O.C. section with reference to sanctioned strength.
28. Working of the Printing section and register of tools and plants including out-turn statement of Printing Press.
29. Monthly narrative report.
30. Life of different reports and magazines and disposal thereafter to see the element of wastage.
31. Review of service records and leave accounts.

20. (xi) Stores Depot, R.D.S.O., Lucknow including General ward, Stationery wards, scrap etc.

1. Attendance register, casual leave account including statement of late attendance.
2. Stamp account.
3. Tools and Plant Account.
4. Card Passes and movement register.
5. Uniform register.
6. Sanctioned strength review of.
7. Depot statistics/narrative report.
8. Tenders and contracts.
9. Repairs to office cycles.
10. Office library.
11. Local purchase of stores.
12. Review of acceptance of tenders.
13. Review of Risk Purchases.
14. Review of documents concerning purchase of standard articles (Stock) such as contract estimate statements, tenders, purchase orders. position card rejection register, register of defaulting firms, contract agreements, recoument sheets.
15. Documents relating to purchase of non-standard items such as scrutiny of requisitions, purchase orders, records of stores for trial purposes.
16. Arrangement for receipt, custody storage of samples, and issue of stores.
17. Accountal of vouchers of Miscellaneous receipts.
18. Acknowledgement of stores received or issued by the parties concerned.
19. Procedure for checks and verification of stores with approved specifications, samples and quantities actually received and disposal of rejected stores.
20. Accountal, custody and disposal of scrap materials.
21. Scrutiny of accounts of empty receptacles, obsolete, unserviceable and scrap materials written off the books but still in hand, method of their disposal and specially of scrap material to be looked into.
22. Register of stationery.
23. Register of Dead Stock.
24. Imprest cash account if any, and cash book.
25. Breakages etc. written off under sanction of competent authority.
26. System of posting receipts and issue in numerical cards or ledgers.
27. Heavy stock (*a*) to see whether action taken to (*b*) that the average and annual consumption and the normal balances are suitably related to each other and (*c*) that the items in which there has been no transaction for several years are duly reported to proper authority for suitable action.
28. System of stock verification to see that verification is not confined only to those items the stock of which are low.
29. Action taken on differences brought out as a result of stock verification.
30. Clothing and liveries.
31. Cases of losses and thefts..
32. Purchase Orders and Contract Agreements.
33. Review of last Inspection Report issued by Audit and Accounts.
34. Register of rejection stores and rejection Memo.
35. Credit Notes
36. Ground Rent Register.
37. Register of test charges.
38. Review of important cases.
39. To see whether efficient arrangements exist to guard against removal of stores by men under false identity as representatives of indenters of firms.
40. Accountal of type writers.
41. Adequacy of the numerical strength of labour staff employed.
42. Overtime bills and booking for overtime.
43. Salary bills and Travelling Allowance bills.
44. Muster Rolls including surprise check of one day's muster rolls of the labour staff.
45. Register of sanctions of temporary labour.
46. Identification Register of temporary labour.
47. Register of top initials of Muster Sheets.
48. Review of service records and leave accounts.

20.(xii) Assistant Electrical Engineer (Construction)

1. Attendance register and casual leave account including statement of late attendance.
2. Muster rolls including surprise check of one day's muster of labour staff.
3. Salary bills and T.A. bills including absentee statement.
4. Tools and Plant register.
5. Dead Stock Register.
6. Work Orders.
7. Stores Ledgers.
8. Stores Returns.
9. Estimates and Completion Reports.
10. Measurement Books.
11. Contractor bills.
12. Tenders contracts and agreements.
13. Imprest Cash Account.
14. Review of last inspection reports issued by Audit and Accounts.
15. Progress Report of Works.
16. Review of important files.
17. Index Register of cases.
18. Register of measurement books.
19. Register of sanctions of temporary labour.
20. Identification register of temporary labour.
21. Register of top initials of muster sheets.
22. M.A.S. Account.
23. Stamp and Stationery account.
24. Departmental Verification of stores.
25. Adequacy of the numerical strength of the labour staff employed.
26. Sanctioned strength.
27. Cycle Account.
28. Overtime bills and booking of overtime.
29. Review of service records and leave accounts.

20.(xiii) A.E.E. (Maintenance)

1. Attendance register and casual leave account including statement of late attendance.
2. Salary bills and T.A. bills including absentee statement.
3. Muster Rolls including surprise check of one day's Muster of labour staff.
4. Register of sanctions of temporary labour.
5. Identification register of temporary labour.
6. Register of top initials of Muster Sheets.
7. Tools and Plant register.
8. Dead Stock register.
9. Stores ledgers including accounts of electric bulbs and fans.
10. Imprest account.
11. Review of last inspection reports of Audit and Accounts.
12. Index Register of cases.
13. Review of Important files.
14. Departmental verification of stores.
15. Requisition of issue notes of stores.
16. System of Issue of Stores.
17. Electricity purchase bills.
18. System of periodical verification of electrical fittings in service buildings and residential quarters.
19. Sanctions for hiring of table fan etc. and Account of Fan etc.
20. Review of pooled rent of electric charges.
21. Meter reading book along with electric bill.
22. Bills for recovery of electric charges from Railway staff and outsiders.
23. Adequacy of numerical strength of the labour staff employed.
24. Sanctioned Strength.

25. Cycle Account.
26. Overtime bills and booking of the staff.
27. Repair and maintenance Account of pump.
28. Review of Service records and leave Account.

20. (xiv) Town Engineer (Maintenance)

1. Attendance Register and casual leave account including statement of late attendance.
2. Salary bills and T.A. bills including absentee statement.
3. Muster Rolls including surprise check of one day's muster of the staff.
4. Index register of cases.
5. Review of important files.
6. Land case register and agreements.
7. Work orders.
8. Contractor bills.
9. Measurement Books.
10. Register of measurement books.
11. Register of sanctions of temporary labour.
12. Identification register of casual labour.
13. Register of top initials of Muster sheets.
14. Check of Passes and P.T.Os.
15. Check of Tools and, Plants.
16. Dead Stock Register.
17. Stamp and Stationery Account.
18. Card passes and their movement.
19. Imprest Account.
20. Review of last inspection reports issued by Audit and Accounts
21. Register of advice notes.
22. Departmental verification of stores.
23. Progress Report of work.
24. Stores Ledgers and tracing and posting of Issue Notes.
25. Tenders and contracts.
26. List of buildings including leased accounts.
27. Admissibility or otherwise of amenities provided to Railway staff particularly in Railway colonies.
28. Misc. cash collections.
29. Credit Note Book.
30. Material repaired in I.O.W. Workshop.
31. Review of theft/losses cases.
32. Register of annual repairs to Railway buildings particularly in Railway colonies for white washing programme, petty repairs frequency in replacement of fittings etc.
33. Handing over notes of Inspections of Works.
34. Accountal of trees and sale of green tress.
35. Accountal of Nursery including purchase of manure and tree guards.
36. Purchase of gamlas and their accountal. .
37. Adequacy of the numerical strength of labour staff employed.
38. Overtime bills and booking of overtime.
39. Review of Service records and Leave Accounts

20. (xv) M&C Wing/C.R.J. and Lucknow

1. Attendance Register and Casual Leave Account including statement of late attendance.
2. Salary bills of Gazetted Officers and Non-Gazetted Officers including absentee statement.
3. Muster Rolls including surprise check of one day's muster of the labour sWf.
4. Tools and Plants Register.
5. Dead Stock Register.
6. Index Register of cases.
7. Review of important file-so
8. Imprest cash account.

9. Review of last inspection reports of Audit and Accounts.
10. Identification register of temporary labour.
11. Register of top initials of Muster sheets.
12. Stamp and Stationery Account.
13. Adequacy of numerical strength of labour staff employed.
14. Sanctioned strength.
15. Cycle Account.
16. Overtime bills and booking of overtime.
17. Check of passes and P.T.Os.
18. Card passes and their movement register.
19. Purchase of Books, Periodicals, Newspapers, Government publications etc.
20. Library Account.
21. Imprest Account.
22. Check of Accounts of Magazines 'Foreign and Indian'.
23. Review of cases regarding loss of books, non-return of books.
24. Sale of old news papers and magazines.
25. Tenders and contracts regarding procurement of stores.
26. Periodical departmental verification of books, dead stock items etc.
27. Review of working of Dec. section with reference to sanctioned strength.
28. Log book and Petrol Account.
29. Recovery of hire charges for private use of staff car.
30. Register of spare parts and other equipment of vehicle.
31. Half yearly on the expenditure incurred on staff car and fitness certificate.
32. Liveries and uniform Account.
33. Issue Notes and Advice Notes.
34. Direct purchase of stores.
35. Stores ledgers and N.L. Cards.
36. Scrap material Account.
37. Local purchase including sanctions of the competent authority.
38. Sample register.
39. Arrangement for receipt, custody, storage and issue of stores.
40. Acknowledgement of stores received and issued by the parties concerned.
41. General review of records of missing stores.
42. Shortage, breakage, written off under competent authority.
43. Review of surplus stores.
44. Scrutiny of purchase orders and agreements.
45. Review of stock verification reports.
46. Credit Notes.
47. Recovery of testing charges on samples received from various parties.
48. Chemical ledgers.
49. Laboratory equipment and appliance ledgers.
50. Glass Ware ledgers.
51. Manufacturing accounts of paints.
52. Recovery of charges of consultative services rendered to outsiders.
53. Review of monthly progress report.
54. Review of conveyance and Fan Advance.
55. Telephone and trunk call register.
56. Account of drawing instruments.
57. Quarter register and Rent register.
58. Review of Service records and Leave Account

21. RAILWAY BOARD'S OFFICE

1. Service Books including annual verification of service of pensionable staff.
2. Leave Accounts.
3. Pass work including card passes.
4. (a) Tools and Plant Register. (b) C & P Register.

5. Stationery account.
6. Stamp account.
7. Cash imprest account.
8. Attendance register and casual leave account.
9. Conveyance allowance bills for sitting late in the office.
10. Uniform account.
11. Log books, petrol and oil accounts of staff cars.
12. Publication and library.
13. Review of last inspection report by Audit and Accounts.
14. Review of overtime allowance bills.
15. Salary bills, Memorandum of Differences and Absentee Statement.
16. T.A. Bills etc.
17. Increment certificats.
18. Fixation of pay.
19. Repairs to office cycles.
20. Misc. cash receipts, if any.
21. Review of important files.
22. Rent rolls and rent recovery register.
23. Issue Notes and Advice Notes.
24. Stores Purchase Bills.
25. Credit Notes.
26. Review of sanctioned strength.
27. Telephone Trunk Call bills.
28. Scrutiny of system of delegation of powers to see that there has been no abuse of powers.
29. Review of Hospitality Fund and Expenditure on high dignitaries, V.LPs etc. and Independence Day and Republic Day celebrations.
30. Appointment of substitutes.
31. Special Pay to the Non-Gazetted Officers.

22. RAILWAY SPORTS CONTROL BOARD

1. Budget account.
2. Grants accounts.
3. Receipt and expenditure Account with balance sheet. 4. Tools and Plant Register.
5. Stock of sports articles.
6. Membership register.
7. Register of consumable stores.
8. Auction sale account of sports articles.
9. Bank reconciliation.
10. Attendance register and casual leave account.
11. Stationery Account.
12. Uniform account.
13. General review of sanctions.
14. Review of annual report.
15. Review of last inspection reports issued by Audit and Accounts.
16. Card pass movement register.
17. Leave Account and Service Cards.
18. Salary bills.
19. Quarter rent register.
20. T.A. and contingent bills.
21. Blazer Account.
22. Cash Account.

23. RAILWAY RECRUITMENT BOARD/CELL.

1. Salary bills.
2. Leave Accounts.
3. Attendance Register and casual leave Accounts Register.
4. Passes and P.T.Os. Account.
5. Card Passes movements register.
6. Misc. cash collections.
7. Application forms account including cash sales.
8. Evaluation of papers.
9. Stationery Registers.
10. Service Postage Stamp Account.
- 11 Tools and Plant Register.
12. Stores Ledgers.
13. T.A. Bills.
14. Sanctioned strength.
15. Advice Notes.
16. Issue Notes.
17. Credit Notes.
18. Sale of Waste Paper.
19. Rent Rolls.
20. Uniform Account.
21. Imprest Account.
22. Review of Important cases.
23. Registration and disposal of applications received for advertised vacancies. 24. Appointment of and payments of Examiners of Question papers.
25. System of Selection and interview of candidates.
26. Complaints. if any. from the candidates.
27. Hire charges for the building of Railway Service Commission.
28. Review of Last Inspection reports of Audit and Accounts.

24. DY. C.O.SJD.C.O.SJA.C.O.S. OFFICES

1. Attendance Register and casual leave account.
2. Leave account and service books.
3. Annual verification of service of pensionable staff.
4. Verification of increment certificate with the entries in the service books.
5. Check of fixation of pay.
6. T.A. Journals.
7. Appointment of substitutes.
8. Check of stationery account.
9. Stamp account.
10. Tools land Plants Account.
11. Settlement cases.
12. Check of passes and PT.Os.
13. Card Passes movement register.
14. Misc. cash receipts.
15. Uniform Account register.
16. Sanctioned strength Review of.
17. Gate passes.
18. Credit Notes.
19. R.M.C. Notes.
20. Auction-Sale account-including agreements with the auctioneer.
21. Sale delivery orders.
22. Bill for commission.
23. Issue Notes and advice notes.
24. Depot statistics/Narrative reports.
25. Imprest cash Account and Cash Book.

26. Cash Remittance Notes.
27. Review of files.
28. Review of sanctions.
29. Review of last inspection reports issued by Audit and Accounts.
30. Consumable and Petty Stores.
31. Empties and their accountal.
32. Tenders and contracts.
33. Contingency register.
34. Repairs to office cycles.
35. Trunk call telephone bills.
36. Allotment of quarters.
37. Rent rolls and quarter register.
38. Cases of theft and losses.
39. Log Book of lorries and trucks and petrol Account.
40. Attendance register and staff books and general system of attendance of employees and labour.
41. Check of ticket board and muster rolls.
42. Pay Order Book.
43. Weekly position of deliveries.
44. Flood Reserve.
45. Engineering Plant Reserve.
46. Office Library.
47. Suspension cases.
48. Comparison of the rates of pay as drawn in the pay bills/labour pay sheets with the service records.
49. Witnessing of payment of labour.
50. Local purchase of stores.
51. Review of system of disposal of surplus stores
52. Review of pension cases.
53. Hot weather establishment.
54. Review of temporary staff applications.

25. ASSISTANT CONTROLLER OF STORES PRINTING (SHAKURBASTI)

1. Numerical ledger sheets.
2. Time table account.
3. Advice Notes.
4. Tools and Plant Register.
5. Uniform register.
6. Gate Passes.
7. Attendance Register.
8. Periodical departmental verification.
9. Accountal of gunny bags for despatching of articles.
10. Printing machinery.
- II. Security deposit and progress register of jobs.
12. Casual Leave account.
13. Card Passes etc.
14. Printing of forms.
15. Review of important cases.
16. Review of last inspection reports by Accounts and Audit.
17. Log Books of departmental vehicle and petrol Account.
18. Duty Slips.
19. Consumable and Petty Account.
20. Indents of Printing.
21. Breakdown of Plant Machinery and idle time.
22. Account current and out turn statement of Printing Press.
23. Muster Rolls and method of taking attendance.
24. Review of tenders and contracts.
25. Press Bills.

26. A.C.O.S. CLOTHING

1. Loans Register.
2. Tools and Plant Register.
3. Stationery Register.
4. Consumable and Petty Account Register.
- 5 Gate Passes.
6. Issue Notes and Advice Notes.
7. Receipts Register.
8. Review of N.L. Cards.
9. Departmental stock verification.
10. Register of. requisition.
11. Attendance register and Casual Leave Account.
12. Account of tailoring shop/section.
13. Review of important files.
14. Stock verification sheets.
15. Review of inspection reports issued by the Audit and Account

27. A.C.O.S. (TICKET PRINTING) FORMS ETC.

1. Leave Accounts of staff.
2. Muster Rolls and method of taking attendance.
3. Accounts of Tools and Plants and machinery.
4. Work Orders, Account of Labour and Stores and out turn statement~.
5. Printing out turn and recoveries from parties concerned.
6. Account Current of Printing Press and verification of closing balances by actual counts.
7. Consumable stores.
8. Stationery Account.
9. System of booking of overtime and payment thereof.
10. Printing of tickets and control over blank tickets.
11. To review the wastage and spoils in ticket printing press with a view to see that the percentage of tickets and forms spoiled in printing is not abnormal.
12. Disposal of waste paper released from the press.
13. Ledger accounts of forms and tickets etc.
14. Uniform Account.
15. Indents, maintenance of numerical stock of blank paper tickets.
16. Other paper tickets (coaching, goods etc.), P.T.Os, free passes and their issue to the consuming Department.
17. Examination of the system of collection and destruction of obsolete and surplus stock of papers and printed tickets, P.T.Os and free passes etc. returned by the stations to see that there is no scope for misuse.
18. Check of requisition of printed card tickets etc. and their supply to stations.
19. Compilation of bills for supply of paper.
20. Review of Requisition Register.
21. Treatment of irregularity for printed card and papers tickets.
22. Maintenance of Accounts stock Register.
23. Comparison of requisition with the ticket ledgers.
24. Attendance register and casual leave Account.
25. Arrangement for safe custody of tickets and security arrangement in the press.
26. Check of commencing and closing numbers of tickets and other money value forms and books indented for and their posting in the stock ledger register to ensure that the same have been printed and supplied in regular order.
27. To ensure that the supply of tickets and other money value forms and books have been acknowledged within the prescribed period of one month and recorded in stock ledgers and that the irregularities and discrepancies pointed out by the stations have been correctly dealt with by the ticket printing press.
28. A general review of stock ledgers with a view of see that the distances, fares have been recorded therein and there is no break of continuity.
29. Review of cases with particular reference to discrepancies relating to the supply of duplicate, missing and misprinted tickets and the disposal thereof.
30. Security deposits and progress register.
31. Account of gunny bags for despatching of tickets.
32. Review of last inspection reports issued by Audit and Accounts.

28. I.R.C.A.'S OFFICE

1. Cash Imprest.
2. Tools and Plant Register.
3. Maintenance and repairs of office cycle.
4. Leave Accounts.
5. Salary Bills with reference to initial record viz. attendance register, service cards etc.
6. T.A. Journals of staff drawing less than Rs. 5000/- per month
7. Stamp and stationery register.
8. Account of sale of publications.
9. Passes and P.T.Os.
10. Consumable and petty stores.
11. Bills for printing of correction slips to reports and proceedings with reference to agreements.
12. Review of policy files.
13. Review of last inspection reports issued by Audit and Accounts.
14. Review of contingent bills.
15. Review of overtime bills.
16. Rent rolls and quarter register.
17. Investment account of I.R.C.A. employees Provident Fund Money.

29. LOCAL PURCHASE OFFICER

1. Local purchase lists along with quotations from local firms and sanctions of competent authority. 2. Inventory of purchase made but not sent to the D.C.O.S. etc.
3. Review of important cases.
4. Cash Imprest account and vouchers in hand.
5. Cash Books for Permanent, Temporary and special imprest.
6. Misc. registers such as liveries and office Libraries etc.
7. Tools and Plant. Register.
8. Stamp account register.
9. Casual leave account and attendance register.
10. Consumable stores account register.
11. Stationery account register.
12. Review of previous inspection reports both by Audit and Accounts.
13. Proper moving of articles to depot from local purchase office.
14. Prompt receipt of R.O. Part V.
15. Demand Register.
16. Sample register.
17. Register of Card passes.

30. SLEEPER CONTROL OFFICER

1. Review of important cases.
2. System of accountal of Misc. Cash Receipt relating to the sale of scrap material.
3. Review of indents relating to I.S.D. items.
4. Review of Dead Stock Register.
5. Stationery account.
6. Stamp account.
7. Uniform account.
8. Library books.
9. Attendance Registers and Casual Leave Account.
10. Adjustment Merna.
11. Scrutiny of measurement books, and register of Measurement Books closed and current.
12. Scrutiny of work orders and bills.
13. Arrangement for the purchase and supply of sleepers.
14. Budget file.
15. Scrutiny of policy files including those relating to the maintenance of sleeper account.
16. T.A. Bills of Group 'G' and Group 'D' staff.
17. Service records and leave accounts.

18. Salary bills.
19. Scrutiny of last inspection reports both by Audit and Accounts.
20. Procedure regarding rising of debits against other Railway and Departments to whom the Sleeper~ are issued.
21. Review of priced ledgers.
22. Stores Bills.

31. CHIEF WORKSHOP MANAGER GHAZIABAD

1. Muster Rolls.
2. Sanctioned strength.
3. Gate passes.
4. Time sheets.
5. Attendance register and casual leave Account register.
6. Overtime Requisitions and overtime Bills and overtime Register.
7. Certificate of labour temporarily employed out of shops.
8. Employment of staff on works other than those to which their pay is charged.
9. System of payment of wages to laborers including witnessing of payments during inspection.
10. System of allocating labour to particular work order including system of booking overtime.
11. Accountal and allocation of Stores and its verification and custody.
12. System of sending out materials from shops.
13. Accountal and custody of charged off stores.
14. Numerical accounts of materials spare from work orders.
15. Work Order Registers.
16. Measurement Books.
17. Foundry Accounts, Paint and Cupola Books.
18. Account of consumable stores with Schedules, if any, fixed thereof.
19. Inventory of dead stock including Machinery and Plant.
20. Register of articles given on loan.
21. Numerical Account of empties.
22. Accountal and custody of Scrap material.
23. Records of private tools of workmen and contractors in use in shops.
24. Execution of private work orders for Railway employees and outsiders and adequacy of the charges recovered.
25. Accountal of samples of Stores received in shops.
26. Salary bills.
27. T.A. Journals of staff drawing pay less than Rs. 5000/- per month.
28. Stamp and stationery account.
29. Estimates and Completion Reports.
30. Review of tenders, contracts, agreements and work orders.
31. Cash Imprest Account and Review of Misc. Cash Receipts.
32. Review of important cases.
33. Service Books and Leave Accounts.
34. Question of general policy.
35. Rent rolls and quarter register.
36. Review of last inspection reports issued by Audit and Accounts.

32. ASSISTANT CHEMIST AND METALLURGIST

1. Attendance Register.
2. T.A. Bills.
3. Casual leave Account.
4. Muster Rolls and Labour Pay Sheets.
5. Register of Deap Stock.
6. Issue Notes and Advice Notes.
7. Card Passes and their movement.
8. Salary bills.
9. Stamp and Stationery Account.
10. Gate passes.
11. Machinery register.

12. Consumable and petty stores register.
13. Recovery of testing charges on samples received from various parties.
14. Chemical ledgers.
15. Laboratory equipment and appliance Ledgers.
16. Glass ware ledgers.
17. Electric appliance ledgers.
18. Empties account.
19. Breakage Register.
20. Register of samples.
21. Scrutiny of test certificates with the help of sample register.
22. Review of last inspection reports issued by Audit and Accounts.
23. Service record and leave accounts.
24. Delay in testing of cases.
25. Review of sanctioned strength.

32. GENERAL INSPECTION OF CHIEF CASHIER/DELHI INCLUDING CASH VERIFICATION.

1. Attendance Register and Salary Bills.
2. Passes and P.T.O.s.
3. T.A. Bills.
4. Service Stamps Account.
5. Stationery Register.
6. Tools and Plant Register.
7. Livery Register.
8. Sanctioned Strength.
9. Leave Accounts and Service Books.
10. Casual leave register.
11. Cash Book maintenance for Employees Cooperative Credit Societies.
12. Service Records.
13. Cash Book and Challans maintained by Chief Cashier, DCPM AND Pay Clerks.
14. Verification of Cash by Actual count is not necessary. The cash in hand with the pay clerks, the unpaid bills outstanding and the account of unpaid wages should be ascertained to see that no unauthorised use of money has been made.
15. Unpaid amounts.
16. Returns of paid vouchers and clearance certificates obtained from the Accounts Office.
17. Cash receipts and remittance notes.
18. Register of cash bags.
19. Register of sweated and un current coins.
20. Review of cases of cheques dishonored by banks.
21. Review of working of the cash and Pay Department.
22. Review of previous inspection reports issued by both Audit and Accounts
23. Review of important files.
24. Review of Rent tolls etc.
25. System of making payment by Money Order.
26. Cash Imprest.
27. Log Books and Petrol Account.
28. Consumable Stores Account.
29. Write off of losses of cash.
30. Cases of fraud and misappropriation of Government money including suspension cases.
31. Telephone Register.

34. WELFARE BRANCH

1. Contribution of Grants to Railway Schools. Institutes and sports clubs.
2. Accounts of holiday and children camps.
3. Accounts of staff Benefit Fund.
4. Attendance Register and Casual Leave Account.
5. Review of important cases.
6. Review of previous inspection reports issued by Audit and Accounts.
7. Inventory of Dead Stock, Stationery Account and Stamp Account.

35. COMPLAINT BRANCH

1. Attendance Register.
2. Casual Leave Account Register.
3. Stationery Register.
4. Tools and Plant register.
5. Review of cases.
6. Card Passes Register.,
7. Review of last inspection reports issued by Audit and Accounts.

36. STATISTICAL BRANCH

1. Passes and P.T.O.s including Card Passes Movement Register.
2. Stock Register.
3. Stamp and Stationery Account.
4. Tools and Plant Account.
5. Issue Notes and Advice Notes.
6. Casual leave Account and attendance register.
7. Review of important cases.
8. Review of sanctioned strength.
9. Library Account.
10. Review of Narrative Report.
11. Review of previous Inspection Reports issued by Audit and Accounts.

37. BRIDGE INSPECTOR/CHIEF BRIDGE INSPECTOR.

1. Muster Rolls.
2. Attendance Register and Casual Leave Account.
3. Service records and leave accounts.
4. Passes and P.T.Os.
5. Card passes movement register.
6. Stores ledgers.
7. Monthly return of stores.
8. Issue Notes and Advice Notes.
9. Verification reports of stores.
10. Stationery and stamp accounts.
11. T.A. Journals of staff drawing less than Rs. 5000/- per month.
12. Tools and Plant Register.
13. Uniform Account.
14. R.M.C. Notes and Credit Notes.
15. Salary Bills.
16. Rent Rolls and quarter register.
17. Review of last inspection reports both by Audit and Accounts.
18. Review of files.
19. Consumable and Petty Stores.
20. Execution of contracts.
21. Empties and their accounts.
22. Accountal of scrap material.
23. Measurement Books closed and current.
24. Estimates and work orders.
25. Report of losses..
26. Settlement Bills, if any.
27. Gate Passes.
28. Time Sheets.
29. System of payment of wages of Labour including the witnessing of payment during inspection. System of allocating labour to a particular work order including system of booking of overtime. Accountal and allocation of stores, its Workshop.
30. System of sending out material from Workshop.
31. **Accountal and custody of charged off stores.
32. Work orders register.

33. Percentage of wastage in manufacture operation.
34. Inventory of Machinery and Plants.
35. Mistry's time book recording time booked in each work order.
36. Check of tickets Boards.
37. **System of reconciliation of Time Sheets with Muster Rolls.
38. ** (Items 31 to Items 36 are for Bridge Inspector Workshop.)
39. *** (Items 37 to 45 are exclusively for BRI/Workshop IRC).
40. Preparation of Muster Rolls for coolies for whom no time sheets are prepared.
41. Certificates of labour temporarily employed out of the shop.
42. Overtime register.
43. System of piece work rates and procedure for payments of profits.
44. Issue of tickets to workmen.

38.(i) DIVISIONAL RAILWAY MANGER-PERSONNEL BRANCH

1. Service sheets and leave accounts including fixation of pay and annual verification of service of pensionable staff.
2. Passes wagon passes and P.T.Os. issued and their account in the Pass Account.
3. Indent for card and cheque passes, wagon passes and P.T.O. books.
4. Custody of blank passes and P.T.O.s books.
5. Register showing the receipt and issued of cheque and card passes and P.T.Os.
6. Register showing the receipt and issued of trolley passes.
7. Register of codes.
8. Procedure for educational assistance granted of staff.
9. Rent rolls and recoveries of rent.
10. Admissibility of free quarters to staff.
11. Workmen's compensation Act payments.
12. Hospital leave granted to staff.
13. Quarantine leave granted to staff.
14. T.A. and salary bills.
15. Overtime bills of staff.
16. Actual staff with reference to sanctioned strength.
17. Misc. cash collections, if any.
18. Scrutiny of the system of delegation of powers to see that there is no abuse of powers.
19. Check of change mema for one month.
20. Review of important cases.
21. Superannuation lists.
22. Increment certificates.
23. Recording of penalties in service cards.
24. Records of Relieving staff and their movements.
25. Attendance Register, Casual Leave Account including special casual leave account.
26. Cash Imprest Account and Cash Book.
27. Last Inspection Reports both of Audit and Accounts.
28. Log Books and Petrol Account.
29. Review of Hospitality Fund and expenditure on Republic Day, Independence Day and Railway Week etc.
30. Watches supplied to running staff and recovery thereof.
31. Comparison of pay drawn through the pay bills with the service records.
32. Review of the higher posts to see that these have been sanctioned in accordance with the percentage prescribed by competent authority.
33. Review of leave reserves.
34. Appointment of hot weather establishment.
35. Check of Settlement cases

38 (ii) STORES BRANCH

1. Liveries and uniform accounts.
2. Stamp and stationery account.
3. Dead Stock, furniture and equipment register.
4. Issue Notes and Advice Notes.
5. Frequency of renewal of 'Gharrahs' and 'Sohrahis'.
6. Direct purchase of stores.
7. Scrutiny of previous inspector reports.
8. Review of important cases.
9. Cases of theft and losses.
10. Attendance register and casual leave account.
11. Repairs to cycle kept in office for use by cycle peon doing outdoor work.
12. Contracts and agreements if any.
13. Hot weather stores account, Hot weather establishment and expenditure therefore.
14. Mela Stores account.
15. Consumable stores account.
16. Scrap material account.
17. Stores ledger.
18. Distribution of time tables, diaries and calendars etc.
19. Accountal of empties.
20. Sanction for write off of losses.
21. Book Binder Account.
22. Card Pass movement register.
23. Review of sanctioned strength.
24. Review of register of staff responsibility.

38 (iii) COMMERCIAL BRANCH

1. Wharfage and Demurrage charges forgone and written off.
2. Lease of land within station limits.
3. Contract for vending at stations.
4. Contract for loading and unloading of parcels at station.
5. Court cases and expenses on law suit~.
6. Concessional rates or special facilities granted to individuals and review of customary concessions.
7. Remunerative ness of halting places and new stations etc.
8. Arrangement for sale of tickets at train halting etc.
9. Cases of misappropriation and frauds and action taken in connection therewith.
10. Adequacy of charges recovered from Railway retiring rooms at big stations provided for passengers.
11. System of letting out coolly and handling contracts.
12. Travelling Ticket Examiner's reports.
13. Joint Station cases.
14. Assisted and private siding cases.
15. Review of commercial sanctions.
16. Scrutiny of the system of delegation of powers to see that there is no abuse of powers.
17. Routing, running power and other agreements.
18. Casual leave and attendance registers.
19. Misc. cash collection and procedure for prompt remittance therefore.
20. Review of important cases.
21. Stationery account.
22. Tools and Plant Register.
23. Cases of theft and losses.
24. Steps taken for the recovery of audit and freight debit.
25. Action taken against staff responsible for haulage of missing goods whenever the same is intimated especially against habitual offenders.
26. Cooley handing and carriage contractors, tenders, contracts.
27. Other contracts at stations Hackney Carriage stand.
28. Indemnity Bonds.

29. Unclaimed commodities and their disposal.
30. Station outstanding.
31. Hire and rent charges for sheds used for warehouses.
32. Student concession ticket forms and concessions to public.
33. Recoveries of license fee and other dues from stall holders, vendor and refreshment rooms contractors.
34. Review of statistical data regarding claims.
35. Recovery of sidings charges.
36. Street delivery contracts, if any.
37. Accounts of saleable tariffs and other publications.
38. Review of last inspection reports both by Audit and Accounts

38 (iv) TRANSPORTATION BRANCH/OPERATING BRANCH

1. Causal leave and attendance registers.
2. Review of important cases.
3. Receipt and issue of stores.
4. Receipt and issue of uniforms.
5. Receipt and issue of stores stationery.
6. Inventory of Dead Stock.
7. Misc. cash collection.
8. Wagon allotment.
9. Damages to stock due to careless and rough shunting.
10. Hire charges for traffic vehicles.
11. Review of cases of losses of Tools and Plant etc.
12. Train Journals and mileage allowance bills.
13. Registers of movements of clock-winders.
14. Codes, Books of Reference, etc.
15. Register of Advice Notes.
16. Register of watches supplied to guards.
17. Guard, S.T.E.S, van sorters equipment.
18. Accounts of budgets and buttons.
19. Review of previous inspection reports both by Audit and Accounts.
20. Review of census reports of trains.
21. Review of Important Railway Lines by guards.
22. Review of quarter position.
23. Pairing of issue notes and advice notes.

38 (v) WORKS ACCOUNT BRANCH (INCLUDING STORES)

1. Attendance Register and Casual Leave Registers.
2. Review of previous inspection reports issued by Accounts and Audit.
3. General review of contractor bills with reference to contract agreements and work orders.
4. Schedule of rates.
5. Additional items of work or enhancement of rates.
6. Work started without calling for tenders.
7. Splitting up of work orders to avoid calling for tenders.
8. Ballast train journals, challans and ballast train movements.
9. Review of positing of works register and their maintenance in accordance with Code rules.
10. Review of the procedure for preparation of completion reports.
11. Delay in preparation of completion reports.
12. Temporary sanctions for gangman etc. and need for engagement for temporary staff.
13. Recoveries of taxes, municipal taxes, rent and water charges therefore.
14. Misc. cash collections and remittances of the same to the Treasurer and registers in connection therewith.
15. Indent for stores and disposal of cases of missing stores.
16. Commencement of work before issue of work order or sanction of relevant estimates.
17. Sale of grass Trees etc.
18. Recovery of freight charges at public rates. in the case of deposit works.
19. Review of important cases.

20. Review of freight bills.
21. Engineering stores, suspense returns, scrutiny of stores account in respect of the monthly returns received from the Inspectors of Works and Permanent Way Inspectors and review of the Progress in their disposal including review of material-at-site accounts.
22. Correction of the adjustments of the transactions appearing in the returns sent to Accounts without undue delay.
23. Cases of theft and losses.
24. Scrutiny of system of delegation of powers to see that there has been no abuse of powers.
25. Auction sales.
26. Booking cost of materials issue to the Contractors appearing in the returns sent to Account without undue delay.
27. Stationery Registers.
28. Estimates and completion Reports.
29. Register of measurement books (closed and current and blank).
30. Review of major works (including track renewals).

38 (vi) WAY AND WORKS BRANCH

1. Review of previous inspection reports issued by Accounts and Audit.
2. Lease of Railway buildings/land lent to outsiders and Government departments and recoveries of taxes, municipal taxes, rent-and water charges therewith.
3. Misc. cash collections and remittances of the same to the Treasurer and registers in connection therewith.
4. Assisted sidings and private sidings agreements.
5. Review of important cases.
6. Land Registers.
7. Review of registers of level crossings over-head and underneath both for private parties and Government departments.
8. Review of register of bridges.
9. Dhobi Ghat permits.
10. Attendance register and casual leave registers.
11. Stationery registers.
12. Review of position of newly built quarters.
13. Pairing of issue notes and advice notes.
14. Review of list of completion drawings.

38 (vii) MECHANICAL BRANCH

1. Reports on loss of engine and carriage fittings.
2. Register of machinery and plant.
3. Review of register of advice notes.
4. Use and disposal of cranes.
5. Transfer of machinery, if any.
6. Register of codes, books etc.
7. Register of outstanding departmental copies of issue notes.
8. Review of important cases, files and administrative sanctions.
9. Losses due to wear and tear.
10. Attendance registers and casual leave account.
11. Review of the register of deficiencies.
12. Rolling stock, washing and cleaning contracts.
13. Disposal of surplus materials.
14. Unnecessary detention of stock for repairs.
15. Debits from Foreign Railways and debits raised against other railways.
16. Issue Notes and Advice Notes.
17. Damages to wagons.
18. Periodical overhaul and running repairs.
19. Damages to stock due to careless and rough shunting.
20. Cases of theft and losses.
21. Maintenance of saloons of High Officials and States.
22. Scrutiny of the system of delegation of powers to see that there is no abuse of powers.
23. Oil consumption of T.X.Rs.
24. Working of Imprest Stores system under T.X.Rs.
25. Tenders, contracts and agreement etc. for Engine clearing, Ash pit clearing, Handling contracts for coal and other

- materials etc.
- 26. Cinder picking contracts.
- 27. Review of coal account and arrangements for stock verification thereof.
- 28. Check of crockery and linen provided in officer's carriages.
- 29. Review of driver, and fireman's link.
- 30. Check of running allowance bills, engine tickets and driver journals.
- 31. Review of Imprest Stores with T.X.Rs.
- 32. Review of last audit and accounts inspection reports.
- 33. Misc. cash collections.
- 34. Damage incurred by Loco-contractors.
- 35. Acceptance of colliery bills etc.

39. D.S.T.E./A.S.T.E. (WORKS) AND (MAINTENANCE).

- 1. Attendance register and casual leave account.
- 2. Tools and Plant register.
- 3. Stamp and Stationery register.
- 4. Estimates and completion reports.
- 5. Review of contracts agreements and work orders, if any.
- 6. Imprest account.
- 7. Review of important cases.
- 8. Register of card passes Movement register.
- 9. Monthly returns of stores of subordinates.
- 10. Clothing and uniform Account.
- 11. Issue Notes and Advice Notes.
- 12. Review of T.A. Journals.
- 13. Progress report of works.
- 14. Sanctioned strength.
- 15. Review of last inspection reports of Audit and Accounts.
- 16. Review of rent rolls and quarter register.
- 17. Credit Notes and R.M.C. Notes.
- 18. Review of Measurement Books and Register of Measurement Books closed and current.
- 19. Stores ledgers.
- 20. Stores bills.
- 21. Provision of trollies and engagement of staff thereof.
- 22. Handing over notes.

**40. SECURITY BRANCH/SECURITY INSPECTOR/ COY.COMMANDER/ COMDT.R.P.S.F BATALLION/
PRINCIPAL, R.P.F. TRAINING CENTRE.**

- 1. Stamp and Stationery Account.
- 2. Tools and Plant Register.
- 3. Uniform Register. 4. Check of settlement cases.
- 5. Leave Accounts of staff including those due to retire during the next three years.
- 6. Check of Service Records.
- 7. Attendance Register and Casual Leave Account.
- 8. Salary Bills.
- 9. Passes and P.T.Os. Account.
- 10. Card Passes and Movement Register.
- 11. Rent rolls.
- 12. Log Books of Jeeps etc.
- 13. Review of important cases (including theft).
- 14. Muster sheets of Group 'D' staff.
- 15. T.A. bills and Journals of Group 'C' and 'D' staff.
- 16. Tracing of Issue Notes.
- 17. Consumable stores account.
- 18. Review of statement of Monthly Losses, thefts and pilferages.
- 19. Review of sanctioned strength and its distribution.

20. Imprest Cash account (in case of A.S.C.'s Office.)
21. Contingent expenditure.
22. Review of last Inspection Reports (by Accounts and Audit).
23. Misc. cash collections.
24. Increment certificate.
25. Overtime bills and booking of staff for one time work.
26. Reward payments to staff.
27. Seal breaking register. In case of S.LS's.
28. Review of Gate passes. Office.
29. Account of Torches and Batteries.
30. Fixation of pay and arrears of refixation, if any.
31. Arm Stock Books.
32. Ammunition Stock register.
33. Night allowance register.

41. DIVISIONAL ELECTRICAL ENGINEER/ASSISTANT ELECTRICAL ENGINEER.

- I. Muster rolls, attendance register and casual leave register.
2. T.A. Bills.
3. Tools and Plant register and dead stock register.
4. Clothing and uniform register.
5. Work orders.
6. Requisition and issue notes of stores and pairing of issue notes.
7. Stores ledgers.
8. Freight bills.
9. Stores returns.
10. Estimates.
- II. Electricity purchase bills, if any.
12. System of periodical verification of electrical fittings in service buildings and residential quarters.
13. Sanctions for bring of table fans etc. and Accounts of fans etc.
14. Measurement Books.
15. Contractor's bills.
16. Tenders, contracts and agreements.
17. Imprest Cash Account, if any
18. Quarter Register.
19. Card Passes Movement register.
20. Review of Completion Reports.
21. Review of Rebate bill register.
22. Review of last inspection reports by Audit and Accounts.
23. Progress report of works.
24. Review of escalator clause agreements.
25. Review of important files.
26. Review of pooled rent of electric current charges.
27. Bills for recovery of electric charges from Railway staff and outsiders.

42. ADDL. C. M.E./DY. C.M.E./WORKS MANAGER/ASSIT. WORKS MANGER.

1. Leave accounts.
2. Service records including increment certificates.
3. Cash Imprest Account.
4. Stationery account.
5. Consumable stores account.
6. Tools and Plant Register.
7. Passes and P.T.Os. account with card passes.
8. Salary bills.
9. Attendance Register and casual leave account.
10. Sanctioned strength both permanent and temporary.
11. Review of important cases.
12. Sale of tender forms.

13. Tenders and contracts.
14. Sanctions to write off of losses.
15. Register of uniform and clothing.
16. Estimates and Completion reports.
17. Stamp account.
18. Work orders register.
19. Gate Passes.
20. Cost accounts of manufactured articles to compare with cost of similar articles at different times to see that they do not vary considerably and whether factors contributing to the variation have been suitably investigated and defects remedies.
21. T.A. Bills.
22. T.A. Bills.
23. Job costing sheets.
24. Issue Notes and Advice Notes.
25. Rent rolls and quarter register.
26. Narrative report.
27. Progress of job cards and requisitions.
28. Accounts of Rolling stock.
29. System of sale of cinders, firewood etc. and account therefore.
30. System of distribution of general charges and overhead charges.
31. Sanction to undertake private work in the workshops.
32. Trunk call telephone bills.
33. Purchase bills.
34. Account of samples of stores received and dealt with.
35. Repairs of office cycles.
36. Estimates of stores for jobs and requisitions thereof.
37. Review of cost accounts of manufactured material.
38. Revision of rates of manufactured articles.
39. Unit cost of rolling stock repairs.
40. Adjustment of the difference between the actual and estimated out turn rates.
41. Library account.
42. Reconciliation of time office and shop absentee list.
43. Review of last inspection reports by Account and Audit.
44. Misc. cash Receipts, if any.
45. Credit Notes and R.M.C. Notes.
46. Auction sale of Saw dust, ashes etc.
47. Stores bills.
48. Log books and petrol account.
49. Measurement books and register of measurement books, if any.
50. Review of the system of fixing of machine rates.
51. Review of fixation of piece work rates.
52. Profit and loss on piece work jobs to see the suitability or otherwise of the rates fixed.
53. Settlement cases including pension cases.
54. Workmen's compensation Act Payment.
55. Suspension Cases.
56. Report on deficiency of engine and carriage fittings.
57. Unnecessary detention of stock for repairs.
58. Periodical overhaul and running repairs.
59. Maintenance of saloons of High Officials and States, if any
60. Works Register.
61. Contractor's Bills.
62. Comparison of pay charged in salary bills and Muster rolls with service records.
63. Review of out-turn with special reference to the standards fixed by the Railway Administration.
64. System of payment bonus.
65. Proper utilization of machinery installed in various shops and delay in installation.
66. Review of purchase orders files.

43 ASSISTANT ENGINEER'S OFFICE

1. Agreement regarding purchase of materials.
2. Credit Note Books.
3. Rent Rolls.
4. Land lease register and agreements.
5. Register of allotment of quarters.
6. C.R. Notes and cash receipt books and stock books thereof. 7. Payments from station earnings.
8. Review of cases.
9. Railway material consignment note books.
10. Work Orders.
11. Contractor's bills.
12. Measurement books (including standard Measurement books).
13. Register of measurement books.
14. Muster Rolls of temporary and permanent labour employed on the sub-divisions.
15. Register of sanctions of temporary labour.
16. Identification register of temporary labour.
17. Register of top initials of muster sheets.
18. Material train statement e.g. ballast and guards journals.
19. Material at site accounts.
20. Recovery of materials supplied to contractors.
21. Clothing and uniform account.
22. Check of passes and P.T.Os.
23. Check of tools and plant.
24. Stamp and Stationery Account.
25. Casual leaves and attendance.
26. Salary bills and T.A. Bills.
27. Leave Accounts.
28. Service records (Annual verification of service of Pensionable staff).
29. Verification of pay as shown in Labour Pay Sheets with service records.
30. Card passes and their movement.
31. Cash Imprest, if any.
32. Work started if any, without preparation of estimates or calling for tenders.
33. Review of log books. if any.
34. Handing over notes.
35. Review of last inspection reports both by Audit and Accounts.
36. Adjustment Mema.
37. Register of Advice Notes.
38. Departmental verification of stores.
39. Issue Notes and Advice Notes.
40. Progress reports of works.

44. PERMANENT WAY INSPECTOR

1. Attendance Register and Casual Leave Registers of subordinate staff.
2. Leave accounts of Group 'D' staff.
3. Fixation of pay of staff whose service records are kept in these offices.
4. Passes and P.T.Os. and wagon passes including stock of blank books and recording of issues in personal accounts of staff and issue of these to contractors.
5. Register of card passes and provision passes (including their movements).
6. Monthly returns of
 - (a) Building and P.M.W. Materials chargeable to Engineering Stores Suspense
 - (b) Imprest
 - (c) Surplus and
 - (d) material at site accounts.
7. Stores ledgers including tracing of issue notes and advice notes.
8. Clothing and uniform registers.
9. Tracing of posting of issue notes of stores into ledgers.

10. Review of T.A. journals of staff drawing less than Rs. 5000/- per month.
11. Scrutiny of contracts and agreements and delay in the execution of agreements.
12. Recovery of rent from staff and register of railway buildings.
13. Recovery of rent from lease of railway land, grass and sale of trees on Railway land:
14. Recovery of rent from buildings let to outsiders, Government Departments.
15. Ballast of stationery.
16. Register of stationery.
17. Register of Tools and Plant.
18. Empties rolls and their accounts.
19. Accountal of scrap materials.
20. Muster rolls and salary bills.
21. Register for occupation of rest house by railway and other officials.
22. Misc. Cash collections.
23. Review of previous inspection reports of Audit and Accounts.
24. Removal of coal ashes and picking up cinders.
25. Review of important files.
26. Stamp register.
27. C & P Ledgers.
28. Issue Notes and Advice Notes.
29. Identification register of temporary labour.
30. Review of handing over notes of P.W.l.s.
31. Credit Notes book.
32. R.M.C. Notes.
33. Review of sanction of temporary labour.
34. P. Way books.
35. Service records including annual verification of service of pensionable staff.
36. Gate Passes.
37. T.L.As.
38. Review of Thefts and Losses cases.
39. Review of progress of special works.
40. Scrutiny of stock sheets.
41. Accounts of Ashes.
42. Scrutiny of staff strength and justification thereof. .

45. INSPECTOR OF WORKS

1. Service Books, Leave accounts, attendance registers and casual leave register of subordinate staff including Group 'D' staff.
2. Passes and P.T.Os. and wagon passes including stock of blank books and recording of issue of personal accounts of staff and issue of these to contractors.
3. Register of card passes and provision passes (including their movements).
4. Monthly returns of :
 - (a) Building and P.W. Materials chargeable to Engineering Stock Suspense.
 - (b) Imprest.
 - (c) Surplus and
 - (d) Material at site accounts and account of consumable stores into ledgers.
5. Clothing, uniform Register.
6. Stores Ledgers and tracing of posting of issue notes of Stores into ledgers.
7. Review of T.A. Journals of staff drawing less than Rs. 5000/- per month.
8. Review of preparation of final charges.
9. Scrutiny of contracts and agreements and delay in the execution~ of agreements.
10. Scrutiny of measurement books (including standard Measurement Books).
11. Scrutiny of work orders and bills.
12. Recovery of rent from staff and register of Railway buildings.
13. Recovery of rent from buildings let to outsiders and Government Departments and recovery of rent from lease of railway land, grass and sale of trees on railway land.
14. Ballast train journals.
15. Register of tools and Plant, stationery and service stamps.

16. Admissibility or otherwise of amenities provided to Railway staff particularly in Railway colonies.
17. Recovery of taxes such as water occupiers and owners taxes from Railway Institutes and Government Departments occupying railway bungalows.
18. Adequacy of the hire charges recovery from contractors for supply of goods, steam road rollers and cranes etc. by the railway.
19. Empties and their accountal.
20. Muster rolls and salary bills.
21. Misc. cash collections.
22. Accountal of scrap materials.
23. Review of important cases.
24. Works started, if any, without calling for tenders or sanction of estimates.
25. Review of Log books including petrol account.
26. Identification register of temporary labour.
27. Review of handing over notes of I.O.WS.
28. Issue notes and Advice Notes.
29. Review of last inspection reports issued by Audit and Accounts.
30. C & P Ledgers.
31. Credit Notes Book.
32. R.M.C. Notes.
33. Material accounts Note Books.
34. Review of sanctions of temporary labour.
35. Review of materials supplied to contractors.
36. Materials repaired in I.O.Ws workshop.
37. Gate passes.
38. T.L.As.
39. Review of theft and losses\cases.
40. Comparison of dates, in measurement books with T.A. Journals.
41. Register of annual repairs to Railway Buildings, particularly in Railway colonies for white washing programme petty repairs, frequency in replacement of fittings such as wash basins, commodes and Chicks etc.

46. HEALTH INSPECTOR/MALARIA INSPECTOR

1. Attendance registers and casual leave account.
2. Stamp and Stationery account.
3. Muster rolls.
4. T.A. Journals of staff drawing below Rs. 5000/- per month.
5. Tools and Plant register.
6. Overtime and bonus bills.
7. Consumable stores and stores account.
8. Review of last reports issued by Audit and Accounts.
9. Service records including annual verification of service of pensionable staff.
10. Leave accounts.
11. Passes and P.TOs. account.
12. Register of Card Passes.
13. Clothing and Uniform Account.
14. Scrutiny of conservancy contracts.
15. Rent rolls and quarter register.
16. Issue Notes and Advice Notes or returned stores.
17. Empties and their accountal.
18. Accountal of scrap material.
19. Review of sanctioned strength.
20. Misc. cash collection, if any.
21. Credit Notes.

47. RUNNING SHEDS

1. Examination of muster rolls with ticket boards.
2. Comparison of muster rolls with the leave register.
3. Comparison of posting registers from engine tickets.
4. Review of coal handling bills from coal checkers register.
5. Stores ledgers including tracing of receipts of Stores from Issue Notes.
6. Review of coal account including losses and arrangement for periodical verification of stock.
7. Detention of engines for want of materials.
8. Office copy of salary bills.
9. Tools and Plant Register.
10. Misc. cash collections.
11. Coal ledgers and colliery bills.
12. Imprest stores and recoument etc.
13. Passes and P.T.Os.
14. Driver's overtime books.
15. T.A. Bills of staff drawing less than Rs. 5000/- per month.
16. Stationery and stamp account.
17. Arrangement for the attendance of shed staff or crews.
18. Demurrage on coal wagons.
19. Accounts of spare parts and surplus stores.
20. Labour Pay Sheets.
21. Clothing and Uniform account.
22. Sanctioned strength of staff.
23. Consumable stores ledgers and schedule, if any, fixed for consumable stores.
24. Contractor's Bills/Stores Bills.
25. Tenders contracts and agreements.
26. Attendance register and casual leave account.
27. R.M.C. Notes/Credit Notes.
28. Scrap materials.
29. 'Check of recovery of non-ferrous turnings/boring from shop floor.
30. Issue and Advice Notes.
31. Review of last inspection reports issued by Audit and Accounts.
32. Case of theft and losses.
33. Review of important files.
34. Register of machinery and plant.
35. Use of cranes.'
36. Transfer of machinery from shed to shed.
37. Rent rolls and quarters register.
38. Sale of cinder to Railway employee's etc. and private sale of coals, if any.
39. Engagement of substitutes in leave vacancy.

48. DIESEL SHEDS

1. Pay Bills.
2. Attendance register and casual leave account.
3. T.A. Bills. 4. Muster sheets.
5. Engine links.
6. Tools and Plant.
7. Uniform Account.
8. Stamp and Stationery Account.
9. Passes and P.T.Os.
10. Register of Card passes.
11. R.M.C. Notes and Credit Notes.
12. Issue Notes and Advice Notes.
13. Imprest Stores Ledgers.
14. Diesel Oil Ledgers.
15. Scrap ledger.

16. Work Orders.
17. Review of cases.
18. Check of attendance with tickets and system of marking of attendance.
19. Execution of tenders and contracts, if any.
20. Stores bills.
21. Report on loss of engine fittings.
22. Register of Plant and Machinery.
23. Use of disposal of cranes.
24. Hire of diesel engines from other Railways and engines loaned to other Railways.
25. Review of demurrage and wharfage cases.
26. Review of register of deficiencies.
27. Disposal of surplus materials.
28. Unnecessary detention of engines for repairs and shortage of materials etc.
29. Cases of thefts and losses.
30. Damages to engines due to careless and rough shunting.
31. Review of last inspection reports both by Audit and Accounts.
32. Transfer of material from one shed to another.
33. Engagement of substitute in leave vacancy.
34. Rent rolls and Quarter Register.
35. Arrangements for the bulk supply of diesel.

49. HEAD TRAIN EXAMINER/TRAIN LIGHTING INSPECTOR

1. Review of combined requisitions and issue Notes and their accountal in ledgers and card ledgers.
2. System of issue of materials to subordinates.,
3. Transfer of material from shed to shed.
4. Grant of leave to Group 'D' staff and tracing the same in the leave register.
5. Comparing of record of leave from muster rolls.
6. Accountal of Imprest Stores.
7. Engagement of substitutes in leave vacancies.
8. Register of tools and plants and dead stock register.
9. Stamp and Stationery account.
10. Clothing and uniform register.
11. Sanctioned strength.
12. T.A. journals of staff drawing less than Rs. 5000/- per month.
13. Service cards of Group 'D' staff.
14. Overtime bills and register, if any.
15. Attendance register and Casual leave account.
16. Periodical verification of stores.
17. Stores ledger.
18. Misc. cash collections.
19. Passes and P.T.Os.
20. Gate Passes.
21. Rent rolls and quarter register.
22. Workmen's compensation Act payments.
23. Hospital leave, quarantine leave and (Antirabic treatment cases).
24. Disposal of scrap and surplus stores.
25. Superannuation lists and increment certificates.
26. Damages to wagons etc. at junctions, yards and on trains and loss of tools by staff.
27. Periodical overhaul.
28. Review of important cases.
29. Review of last inspection reports issued by Audit and Accounts.
30. Oil and soaked cotton waste Account.
31. Detention of Rolling Stock specially for want of materials.
32. Card Pass Movement Register.
33. Provision of trollies and engagement of staff therefore, if any.
34. Review of previous inspection reports by Audit and Accounts.
35. Register of top initials of muster-sheets.
36. Review of cases of losses of train lighting equipments viz. bulbs, cable wire etc.

50. STATION MANAGER'S OFFICE (EXPENDITURE SIDE)

1. Attendance registers.
2. T.A. Bills and journals.
3. Salary Bill.
4. Tools and Plant including waiting room and guard's running room.
5. Consumable stores G.C. and empty account.
6. Postage account.
7. Stationery account.
8. Station Pay orders and supplementary pay sheets of substitutes.
9. Rent rolls and' quarter register.
10. Uniform account.
11. Passes and P.T.Os.
12. Leave account of Group 'D' staff.
13. Casual leave account.
14. Misc. cash collections.
15. Rent for plots to outsiders.
16. Vendors fees and their uniform account.
17. Washing of niwars.
18. Important cases.
19. Stock register.
20. Sanctioned strength.
21. Card Pass and their movements.
22. Recovery of license fee and other charges due from refreshment rooms contractors/vehicular traffic contractors. ~3.
Issue Notes and Advice Notes.
24. Review of previous inspection reports of Audit and Accounts. 25. Publicity and advertisement records.
26. Roster of guards.

51. YARD SUPERVISORS, TRAFFIC INSPECTORS, COMMERCIAL INSPECTOR, BLOCK-INSPECTOR, WIRELESS INSPECTOR, BOILER INSPECTOR, MECHANICAL BOILER INSPECTOR, GOODS SUPERVISOR FUEL INSPECTOR, INCHARGE WATER SOFTENING PLANT.

1. Muster rolls.
2. Attendance register and casual leave account.
3. Service cards of Group 'D' staff.
4. Leave accounts of Group 'D' staff.
5. Passes and PT.Os.
6. Stores ledgers.
7. Issue Notes and Advice Notes.
8. Verification reports of stores.
9. Stationery account.
10. Stamp account.
11. Misc. cash collections.
12. T.A. Journals of staff drawing less than Rs. 5000/- per month.
13. Tools and Plant register.
14. Office copy of salary bills.
15. T.A. and overtime bills.
16. Superannuation lists.
17. Increment certificates.
18. Clothing and uniform account.
19. Credit Notes/R.M.C. Notes.
20. Estimates, if any.
21. Rent rolls and quarter register.
22. Review of cases.
23. Review of previous inspection reports of Audit and Accounts.

52. MANAGER CATERING:

1. Tender Register and system of calling of tenders.
2. Schedule of commission of vendors.
3. Special catering arrangements for parties.
4. Schedule of approved contractors at different catering units.
5. Review of important files including policy files.
6. Report of stock verifiers.
7. Complaint from Public.
8. Concession to Railway servants.
9. Register of Card Passes.
10. Attendance register and casual leave account.
11. Stamp and stationery account register.
12. Review of last inspection reports issued by Audit and Accounts.
13. Review of purchase orders and agreements.
14. Statement of monthly expenditure and periodical returns.
15. Fixation of selling rates.
16. Register of dead stock.
17. Register of consumable stores.
18. Imprest Account.
19. Sanction strength.
20. Wastage and sanction to write off of losses.
21. System of account of Misc. cash receipts.
22. Surplus stock.
23. Fund Registers.
24. Receipt, custody and disposal of samples.

53. CATERING AND VENDING UNITS INCLUDING DINING CARS.

1. Cash memo and daily abstract of cash sale.
2. Account of cash and credit Bazaar purchase and cash and credit vouchers.
3. Statements showing debits and credits to table contingencies account including issues to table account.
4. Sale Account.
5. Profit and Loss Account.
6. Schedule of approved contractors.
7. Commission bills of sales men/vendors.
8. Station Master's and Unit catering Manager's cash book.
9. Verification of cash.
10. Remittance of cash.
11. Imprest Account.
12. Accounts of special catering arrangements for parties and foreigners.
13. Register showing daily receipts and consumption of food stuffs.
14. Schedule of commission to vendors.
15. Complain and suggestion book.
16. Wastage Register.
17. Stock verification reports.
18. Review of important cases.
19. Tender Register.
20. Stock register of Cash Merna.
21. Stock Register.
 - (a) Issue of materials to kitchen;
 - (b) Table contingencies Account.
22. Block stock register.
23. Account of empties and their disposal.
24. Tools and Plant Register.
25. Petty repairs register.
26. Purchase and Sales Register.
27. Pay Bills.
28. T.A. Bills.

29. Contingent Bills.
30. Casual leave account and Attendance Register.
31. Card Passes and their movement register.
32. Stores Bills.
33. Stamp and Stationery Register.
34. Rent rolls and Quarter register.
35. Clothing and Uniform Account.
36. Washing charges.
37. Sanctioned strength of staff.
38. Concession to Railway servants, if any.
39. Consumable stores.
40. Production analysis register.
41. Write off statements.
42. Position of outstanding bills.
43. Vendor's Register.
44. Passes and P.T.Os.
45. Coal account.
46. Cases of thefts and losses.
47. Breakage and loss of crockery, cutlery etc. and recovery thereof.
48. Position regarding regular submission of returns to the Accounts Office.
49. Realisation of security deposit from the vendors etc.
50. Issue Notes and Advice Notes.
51. Wagon Register.
52. Last Inspection Reports both by Audit and Accounts.

54. RAILWAY SUBSIDIZED HOSTELS

1. Imprest account.
2. Stores Bills.
3. Stores/Stock register.
4. Inventory of Dead Stock.
5. Attendance register and Casual Labour account.
6. Register of attendance of students in Hostel.
7. Review of Diet charges.
8. Eligibility of students for admission to the Railway Hostel.
9. Uniform Account.
10. System of recovery of charges from parents.
11. Issue Notes and Advice Notes of returned stores.
12. Review of last inspection reports issued by Audit and Accounts.
13. Pay bills, T.A. bills and contingent bills.
14. Review of important files.

55. PUMP CHARGEMAN/FITTER INCHARGE (PUMPS)

1. Attendance Register and casual leave account.
2. Passes and P.T.Os Account.
3. Issue and Advice Notes.
4. 'Card pass movement register.
5. Consumable/petty stores register.
6. Stores ledgers.
7. Repairs and maintenance Account of pumps.
8. Salary bills and muster rolls.
9. T.A. Bills.
10. Dead Stock register.
11. Stamp and Stationery Account.
12. Clothing and Uniform Account.
13. Review of sanctioned strength.
14. Superannuation list.
15. Overtime bills.

16. Stock verification of stores.
17. Records of plant and machinery.
18. Rent rolls and quarter register.
19. Stores returns.
20. Account of rough metal parts.
21. Numerical account of empties.
22. Gate passes.
23. Accountal and custody of scrap material.
24. Stores Purchase Bills.
25. Account of coal ashes, oil etc.

56. SUPERINTENDENT AREA

1. Quarter register.
2. Card passes movement register.
3. Passes and P.T.Os Account.
4. Uniform Account.
5. Stationery account.
6. Tools and Plant register.
7. Concession order books and their stock register:
8. Attendance register and casual leave account.
9. Stamp account.
10. Pay bills.
11. T.A. Bills of Group 'C' and 'D' staff.
12. Plot register, allotment of land on lease, agreement and rent etc.
13. Contracts and agreements of siding and cost of staff etc.
14. Remission of Wharfage and Demurrage.
15. Court cases.
16. Cash imprest.
17. Review of Important cases.
18. Last inspection reports of Audit and Accounts.
19. Outstanding dues to the Railway.
20. Register of Staff responsibility.

57. CASH VERIFICATION OF CHIEF CASHIER/D.C.P.M. AND PAY CLERKS ETC.

1. Cash Book of Chief Cashier and D.C.M.P./Pay Clerks etc.
2. Verification of cash by actual count is not necessary. The cash in hand with the Chief Cashier D.C.M.P./Pay Clerks, the unpaid bills outstanding and the amount of unpaid wages should be ascertained to see that no unauthorized use of money has been made..
3. Unpaid amounts and recoupment of cash.
4. Cash Book of E.C.Cs and cash balances.
5. Returns and paid vouchers and clearance certificates, obtained from the Accounts Office.

58. RAILWAY SCHOOLS

1. School fee accounts.
2. Tools and Plant including furniture supplied to teachers. 3. Account of books.
4. Review of school grants.
5. Office copy of salary bills.
6. Stamp and stationery account.
7. Imprest account, if any. 8. Clothing account.
9. Scholar attendance registers.
- 10 Recoveries of fines for absence and late payment of fee.
11. Free studentship and half rate fees.
12. Charges for transfer certificate.
13. Sanctioned strength.
14. Remittance of cash collections.
15. School budget and general financial position.
16. .System of accounts regarding submission of returns to Inspector of schools for purposes of Local Government grants.
17. Income and expenses regarding hostel, stationery, games and medical expenses.
18. Reconciliation of school accounts with Divisional Accounts Office books.
19. Passes and P.T.Os.

20. Leave Accounts and service records (including verification of service of pensionable staff).
21. Superannuation lists.
22. Attendance register and casual leave account.
23. Issue Notes and Advice Notes.
24. Pay Bills and T.A. Bills
25. Review of accounts of various funds maintained by the Cash Book.
26. Review of last inspection reports both of Audit and Accounts.
27. Review of annual reports of the school.
28. Cash Book.
29. Library account.

59. ELECTRICAL FOREMAN AND POWER HOUSES

1. Passes and P.T.Os and card passes movement register.
2. Inventory of dead stock.
3. Measurement book, if any.
4. Muster rolls and attendance and casual leave register.
5. Surprise check of one day's muster of labour staff.
6. Accounts of stores returned, imprest and consumable etc.
7. Coal account and verification of the stock of coal.
8. Work Order registers.
9. Accounts of electric bulbs and fans.
10. Accounts of power generated, distributed, billed for and leakage in transmission.
11. Service sheets and leave accounts.
12. Tenders and contracts, if any.
13. Accounts of materials spare from work orders.
14. Arrangement for the disposal of scrap materials.
15. Stamp and stationery accounts.
16. Imprest cash accounts.
17. Records of electric plant and machinery.
18. Gate passes.
19. T.A. Bills of staff drawing pay less than Rs. 5000/- per month.
20. Issue Notes and Advice Notes of returned Stores.
21. Rent rolls and quarter registers.
22. Misc. cash receipts.
23. Employment of staff on works other than those to which their pay is charged.
24. Adequacy of the numerical strength of the labour staff employed.
25. Agreement for the purchase of electric energy from Electric supply Co. etc.
26. Check of bills for power purchased from the Electric Supply Company.
27. Procedure for effecting recovery on account of electric current supplied to Railway staff quarters, institutes and affiliated institutions of the Railway.
28. Electric energy supplied. to outsiders and execution of agreements thereof.
29. Meter reading books.
30. Duty certificates.
31. Review of important files.
32. Review of previous inspections reports by Audit and Accounts.
33. Sanctioned strength.
34. Salary bills.
35. Clothing and linens account.
36. Coal Account.

60. WORKSHOP SHOP AND SHOP OFFICERS.

1. Check of muster bills including adequacy of sanctioned strength and surprise check of one day's muster.
2. Gate passes and their comparison with muster rolls.
3. Time sheets, operational check cards and gang cards.
4. Absentee registers along with monthly statement of L.A.P., L.H.A.P., paid holidays etc. overtime register and overtime requisitions.
5. Duty certificate of labour temporary employed out of the shops.
6. Employment of staff on works other than those to which their pay is charged.

7. System of allocating labour to particular work orders including system of booking of overtime.
8. System of payment of wages to labourers including the witnessing of payments during inspection.
9. Accountal and allocation of valuable stores and its verification and custody.
10. System of sending out materials from shops.
11. Accountal and custody of charged off stores.
12. System of taking out shop delivery notes for articles manufactured for other shops and intershop transfer notes of stores.
13. Accounts numerical of otherwise of materials spare from work orders etc.
14. Work orders register.
15. Initial records registers :
 - (i) Manufacture of timer i.e. Saw Mill
 - (ii) Manufacture of paint.
 - (iii) Cupola book and foundry account etc.
16. Accounts of consumable stores with schedules if any, fixed therefore.
17. Percentage of wastage in manufacture operations.
18. Check of recovery of non-ferrous turnings/borings from shop floor.
19. Inventory of Dead stock including machinery and Plant.
20. Manufacture accounts in Brass and Iron Foundry.
21. Accounts of rough metal parts.
22. Accounts of receipt and issue of various kinds of paint and paint shop.
23. Accounts of petrol consumed by Railway lorries.
24. Departmental verification sheets of raw materials.
25. Accounts of reclaiming section.
26. Mistry books recording time booked in each work order.
27. Shop time office ticket boards/G.A. cards.
28. Records of articles given on loan.
29. Numerical account of empties.
30. Accountal and custody of scrap material.
31. Records of private tools of workmen and contractors in use in shop.
32. Execution of private work orders for Railway employees, and outsiders and the adequacy of the charges recovered.
33. Accounts of patterns etc.
34. Account of valuable raw materials intended for manufacture purpose.
35. Account of surplus of stores received in the shop.
36. System of making the attendance.
37. Reconciliation of time sheets with muster rolls and of time books with sheets.
38. System of preparing muster rolls for coolies etc. for whom no time sheets are prepared.
39. Service records and leave accounts.
40. System of distribution of no-cost charges.
41. System of accounting and allocation of stores from time to time of their receipt to the time they are used upon work.
42. Disposal of surplus stores.
43. Clothing and uniform account.
44. Unit cost of manufacture of various items at different times.
45. Initial records of job costing such as route cards, job cards squad work, squad summary cards, proceeding Time Card for squad work, job cards for material tags, material requisitions, process sheets, route cards.
46. Review of records which are required to be maintained under incentive scheme and of work done under incentive schemes.
47. Weekend P.T.O. and check of passes and P.T.Os.
48. Short leave register.
49. Review of punishment cases of workshop staff.
50. Review of important cases.
51. Attendance register and C.L. Account.
52. Idle time cards and idle time slips.
53. Stationery register.
54. Issue Notes and Advice Notes.
55. Check of bonus cards and work order wise booking of labour and materials on that account.
56. Delay in the installation and commission of plants and machinery.
57. T.A. Bills.

58. Percentage of rejection of finished components and their disposal.
59. Account of gas cylinders replacement of those exhausted within the guarantee period.
60. Account of tools taken on loan from tool room.
61. Cost sheets.
62. Cost Cards.
63. Inspection forms.
64. Staff register.

61. TIME OFFICE OF A WORKSHOP.

1. Time sheets, operation check cards of gang cards, accuracy of time sheets to be checked by actual count.
2. Check of ticket boards and G.A. cards with reference to the questionnaire in (Appendix 2) labour records Railway Audit Manual.
3. System of reconciliation of Time Sheets and tally sheets with muster rolls.
4. Preparation of muster rolls for coolies etc. for whom no time sheets are prepared.
5. Certificates of labour temporarily employed out of the shops.
6. Inventory of Dead Stock.
7. Gate Passes.
8. Service Records and leave accounts and leave registers of Workshops staff.
9. Absentee registers and overtime registers.
10. System of payment of wages to labourers, witnessing payments during inspection.
11. System of booking overtime.
12. Review of the system of fixing machine rates.
13. Allotment of quarters and rent register.
14. Fixation of piece work rates and procedure for payment of profits.
15. System of payment of bonus to staff for construction of under frames.
16. Profit and loss on piece work jobs to see to the suitability or otherwise of the rates fixed.
17. Review of the working of the Hours of Employment Regulation and Factories Act.
18. Running of Workmen's trains.
19. Issue of tickets to workmen.
20. Review of workmen's train passes.
21. Attendance register and casual leave account.
22. Intimation of late attendance of shop clerk to shops concerned.
23. Register of vehicles sent out on trial.
24. Account of short leave to workmen.

62. WORKSHOP FOREMAN, DIVISIONAL WORKSHOP

1. Office copy of salary bills.
2. Muster rolls.
3. Service cards and leave accounts.
4. Shop orders.
5. Accounts of firewood and saw dust etc.
6. Stores ledgers.
7. Scrap materials account.
8. Work orders and their completion reports.
9. Contractor's bills and their work orders or agreement.
10. Work done for outsiders, if any.
11. Coal and timber accounts.
12. Private sale of coal.
13. Attendance register and casual leave account.
14. Issue Notes and Advice Notes.
15. Review of cases.
16. Review of last inspection reports by Accounts and Audit.

63. ROAD TRANSPORT INSPECTION/FOREMAN (Motors).

- I. Inventory of Dead Stock.
2. Sanctioned strength.
3. Total number of vehicles sanctioned justification for their existence.
4. Receipt and issue of consumable stores.
5. Imprest account, if any.
6. Stamp and stationery accounts.
7. Gate passes.
8. Departmental verification.
9. Passes and P.T.Os.
10. Estimates, if any, for the major repairs of vehicles.
11. Attendance register and Casual Leave Account.
12. Review of important cases.
13. Account of replaced articles (parts) of vehicles.
14. Advice Notes.
15. Uniform register.
16. Account of empties.
17. Disposal of surplus spare parts.
18. Review of log books and recovery of truck hire charges etc.
19. Rent rolls and quarter register.
20. Review of previous inspection reports by Accounts and Audit.
21. Petrol consumption account.

64. PRINCIPAL TRAINING SCHOOL.

1. Tools and plant register.
2. Consumable stores ledgers.
3. Accounts of books and magazines.
4. System of purchase of books and magazines.
5. Salary bills.
6. Attendance register and Casual leave account.
7. Rent rolls and quarter register.
8. Stamp and stationery accounts.
9. Imprest account and cash book.
10. Clothing and liveries account.
11. Sanctioned strength.
12. School Budget and general financial position.
13. Service books and leave accounts.
14. Superannuation lists.
- 15. T.A. Bills and contingent bills.
16. Muster roll of apprentices.
17. Increment certificates.
18. Telephone trunk call bills.
19. System of attendance of apprentices.
20. Gate passes.
21. Review of last inspection reports issued by Audit and Account.
22. Issue notes and Advice Notes.
23. Laboratory equipment, drawing and other instrument register.
24. Misc. cash receipts, if any.
25. Review of expenses in connection with the recruitment training of apprentices.
26. Recovery of cost of training from the apprentices who resign during the period of apprenticeship.
27. Review of agreements executed by the apprentices.
28. Inventory of heavy and light machines.
29. Sports account.
30. Review of various accounts maintained by the school.
31. Review of cases.
32. Review of sanctions to write off of losses due to theft and breakage.
33. Stores bills.

65. CHEMICAL LABORATORY

1. Attendance Register and casual leave account.
2. Tools and Plant.
3. Uniform account.
4. C & P Account.
5. Review of important cases.
6. Stamp and stationery account.
7. Issue Notes and Advice Notes.
8. Passes and P.T.Os
9. Card passes movement register.
10. Review of previous inspection reports issued by Audit and Accounts.
11. Sample register.
12. Accountal of Chemicals.
13. Gate passes.
14. Duty list of staff.

66. WAGON REPAIR DEPOT

1. Casual leave account.
2. Attendance register.
3. Stores ledgers.
4. Issue notes and advice notes.
5. Stationery account.
6. Stamp account.
7. Tools and plant register.
8. Clothing and uniform register.
9. Pay bills and T.A. Bills.
10. Register of wagons received and repairs.
11. Passes and P.T.Os.
12. Muster sheets.
13. Quarter register and rent rolls.
14. Overtime register.
15. System of sending materials from sheds.
16. Review of files.
17. Leave accounts.
18. Review of last inspection reports issued by Audit and Accounts.

67. STORES DEPOT

1. Arrangement for receipt, custody, storage of samples and issue of stores.
2. Accountal of vouchers of miscellaneous receipts.
3. Acknowledgement of stores received or issued by the parties concerned.
4. Procedure for checks and verification of received stores with approved specifications and samples and quantities actually received and disposal of rejected stores.
5. Gate passes and method of watching the stores going out of the Depot.
6. Account, custody and disposal of scrap materials.
7. Scrutiny of accounts of empty receptacles obsolete, unserviceable and scrap materials written off from the books but still in hand, method of their disposal and specially of scrap materials to be looked into.
8. Payment of wages to labourers including the witnessing of payments during the period of inspection.
9. Register of dead stock.
10. Casual leave account.
11. Register of stationery.
12. Register of service stamps.
13. Passes and P.T.Os.
14. Imprest cash account, if any and cash book.
15. T.A. journals of staff drawing less than Rs. 5000/- per month.
16. Attendance register, muster roll and staff books and general system of attendance of employees.
17. General review of record of missing stores.
18. System of delivery of materials.

19. Freight bills of materials sent out of depots to outsiders.
20. Scrutiny to see whether private articles etc. of officers proceeding on long leave are stored inside deposit and if so, whether necessary charges are recovered.
21. Articles sent out in stores delivery vans.
22. Breakages etc. written off under competent sanctions.
23. Procedure for verification by the issuing officer of the part of the quantity and quality of stores issued from stock or recording them in documents which subsequently form the basis of accounts adjustments.
24. System of posting receipts and issue in Numerical cards or ledgers.
25. Heavy stock (*a*) too see whether action taken to (*b*) that the average and annual consumption and the normal balances are suitably related to each other and (*c*) that the terms in which there has been not transactions for several
26. years are duly reported to proper authority for suitable action.
27. System of forwarding list of surplus stores to other Railways.
28. Accuracy of weighing machines and weighbridges and procedure of checking these occasionally.
29. Coal and coke accounts and procedure for verification thereof.
30. Accounts of patterns.
31. System of stock verification to see that verification is not confined only to those items, the stock of which are low.
31. Action taken on differences brought out as a result of stock verification.
32. Arrangement for the return and valuation of returned stores.
33. System of delivery of materials to workshop.
34. System of accounting of misc. cash receipts.
35. Clothing and liveries account.
36. Procedure for requisitioning, receiving and distribution of stores received from overseas.
37. Receipt returns and issue notes.
38. Cases of theft and losses.
39. Scrutiny of purchase orders and agreements.
40. Requisition register.
41. Work order register, if any.
42. -Review of cases.
43. Review of last inspection reports issued by Audit and Accounts.

68. RECEIPT SECTION.

1. Gate passes.
2. Register of approved samples.
3. Register of rejected stores and rejection Memo.
4. Challans Number Register.
5. Inward wagons register and delay in the release of loaded wagons.
6. Credit notes.
7. Wharfage and Demurrage charges.
8. Ground Rent Register.
9. Delay in accounting for receipt of Challans.
10. Tools and Plant Register.
11. Tally Register.
12. Arrangements for receipts including weighment, tallying of receipts with bills.
13. Inspection of material and accountal with bills.
14. System of sending materials to respective wards.
15. Register of test charges.
16. Stationery register.
17. Misc. cash receipts.
18. Recovery of ground rent charges in respect of rejected stores.
19. To see if the rejected stores are renewed by the suppliers within the stipulated time and also to ensure that material passed by the Inspection Branch, the D.G.S. & D. but rejected by the indentor as being not conforming to the specification are disposed of properly.
20. Review of important cases.
21. To see that an actual count or weighment or measurement as well as check of quality by reference to the samples or specifications is made in every case and that the vendors quantities shown in the railway receipts are not accepted without such check.

69. DESPATCH SECTION

1. Review of log books.
2. Review of duty slips.
3. Gate passes.
4. Review of consumption of petrol. 5. Tools and Plant register.
6. Stationery Register.
7. Consumable stores register.
8. R.M.C. Notes.
9. Credit Notes.
10. Register of goods booking.
11. Register of passenger booking. 12. Casual leave account.
13. Attendance registers.
14. Register of local delivery.
15. Demurrage charges statement.
16. System of issue of stores including the procedure relating to gate passes and seeing whether materials sent out are correct according to issue vouchers and whether arrangements for delivery to departments etc. are satisfactory.
17. To see if there is proper account of all issues and there is no delay in respect of account of Stores issued.
18. To see the steps taken to fix responsibility for loss of stores in transit.
19. To see whether sufficient arrangements exist to guard against removal of stores by man under the false identity as representative of indenters or firms.

70. SURPLUS AND SCRAP SECTION

1. Scrutiny of the arrangement for the accountal custody and disposal of scrap and surplus material.
2. Procedure adopted for custody of scrap during auction.
3. The rates fixed for scrap and those obtained during auctions.
4. Procedure for verification of scrap especially valuable scrap.
5. To see whether proper accounts are kept of all obsolete, unserviceable and scrap materials which are written off the books but are still in hand.
6. To see whether auction able materials are kept separate from those that are not to be auctioned.
7. To see that proper price is obtained for scrap material.
8. To see that suitable arrangement exist to ensure in the case of materials sold whether by auction or otherwise, that only such materials are issued from Stock or Workshop or site of works as have actually been sold and that the description and quality as well as quantity of the material are correct.
9. System of circulation of list of surplus stores of other Railways to ascertain their requirements before letting to the public.
10. Adequacy of rate fixed for sale of empties, scrap wood etc. to the Railway employees as compared to the market rate.
11. It should be examined how the rate of loading charges for material sold by auction or otherwise, has been arrived at and that the charges due have been correctly recovered and credited to the Railway. In this connection auction sale account, delivery orders, stock verifier register and the register maintained in the yard should be referred to.
12. Auction sale accounts, both for Misc. items and for scrap material received in the accounts office should be taken for comparison with the original record kept in the stores yard.
13. Review of survey committee report.
14. Review of lot register.
15. Cash Remittance Notes.
16. Recovery of ground rent from the contractor removing auctioned materials.

71. ADVICE NOTE SECTION

1. Adequacy of loading charges for material sold by auction or otherwise.
2. Check of auction sale account.
3. Delivery orders.
4. Stock verifier register.
5. Tools and Plant Register.
6. Crane charges register.
7. Shunting order register.
8. Tracing of Advice Notes of returned stores marked as automobiles into the stores ledgers.
9. Comparison of auction sale account of Misc. items and for scrap material received in Accounts Office with the original record maintained in the Stores yard.
10. Accountal of Stores received without Advice Notes.

11. Review of register of advice notes of returned stores (Para 1719-S).
12. Arrangements for the return and valuation of returned stores.
13. Review of last inspection reports issued by Audit and Accounts.

72. TIMBER DEPOT

- 1.. Stock verification reports.
2. Requisition register.
3. Pending demands.
4. Numerical ledger.
5. Gate passes.
6. Stamps account.
7. Depot transfer issue notes.
8. Workshop receipt orders.
9. Wagon registers.
10. Dead stock register.
11. Review of outstanding cases.
12. Issue Notes.
3. Disposal of scrap timber.
14. Review of last inspection reports both by Audit and Accounts.
15. Credit Notes.
16. R.M.C. Notes.

73. TRANSHIPMENT CENTRE

1. Attendance register.
2. Casual leave account register.
3. Stationery Account.
4. Stamp Account.
5. Register of tools and plant.
6. Register of receipt and despatch of coal wagons.
7. Muster rolls.
8. Contractor's bills.
9. Work Orders.
10. Contract or agreements.
11. Disposal of sweepings of coal left on the line after transmission of coal into metre-gauge.
12. Accountal of shortage of coal etc.
13. Statements of wagons received and re-booked.
14. Procedure followed regarding marking of wagons containing loco-coal or pasting of suitable labels, while washing of top surface of coal loaded in open wagons.
15. System of transshipment in minimum number of wagons to save unnecessary haulage.
16. Situation of labour huts.
17. Unnecessary handling.

74. STATION ACCOUNTS

(i) Passenger Traffic:

1. Verification of cash and arrangements for custody of cash.
2. System of sale and collection of tickets at the station.
3. System of indenting, verification and custody of tickets, luggage and E.F.T. Books.
4. Review of collected tickets to see that:
 - (i) these are stamped with the date of collection.
 - (ii) these are cancelled immediately after collection before these are sent to Accounts Office.
 - (iii) The station and audit returns are posted up-to-date. (iv) the number of missing tickets is not large.
 - (v) the charges in respect of irregular tickets are collected.

Note: Audit should not undertake the work of collecting tickets at the gate during station inspection but only witness the same.
5. Check of continuity of tickets in the ticket tubes and to see that the number missing and also ticket received mutilated or bearing wrong or double impression have been duly reported to the ticket printing press.
6. Check of tickets stock book as also stock of tickets.
7. Check of excess fare tickets books and excess fare tickets returns.

8. Monthly season tickets account and deposit.
9. Attendance registers of staff.
10. Check of trains' cash book, Summary regarding the periodical inspection of the tubes including review of certificate recorded by the Station Master.
11. Register of collected tickets.
12. Review of T.I.A's report and test check of work done by T.I.A.
13. Review of B.P.A's and B.P.T's reg
14. Police warrants.
15. Review of charge sheets.
16. Special duty passes.
17. Review of special tickets/soldiers tickets, excess fare tickets, luggage/left luggage, Animals and Birds tickets, cloak room tickets, platform tickets and Reservation tickets.
18. Check of Guard signature book for cash bag.
19. To ensure that the particulars of the tube regarding the fare and destination of the tickets agree with those on the tickets.
20. Check of cash Remittance Notes and Telegraphs Receipts.
21. Check of tickets as per tubes with the trains cash book.
22. Review of the disposal of error sheets.
23. To see that the cash books are kept properly, totals are struck daily and the amount included in that is sent to the Reserve Bank/Treasury or the cash offices.
24. To see that the Reserve Bank/Treasury/Cash Office acknowledgements are for correct amounts and are received in time and are duly attached to the counter foils of the Cash Remittance Notes concerned.
25. Review of reservation coupons.
26. Emergent Police Passes.
27. Review of Station out standings.
28. Condition of Equipment of the Station, viz. Dating machine, weighing machine and Station stamp.
29. Stock of stationery and forms.
30. Review of codes, publications, rates circulars supplied to stations.
31. Review of ticket collector's report register.
32. Submission of returns on due dates.
33. Review of last inspector reports issued by Audit and Accounts.
34. Refund of cost of tickets etc.
35. Guards Certificate
36. Register of non-issued tickets.
37. Check of retiring room register with reference to the retiring room tickets sold.
38. The Sale account of tickets sold by the parent station to the local agent of halt stations should be completely checked in respect of commencing and closing numbers and it should be seen that the amount realised is duly accounted for in the Daily Trains Cash Book of the parent station. Further the particulars of the tickets sold as per sale account of the parent station should be compared with the Daily Trains Cash Book of the Halt Station and it should be seen that these tickets had not been shown as sold by the Halt Station prior to the actual date of sale of tickets and remittance by the parent station.
39. The genuineness of the student concession orders issued by the recognized institutions available at the station at the time of inspection, should be checked with reference to the specimen of stamp of the institution and specimen signatures of Heads of Institutions as also with reference to the Monthly Statements (received from Divisional Railway Manager's Office) showing number of books of concession certificates supplied to the Institutions.
40. Check of sale of time tables guides etc.
41. Review of recoveries due from Stall-vendors, platform vendors etc.
42. Arrangements for prevention of ticket less travel such as provision of proper fencing, guarding of exist.
43. Check of bedding hire charges at bed maintaining stations.
44. Surprise check of sleeping accommodation in IInd Class sleeper.
45. Soap and towel hire charges in 1st Class waiting rooms at stations.

74. (ii) **PARCEL TRAFFIC:**

1. Verification of cash.
2. Inventory of parcels.
3. Parcel Delivery Book.
4. Demurrage/wharfage returns.
5. Comparison of S.No. 3 and 4.

6. To see that parcels in hand have not been shown as delivered as delivery books, and to see that the deliveries have been made on collection of receipts, indemnity bonds and they are signed for in the delivery book. The date of unloading should accord with the entries recorded in the tally book.
7. Check of P. Way Bill both paid and To-pay (inward and outward).
8. Stock of P. Way Bill books.
9. Parcel unloading register.
10. Reweighment of parcel received and returned.
11. Review of T.I.A's reports and test check of work done by T.I.A's.
12. Review of charged sheets.
13. Review of compensation cases, if any.
14. Preparation of test balance sheets and investigation of discrepancies.
15. Unaccounted for P.W. Bills.
16. Condition of equipment of the station viz. Weighing machine, station stamps.
17. Review of Codes, publications, rate circulars supplied to stations..
18. Review of parcel cash book.
19. Review of inward parcels delivery book with unloading tally book.
20. Submission of returns on due dates.
21. Refund of overcharges.
22. Ground rent register.
23. Misc. cash receipts and cash Remittance Notes.
24. Execution of consignment notes in case of outward despatches.
25. Accounts of tools and plant, stationery and forms and clothing etc.
26. Review of error sheets.
27. System of indenting, verification and custody of P.W. Bills.
28. Review of last inspection reports issued by Audit and Accounts.
29. Guards signatures book for packages.
30. Register of unclaimed articles.
31. To examine a few free service way-bills to see that nothing other than the required articles are despatched free.
32. Review of the register of mis-declaration of the parcels.

74. (iii) GOODS TRAFFIC

1. Verification of cash.
2. Inventory of Goods and Wagons.
3. Goods inward delivery books-review of, to see that all cases where demurrage and wharfage was due have been correctly entered in the demurrage/wharfage returns.
4. Consignments and goods in hand should be examined with the Delivery Book to see that all goods in hand have not been shown as delivered, that deliveries have been made on collection of receipts, or on indemnity bonds and that they are signed for in the Delivery Books. It should also be seen that the dates of unloading of consignments accord with the entries recorded in the unloading books, the tally book, wagon register and vehicle reports.
5. Wharfage and Demurrage returns.
6. Goods unloading register.
7. Reweighment of goods received and returned.
8. Check of invoices.
9. Check of Missing Goods Returns
10. Review of Pay order~ for claims.
11. Outstanding of station account and review of station outstanding register.
12. Wagon registration fee and refund thereof.
13. Register of plots and recovery of rent therefore.
14. Attendance register of staff and Casual Leave account.
15. Review of handling bills.
16. Wagon register.
17. Review of balance sheets.
18. Review of T.I.A.' s report and test check of work done by him.
19. Encroachment cases.
20. Inventory of dead stock.
21. Review of charge sheets.
22. Preparation of test balance sheets.

23. Advertisement boards misc. earnings.
24. Form of indemnity bonds, and stock thereof including check of sale of indemnity bonds as per indemnity bond register.
25. Accountal of error sheets.
26. Review of unaccounted for invoices.
27. Condition of equipment of the stations viz. weighing machines, weigh bridge and station stamp.
28. Review of codes, publications, rate circulars supplied to stations.
29. Gate passes including gate pass register and system of delivery of goods.
30. That the cash books are properly kept and that daily totals have been struck and the amount including in that sent to the Reserve Bank, Treasury or the cash office. The correctness of cash remittance notes should be verified. It should be seen that the Reserve Bank, Treasury, Cash office acknowledgements are for correct amounts, are received in time and are duly attached to the counterfoils of the cash remittance notes concerned.
31. Review of last inspection report issued by Audit and Accounts.
32. Cash Remittance Notes.
33. Daily remittance of cash and vouchers.
34. Credit Notes Register.
35. Submission of returns on due dates.
36. Stock of unused books.
37. Transshipment register and transshipment bills.
38. Remission orders.
39. Ground rent register.
40. Siding charges.
41. Review of payments out of station earnings.
42. Imprest account, if any
43. Account of Inter-changed Railway stock at Joint stations.
44. Execution of consignments note for outward despatch.
45. Tally books, vehicle register, index books and invoices register of Railway material received and despatched.
46. Review of claim cases paid by S.M. and Claims Inspectors for Rs. 50/- and below.
47. Check of transshipment bill for the original records maintained at the station (if the station selected happens to be a transshipment point).
48. Review of inward and outward traffic to see whether a particular traffic originating from or received at the station is being charged at lower rates Le. under wrong classification. 49. Scrutiny of Railway material traffic. 50. Scrutiny of Railway Money Receipt books with reference to amounts remitted as per cash book.
51. Review of:
 - (i) Index register :
 - (ii) Periodical inventory register.
 - (iii) Register of sender's weight accepted/reweighment;
 - (iv) Wagon transfer/Exchange register. 52. Scrutiny of crane-hire charges statement.
53. Check of free service books to see that nothing except the required articles are despatched free.
54. Scrutiny of siding register with reference to wagon exchange book showing movements of wagons from and into sidings and whether those which are open have been included in the Tariff and siding statements are prepared for all sidings.

75. Deputy Chief Commercial Manager (Claims)/Senior Commercial Officer, Varanasi.

1. Attendance register and Casual Leave account.
2. Office orders regarding actual date of taking higher duties and posting in the service records.
3. Service records and leave accounts.
4. Verification of increment certificates.
5. Check of fixation of pay.
6. T.A. Bills.
7. Stamp and stationery account.
8. T & P Register.
9. Misc. Receipts, if any.
10. Clothing and Liveries account.
11. Imprest account.
12. Review of sanctioned strength.
13. Review of important cases.
14. Check of passes and P.T.Os and Card Passes including movement register.
15. Rent rolls and quarter register.

16. Check of settlement cases.
17. Appointment of substitutes, if any.
18. Review of last inspection reports issued by Audit and Accounts.
19. Review of register of staff responsibility.

76. JOINT RATES INFORMATION BUREAU

1. Attendance Register.
2. Casual Leave Account.
3. Stamp and Stationery Register.
4. Tools and Plant Register.
5. Issue Notes and Advice Notes.
6. Uniform Account.
7. C & P Account.
8. Review of important case~.
9. Salary bills and T.A. Bills.
10. Register of losses, if any. .
11. Review of previous inspection. reports issued by Audit and Accounts.
12. Review of sanctioned strength.
13. Passes and P.T.Os including card passes movement register.

77. RESERVATION AND BOOKING OFFICE

1. Attendance register.
2. Casual leave account.
3. Tools and Plant Register.
4. Uniform account.
5. Review of salary bills.
6. Stamp and stationery account.
7. Consumable and petty stores register.
8. Trunk call register.
9. Review of cases.
10. Review of last inspection reports issued by Audit and Accounts.
11. Review of sanctioned strength.

78. SENIOR MECHANICAL INSPECTOR, GHAZIABAD.

1. Attendance Register and Casual Leave Account.
2. Leave accounts and Service books.
3. T.A. Bills.
4. Rent Rolls and Quarter Register.
5. Pay Bills.
6. Passes and P.T.Os.
7. Card passes movement register.
8. Issue Notes and advice notes.
9. C & P Account.
10. T & P Account.
11. Uniform Account.
12. Stamp and stationery account.
13. Review of cases.
14. Review of previous inspection reports issued by Accounts and Audit.
15. Contingent bills.
16. Hostel account.
17. Stores bills, if any.
18. Library account.
19. Review of Expenditure Register

79. VIGILANCE BRANCH, INSPECTOR (CRIME INTELLIGENCE).

1. Attendance Register and Casual Leave Account.
2. Travelling allowance,
3. Travelling Allowance.
4. Contingent bills.
5. Index Register and review of important cases involving frauds, misappropriations of money and stores etc.
6. Review of periodical reports sent to the Railway Board.
7. Rent rolls and quarter register.
8. Library Account.
9. Issue Notes and Advice Notes, if any.
10. Review of sanctioned strength.
11. Review of the activities of the Vigilance Organisation.
12. Review of complaint cases.
13. Position regarding outstanding cases for investigation etc.
14. Review of the various suggestions made by the Vigilance Organisation to plug the loop' holes in departmental instructions etc.
15. Review of previous inspection Reports Issued by Accounts and Audit.

80. LITIGATION BRANCH

- I. Casual Leave Account.
2. Attendance Register.
3. Absentee statement sent to Personnel Branch.
4. Bills Register.
5. Register of card passes.
6. Library account.
7. Review of important cases
8. Register of tools and plants.
9. Review of last inspection reports issued by Accounts and Audit.

81. SENIOR ELECTRICAL ENGINEER/DIVISIONAL ELECTRICAL ENGINEER/T.R.D./R.S./P.S.I. AND T.M.S.

- I. Muster rolls, attendance register and casual leave account.
2. Travelling allowance bills and salary bills.
3. Tools and Plant Register and Dead Stock Register.
4. Clothing and uniform register.
5. Work Orders.
6. Requisition and issue notes of stores and pairing of issue notes.
7. Stores ledgers.
8. Freight bills.
9. Stores returns.
10. Estimates.
11. Electricity purchase bills, if any.
12. Measurement books.
13. Contractor's Books.
14. Tenders Books.
15. Imprest Cash Account, if any.
16. Quarter Register.
17. Card passes movement register and passes and P.T.Os.
18. Review of completion reports.
19. Review of rebate bill register.
20. Review of last inspection reports issued by Audit and Accounts.
21. Progress report of works.
22. Review of escalator clause agreement.
23. Review of important files.
24. Advances Register.
25. Leave Accounts.
26. Log Books of Jeeps and Trucks.

27. Purchase orders and stores bills.
28. Fuel Account.
29. Plant and Machinery Register.

82. C.T.F.O/OHE/PSI/GSS.

1. Passes and P.T.Os. and Card Passes movement register.
2. Inventory of Dead stock.
3. Muster rolls and attendance and Casual leave register.
4. Surprise check of one day's muster of labour staff.
5. Account of stores returned, imprest and consumable etc.
6. Coal account and verification of the stocked coal.
7. Work order register.
8. Service sheets and leave accounts.
9. Tenders and contracts, if any.
10. Account of materials spare from work orders.
11. Arrangement for the disposal of scrap materials.
12. Stamp and Stationery accounts.
13. Imprest and cash accounts.
14. Records of electric plant and machinery.
15. Gate passes.
16. Travelling Allowance bills of staff drawing pay less than Rs. 5000/- per month.
17. Issue Notes and Advice Notes of returned Stores.
18. Rent rolls and quarter register.
19. Misc. cash receipts.
20. Employment of staff on works other than those to which their pay is charged.
21. Adequacy of the numerical strength of the labour staff employed.
22. Duty certificates.
23. Review of important files.
24. Sanctioned strength.
25. Review of previous inspection reports issued by Audit and Accounts.
26. Salary Bills.
27. Clothing and livery account.
28. Fuel account.
29. Tour Notes and Inspection Notes of the officers.
30. Demurrage and wharfage charges.
31. R.M.C. Notes and Credit Notes.
32. Engagement of substitutes in leave vacancies.
33. Review of log books.
34. Advances Register.
35. Theft reports and write off statements
36. Purchase orders and Stores bills.

83. E.D.P.

1. Does the auditee have on EDP policy or clearly defined objectives for acquiring EDP facilities ?
2. How much has been invested in commissioning the facilities and the details of inventory, both hardware and software ?
3. Are the installed EDP facilities adequate to meet the objectives?
4. How are the resources utilised ?
5. What are the applications processed on the EDP facilities and their utility and impact on management/users?
6. Is there a relationship between the management objectives and the products churned out by the Computer Centre?
7. What is the extent of controls with reference to installation, application and processing to ensure safety of assets, data integrity and reliability of end products ?
8. Is there a review of EDP functioning by management and, if so, what is the periodicity ?
9. What does the EDP set up fit in, considering the overall auditee organisational set up and what is the position of the EDP incharge ?

Appendix-VI

ASOSAI GUIDELINES FOR DEALING WITH FRAUD AND CORRUPTION

PREFACE

In its 31st meeting held in Manila in 24 October, 2002, the Governing Board of ASOSAI established an ad hoc Working Group and a Core Member Task Force to develop regional guidelines for dealing with fraud and corruption. While the Working Group comprised nominees of the SAIs of Bangladesh, India, Japan, Korea, Malaysia, Nepal, Pakistan, Philippines, Thailand and Turkey, the SAIs of India, Japan, Pakistan and Philippines were represented on the Core Member Task Force.

The work for developing the Guidelines was initiated by the SAI of Japan by conducting a questionnaire-based survey on existing approaches and practices followed by member SAIs. The survey was conducted from December 2002 to January 2003.

The SAI of Japan also developed a Base Document for the Guidelines taking into consideration the responses to the survey questionnaire and related professional material. A Working Draft of the Guidelines was developed by the Working Group during a two week Workshop held in Tokyo from 12th to 23rd May 2003. The Working Draft was refined into the First Exposure Draft of the ASOSAI Audit Guidelines on Fraud and Corruption by the Core Member Task Force. The First Exposure Draft was sent to all the Governing Board members for their comments in 23 July 2003.

Taking into consideration the comments of the Governing Board members on the First Exposure Draft, the Core Member; Task Force prepared a Second Exposure Draft, which was sent to all the ASOSAI members as advance information for the 9th ASOSAI Assembly in 9 October 2003. After that, further efforts had been made by the Core Member Task Force to refine the Draft into the Final Draft of the ASOSAI Guidelines for Dealing with Fraud and Corruption.

The Final Draft was discussed and supported by the Training Committee on 19 October 2003, and approved at the 32nd Governing Board meeting on 20 October 2003, and the 9th Assembly on 22 October 2003.

In the ASOSAI Guidelines for Dealing with Fraud and Corruption, 30 specific audit guidelines on fraud and corruption are included. Each guideline refers to an auditing principle/standard and guidance prescribed by the INTOSAI auditing standards. The guidelines also include a chapter dealing with understanding fraud and corruption by auditors of the member SAIs.

The ASOSAI Guidelines are expected to be used as the model for each SAI to develop its own Guidelines. Accordingly, each SAI may modify the Guidelines applicable to each country. The Guidelines will be greatly beneficial to auditors of member SAIs when they deal with fraud and corruption cases.

I. INTRODUCTION

BACKGROUND

- 1.1** Fraud and corruption have increasingly become important concerns for countries around the world. The role of audit in addressing this concern has come under critical scrutiny. There is an increasing expectation that SAIs should, through concerted action, play an effective role in promoting a culture that values honesty, responsibility, and accountability in the exercise of authority and utilization of national resources.
- 1.2** This expectation is embodied in the INTOSAI Auditing Standards in the following words:

Auditors need to be alert for situations, control weaknesses, inadequacies in record keeping, errors and unusual transactions or results, which could be indicative of fraud, improper or unlawful expenditure, unauthorized operations, waste, inefficiency or lack of probity. (Paragraph 2.2.41, General Standards in Government Auditing).
- 1.3** The XVI INCOSAI held in Uruguay in 1998 discussed “the Role of SAIs in Preventing and Detecting Fraud and Corruption” as one of its themes signifying a growing awareness of the INTOSAI to a problem that affects in varying degrees the individual member countries and collectively poses a challenge for the auditing community.
- 1.4** The Uruguay INCOSAI agreed that corruption in government results in waste of resources and reduces economic growth and the quality of life, and it undermines the credibility of state institutions and reduces their effectiveness. A realization was flagged that a strong correlation apparently exists between corruption and the weakening of state institutions. An understanding emerged that corruption often links up to the socioeconomic environment of the population, like social injustice, poverty, and violence, and that a country’s traditions, principles, and values influence the nature of corruption. While registering the gravity of the challenge posed by corruption, the INTOSAI community also observed that it is difficult to detect many acts of corruption and to estimate their financial impact as the loss does not necessarily get reported in the financial statement.
- 1.5** The Uruguay INCOSAI adopted the following Accords:

SAIs agree that and corruption are significant problems affecting all countries in varying degrees and that the

SAIs can and should endeavor to create an environment that is unfavorable to fraud and corruption. As provided in the Lima Declaration adopted by INTOSAI in 1977, SAIs agreed that they should be independent and have adequate mandates that enable them to effectively contribute to the fight against fraud and corruption. It was also agreed that, where possible, SAIs should:

1. seek an adequate level of financial and operative independence and breadth of audit coverage;
2. take a more active role in evaluating the efficiency and effectiveness of financial and internal control systems and aggressively follow up on SAIs recommendations;
3. focus audit strategy more on areas and operations prone to fraud and corruption by developing effective high risk indicators for fraud;
4. establish an effective means for the public dissemination of audit reports and relevant information including, establishing good relationship with the media;
5. produce relevant audit reports that are understandable and user-friendly;
6. consider a closer cooperation and appropriate exchange of information with other national and international bodies fighting corruption;
7. intensify the exchange of experiences on fraud and corruption with other SAIs;
8. encourage the establishment of a personnel management procedures for the public service that selects, retains, and motivates honest, competent employees;
9. encourage the establishment of guidance for financial disclosure by public servants and monitor compliance as part of the ongoing audit process;
10. use the INTOSAI Code of Ethics to promote higher ethical standards and a code of ethics for the public service;
11. consider the establishment of a well publicized means to receive and process information from the public on perceived irregularities; and
12. continue work regarding fraud and corruption through INTOSAI's existing committees and working groups: for example the Auditing Standards Committee will consider these issues as part of developing implementation guidance as part of a broader standard framework.

1.6 In furtherance of the INTOSAI framework, ASOSAI initiated in December 2001 a project for Strengthening the Regional Training Capability which focuses on the improving audit skills for fraud detection. One of the major focus areas of the project is the development of regional guidelines on fraud and corruption, an initiative that received formal sponsorship of the ASOSAI in the meeting of the Governing Board held in Manila in October 2002.

1.7 It is hoped that these Guidelines will become a useful reference and guidance material for the SAIs of the region and would be instrumental in sensitizing auditors to concerns arising from fraud and corruption and would assist them in taking timely and appropriate action.

DEFINITIONS AND CORRELATION

1.8 Chapter II of the Guidelines which deals with conceptual issues related to fraud and corruption, lists some of the many general and specific definitions of fraud and corruption. The multiplicity of definitions underscores the various ways in which fraud and corruption are perceived and conceptualized. In their broadest connotation the terms fraud and corruption can be defined as follows:

FRAUD involves deliberate misrepresentation of facts and / or significant information to obtain undue or illegal financial advantage.

CORRUPTION involves effort to influence and / or the abuse of public authority through the giving or the acceptance of inducement or illegal reward for undue personal or private advantage.

1.9 Fraud is most likely to involve deliberate misrepresentation of information that is recorded and summarized by an entity; its impact can be compared to an accounting error and would involve issues such as measurement, occurrence, and disclosure. Fraud poses a serious problem from an audit perspective because it is normally accompanied by efforts to cover/falsify/misdirect entity records and reporting. The efforts to misrepresent may involve the management itself – an aspect that has received considerable attention in the wake of major corporate failures. When management gets involved in the perpetration of fraud, the activity assumes the proportion or the additional bearing of corruption. Fraud and corruption are therefore interlinked, although certain types of fraud do not necessarily qualify for being viewed as corruption and can be perpetrated by an individual or a small group. The problem which corruption poses for audit is that it links up as a concept with the acts of bribery. It is possible to conceive of situations where bribery may have a direct impact on financial statements for example where a corporation pays an influential decision-maker a bribe to secure a contract. In such situations the issue of proper disclosure is involved because the corrupt practice of the illegal payment/expense is normally covered up through an accounting or reporting fraud. However, in many instances corruption does not necessarily result into transactions that are recorded and reported by the entity. This especially applies to situations where a position of authority or discretion available under rules is enmeshed by an official in the public sector. Such corruption, which because of its widespread prevalence, may be most responsible for undermining the social

fabric and the credibility and functioning of state intuitions, does not normally get reflected in information that comes in the purview of audit.

- 1.10** The Guidelines therefore propose that while fraud and corruption should be perceived independently for their numerous implications, the auditors should be well aware of the complex correlation between the two. In the Guidelines the two will be treated in combination, but attention would be drawn to possibilities of separate treatment, wherever the situation so warrants.

RESPONSIBILITIES FOR PREVENTION OF FRAUD AND CORRUPTION

- 1.11** It is an essential function of Management to establish controls and safeguard assess of the entity. It is also a primary responsibility of management to meticulously record all material transactions and fairly report the results of the operations of the entity. The primary responsibility for establishing an environment that prevents valuable entity assets from being lost through fraud and corruption therefore clearly rests with the management. Further, since good management practices require the establishment of adequate controls and checks, the responsibility to detect fraud and corruption is a natural corollary of the responsibility to establish an environment that prevents and deters fraud and corruption. This responsibility includes the taking of remedial steps, including such disciplinary/punitive/legal action as the circumstances may warrant and also includes the obligation to bring about changes to policies and procedures for ensuring that similar cases will not happen again.
- 1.12** This reaffirmation and unambiguous recognition of the primary role and responsibility of the management, however, does not relieve the auditor of his responsibility to provide a credible assurance within his SAI's audit mandate about the actions taken by the management or those that may materially affect the picture that emerges from the audited financial reports. This responsibility covers situations where the financial reports or other auditable record may be materially misrepresented and the misrepresentation may or may not have taken place with the knowledge or involvement of the management. This responsibility of the Auditor is the extension of his responsibility to provide assurance about the audited entity and its financial statements and his obligation to make the management (either in each entity individually or through reports to the legislature) aware of any weaknesses in the design or operation of the accounting and internal control systems which are reviewed by him in the discharge of his professional duties. Although auditors are not primarily responsible for preventing fraud and corruption, audit can be a significant influence in reducing fraud and corruption. By conducting an audit that is sensitive to the risk of fraud and corruption, the auditors can make a proactive contribution to prevent fraud and corruption.

AUDIT MANDATE

- 1.13** While the legislative framework and mandate determine the policies and audit guidance adopted by each SAI, these Guidelines recommend that in its interpretation of its primary audit mandate, an SAI should be cognizant that public perceptions about fraud and corruption pose a serious risk to the credibility of its findings in individual audit and its national responsibility and role. Depending on their peculiar circumstances, the SAIs should actively consider adopting a formal policy or strategy for deterring fraud and corruption in the organizations covered in their audit jurisdiction. These Guidelines are based on the awareness that SAIs should have an adequate level of mandate to deal with cases of fraud and corruption in planning and conducting an audit and that this mandate is usually inherent in the audit mandate. However, if an SAI feels constrained in its investigation of suspected fraud or corruption cases in the performance of its normal audit work, it should seek reinforcement of its audit mandate. This reinforcement could be in the shape of a regularity provision specifying that the SAI would be notified in all cases where fraud or corruption are suspected or reported.

II UNDERSTANDING FRAUD AND CORRUPTION

- 2.1** Fraud and corruption includes both those committed by the government employees or management of an auditee (internal fraud and corruption), and those perpetrated against the auditee by outside individuals or groups (external fraud and corruption). Internal fraud and corruption may result in benefits being obtained either from the organization (e.g. theft of cash/assets, falsification of payroll data), or from a third party (e.g. the theft of patients' property). The latter may not result in immediate loss to the auditee, but it may result in a liability for restitution where positions of trust have been abused. Examples of external fraud and corruption include making fraudulent claims for government grants and benefits or suppliers issuing false or duplicate invoices.
- 2.2** Whereas the loss to the auditee is usually fairly apparent in cases of "fraud" as defined above, in the case of "corruption" the corrupt government employee may benefit from the act, but there may not be any loss to the auditee or effect on financial information. Both fraud and corruption are by definition without proper authority and involve breach of trust and therefore irregular.
- 2.3** There are many general and technical definitions of fraud. In most countries, fraud and corruption are legal concepts, although they are referred to in various ways. One of the factors distinguishing fraud from error is whether the underlying cause is intentional or unintentional, although intent is often difficult to determine, particularly in matters involving the use of judgment.

DEFINITIONS OF FRAUD

- 2.4 XVI INCOSAI URUGUAY 1998 viewed fraud as a legal concept, which involves acts of deceit trickery, concealment, or breach of confidence that are used to gain some unfair or dishonest advantage; an unlawful interaction between two entities, where one party intentionally deceives the other through the means of false representation in order to gain illicit and unjust advantage.
- 2.5 According to SPASAI Fraud Guide, “fraud is a generic term which embraces all the means that human ingenuity can devise, which are resorted to by one individual, to get an advantage over another by false representations. There is no finite rule to define fraud as it includes surprise, trick, cunning and unfair ways by which another is cheated.
- 2.6 Fraud, as it is commonly understood today, means dishonesty in the form of an intentional deception or a willful misrepresentation of a material fact. Lying, the willful telling of an untruth, and cheating, the gaining of an unfair or unjust advantage over another, could also be used to further define the word fraud because both that and dishonesty denote intention or willingness to deceive”.
- 2.7 The Canadian Audit Guide 21 on Fraud Awareness refers to fraud as an action where there is a loss of a valuable resource resulting from a false representation made knowingly, without belief in its truth. Such actions could result in charges being laid under various applicable Canadian Laws.
- 2.8 According to the National Audit Office of UK, fraud involves the use of deception to obtain an unjust or illegal financial advantage as well as intentional misstatements in, or omissions of amounts or disclosures from, an entity’s accounting records or financial statements. It also includes theft, whether or not accompanied by misstatements of accounting records or financial statements.
- 2.9 The Fraud Examiners Manual views fraud as any intentional or deliberate act to deprive another of property or money by guile, deception or other unfair means. Similarly International Standard of Auditing (240) also treats fraud as an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal – advantage.
- 2.10 Essentially, fraud refers to intentional misrepresentation of financial information by one or more individual among the management, employees or third parties. It involves the use of deception to obtain an illegal financial advantage.
- 2.11 Fraud may involve:
- manipulation, falsification or alteration of records or documents.
 - misappropriation/misapplication of assets.
 - suppression or omission of the effects of transactions from records or documents.
 - recording of transaction without substances.
 - misapplication of accounting policies.

ELEMENTS OF FRAUD

- 2.12 The basic elements of fraud can be summarized as follows:
- There must be at least two parties to the fraud, namely the perpetrator and the party who was or could have been harmed by the fraud, otherwise known as the victim;
 - A material omission or false representation must be made knowingly by the perpetrator;
 - There must be intent by the perpetrator that the false representation be acted upon by the victim;
 - The victim must have the legal right to rely on the representation;
 - There must be either actual injury or a risk of injury to the victim as a result of the reliance;
 - There generally is an attempt to camouflage; and
 - Fraud involves betrayal of trust.

DEFINITIONS OF CORRUPTION

- 2.13 Corruption is a complex issue. While its roots are grounded in a country’s particular social and cultural history, political and economic development, bureaucratic traditions and policies, one can generalize to state that corruption tends to flourish when institutions are weak and economic policies distort the marketplace.
- 2.14 The following definition of corruption is provided by the Asian Development Bank in the Anti-corruption Policy: “Corruption involves behavior on the part of officials in the public and private sectors, in which they improperly and unlawfully enrich themselves and/or those close to them, or induce others to do so, by misusing the position in which they are placed”.
- 2.15 The Anti-Corruption Act of the Republic of Korea defines the term “act of corruption” as the act of any public official’s abusing his position or authority or violating laws and regulations in connection with his duties to seek gains for himself or any third party.

- 2.16 The Chartered Institute of Public Finance and Accountancy of UK defines corruption as the offering, giving, soliciting or accepting of an inducement or reward, which may influence the action of any person. That is, an individual receives a bribe as a reward or incentive for action or inaction contrary to the proper conduct of his or her duties, for the direct benefit of a third party.
- 2.17 The World Bank defines corruption as the abuse of public power for personal gain or for the benefit of a group to which one owes allegiance.
- 2.18 Klitgaard (1996) developed a model to explain the dynamics of corruption.

CORRUPTION=MONOPOLY POWER + DISCRETION- ACCOUNTABILITY

ELEMENTS OF CORRUPTION

- 2.19 An act of corruption would comprise one or more of the following elements:
- There must be at least two parties to an act of corruption, namely the person who offers the reward or inducement and the party accepting it;
 - There must be misuse of office or position of authority for private gain;
 - There is either an offer and/or acceptance of inducements;
 - An attempt to solicit an offer of inducement or reward as benefit for performance of an official act;
 - Any act through which public or entity property is dishonestly misappropriated;
 - There may be an attempt to camouflage; and
 - Corruption involves breach of trust.

FACTORS THAT INFLUENCE FRAUD AND CORRUPTION

- 2.20 It is useful for auditors to understand the motivational and organizational/ environmental factors of fraud and corruption. The presence of these factors does not necessarily mean that fraud and corruption have occurred. Rather, awareness of their presence should increase the auditor's sensitivity to that possibility. The key factors generally associated with fraud and corruption are as follows:

MOTIVATIONAL FACTORS

- 2.21 Motivation and opportunity are the elements that generally underlie the commission of fraud and corruption. These could take the form of:
- **Economic motivation** – financial need or gain is the most common motivation for fraud and corruption. Often, persons convicted of fraud and corruption complain that they had unbearable financial problems for which there was no legitimate recourse.
 - **Greed** – persons with power and authority often commit fraud and corruption because they are motivated by greed.
 - **Prestige or recognition** – persons may feel they deserve more prestige or more recognition. These persons are often motivated by jealousy, revenge, anger, or pride. They often believe that they are superior to others, that they are shrewd enough to confound and confuse others and can commit fraud and corruption without being discovered or detected.
 - **Moral Superiority** – persons may also be motivated by a cause or values that they feel are morally superior to those of the victim, or the government in this case.

ORGANIZATIONAL/ENVIRONMENTAL FACTORS

- 2.22 The organizational atmosphere and its perception play a major causative role in perpetration of fraud and corruption.
- 2.23 Where management is perceived as insensitive, insecure, impulsive or too strict, ill treats employees and judges performance either on short term results or without considering operational constraints, the disgruntlement in the employee is likely to result in instances of fraud and corruptions.
- 2.24 Systems and procedures adopted in organisations and organizational policies are particularly important. An organisation in which the corporate policies are unclear, there is inadequate internal control, excessive regulations, red-tapism, inadequate accountability or history of programme abuse is likely to have more instances of fraud and corruption.
- 2.25 An understanding of the organizational atmosphere will enable an auditor to assess whether there is a higher risk of fraud and corruption in the entity and planning of the audit could be suitably modified, Poor management structure and policies are indicated by a high turn over of employees, absenteeism, poor documentation, low awareness of regulatory requirements and lack of transparency in reward systems.
- 2.26 It is important for the auditor to also understand that very often the perpetrator of fraud and corruption rationalises his actions with some kind of justification. For instance an employee accused of fraud and corruption is likely to rationalise his action by saying or believing that his low pay justifies the action or since

everybody is doing that he is also well within his right to do it; while a contractor could justify his acts of fraud and corruption as a cost of doing business of problems of securing contract from a government entity.

TYPES OF FRAUD AND CORRUPTION

2.27 Some of the most typical fraud and corruption are as follows:

- Bribery is the giving, receiving, offering or soliciting of any “thing of value” in order to influence a person in the performance of, or failure to perform, his/her duties.
- False Statements and False Claims occur whenever a person knowingly and willfully falsifies a material fact or makes a false or fictitious representation or files a false or fictitious claim that results in economic or financial loss to the person to whom the false representation has been made.
- Embezzlement is the fraudulent conversion of personal property by a person in possession of that property where the possession was obtained pursuant to a trust relationship. Examples of means to conceal embezzlement are the use of kiting or lapping scheme.
- Kiting occurs when a person withdraws cash from a bank on checks deposited by a person for which the cash has not yet been collected by the bank. To conceal the fraud, the person continuously writes checks against non-existent account balances (“kites” checks from bank to bank).
- Lapping occurs when a person steals cash from payment of accounts receivable, and continuously uses cash from other payments of accounts receivables to conceal the initial theft (“laps” two consecutive accounts).
- Conflict of interest occurs when a person has an undisclosed economic or personal interest in a transaction that adversely affects that person’s employer.
- Phantom Contractor is a non-existent company whose invoice is submitted for payment by a person involved in the purchase process.
- Purchases for Personal Use. A person may purchase items intended for personal use or may make excess purchases of items needed, some of which are then diverted to personal use.
- Split Purchases. Contracts are split into two or more segments to circumvent the procurement authority limitations, and thus to avoid competitive bidding. This may involve bribery from the contractor to a person of the other party.
- Collusive Bidding, Price Fixing or Bid Rigging. Groups of prospective contractors for a contract form an agreement or arrangement, to eliminate or limit competition. This agreement may also involve bribery.
- Progress Payment Fraud. The contractor requests progress payments based on falsified information submitted to the other party.
- Over or under invoicing. Occurs when there is deliberate misstatement of the invoice value as compared with goods or services received or supplied.
- Extortion is the use of authority to secure unlawful pecuniary gain or advantage.
- Nepotism and Favoritism unlawful use of public office to favor relatives and friends.
- Loss of Revenue on account of tax or duty evasion can include different situations where revenue due to the government is not received or paid.
- Unfair Recruitment favoritism exercised in the process of recruitment for unlawful gain.
- Computer Fraud is any fraudulent behavior connected with computerization by which a person intends to gain a dishonest advantage. For instance, salami-slicing is a computer fraud where fractions of interest calculations are transferred to a personal account.

IDENTIFICATION OF HIGH RISK AREAS

2.28 An understanding of the audited entity should enable the auditor to identify potential high-risk areas and suitably modify audit procedures and techniques. Some of the commonly perceived high risk area are:

- contracts of service/procurement;
- inventory management;
- sanctions/clearances;
- program management;
- revenue receipt;
- cash management;
- general expenditure; and
- other areas with public interface.

SAs would have to, based on experience and perceptions, identify such risk areas while planning audits.

CONTRACT FRAUD AND CORRUPTION

2.29 Procurement of goods and services is a major activity in the government sector and is traditionally prone to fraud and corruption. Understanding fraud and corruption in contracts may therefore be beneficial to the auditor. An

illustrative list of the forms fraud and corruption can take in the area of contracts is given at Appendix VI-1 to enhance the Auditor's understanding.

- 2.30** The audit of Contracts in most SAIs, therefore becomes an area of focus for the Auditor who has to be particularly sensitive to the possibility of Fraud in this area. Appendix VI-2 lists out the warning signs that an auditor needs look out for. These would alert him to the necessity of further scrutiny or intensive examination. The size of the sample or the techniques adopted could also be suitably adjusted.

COMPUTER FRAUD

- 2.31** With the increased use of information technology in the function of entities and increased introduction of IT systems the auditors needs to understand that the perpetration of fraud and corruption and consequently detection of such instances become more complicated.
- 2.32** Computer fraud could involve the manipulation of a computer or computer data by whatever method in order to dishonestly obtain money, property or some other advantage of value or to cause loss.
- 2.33** The Auditor has to be particularly aware of the audit trail, of the checks and balances of IT systems, of the levels of control and needs to also have a fair idea of how processing controls can be circumvented by the perpetrator of fraud and how data can be accessed and manipulated. It is particularly important for the auditor of the IT system to assess in his audit the level of security controls built in and if those are in tune with the sensitivity of data.
- 2.34** Audit evidencing in an IT environment is often more complex than traditional manual audit. In an IT environment not only it is necessary to understand the techniques of assessing system and data soundness but also necessary to establish means of collecting evidence. The standards of audit evidence collection have to be set by the SAIs in consonance with the legal framework and regulations in which the audit is carried out.
- 2.35** Since this is an emerging field of audit and is also undergoing rapid changes the SAIs may consider the pooling of information on the IT audits conducted and techniques adopted.

III TREATMENT OF FRAUD AND CORRUPTION

BASIC PRINCIPLES

Auditing Principle

- 3.1** The SAI should consider compliance with the INTOSAI auditing standards in all matters that are deemed material.

INTOSAI Guidance

In general terms, a matter may be judged material if knowledge of it would be likely to influence the user of the financial statements or the performance audit report.

Materiality is often considered in terms of value but the inherent nature or characteristics of an item or group of items may also render a matter material – for example, where the law or regulation requires it to be disclosed separately regardless of the amount involved.

In addition to materiality by value and by nature, a matter may be material because of the context in which it occurs. For example, considering an item in relation to:

- (a) the overall view given to the financial information.
- (b) the total of which it forms a part;
- (c) associated terms;
- (d) the corresponding amount in previous years.

ASOSAI Guideline 1

While determining materiality levels for different audit areas the SAI may take into account adjustments to the materiality level that may make audit more responsive to risk arising from fraud and corruption.

Auditing Principle

- 3.2** The SAI should apply its own judgment to the diverse situations that arise in the course of government auditing.

INTOSAI Guidance

Audit evidence plays an important part in the auditor's decision concerning the selection of issues and areas for audit and the nature, timing and extent of audit tests and procedures.

ASOSAI Guideline 2

SAIs should apply its own judgment to determine the extent of audit investigation to be undertaken in cases of suspected fraud and corruption.

Auditing Principle

- 3.3 With increased public consciousness, the demand for public accountability of persons or entities managing public resources has become increasingly evident so that there is a need for the accountability process to be in place and operating effectively.

ASOSAI Guideline 3

With an increasing concern on fraud and corruption SAIs are expected to demonstrate that the audit addresses these concerns. The SAIs should actively consider adopting a formal policy or strategy for deterring and corruption.

Auditing Principle

- 3.4 Development of adequate information, control, evaluation and reporting systems within the government will facilitate the accountability process. Management is responsible for correctness and sufficiency of the form and content of the financial reports and other information.

Appropriate authorities should ensure the promulgation of acceptable accounting standards for financial reporting and disclosure relevant to the needs of the government, and audited entities should develop specific and measurable objectives and performance targets.

Consistent application of acceptable accounting standards should result in the fair presentation of the financial position and the results of operations.

The correctness and sufficiency of the financial reports and statements are the entity's expression of the financial position and the results of operations. It is also the entity's obligation to design a practical system which will provide relevant and reliable information.

The SAIs should work with the accounting standards setting organisations to help ensure that proper accounting standards are issued for the government.

ASOSAI Guideline 4

SAI should review whether applicable accounting standards ensure adequate recognition of assets and liabilities and disclosure of true financial position inclusive of any losses resulting from fraud and corruption. In case it observes any deficiency in this regard it should work with the audited entity and the accounting standard setting body to remove the deficiency.

ASOSAI Guideline 5

The responsibility for adequate and timely disclosure of any cases of fraud and corruption rest with the management and the responsibility of ensuring reliability and results of operation must include concerns arising from risk of fraud and corruption. Through its audit the SAI must evaluate and report on the adequacy and competence with which the management has discharged this responsibility.

Auditing Principle

- 3.5 The existence of an adequate system of internal control minimizes the risk of errors and irregularities.

INTOSAI Guidance

It is the responsibility of the audited entity to develop adequate internal control systems to protect its resources. It is not the auditor's responsibility. It is also the obligation of the audited entity to ensure that controls are in place and functioning to help ensure that applicable statutes and regulations are complied with, and that probity and propriety are observed in decision making. However, this does not relieve the auditor from submitting proposals and recommendations to the audited entity where controls are found to be inadequate or missing.

ASOSAI Guideline 6

SAIs should be alert to shortcomings in systems and controls that are likely to provide an environment conducive for fraud and corruption and should proactively report to the management to improve the control environment and minimize the risk of fraud and corruption.

Auditing Principle

- 3.6 Legislative enactments would facilitate the co-operation of audited entities in maintaining and providing access to all relevant data necessary for a comprehensive assessment of the activities under audit.

INTOSAI Guidance

The SAI must have access to the sources of information and data as well as access to officials and employees of the audited entity in order to carry out properly its audit responsibilities. Enactment of legislative requirements for access by the auditor to such information and personnel will help minimise future problems in this area.

ASOSAI Guideline 7

Legislative enactment can ensure that all suspected and detected cases of fraud and corruption are reported to audit by the management. If considered necessary SAI can reinforce the mandate to investigate cases of fraud and corruption by seeking legislative enactments on these lines.

Auditing Principle

- 3.7 All audit activities should be within the SAIs audit mandate.

INTOSAI Guidance

The full scope of government auditing includes regularity and performance audit.

Regularity audit embraces:

- a) attestation of financial accountability of accountable entities, involving examination and evaluation of financial records and expression of opinions on financial statements;
- b) attestation of financial accountability of the government administration as a whole;
- c) audit of financial systems and transactions including an evaluation of compliance with applicable statutes and regulations;
- d) audit of internal control and internal audit functions;
- e) audit of the probity and propriety of administrative decisions taken within the audited entity; and
- f) reporting of any other matters arising from or relating to the audit that the SAI considers should be disclosed.

Performance audit is concerned with the audit of economy, efficiency and effectiveness and embraces:

- a) audit of the economy of administrative activities in accordance with sound administrative principles and practices, and management policies;
- b) audit of the efficiency of utilisation of human, financial and other resources, including examination of information systems, performance measures and monitoring arrangements, and procedures followed by audited entities for remedying identified deficiencies; and
- c) audit of the effectiveness of performance in relation to the achievement of the objectives of the audited entity, and audit of the actual impact of activities compared with the intended impact.

ASOSAI Guideline 8

Normally sensitization of different types of audits undertaken by SAIs to fraud and corruption can be brought about under their existing mandates. However, where SAIs feel constrained, they can seek additional mandate.

Auditing Principle

- 3.8 SAIs should work towards improving techniques for auditing the validity of performance measures.

INTOSAI Guidance

The expanding audit role of the auditors will require them to improve and develop new techniques and methodologies to assess whether reasonable and valid performance measures are used by the audited entity. The auditors should avail themselves of techniques and methodologies of other disciplines.

ASOSAI Guideline 9

The auditor should make the management aware that the absence or lack of application of reliable and valid performance measures and indicators could increase the possibility of occurrence of fraud and corruption.

GENERAL STANDARDS

General Standard

- 3.9 The SAI should adopt policies and procedures to recruit personnel with suitable qualifications.

The SAI should adopt policies and procedures to support the skills and experience available within the SAI and identify the skills which are absent; provide a good distribution of skills to auditing tasks and assign a sufficient number of persons for the audit; and have proper planning and supervision to achieve its goals at the required level of due care and concern.

INTOSAI Guidance

It should be open to the SAI to acquire specialized skills from external sources if the successful carrying out of an audit so requires in order that the audit findings, conclusions and recommendations are perceptive and soundly based and reflect an adequate understanding of the subject area of the audit. It is for the SAI to judge, in its particular circumstances, to what extent its requirements are best met by in-house expertise as against employment of outside experts.

ASOSAI Guideline 10

The SAI should have an adequate inventory of skills to deal with cases of fraud and corruption. In the detailed examination of cases of fraud and corruption where an SAI feels the need to involve outside professional expertise, such professional opinion should only serve to augment the audit conclusion, the ultimate responsibility for the conclusion remaining with the SAI.

General Standard

- 3.10 The SAI should adopt policies and procedures to develop and train SAI employees to enable them to perform their tasks effectively, and to define the basis for the advancement of auditors and other staff.

INTOSAI Guidance

The SAI should take adequate steps to provide for continuing professional development of its personnel, including, as appropriate, provision of in-house training and encouragement of attendance at external courses.

The SAI should establish and regularly review criteria, including educational requirements, for the advancement of auditors and other staff of the SAI.

ASOSAI Guideline 11

In considering the portfolio of skills that the SAI should have to meet the requirements of its audit mandate, the SAI should pay particular attention to training its auditors to deal with concerns about fraud and corruption, including experience gained from past fraud and corruption cases. Training could include developing forensic auditing skills provided that forensic investigation is covered by the mandate of the SAI.

SAIs could consider sharing of information and knowledge of techniques, procedures and skill development in order to develop expertise in this area.

General Standard

- 3.11 The SAI should adopt policies and procedures to prepare manuals and other written guidance and instructions concerning the conduct of audits.

INTOSAI Guidance

Communication to staff of the SAI by means of circulars containing guidance, and the maintenance of an up-to-date audit manual setting out the SAI's policies, standards and practices, is important in maintaining the quality of audit.

ASOSAI Guideline 12

SAI should consider reviewing the manuals, policies and prospectus from the perspective of conducting audits that are sensitive to fraud and corruption and dealing with suspected cases of the nature.

General Standard

- 3.12 The auditor and the SAI must be independent.

SAIs should avoid conflict of interest between the auditor and the entity under audit.

INTOSAI Guidance

While the SAI must observe the laws enacted by the legislature, adequate independence requires that it not otherwise be subject to direction by the legislature in the programming, planning and conduct of audits. The SAI needs freedom to set priorities and program its work in accordance with its mandate and adopt methodologies appropriate to the audits to be undertaken.

The legal mandate should provide for full and free access by the SAI to all premises and records relevant to audited entities and their operations and should provide adequate powers for the SAI to obtain relevant information from persons or entities possessing it.

ASOSAI Guideline 13

The SAIs need to demonstrate that they are independent not only in a legal sense but in a practical sense as well so that they can perform an effective role against fraud and corruption. Demonstration of independence in practical audit work includes avoidance of any possible conflict of interest situation.

The SAI should be in a position to carry out an independent risk assessment and prioritize its audit planning accordingly.

Where necessary the SAI should work for legislation that would allow it access to all records and information required in the examination of cases of fraud and corruption.

ASOSAI Guideline 14

Without compromising on their independence to plan and conduct audit the SAIs should consider establishment of means to receive and process information from the public on suspected cases of fraud and corruption.

General Standard

- 3.13 The auditor and the SAI must exercise due care and concern in complying with the INTOSAI auditing standards. This embraces due care in specifying, gathering and evaluating evidence, and in reporting findings, conclusions and recommendations.

INTOSAI Guidance

The SAI must be, and be seen to be, objective in its audit of entities and public enterprises. It should be fair in its evaluations and in its reporting of the outcome of audits.

ASOSAI Guideline 15

Since complete evidence about cases of fraud and corruption may not be available to the SAI, due care should be exercised in arriving at an audit conclusion. In many circumstances additional tests may have to be performed and additional evidence acquired than would normally be considered appropriate and necessary for arriving at an audit opinion.

ASOSAI Guideline 16

In investigating and reporting cases of fraud and corruption the SAIs should be aware of the risk that perpetrators of fraud and corruption seek protection for their acts by accusing the auditors of libel and slander. The SAIs could consider working towards, changes in their legislation which protects their auditors against such allegations and likely legal proceedings.

FIELD STANDARDS

Planning

Field Standard

- 3.14 The auditor should plan the audit in a manner which ensures that an audit of high quality is carried out in an economic, efficient and effective way and in a timely manner.

INTOSAI Guidance

In planning an audit, the auditor should:

- a) identify important aspects of the environment in which the audited entity operates;
- b) develop an understanding of the accountability relationships;
- c) consider the form, content and users of audit opinions, conclusions or reports;
- d) specify the audit objectives and the tests necessary to meet them;
- e) identify key management systems and controls and carry out a preliminary assessment to identify both their strengths and weaknesses;
- f) determine the materiality of matters to be considered;
- g) review the internal audit of the audited entity and its work program;
- h) assess the extent of reliance that might be placed on other auditors, for example, internal audit;
- i) determine the most efficient and effective audit approach;
- j) provide for a review to determine whether appropriate action has been taken on previously reported audit findings and recommendations; and
- k) provide for appropriate documentation of the audit plan and for the proposed fieldwork.

The following planning steps are normally included in an audit:

- a) collect information about the audited entity and its organization in order to assess risk and to determine materiality;
- b) define the objective and scope of the audit;
- c) undertake preliminary analysis to determine the approach to be adopted and the nature and extent of enquiries to be made later;
- d) highlight special problems foreseen when planning the audit;
- e) prepare a budget and a schedule for the audit;
- f) identify staff requirements and a team for the audit; and
- g) familiarize the audited entity about the scope, objectives and the assessment criteria of the audit and discuss with them as necessary.

The SAI may revise the plan during the audit when necessary.

ASOSAI Guideline 17

While planning his audit the auditor should assess the risk that fraud may cause the financial statements to contain material misstatement or record material irregular transactions.

- The auditor may keep in view that the risk of fraud and corruption could be higher in certain organization like those involved in procurement of goods and services.
- The auditor may keep in view that when a fraud is conducted there is a deliberate effort to conceal the facts and distract the auditor.
- For planning the audit the auditor should have a complete understanding of the auditee including the environment in which the entity operates the level of internal control and the past performance of the auditee especially previous instances of fraud and corruption.

ASOSAI Guideline 18

Based on the risk assessment the auditor should develop the audit objective and design audit procedures so as to have reasonable expectation of detecting and evaluating material misstatement and irregularities arising from fraud and corruption. In case of high risk audit the audit team should be selected keeping in view the requirement of such audit.

ASOSAI Guideline 19

The SAI should keep in view the need for flexibility in terms of budget, time and expertise of the audit team particularly when fraud and corruption are suspected or discovered in the course of audit.

Supervision and Review

Field Standard

- 3.15 The work of the audit staff at each level and audit phase should be properly supervised during the audit; and documented work should be reviewed by a senior member of the audit staff.

INTOSAI Guidance

All audit work should be reviewed by a senior member of the audit staff before the audit opinions or reports are finalized. It should be carried out as each part of the audit progresses. Review brings more than one level of experience and judgment to the audit task and should ensure that:

- a) all evaluations and conclusions are soundly based and are supported by competent, relevant and reasonable audit evidence as the foundation for the final audit opinion or report;
- b) all errors, deficiencies and unusual matters have been properly identified, documented and either satisfactorily resolved or brought to the attention of a more senior SAI office; and
- c) changes and improvements necessary to the conduct of future audits are identified, recorded and taken into account in later audit plans and in staff development activities.

ASOSAI Guideline 20

For ensuring that all audits dealing with actual cases of fraud and corruption are adequately supervised, the SAI should develop policies, including a comprehensive supervision checklist regarding supervision levels and procedures for managing the investigation of fraud and corruption.

When fraud and corruption are suspected in the course of audit the auditor should report the matter to the official of the SAI in accordance with the SAI's policy on supervision levels.

Study and Evaluation of Internal Control

Field Standard

- 3.16 The auditor, in determining the extent and scope of the audit, should study and evaluate the reliability of internal control.

INTOSAI Guidance

The study and evaluation of internal control should be carried out according to the type of audit undertaken.

Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

ASOSAI Guideline 21

The changes and improvements in the internal control system made by management when there have been previous instances of fraud and corruption or in response to changes in the auditee environment should be particularly studied and evaluated during audit.

ASOSAI Guideline 22

Increasing use of IT systems by auditees requires that the auditor should have access to reliable and verifiable system-based audit trails to evaluate the internal control. For meeting this objective legislation or executive guidance should ensure that audit is viewed as a stakeholder in the system development.

Compliance With Applicable Laws and Regulations

Field Standard

3.17 In conducting regularity (financial) audits, a test should be made of compliance with applicable laws and regulations. The auditor should design audit steps and procedures to provide reasonable assurance of detecting errors, irregularities, and illegal acts that could have a direct and material effect on the financial statement amounts or the results of regularity audits. The auditor also should be aware of the possibility of illegal acts that could have an indirect and material effect on the financial statements or results of regularity audits.

In conducting performance audit, an assessment should be made of compliance with applicable laws and regulations when necessary to satisfy the audit objectives. The auditor should design the audit to provide reasonable assurance of detecting illegal acts that could significantly affect audit objectives. The auditor also should be alert to situations or transactions that could be indicative of illegal acts that may have an indirect effect on the audit results.

Any indication that an irregularity, illegal act, fraud or error may have occurred which could have a material effect on the audit should cause the auditor to extend procedures to confirm or dispel such suspicions.

INTOSAI Guidance

The auditor also should be alert to situations or transactions that could be indicative of illegal acts that may indirectly impact the results of the audit. When audit steps and procedures indicate that illegal acts have or may have occurred, the auditor needs to determine the event to which these acts affect the audit results.

Without affecting the SAI's independence, the auditors should exercise due professional care and caution in extending audit steps and procedures relative to illegal acts so as not to interfere with potential future investigations or legal proceedings. Due care would include consulting appropriate legal counsel and the applicable law enforcement organisations to determine the audit steps and procedures to be followed.

ASOSAI Guideline 23

Whenever a material instance of failure to comply with the applicable laws and regulations is observed the auditor should without automatically assuming the management and staff are dishonest investigate the control failure with an appropriate degree of professional skepticism. He may also examine if the supporting evidence has been tampered in any manner or any individuals could have benefited from the material violation.

Audit Evidence

Field Standard

3.18 Competent, relevant and reasonable evidence should be obtained to support the auditor's judgment and conclusions regarding the organisation, program, activity or function under audit.

INTOSAI Guidance

Auditors should have a sound understanding of techniques and procedures such as inspection, observation, enquiry and confirmation, to collect audit evidence. The SAI should ensure that the techniques employed are sufficient to reasonably detect all quantitatively material errors and irregularities.

ASOSAI Guideline 24

When auditors suspect the possibility of fraud and corruption, they should establish whether it has taken place and there has been resultant effect on the financial reporting, especially whether the certificate requires the qualification.

ASOSAI Guideline 25

When auditors intend to report on fraud and corruption, they should ensure the reliability of audit evidence by verifying it with source documents including third party evidence. Auditors should carefully determine how much evidence they should gather in support of audit conclusions. Auditors should also keep in view that the evidence gathered by them and the conclusion drawn by them could become the basis of legal or disciplinary proceedings. (Some of the sources of evidence and factors that may be considered in searching for evidence are listed in Appendix).

ASOSAI Guideline 26

Since many records are produced by computers in the usual and ordinary course of work, auditors should understand how to collect and handle those records as audit evidence. Collecting computer evidence requires

careful planning and execution. Auditors should examine whether appropriate controls are in place in order to ensure the authenticity of computer evidence.

Analysis of Financial Statements

Field Standard

- 3.19 In regularity (financial) audit, and in other types of audit when applicable, auditors should analyse the financial statements to establish whether acceptable accounting standards for financial reporting and disclosure are complied with. Analysis of financial statements should be performed to such a degree that a rational basis is obtained to express an opinion on financial statements.

INTOSAI Guidance

Financial statement analysis aims at ascertaining the existence of the expected relationship within and between the various of the financial statements, identifying any unexpected relationships and any unusual trends.

ASOSAI Guideline 27

Auditors need to be alert to deviations from acceptable accounting standards including disclosure requirements particularly when there is suspicion of fraud and corruption.

REPORTING STANDARDS

Reporting Standard

- 3.20 At the end of each audit the auditor should prepare a written opinion or report, as appropriate, setting out the findings in an appropriate form; its content should be easy to understand and free from vagueness or ambiguity, include only information which is supported by competent and relevant audit evidence, and be independent, objective, fair and constructive.

It is for the SAI to which they belong to decide finally on the action to be taken in relation to fraudulent practices or serious irregularities discovered by the auditors.

INTOSAI Guidance

In formulating and following up recommendations, the auditor should maintain objectivity and independence and thus focus on whether identified weaknesses are corrected rather than on whether specific recommendations are adopted.

ASAOSAI Guideline 28

When in the opinion of the auditor the financial statements include material fraudulent transactions, or such transactions have not been adequately disclosed, or the audit conducted by the auditor leads him to the conclusion that instance(s) of fraud and/or corruption have taken place and when the auditor has adequate evidence to support his conclusion, he should qualify the audit certificate and/or ensure that his findings are adequately included in his audit report. However, the term fraud or corruption may not be used in a conclusive sense unless such action is established in a court of law.

ASOSAI Guideline 29

The report may contain auditor's recommendation for the changes in the system and procedures that could prevent recurrence of such instances.

ASOSAI Guideline 30

In following up on reported cases of fraud and corruption the auditor should determine whether the necessary action is being taken with due regard to urgency that the situation demands and become aware of the changes in the systems and procedures which could be validated through subsequent audits.

Appendix VI-1

TYPES OF FRAUD AND CORRUPTION IN CONTRACTS

The following types of fraud and corruption have been reported in contracting for goods and services:

- **Bribery and Kickbacks** – Money or any other form of reward or favour is exchanged between a public functionary and a provider of goods and services in order to obtain some benefit e.g. acceptance of substandard goods or obtaining unauthorized information.
- **Changes in Original Contracts** – Changes are made in the original contract requiring flow of additional funds from the government to the contractor, which may affect the basis on which the contract was awarded to the contractor in the first instance. This may also involve front-loading of contract in the hope of increasing the price of the original contract through change orders to subsequent modifications to the contract.
- **Duplicate Payments** – The contractor claims and receives payment for the same service or work done or goods supplied under the same or different contracts.
- **Collusive or Cartel Bidding** – Contractors form cartels to fix artificially high prices for goods and services supplied by them.
- **Conflict of Interest** – Contracts are awarded on the basis of vested interests of the decision makers.
- **Defective Pricing** – The contractor submits inflated invoices.
- **False Invoices** – The contractor submits invoices for goods that have not been delivered or do not properly represent the quantity or quality of goods and services supplied or work done as per contracted specifications.
- **False Representations** - The contractor falsifies the goods specifications or his ability to provide certain services.
- **Splitting of Purchases** – The purchases of goods and services are split either to avoid open competition or having to seek the approval of higher authority.
- **Phantom Contractor** – Purchases are made from a fake supplier or contractor.
- **Pilferage of Public Assets** – Public funds are used to acquire goods for personal use or public assets pilfered by officials.
- **Tailored specifications** – Specifications and time limits are manipulated to favour a certain contractor or supplier.

Appendix VI-2

WARNING SIGNS OF POSSIBLE FRAUD AND CORRUPTION IN CONTRACTS

Procurement and contracting of goods and services present different opportunities for fraud and corruption at different stages of the procurement and contracting processes. The auditor would be well advised to look out for warning signs corresponding to each stage. These warning signs indicate the increased risk factor in contracts and serve as red flags for the auditor.

1. Requirements defining stage

- Inadequate needs analysis
- Inadequate information about potential suppliers
- Inadequate review of existing and required inventory
- Unduly short supply period
- Needs analysis is product rather than needs oriented
- Someone other than the user defines the user requirements
- Unwarranted involvement of senior officials

2. Bidding and selection stage

- The specifications are not clearly defined
- A very limited number of offers is received
- Documentation indicates unusual involvement of an official
- Suspicion about conflict of interest
- Evidence of early receipt of information by some contractors
- Request for proposal is not properly advertised
- Unusual handling of the bidding process
- Evaluation criteria is not consistent for different offerors
- Exceptions to the tender deadlines
- Changes in the bids made after their formal receipt
- Lowest responsive bidder is not selected
- Contractor submits unrealistic bid indicating collusion or bid rotation
- Unusual withdrawal of bids
- Re-bid results identical to original bids
- Successful contractors use competitors as sub-contractors
- Justification for single source procurement is inadequate

3. Contract performance and evaluation stage

- Changes in a contract result in the large increase in the cost of goods and services
- Changes made without adequate explanations
- Unwarranted contract extension
- Complaints about the quality of goods and services received
- Inadequate inspections and quality assurance of goods and services received
- Evidence of over charging and duplicate billings
- Dubious invoices
- Insufficient pre-audit of contractor payments
- Contracts repeatedly awarded to one contractor
- Unduly high labor payments

Appendix VI- 3
AUDIT EVIDENCE

In searching for the evidence of fraud and corruption the auditor must:

- Always search for the strongest possible evidence;
- Investigate without delay, as evidence can be destroyed, lost or forgotten;
- Not ignore small clues or leads;
- Look for facts that confirm or refute suspicions;
- Concentrate on the weakest point in the fraud and corruption.
- Identify and summarize the evidence indicating that fraud and corruption may have been committed.
- Identify the possible scenario of fraud and/or corruption;
- Summarize and explain the accounting and control systems involved, the paper trail involved in the transaction, and the deviations from the systems;
- Explain patterns used in covering up the fraud and corruption;
- Identify the possible extent of the fraud and corruption; and
- Consider the possibility of collusion.

Sources of Evidence

- Documents from the auditee: During the course of examination of books of accounts, auditors investigate various documents that serve as evidence for the audit. These documents may be originals or photocopies depending upon their importance.
- Report of Internal Auditor: The internal auditor may have identified instances of deviation from normal procedure.
- Interviews: Auditors can obtain important information from various government employees. Since they may have noticed internal control failure made by managers and fraudulent activities perpetrated by other employees, interviews may be useful in detecting material misstatements caused by fraud and corruption.
- Inspection/Observation: Auditors can notice possibility of fraud and corruption through the examination of inspection/observation/physical verification reports (e.g. forged document inventory not in existence or inferior quality). Where any auditor relies on physical observation for an audit conclusion this would need to be supported with properly documented evidence.
- Questionnaires: Auditors may gather important and helpful information by using questionnaires.
- Confirmation with other related parties: Auditors sometimes obtain information directly from other related parties (e.g. bank balance confirmation from the bank, Debtor's balance confirmation from individual debtors etc). If the figures provided by these agencies do not tally with the books of account, they should check in detail to find out the reason for discrepancy.
- Results of Analytical Review: Auditors analyze both financial and non-financial information, which can indicate abnormal trends. In that case, auditors need to concentrate on particular areas.
- Expert Opinion: Auditors may seek expert opinion about a suspicious case. The expert's opinion becomes evidence if auditors