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CIVIL AUDIT MANUAL VOL-II.pdf

**Civil Audit Manual  
(General and Social Sector-I Wing)  
(Volume II)**



(Revised 2016)

भारतीय लेखा तथा लेखा परीक्षा विभाग

कार्यालय- प्रधान महालेखाकार ( सामान्य एवं सामाजिक क्षेत्र लेखापरीक्षा ), पश्चिम बंगाल

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SECTOR AUDIT), WEST BENGAL  
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## **Preface**

In continuation of General & Social Sector-I Audit Manual, Volume-I, this General & Social Sector-I Audit Manual, Volume-II describes the mode of functioning and the methods to be followed in course of audit on the transaction and accounts of the Government Departments and its Subordinate Offices/ Institutions- objective, functioning and maintenance of registers and records of which are of special nature.

It should be carefully noted that the instructions contained in the manual are not exhaustive, nor should the inspecting staff follow them sacrosanct and as a matter of routine.

Every audit should be conducted intelligently with an eye to all the important financial aspects of the various transactions which come under review.

Suggestions for improvement or amendments are welcome.

**Dated: 30.12.2016**

**(Madhumita Basu)  
Principal Accountant General (G&SS Audit)  
West Bengal**

<b>Glossary</b>	
AAP	Annual Action Plan
AI	Artificial Insemination
A/c	Account
AB	Autonomous Body
AC	Abstract Contingent (Bill)
ADA	Assistant Director of Accounts
ADCA	Assistant Director of Co-operative Audit
ADO	Agriculture Development Officer
ADPI	Asstt. Director of Public Instruction
AMC	Annual Maintenance Contract
ARCS	Assistant Registrar of Co-operative Societies
ARD	Animal Resources Development
BADP	Border Area Development Programme
BCW	Backward Classes Welfare
BDO	Block Development Officer
BEUP	Bidhayak Elaka Unnayan Prakaalpa
BLDO	Block Livestock Development Officer
BRS	Bank Reconciliation Statement
CEC	Chief Executive Councilor
CEO	Chief Executive Officer
CMOH	Chief Medical Officer of Health
CMS	Central Medical Stores
CO	Commanding Officer
CRI	Cultural Research Institute
DA	Director of Accounts
DACC	District Aids Control Committee
DC	Detailed Contingent (Bill)
DCEI	District Co-operative Education Instructor
DDARD&PO	Deputy Director, Animal Resources Development and Parisad Officer
DDCA	Deputy Director of Co-operative Audit
DDO	Drawing and Disbursing Officer
DEB	District Enforcement Branch
DGHC	Darjeeling Gorkha Hill Council
DGIGP	Director General and Inspector General of Police
DGS&D	Director General of Supplies and Disposals
DHS	Director of Health Services
DI	District Inspector (of Schools )
DIC	District Industries Centre
DIG	Dy. Inspector General
DLO	District Livestock Officer
DM	District Magistrate
DPC	District Planning Committee/District Purchase Committee
DPC Act.	Comptroller and Auditor Generals' (Duties, Power and Conditions of Service ) Act
DPEP	District Primary Education Programme
DPI	Director of Public Instruction
DPO	District Programme Officer

DRCS	Deputy Registrar of Co-operative Societies
DRDA	District Rural Development Agency
DRDC	District Rural Development Cell
DRS	District Reserve Store
DSEO	District Social Education Officer
DSP	Deputy Superintendent of Police
DVO	District Veterinary Officer
ECBF	Exotic Cattle Breeding Farm
ESI (MB)	Employees State Insurance (Medical Benefit)
FAWLOI	Financial Assistance to the Workers in Locked out Industries
FSMF	Fodder Seed Multiplication Farm
FSS	Frozen Semen Straw
GOI	Government of India
GPF	General Provident Fund
HED	Higher Education Department
HG	Home Guard
I & E	Income and Expenditure
IR	Inspection Report
IWT	Inland Water Transport
ICAR	Indian Council of Agricultural Research
IMP	Insured Medical Practitioner
IOC	Indian Oil Corporation
ITI	Industrial Training Institute
IWT	Inland Water Transport
KMPL	Kilometer per litre
KVK	Krishi Vikash Kendra
L& LR Department	Land and Land Reform Department
LA Collector	Land Acquisition Collector
LF Account	Local Fund Account
MO	Medical Officer
MPLAD	MPs Local Area Development
MRP	Maximum Retail price
MTO	Motor Transport Officer
NACP	National Aids Control Programme
NCC	National Cadet Corps
NCVT	National Council for Vocational Training
NDC	Nazareth Deputy Collector
NGO	Non-Govt. Organisations
OBC	Other Backward Classes
OPD	Out Patient Department
PA	Permanent Advance
PAO	Principal Agriculture Officer/ Pay and Accounts Officer
PC	Pay cheque
PE	Primary Education
PL Account	Personal Ledger Account
POL	Petrol, Oil and Lubricant
POR	Printing Order Register
PPO	Pension Payment Order
PRC	Police Regulations, Kolkata

PSC	Public Service Commission
R & P	Receipt and Payment
RB	Requiring Body
RC	Receipt Cheque
RCH	Reproductive Child Health
RHTO	Regional Health Transport Organisation
RI / RI	Reserve Inspector / Routine Immunisation
SAHP	State Animal Health Project/ Programme
WBSHFWS	West Bengal State Health and Family Welfare Samity
SAO	Sub-divisional Agricultural Officer
SAR	Separate Audit Report
SASPFUW	State Assisted Schemes of Provident Fund for Unorganized Workers
SC	Schedule Caste
SD	Service Dispensaries
SDO	Sub-Divisional Officer
SE	Secondary Education
SED	School Education Department
SESRU	Self Employment Scheme for the Registered Unemployed Youth
SGSY	Swarna-Jayanti Gram Sarojgar Yojana
SLF	State Live Stock Farm
SP	Superintendent of Police
SPF	State Poultry Farm
SSA	Sarba Siksha Abhijan
ST	Schedule Tribe
TC	Training Centres
U/Cs	Utilisation Certificates
UGC	University Grant Commission
WBNVF	West Bengal National Volunteer Force
WBFR	West Bengal Financial Rules
WBG	West Bengal Government
WBSSC	West Bengal State Seed Corporation
WBTR	West Bengal Treasury Rules
WBSAP & CA	West Bengal State Aids Prevention & Control Society

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## 1. DEPARTMENT OF FIRE AND EMERGENCY SERVICES

The West Bengal Fire Services (WBFS) was constituted under WBFS Act, 1950 for providing protection against fire to the people of the state. This service is under the administrative control of the Fire and Emergency Services Department. The Director General responsible, for both technical and administrative management of the fire services, is assisted by the Director and Deputy Director.

### 1.1 DIRECTORATE OF FIRE SERVICES, WEST BENGAL

**Departmental Rules:** The accounts of the Directorate of Fire Services, West Bengal are maintained according to the instructions laid down in the West Bengal Fire Services Manual and West Bengal Fire Services Act, 1950 (for Licence Section).

### 1.2 PROCESS OF AUDIT:

Besides the audit of the records as per procedures laid down in the General & Social Sector-I, Volume-I Audit Manual, following procedure are to be adopted for the records of the special nature maintained in the Fire Services department:

1. Check the postings of month(s) selected for detailed check, in the Register of Special Jobs with relevant reports submitted by the different fire stations regarding special jobs undertaken by them during the month. It should be seen whether the charges recorded therein as realizable from the parties concerned for the special jobs done for them have been calculated correctly in terms of West Bengal Fire Services Manual.
2. Check the realization of charges for special jobs for two months against individual demands as also with the relevant treasury or bank challans (submitted by the parties) or with the counterfoils of receipts in cases in which the charges are paid in cash.
3. Verify the correctness of the extract of the register of Special Jobs for at least three months while scrutinizing the corresponding posting in the Occurrence Register of the different fire stations. It should be seen that the figures relating to the number of staff employed, number of pumps used, duration of special jobs, etc. in the two sets of records agree; quantity of petrol consumed as recorded in the said extracts, Occurrence Register should be verified with the corresponding entries in the Log Books.
4. The records of the Store Department in respect of the Directorate, Divisional Offices and Fire Stations should be checked in accordance with the principles laid down in the General & Social Sector-I Audit Manual, Volume-I.
5. (a) The General Stock Book of the Mechanical Stores Department should be checked also in accordance with the principles laid down in the General & Social Sector-I Audit Manual, Volume-I.  
(b) Check the receipt side of the Job Register (also known as Workshop accounts) with the original indents received from the different fire stations and the workshop and the issue side with the connected job cards.
6. Examine some items including the month/months selected for detailed scrutiny from the Register of Applications for Licenses for Storage of articles (Prohibited for storage without proper licenses



7. under the West Bengal Fire Services Act of 1950) from the connected files to see whether license fees have been assessed correctly in accordance with the rates prescribed and recorded in the demand column of the Demand and Collection Register of License Fees.
8. Examine the Register of application for licenses for selling fireworks according to the same process given in (6) above.
9. (a) Check the correctness of the collection as recorded in the Demand and Collection Register of License Fees with the Register of Challans which contains entries of amounts of treasury or Bank Challans submitted by the parties on the basis of which licenses are issued.  
(b) Conduct a general review of the Demand and Collection Register of License Fees to see whether the license fees falling due during the year have been realised on due dates and whether there are any cases of default or short realization of Fees.  
(c) See that the Statement of demand and collection is prepared at the end of each year and adequate action has been taken in realizing the outstanding dues.
10. Check the Mutation Register of the License Section to see whether fees as prescribed have been levied and realized in case of changes of names, etc. in the licenses originally issued and necessary recording made in the Demand and Collection Register.
11. See whether all the cases of default in payment of license fees as also cases in which the parties are reported by the Fire Protection Officer to be storing prohibited articles or selling fire-works without proper licenses have been recorded in the Prosecution Register and necessary action taken against them as required under departmental rules.
12. Check the position of allotment of fund either from the State Government/Central Government including Finance Commission or from other sources for modernization of force, procurement of sophisticated equipment and accessories and expenditure incurred there against. Lapses on the part of the authority for utilization of fund and deviation in procurement process to be looked into in audit.

## **2. HEALTH AND FAMILY WELFARE (H&FW) DEPARTMENT**

There are numbers of offices under the Department of Health and Family Welfare. The major units are as follows: -

- i) Director of Health Services, (DHS) West Bengal
- ii) Director of Medical Education
- iii) Director of Ayurveda
- iv) Director of Homoeopathy
- v) Director of State Bureau of Health Intelligence.
- vi) State Family Welfare Officer and Jt. Director of Health Services, State Family Welfare Bureau and Project Director, RCH Project.
- vii) Special Officer, Unani.
- viii) State Mass Education and Information Officer and Joint Director of Health Services, IEC Division.
- ix) Director of Nursing.
- x) Director of Drug Control.

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- xi) Director, Institute of Blood Transfusion Medicine & Immuno-Haematology (Central Blood Bank).
  - xii) Central Medical Stores.
  - xiii) Health Transport Organisation.
  - xiv) Administrative Officer, District Family Welfare Bureau.
  - xv) District/ State General/ Rural Hospitals and Block Primary/ Subsidiary Health Centres.
  - xvi) Chief Medical Officers of Health (CMOH) of different districts.
  - xvii) Central Combined Laboratory, Calcutta
  - xviii) Pasteur Institute, Calcutta.
  - xix) Vaccine Institute.
  - xx) Poly Clinics.
  - xxi) Health and Family Planning Training Centres.
  - xxii) Astanga Ayurved College and Hospital
  - xxiii) Medical Colleges and other institutions.
  - xxiv) Director of Regional Institute of Ophthalmology.

All the units either individually or jointly are being audited under Section 13 of DPC Act. In addition to above the autonomous bodies viz. (i) West Bengal State Health & Family Welfare Samity and, (ii) West Bengal State Aids Control Society under the Department are also within audit jurisdiction of this wing under section 14 of DPC Act. W B Medical Service Corporation Limited and The Electro-Medical and Allied Industries Limited are audited under Section 19(1) of DPC Act.

As per instruction of Headquarters office issued under memo no. 161-Audit(EAP)/138-9811I dated 20/07/05, the SOE of RCH Programme is not required to be certified separately, by this office unless the Programme falls under the sole audit jurisdiction of this office.

**Departmental Rules:** The accounts of the offices under the Health Department are regulated by the accounts rules contained in West Bengal Health Manual. These rules should be consulted in Audit. Besides normal audit procedures as detailed in General & Social Sector-I Audit Manual, Volume-I for audit on the records maintained under WBTR, the following checks should also be exercised in audit in respect of some of the Directorate/offices under the H&FW Department.

## 2.1 DIRECTORATE OF HEALTH SERVICES, WEST BENGAL

In terms of Government of West Bengal, Health and Family Welfare Department Memo No. H1/0/GA/2863/N-52-04 dated 8.3.2004 read with No. HF/0/GA/3251/W-52/04 dated 19.4.2004 the following directorates were amalgamated and being treated as a combined establishment and the Joint Director of Health Services (Accounts) was declared as Drawing and Disbursing officer of this combined establishment.

- (i) Director of Health Services (DHS).
- (ii) Director of Medical Education.
- (iii) Director of Ayurveda.
- (iv) Director of Homoeopath.

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- (v) Director of State Bureau of Health Intelligence.
  - (vi) State Family Welfare Officer and Jt. Director of Health Services, State Family Welfare Bureau and Project Director, RCH Project.
  - (vii) Special Officer, Unani.
  - (viii) State Mass Education and Information Officer and Joint Director of Health Services, IEC Division.

At the time of audit of DHS, WB, the records maintained at the above mentioned Directorates are required to be checked.

### 2.1.1 Process of Audit

Besides, conducting audit of records relating to transaction, as per the General & Social Sector-I Audit Manual, Volume-I following check should be exercised at the time of audit of DHS, W.B.

- (a) The Directorates are the controlling office in respect of all other offices under the H&FW Department. Each of the Directorate is mainly responsible for preparation of budget estimates on the basis of inputs received from field offices and submission of the same to Finance Department through H&FW Department, release/ sub allotment of fund to the field offices; obtaining sanction of proposals, initiated by the field offices, from the H&FW/ Finance Department; execution of State/ Centrally/ Externally Aided Programmes/ Projects etc. through the field level offices; assessment of requirement of manpower for the field level offices including appointment of staff for those offices; compilation of reports and returned received from the field level offices for forwarding to the H&FW Department and other authorities concerned as well as monitoring/ evaluating the various programmes/ projects specially with reference to the objectives, laid down in this regard.
- (b) Medicines are issued to the Mobile Units who submit account of medicines and patients treated. Checks to be exercised to see that the accounts are scrutinized in the Director's Office and unused medicines returned.
- (c) In some cases share of expenditure or contributions are recoverable from Calcutta Corporation, etc. It is to be seen that the realizations are made regularly and the amounts realised are credited to Government Account.
- (d) Check the Return of Registered Clinical Establishments and renewal of licence fee of Nursing Homes in Calcutta area. Detailed information may be collected on **Annexure-I**.
- (e) In addition to the performance of the Directorate in implementation of different State and Central Schemes, with reference to the Physical and Financial Target and achievement there against, reasons/constraint for non-implementation or non-achievement of the desired target should be assessed and commented in the I.R.
- (f) As regards to the sanction of manpower either on casual (daily wages) basis or on contract basis, it should be seen whether the sanction was made where there was absolute necessity and are being utilized for the purpose (or in lieu of the post) for which it was sanctioned.

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## **2.2 CENTRAL MEDICAL STORES (CMS)**

### **2.2.1 TENDER FORMALITIES:**

CMS is primarily responsible for invitation of tenders for the entire State with the objective of finalizing the list of suppliers and rates of supplies, in connection with procurement of medicines and equipment as well as issue to that extent procured at CMS and to District Reserve Stores (DRS), different hospitals and Medical Institutions of the State. At the time of audit of CMS, besides normal and routine checking the following points are also to be seen:

- (a) Whether, such approved rate schedules have been prepared and circulated properly in time to all DRSs, Government hospitals and Medical Institutions through the DHS.
- (b) See that the prescribed financial principles have been duly observed, in respect of the issue and acceptance of tenders for medicines and the stock register of tender forms is maintained and sales proceeds of tender forms are credited in to the Government account being routed through the Cash Book.
- (c) See that the medicines purchased have been entered in the Stock Ledgers; issues have been according to indents received, debits raised accordingly and issues entered in the Stock Ledger regularly.
- (d) See that stores accounts have been prepared taking into the closing balances of each of the articles.
- (e) Whether the medicines procured were duly tested from the Laboratories and appropriate action had been taken against the Manufacturer/supplier in case of any spurious medicines supplied by them.

### **2.2.2 DRUG TESTING:**

In addition to the existing procedure of statutory drug testing under the administrative control of Director, Drug Controller (Paragraph 2.16 of this manual) under Drugs & Cosmetic Act, 1940, a Quality Control Section has also been set up in CMS, Kolkata under the Control of Deputy Director of Health Services (E&S), West Bengal for conducting non-statutory quality control of drugs procured and supplied to Government Hospitals/ Medical Teaching Institutions etc. of the State. All works relating to testing of drugs and chemicals (a) receipt of samples; (b) coding by using label so that confidentiality regarding names and addresses of the manufacturers maintained; (c) dispatch of sample to the approved Laboratories, (d) receipt of test reports, and communicate the same to the purchasing authorities' viz. CMS/DRS/hospitals and medical institutions. If the sample tested found to be of non-standard Quality (NSQ) all purchasing authorities must be informed for appropriate action. Besides, Director Drug Controller shall also be informed for taking action against the Manufacturers as well as the suppliers.

Testing charges and handling charges etc. involved in this drug testing arrangement to be met by realization of the amount @2% of the bills payable to the approved suppliers for supply of medicine drugs etc. Accordingly, the amount @2% shall be deducted from the amount payable to the suppliers for supply of medicine etc. by the purchasing units. All purchasing authorities will send a monthly (by 15<sup>th</sup> of the following month) statement indicating the amount realised from individual suppliers thereof in appropriate receipt head of account. Quality Control Section of CMS should

ensure that all expenditure towards drug etc. testing is met from the provision of the appropriate expenditure head of account.

*(Government of West Bengal. Department of Health & Family Welfare. TDE Branch Order No. H/TDE/391/58-26/2003 dtd 10.07.2003 and No. HF/0/540/TDEI58-26/2003 did. 28.09.2004)*

- (a) In course of audit it should be seen that all the formalities regarding testing of drugs and chemical as indicated above have been complied with and appropriate action has been taken for realization of the charges from the suppliers and have been deposited in the appropriate receipt head of accounts and all expenditure relating to the testing have been booked in the corresponding expenditure head of account.
- (b) In case test report was found to be non-standard Quality (NSQ), it should be seen whether appropriate action has been taken to identify the supplier and accordingly, all the purchasing unit to be informed about the supplier and supplied drugs for appropriate action at their end. Besides, it should also be seen whether the Director Drug Controller was immediately informed for taking action against the Manufacturers as well as the suppliers of the drugs/medicines.

### **2.3 HEALTH TRANSPORT ORGANISATION**

- a) To see that the purchases of vehicles and accessories have been made according to Financial Rules and have been entered into Stock Ledgers.
- b) To see that the condemned spare parts are disposed of to the best interest of Government.
- c) Checks are to be exercised regarding utilization of the vehicles, repairs and consumption of the POL as per the guidelines envisaged in the General & Social Sector-I Audit Manual, Volume-I.

### **2.4 HOSPITALS AND MEDICAL TEACHING INSTITUTIONS:**

In addition to the mode of audit as detailed in the General & Social Sector-I Audit Manual, Volume-I following principle/guidelines should also be considered in course of audit of the all Government Hospitals viz. State/General/District/Sub-divisional/Rural hospitals, Ayurvedic and Homeopathic hospitals and Medical Teaching Institutions etc. under the Health and Family Welfare Department, Government of West Bengal.

- a) See that the receipts of fees/charges for hospital services are realized as per rates fixed by the Government and such collection are credited to appropriate head of the Government Accounts and/or in the Account of the Rogi Kalyan Samity/in the Corpus fund of the State Health and Welfare Samity as per the extant order of the Government and the hospital revenue are not retained other wise and no expenditure was incurred there from unless specifically directed by the Government.
- b) Check the bed head/OPD tickets in respect of the free patients and verify that the patient

was authorized free treatment in accordance of the rules/Government order and such authorization was made by the authorized officer/ appropriate authority.

- c) As regards invitation and acceptance of tenders for dietary articles it is to be seen that the formalities have been duly observed, the stock register of tender forms is maintained and that realization on account of sale of tender forms are entered in the Cash Book. Test-check of the daily requisitions of diet for a few days at random with bed-head tickets and the diet scale to see that the requisitions are for diet of patients only. Check the diet register for a month with the Abstracts of daily requisitions and correctness of monthly total of each kind of dietary articles in the Diet Register. Also see that diets were not issued after death or discharge. The bed-head tickets of such patients should be selected and compared with the requisition slips.
- d) To check whether the local purchase of medicines and medical equipment, if not supplied by the DRS/CMS, were made from the suppliers and at the rates schedules approved by the Central Medical Store, Kolkata.
- e) To check that (i) whether any action has been taken for collecting samples of drugs and chemical and forward the same to the CMS for testing, (ii) whether 2% of the amount payable to the suppliers have been deducted from the bill of the suppliers and deposited in the appropriate receipt head of account, (iii) whether monthly statement of such collection and deposits (by 15<sup>th</sup> of the following month) has been prepared and forwarded to the CMS and (iv) whether on receipt of NSQ report from the CMS, appropriate action has been taken to dispose of the medicines/drugs/chemicals to which the NSQ relates and whether action has been taken against the suppliers. In this connection Paragraph 2.2.2 of this manual may be referred to.
- f) Check the records of the Local purchases of medicines with reference to the bed head tickets to see that the procured medicines were Life Saving drugs, and of absolute necessity, duly prescribed by the Medical Officer and were not supplied by the DRS/CMS. It should also be seen that the rates are not in excess of the Maximum Retail price (MRP) and procurement was made from the manufacturer or authorized dealers only.
- g) The issue of medicines etc., from the main Stock Ledgers should be checked with the indents or requisitions of the departments or wards which are preserved for audit reference. See that these requisitions have been duly received by the requisitioning officer and that requisitions to replace breakages for repairs and the individual responsible for the breakage or loss has been identified and that the amount of recovery made from them as noted by the head of the institution. See whether these amounts have been entered in the Register of Breakage for recovery from the persons concerned.
- h) Receipt and issue of stores in the departments or hospital wards:

- Check the counterfoils of the indents or requisitions for a month in the requisition book of each department or ward with the receipts entered in the departmental or ward stock book and cross verify this counterfoil with the records of the Main Store.
  - Check the issues of medicines, tubes and ampoules etc. for injections as well as of dressing materials with the bed-head tickets of patients and indent book of the visiting surgeons and the issues of other non-consumable materials with the signed acknowledgements of nurses in charge or other officers concerned who receive them and see whether the balances of stock in each ward or departments has been verified periodically by a responsible officer.
- i) Examine the different Stock Ledgers to see that the articles have not been accumulated in excess of the requirements and that the balances of consumable stores have been verified once every year by an independent officer other than the officer-in-charge of the respective stores and Stock Verification Certificate has been recorded in the respective ledgers. It is also to be seen that the stock ledgers are free from over-writings or erasures.
  - j) Check the stock account of indent books (Bengal Form No. 829-G) for requisition of stores and see that one book has been issued at a time to each officer and the books were returned by the officer after use.
  - k) Repairing of the hospital equipment and Medical equipment with reference to the records regarding actual date of procurement, date of last repair and with reference to the warranty period, tender documents etc. should be seen.
  - (l) To see that the high value medical equipment was covered with Annual Maintenance contract with the supplier/manufacturer and such equipment was installed immediately on receipt to avail of free repairing/servicing within the guarantee/warranty period.
  - (m) Check the records of hospital equipment regarding its purchase or supply made by the agencies as per order placed by the Directorate of Health Services or hospital authorities to verify its utility/ scope of its utilisation with reference to actual requirement and availability of technical staff.
  - (n) Check the utilization of medicine issued to the ward/Operation Theatre/Out Patient Department (OPD) with reference to the bed-head tickets/OPD prescription.
  - (o) Check the records regarding bed occupancy position with reference to the sanctioned bed strength as well as utilization of manpower.

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- (p) **Audit certificate and audit comments on Store Account:** The store account prepared by the hospital should be checked locally with the Stock Registers etc. and an audit certificate and audit comments on such store account should be furnished with the inspection report.
- (q) **Entrustment of Private Security Agencies:** Check the records relating to entrustment of security works to private agencies with special emphasis on the tender process, details of deployment of security personnel, period of work done by the security personnel, monitoring & supervision to ascertain whether the personnel were deployed in sufficient (agreed) number and in the required/vulnerable areas/places and as per agreement, effect of entrustment of private security, billing etc.
- (r) **System of Scavenging:** System of scavenging of all Government Hospitals and Medical Institutions by the entrustment of private agencies has been introduced by the Government. In course of audit of the system of scavenging in vogue in all the Government Hospitals and Medical Teaching Institutions, following should be checked/verified and suitably commented upon:
- ❖ Tendering procedure for selection of the private agencies;
  - ❖ Rate fixed with reference to the tender documents;
  - ❖ Whether security deposit, where necessary and were collected from the concerned agencies;
  - ❖ Agreement with the private agencies regarding (a) areas to be covered (including area of the floor and height of the wall of the indoor and outdoor of the hospital building/office etc.), and whether the area mentioned in the agreement actually exists, (b) basis of calculation of areas, (c) Scope of use of anti-bacterial reagents/disinfectant, (d) Nature of cleaning viz. sweeping, washing, sponging, (e) disposing of the solid waste, (f) supply of necessary equipment/ by the authority and scope of realisation etc.;
  - ❖ Records relating to day to day work done and actual area covered;
  - ❖ Whether proper Monitoring and supervision exists;
  - ❖ Whether the bill raised were as per the work done and as per the contractual rate;
  - ❖ Taxes were recovered as per the rules;
- (s) **Rogi Kalyan Samity:** Rogi Kalyan Samity (RKS) has been formed in each of the decentralised Hospitals, Medical Teaching institutions, as well as District RKS for District Hospitals, Sub-divisional/State General RKS for Sub-divisional/State General Hospitals, Block Primary Health Centre (BPHC)/Rural Hospital RKS for BPHC and Rural Hospitals. The main objective as well as the funding pattern and utilisation of the fund of the RKSs has been detailed in **Annexure-II**. In course of audit of the hospitals and medical institutions, field party may conduct detailed check with reference to the formation, function, funding pattern and utilisation of the fund as detailed in the annexure and suitably commented upon.
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## **2.5 CHIEF MEDICAL OFFICER OF HEALTH (CMOH) OF DIFFERENT DISTRICTS**

In terms of Health and Family Welfare Department's memorandum No. H/MA/775/MAV/ 7M-26/2002 dated 20.5.20002, different establishments under administrative control of the CMOH (viz. Deputy CMOH-II, Deputy CMOH-III, Zonal Leprosy Officer) of the District were brought under a single establishment and CMOH declared as the Head of the office of the combined establishment of the Health Administration in the district headquarter. All the administrative and financial powers of the restructured Health Administration in the district have been delegated to him.

After posting of Accounts Officer (West Bengal Audit & Accounts Service), the DDO functions are entrusted to the Accounts Officer of respective office of the CMOHs.

**Note:** The Block Medical Officers of Health (BMOH), in charge of Block Primary Health Centres (BPHC) are the DDOs of their respective unit. Under order no. HF/O/AUH/429/1A-71/2001 dated 4.12.2001 of Government of West Bengal Health and Family Welfare Department AUH Branch, the concerned BMOH has also been declared as DDO in respect all the Ayurvedic Dispensaries including State Ayurvedic Dispensaries. The performance of the Health Centres (HC) as well as of these dispensaries should be verified with reference to the records relating to the treatment of patients and utilisation of Medicine/Drugs during inspection of the accounts of the CMOH. Similarly, the accounts of the Rural Hospitals (RH) are also to be checked, at the time of audit of the Office of CMOH. Where the numbers of beds in the RH/HC under the BMOH are less than 50, 33<sup>1</sup>/<sub>3</sub> percent of such RH/HC and in cases where the RH/HC contain 50 beds or more all such RH/HC are to be audited annually at the time of audit of office of CMOH and included in the IR of the CMOH. In course of audit of the establishment of CMOH relevant Paragraphs of the Chapter 7 of the General & Social Sector-I Audit Manual, Volume-I should be applied for detailed checks.

## **2.6 DEPUTY CMOH-I**

- (1) Deputy CMOH-I is in charge of all kinds of vehicles of combined establishment and is responsible for the movement as well as utilisation of the vehicles and consumption of POL. The technical part of the vehicles shall be looked after by the Regional Health Transport Organisation (RHTO)/Area Foreman concerned. The audit of utilisation, procurement, repairing etc. of the vehicles are to be conducted as per the guideline in respect of Police Department mentioned in Paragraph 2.2 (H) of this manual.
- (2) He is also in-charge of all kinds of stores under the CMOH of the district in absence of CMOH of the district, the Deputy CMOH - I also looks after day to day work of the CMOH which have no financial involvement. Audit of the stores shall have to be conducted as per the guidelines mentioned in Paragraph 7.8 of the General & Social Sector-I Audit Manual Volume-I.

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## **2.7 DEPUTY CMOH-II**

Deputy CMOH-II is responsible for different Public Health programme excluding Leprosy Control Programme in the district and shall be accountable for submission of regular reports and return to the CMOH and Higher Authority. He is also the co-ordinating officer of the West Bengal State Health and Family Welfare Samity (SAMITY) and West Bengal State Aids Prevention and Control Society (WBSAP & CS) at district level. While conducting the transaction audit and audit of the annual accounts of these units the reports and returns prepared by the Deputy CMOH- II, as well as the utilisation of fund, released by the Head quarters of these units should be verified, as mentioned in the Paragraph 2.9.1 & 2.9.2 of this manual, with reference to the activities and performances of the sub-divisional/Block level offices and the NGOs.

The medicines/equipments store in respect of the programmes under the SAMITY and West Bengal State Aids Prevention and Control Society (WBSAP & CS)of the district as a whole and the manpower utilized for implementation of different programmes under the SAMITY and WBSAP & CS as required under the respective guidelines should also be verified in audit.

## **2.8 DEPUTY CMOH-III**

1. Deputy CMOH-III is responsible for all the Family Welfare Programme including Reproductive Child Health (RCH) Programmes within the district and shall be accountable for submission of regular report and returns to the CMOH and higher authority as and when required. He shall also maintain separate A/c for RCH programme including operation of Bank A/c for the programme, jointly with the DDO of the Office of the CMOH of the district. In course of audit the performance of the programme to be verified and to be commented suitably.
2. The Eligible Couple Register maintained is to be scrutinised to check whether necessary notes have been kept there at the time of Family Planning operations.
3. See that the payments of incentive money and motivation fees have been made as per rules framed by the Government from time to time and the payments have been made to the persons entitled to receive.

## **2.9 AUTONOMOUS BODIES UNDER HEALTH & FAMILY WELFARE DEPARTMENT**

### **2.9.1 WEST BENGAL STATE HEALTH AND FAMILY WELFARE SAMITY (SAMITY)**

The SAMITY was formed during 2002-03, registered under Societies Registration Act, with the objective which inter-alia, includes: -

- i. to monitor, review, assist and supervise the implementation of full National State Health Programmes including externally aided projects;
- ii. to prepare District Health Development plan and update the same from time to time so as to

- ensure systematic and de-centralised planning of activities in the health sector;
- iii. to coordinate the activities of Health Department with activities of other related Departments of the Government;
- iv. to promote and support the non-Government organisations and Community based organisations working in the Health Sector and ensure community participation;
- v. to ensure proper implementation of policies and programmes of the Government for Health Sector Reform and Health Systems Development etc.

For implementation of different Health and Family Welfare programmes viz. Leprosy, TB, Malaria, Control of Blindness, RI Strengthening and Pulse Polio etc. Government releases fund in favour of the SAMITY and in turn SAMITY releases fund to different District Samities under the control of the Deputy CMOH-II of each District. Deputy CMOH-II of the district is responsible for maintenance of accounts of the District Samities and to forward the same to the Headquarter, where the Annual accounts of the SAMITY requires compilation taking into account of the transactions of the districts as well of the Headquarters office. Annual Accounts of the SAMITY are required to be prepared as per the accounts format approved by Government of India, Ministry of Health and Family Welfare Department. The Annual Accounts prepared by the SAMITY are being audited by a Chartered Accountant. Subsequently, the superimposed audit on the Annual Accounts together with the Transaction Audit, on certain conditions, done by the General & Social Sector-I wing of this office under section 14 of C&AG's DPC Act, 1971.

While conducting audit of the SAMITY, test check of records of some District Samities (at least 1/3<sup>rd</sup>) as well as some of the units (at least 1/3<sup>rd</sup>) under the control of Dy. CMOH-II of the District are to be conducted by the field party after obtaining approval of the tour programme by the Group Officer of the General & Social Sector-I wing. Where the NGOs are involved in implementation of the programmes, test check of records of some of the major NGOs may also be taken into consideration for audit by incorporation of the same in the programme. Programme of the district units should be framed in such a manner that 100% of the District Samities could be covered in audit in a cycle of three years.

The audit of the SAMITY comprises of Audit of Annual Accounts and Transaction Audit. The transaction audit should be conducted as per the relevant guidelines detailed in the Paragraphs of the Chapter 7 of the General & Social Sector-I Audit Manual, Volume-I. The audit on Annual Accounts of the SAMITY should be conducted as per the procedure detailed in the Paragraph 7.25.3 of the General & Social Sector-I Audit Manual, Volume-I. Only one IR on the transaction of the SAMITY including comments on accounts should be prepared and a separate Paragraph on the comments on accounts should be incorporated therein as detailed in Paragraph 7.25.4 read with Annexure N of the General & Social Sector-I Audit Manual, Volume-I.

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## **2.9.2 WEST BENGAL STATE AIDS PREVENTION AND CONTROL SOCIETY (WBSAP & CS)**

According to National AIDS Control Organisation (NACO) guidelines, the WBSAP & CS, a quasi-Government body, was set up in 1998 and was registered under Societies Registration Act. The prime objectives inter-alia, includes preventing spread of HIV infection in the community; ensuring safe blood transfusion from HIV, Hepatitis B, VDRL; strengthening the measures to control sexually transmitted diseases and creating awareness by promoting IEC Network as well as social mobilisation. Since monitoring and supervision at the district level was a key component of India's National AIDS Control Programme (NACP), the responsibility for implementation of the programme was further decentralized to District AIDS Control Committees (DACCs). Each DACC was to be lead by the Dy. CMOH-II of the district and function in coordination with WBSAP & CS.

For implementation of various schemes and programmes in this regard, the WBSAP & CS receives fund from Government of India- National Aids Control Organisation; Government of West Bengal and other sources (UNICEF etc.). Besides, testing fees received from patients, sale of bid documents and interest from Bank accounts also serve as their receipts. The WBSAP & CS prepares the Annual Accounts of each financial year. The Annual accounts of the WBSAP & CS primarily audited by a Chartered Firm and superimposed audit on the Annual Accounts including Transaction Audit, subject to certain conditions, may be conducted by the General & Social Sector-I wing under section 14 of C&AG's (DPC) Act 1971. At the time of audit of the WBSAP & CS, at least 1/3<sup>rd</sup> of the DACCs required to be test checked. Programmes of the district units should be framed in such a manner that 100% of the district offices could be covered in audit in a cycle of three years. Where the NGOs are involved in implementation of the programmes, test check of records of some of the major NGOs may also be taken into consideration for audit and may be incorporated in the programme.

The audit of the WBSAP&CS comprises of Audit of Annual Accounts and Transaction Audit. The transaction audit should be conducted as per the relevant guidelines detailed in the Paragraphs of the Chapter 7 of the General & Social Sector-I Audit Manual Volume-I. The audit on Annual Accounts of the WBSAP & CS should be conducted as per the procedure detailed in the Paragraph 7.25.3 General & Social Sector-I Manual Volume-1. However, no separate report on accounts is to be prepared. Only one IR on the transaction of the WBSAP & CS including comments on accounts should be prepared and a separate Paragraph on the comments on accounts should be incorporated therein as detailed in Paragraph 7.25.4 read with Annexure N of the General & Social Sector-I Audit Manual, Volume-I.

### **2.10 DISTRICT RESERVE STORES (DRS) FOR MEDICINES:**

The DRS, with its overall charge being held by the CMOH, is responsible for procurement and supply of the medicines to different hospitals/health centres as per their requirement against the requisitions/indents. The working of the DRS of the district (under Deputy CMOH-I) towards procurement and distribution/utilization of medicines etc. is to be verified so that a consolidated review-type Paragraph can be floated in the Report. In this connection, following information is to be collected:

- 
- (1) Whether any District Purchase Committee (DPC) and Sub-Divisional Purchase Committee (SDPC) were constituted as per norms fixed to determine the quantum of purchases to be made.
  - (2) Whether any Minutes Book or resolution book was maintained and whether approval for requirement of medicine (quarterly or annually) was obtained in a complete broad sheet from DPC & SDPC.
  - (3) Whether indents from consuming units were obtained before preparation of broad sheet of requirements of medicines. Whether the stock position of medicines was mentioned in the indents and verified with those in the stock ledgers of DRS.
  - (4) Whether availability of fund has been considered in DPC at the time of finalization of procurement of medicines.
  - (5) Whether any purchases of medicines were made outside the list of medicines approved by CMS, if so, reasons for such deviation.
  - (6) Purchases of medicines/drugs and chemicals are to be made as per the approved rate schedule and from the approved suppliers as communicated by the CMS. Whether the norms prescribed in CMS schedule of rate have been followed in placement of orders for supplies (i.e. percentage of total supplied to be made and actually made). If not, extent of such case with a complete list to focus undue advantages to the selected firms. Whether the Government undertakings have been allowed to supply their prescribed quantity of medicines, if not, reasons thereof.
  - (7) Supply challans have to be checked with stock ledger with reference to suppliers bills sent for payment. It is to be seen that supplies pertaining to a financial year are not paid from the next year's allotment. In this connection outstanding liabilities of each year should be analyzed showing their year-wise position of procurement and a certain percentage of bills, challans etc. related to such inability be checked with stock ledgers etc. to ensure the genuineness of transactions.
  - (8) Whether 2% (towards testing and handling charges) of the amount payable to the suppliers has been deducted from the bill of the suppliers and deposited to the appropriated receipt head of account and monthly statement of such deduction and deposits has been forwarded to the CMS.
  - (9) Whether distribution of medicines, etc. from DRS have been made as per indents of the units. Cases of non-supply and excess supply over requirements are to be highlighted.
  - (10) It should be seen that the receipts and issues of the medicines are entered in the stock ledgers.
  - (11) Whether physical verification of stores has been conducted regularly and a certificate to that
-

effect kept recorded.

- (12) Whether Store Account have been prepared, if not, reasons thereof.
- (13) See that the local purchase of medicines have been made in case of extreme necessity and purchase of only life saving drugs have been made. It should be ascertained during local inspection that the medicines purchased were not supplied by the CMS. Necessity of such purchases, observation of tender/quotation formalities and price in excess of CMS rates etc. should be analysed.
- (14) System of internal control viz, inspection of the DRS by the inspecting staff of DHS to be reviewed.

#### **TESTING OF DRUGS:**

(A) Statutory testing of Drugs supplied by the approved supplier is to be conducted by the Directorate of Drug Control, West Bengal under Drugs & Cosmetics Act, 1940. In this regard following information may be obtained and suitably commented upon:

- i) Whether samples are regularly drawn by the Drug Inspector, if so, results thereof and if not, reasons thereof. Effect of non-testing of the medicines, if any, to be ascertained.
- ii) Whether drawal of samples is restricted to medicines supplied by a few firms or it is drawn at random irrespective of the firms supplying the medicines.
- iii) Whether test reports are submitted regularly. Delay may be highlighted.
- iv) Whether the medicines for which samples have been drawn for testing are distributed prior to obtaining the test report.
- v) The fate of medicines declared sub-standard or for which "NO OPINION" was offered by the testing authority and action taken by the CMOH against the supplier of such medicines should be analyzed.

(B) Non statutory testing of drugs conducted by the Quality Control Section in CMS, Kolkata under the Control of Deputy Director of Health Services (E&S), West Bengal. The Following checks to be exercised in audit, in this regard:

- i. On receipt of the supplies of medicines from the suppliers as approved by the CMS, whether action has been taken for collecting of samples of such drugs and chemical and forward the same to the CMS for testing,
- ii. Whether, 2% of the amount payable to the suppliers has been deducted from the bill of the

suppliers and deposited in the appropriate receipt head of account,

- iii. Whether monthly statement of such collection and deposits (by 15<sup>th</sup> of the following month) has been prepared and forwarded to the CMS,
- iv. Whether on receipt of NSQ report from the CMS appropriate action has been taken to dispose of the medicines/drugs/ chemicals and whether appropriate action against has been taken the suppliers. In this connection Paragraph 2.2.2 of this manual may be referred to.

### **2.11 DIET:**

It should be seen that the tenders for dietary articles for the district as a whole have been invited and accepted by the CMOH (if not selected by the DHS) as per financial rules and all the hospitals/Health Centres under the administrative control of the CMOH of the districts strictly follow the rates of the dietary articles accepted.

### **2.12 SCHEMES/PROGRAMMES:**

The reports and returns etc., as regards to the performance/execution of different State & Centrally sponsored schemes/ programmes are to be seen. The expenditure incurred thereon to be routed through the Main Cash Book and or subsidiary Cash Books maintained by CMOH. Besides, checking the accounts records of the CMOH and its subordinate offices regarding utilisation of fund for implementation of the State/Central schemes vis-a-vis performance of each scheme, fund released to different Societies/NGOs or any non- Government Agencies should also be checked in audit.

### **2.13 CLINICAL ESTABLISHMENTS / NURSING HOME / MEDICAL SHOP/PRIVATE HOSPITAL ETC**

- (1) See that proper administrative control exists over the Nursing Homes, Private Hospitals, Clinical and Pathological Laboratories, Medical shops etc. and all these are duly registered and licence fees as well as periodical renewal charges have been realised as per rules and credited to Government accounts.
- (2) It should be seen whether clinical establishment are running with proper licence issued from DHS/CMOHs and duly renewed periodically, as required under the Act, or continuing their business only on the basis of the trade licence from the Municipal Corporation or Municipalities. Non-obtaining or non-renewal of licence not only leads to loss of a substantial amount of revenue of the Government but also depicts the lack of administrative/Government control on such business - which have to be commented upon in audit. In this connection, detailed information may be obtained in the proforma as indicated in the Annexure-I.

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## **2.14 ZONAL LEPROSY OFFICER**

The Zonal Leprosy Officer of the district is responsible for leprosy control programme within the district and shall be accountable for submission of regular reports and returns to the CMOH and higher authority. He also acts as Head of the District Leprosy Society as per stipulation of Government of India. Field parties while conducting audit in the Office of the CMOH should verify the reports and returns as regards to the actual performance of the scheme/programme in the Sub-Divisional level/Block level and see that the fund sanctioned/released for the purpose has been spent properly.

In case of other offices the procedure of audit will be of similar nature as stated in the preceding Paragraphs.

## **2.15 MEDICAL TEACHING INSTITUTIONS**

Apply all checks as in case of Government Colleges (Paragraph 4.2 of this manual), and Hospitals and Medical Teaching Institutions (Paragraph 2.4 of this manual) besides, the following checks should also be applied in audit.

- (1) Check the Laboratory Registers of fees for private examination with the counterfoils of receipt books issued to the medical officer in charge of each laboratory and see that the prescribed percentage of fees have been credited into the Government account.
- (2) Check the seat rent register with the Mess attendance register and see whether seat rents and fines, where applicable have been realised in accordance with the prescribed rates.

## **2.16 DIRECTOR OF DRUG CONTROL**

**2.16.1 Activities:-** The activities of the Directorate of Drugs Control inter-alia, includes-

- i. To monitor the quality, safety, efficacy & the price of drugs in the State;
- ii. To regulate the manufacturing & sale of drugs (including allopathic or modern medicine, homeopathic medicine & cosmetics) by the manufacturers & traders in compliance with the conditions of licences provided under the Drugs & Cosmetics Act 1940 & Rules framed there under;
- iii. To enforce the provisions of the Drugs & Cosmetics Act & rules framed there under by conducting raids, searches, seizure & by launching prosecution against the offending person/firm in the Ld. Court of law;
- iv. To regulate the activities of the Blood Banks in compliance with the conditions of licences provided under the Drugs & Cosmetics Act 1940 & rules framed there-under;
- v. To curb manufacture, trade, distribution & spread of sub-standard & counterfeit drugs in West Bengal.



**2.16.2 ROLE: The Directorate of Drugs Control plays a key role towards:**

- i. Ensuring manufacture of proven quality medicines & its proper distribution through various agents spread out all over the state;
- ii. Conducting sampling, raids, search, seizures & then forwards the samples to the State Drugs Control & Research Laboratory to judge the nature & properties of the drugs in question;
- iii. Authorising the manufacturing firms of both allopathic & homeopathic medicines about their competency after compliance of statutory norms & unless & until the Licensing Authority gives a green signal no manufacture of drugs, cosmetics or blood components within the state is legally valid;
- iv. Issue of licence to the blood banks to ensure safe, proper & rational use of blood. Receives the monthly report of the performance, collection & describe the nature of collection of bloods through organization of blood donation camps and scrutinise the same;
- v. Issue of licence to manufacture cosmetics is granted to the Firms willing in compliance with the set standards;
- vi. Issue of licence, controlling & monitoring the retail & wholesale trade of medicine;
- vii. Conducting inspection of the premises of the firm applying for licence & if found suitable & after due compliance of statutory norms & submission of fees wholesale or retails licence to sale homeopathic & allopathic medicines are granted.

**2.16.3 Process of audit:**

- (1) To see that the fees for new licence and renewal thereof are realised from the manufacturer and retailers of medicines/drugs as per rules framed by the Government from time to time and credited to Government Accounts.
- (2) Whether any periodical target has been fixed regarding inspection to be conducted by the Drug Inspector and the required inspections were conducted by the Drug Inspectors at the drug manufacturing units/Whole-sale and retailers Medicine Shops.
- (3) Medicine samples are collected from the Manufacturing units and from Medicine shops regularly and proper checks are exercised to get the samples tested before these are marketed for sale.
- (4) Action taken to curb manufacture, trade, distribution & spread of sub-standard drugs and consequent legal action taken against the manufacturer/seller of spurious drugs/medicines.
- (5) Whether proper action has been taken to inspect periodically to ensure that the blood banks are

functioning under proper licence issued by the directorate.

- (6) Whether, monthly report of the performance, collection & describing of the group of bloods collected by the blood banks, through organization of blood donation camps have been received and proper checks were exercised to ensure safe, proper & rational use of blood.
- (7) On receipt of NSQ report of non-statutory testing of medicines/drugs from the Quality Control Section of the CMS, action taken by the Director of Drug Control, WB against the manufacturer/suppliers of such non-standard drugs need to be verified in audit.

### **3. SCHOOL EDUCATION DEPARTMENT:**

In terms of notification no. 670 (Home) Cont. dated 8<sup>th</sup> November 1995 the Education Department lost its identity and in its place two departments namely School Education Department and Higher Education Department were created. Besides, there are two other Departments viz. Mass Education Extension Department, and Technical Education and Training Department. The function and objective of these departments as well as the mode of audit checks to be exercised in respect of these departments are given hereunder. However, these guidelines are not exhaustive and the field parties are at liberty to change and /or to check on other areas also, where necessary.

*Note: There are eight (8) Directorates under the administrative control of four (4) Departments of Education of different branches. The mode of functioning, process of audit in respect of the fossil departments a few Directorates are enumerated below. Besides, the guidelines of audit in respect of expenditure, grants-in-aid, scholarship as envisaged in the guidelines of General & Social Sector-I Audit Manual, Vol-I, the following may also be kept in mind for audit of different establishment (other than the Directorates) of different departments of Education.*

#### **VISION**

The vision of the School Education Sector is to ensure universalization of Primary, Elementary, Secondary and Higher Secondary Education and to ensure quality education for Human Resource Development.

#### **OBJECTIVES**

The objective of this sector is to ensure 100 percent NER for Primary Education within 2008-09, 100 percent NER for Elementary Education within 2010-11 & 100 percent NER for Secondary Education within 2014-15. Simultaneously quality of learning is to be enhanced.

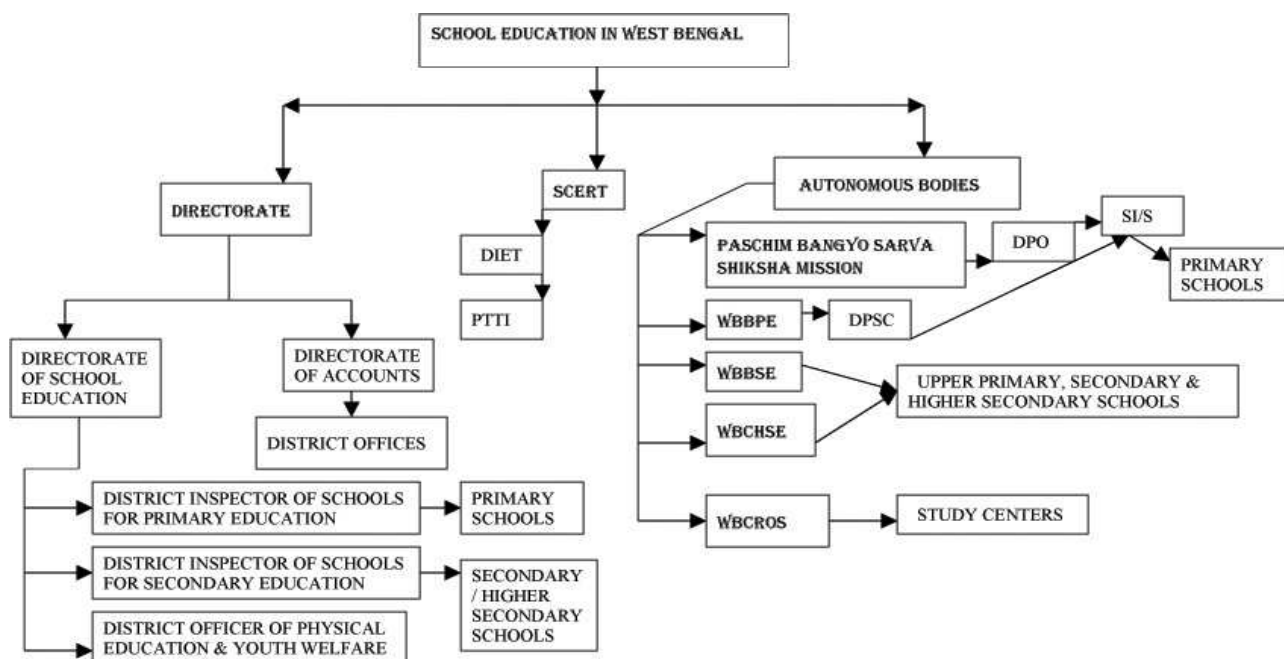
#### **MISSION**

Strategies of the School Education Department in order to universalize the School Education from Primary to Higher Secondary level are as follows

- Universal access.
- To ensure enrolment at the higher secondary level of all students who pass secondary level.

- To ensure enrolment of the 100% girls students specially the girls coming from backward, reserved and minority communities.
- To reduce dropout rates by improving retention rate.
- To ensure separate toilets for girls and boys.
- To ensure drinking water facility and water for other use.
- To ensure quality of education with the help of teaching, learning materials and aids.
- Recruitment of trained teachers and arrangement for training of all the existing teachers.
- To ensure proper training of teachers in regard to child centric and participative teaching.
- To rationalize Pupil Teacher Ratio at the elementary level.
- Encourage Computer Education & Computer Literacy.
- To equip all the Higher Secondary Schools with Library and Laboratory facilities.

### Diagrammatic View



### 3.1 Director of School Education

The SED is responsible for formal system of education from Primary to Higher Secondary level including Madrasah, Sanskrit, Anglo-Indian and other Minority Education. Primary Education is from Class I to IV and Secondary Education from V to X (Junior high or upper Primary is from V to VIII and High School stage is from IX to X) and Higher Secondary Stage is XI & XII. The syllabus and curriculum as well as its final evaluation are controlled by the West Bengal Board of Primary Education, West Bengal Board of Secondary Education, West Bengal Council of Higher Secondary Education and West Bengal Board of Madrasah Education in its respective areas. The recognition and affiliation aspects are also looked after by the said bodies under the overall guidance of the SED. The general administration as well as monitoring and supervision of the school are being done by the District Inspectors of Schools (Primary and Secondary) under the control of Directorate of School Education. The financial aspects as well as

the service benefits of the teachers and staff are being administered by the Department through its Directorate/ Inspectorate/District Primary School Council. The SED also gives much Importance to setting up, up-gradation of school and also setting up of Anglo Indian Schools by issuance of "No Objection Certificates". The SED also encourages in expansion of oriental studies namely Sanskrit and improvement of Methodology of teaching for the professional development of teachers in both Primary and Secondary level with the assistance of State Council of Education Research and Training, different boards, Primary Teachers Training Institute and DIETS.

The different units under the administrative control of SED are as follows:

**Directorates:**

- 1) Director of School Education;
- 2) Director of Accounts Inspectors and others.

**Inspectors and others:**

- 1) District Inspectors of Schools (Primary Education);
- 2) District Inspectors of Schools (Secondary Education);
- 3) State Council of Education Research and Training;
- 4) Rabindra Mukta Vidyalaya;
- 5) West Bengal Council of Higher Secondary Education;
- 6) West Bengal Board of Secondary Education;
- 7) West Bengal Board of Primary Education;
- 8) West Bengal Board of Madrasah Education;
- 9) West Bengal School Service Commission;
- 10) West Bengal State Project Office of DPEP and SSA.

**Functions:**

All the Directorates are

- i. the sanctioning authority of different kinds of Grants-in-aids, Scholarships and stipends etc.;
- ii. the controlling authority in respect of grant of National Loan Scholarship;
- iii. the controlling authority in respect of different Central and State sponsored schemes; and
- iv. monitoring and supervising of the performances of the subordinate authorities.

**3.1.1 Process of Audit**

- 1) While conducting audit of the department and units under its control, it should be seen that the objective of the department for overall development of the education as well as teaching standard with reference to the desired goal/target set, if any, were achieved. Further, following checks should also be exercised in audit.
- 2) Examine the lists of grants-in-aid with the relevant files to see that the Rules in the Education Code, or the orders issued by the Government have been observed while according sanction of Grants-in-aid. Apply all the checks prescribed in Paragraph 7.7 regarding audit of Grants- in -aid in General & Social Sector-I Audit Manual, Volume-I and to see that all the requirements for audit under Section 15 of C&AG's DPC Act have been fulfilled.

- 3) See that the Scholarships and stipends have been sanctioned according to the prescribed terms and conditions/rules as detailed in **Annexure III**.
- 4) Review the performances of different educational schemes undertaken by the directorates.
- 5) Scrutinize whether at the time of countersigning the bills for grants-in-aid, the conditions of the grants-in-aid has been fulfilled and no previous bill for the same grant had been passed and the "Utilization Certificates" of previous grants have been submitted by the grantee institution.

### **3.2 District Inspector of Schools, (Primary & Secondary)**

#### **Functions:**

The main functions of the District Inspector (DI) of Schools [Primary Education (PE) and Secondary Education (SE)] are:

- (1) To sanction grants to Schools (PE & SE) and other local bodies or institutions out of the allotments placed at their disposal;
- (2) Countersign bills for grants-in-aid sanctioned by them after seeing that the conditions attached to such grants have been satisfied;
- (3) Countersign certain scholarship or stipend bills before they are presented to the treasury for payment.

There are **20** D.I. of Schools (PE & SE) in this state through which recurring and non-recurring grants are released to non-Government Secondary and Higher Secondary schools all over the state.

#### **3.2.1** Following points to be looked into in course of audit of the DI of Schools (PE & SE)

- (1) Check the Index Register of Schools under Control of the District Inspector of Schools.
- (2) See that the Register contains all details viz. —
  - i) Total number of students in sessions;
  - ii) Total number of staff;
  - iii) Audited accounts are submitted by the schools regularly as prescribed;
  - iv) Number of students granted stipends or Scholarships;
  - v) Date of Inspection of each School and to review the inspection reports.
- (3) See that teaching and non-teaching staff strength in each school is in accordance with the strength prescribed on the basis of strength of students of the school.
- (4) See that both the teaching and non-teaching staff strength and students' strength of the each school have been periodically verified by the Inspecting Staff.
- (5) Examine the adequacy of the , system to ensure that grants sanctioned to schools for any specific purpose have been utilized for the purpose for which the grants have been released.

- (6) Examine that proper verification has been made to ensure that the stipends and scholarship granted to students (including S.C. & S.T. students) have been paid to such students and have fulfilled the conditions for stipends and scholarship i.e. whether they are in students' roll of the schools and attending the schools etc.
- (7) Check up the accounts submitted by some schools and see whether there is any deficiency in such accounts that may disqualify the school from receiving grants in subsequent years as per existing rules and orders.
- (8) See whether there is report of diversion of grant by any school and appropriate action taken for such diversion.
- (9) Check the records relating to release of capital grant and book grants to schools and vocational institutions.
- (10) Check the records relating to payment of honorarium for non-formal education centres.
- (11) Check the records relating to the payment of National Scholarship.
- (12) The schemes mainly executed by the DIs of Schools (PE), are
  - (i) Formal Education for the students of the age group 6-14
  - (ii) Nationalised Text Books schemes for distribution of Text Books among students
  - (iii) Nutrition Programme (Mid-day meal) for the students of urban Government Sponsored Free Primary School etc.
  - (iv) Sarbaya Siksha Abhijan (SSA) etc. The performance of the schemes should be examined with reference to the guidelines issued by the Government from time to time. Any shortfall in targets or financial irregularities should be brought out.

### 3.2.2 Audit of grants:

As regard to the grants released to the schools through the DI (SE), the following points to be looked into audit.

- (i) Total amount of recurring grants released during the financial year preceding two financial years in which 'the audit is taken up. As for example, if the audit is taken up in November 1999, then the financial year selected will be 1997-98.
- (ii) Total number of schools for which the said grants were released.
- (iii) See that subsequent grant has been released after examining that all terms and conditions of previous grants (including submission of utilisation certificate) have been fulfilled.
- (iv) Total number of teaching and non-teaching staff (indicating each category) of the schools for which said grants were released.
- (v) How was utilisation of such grants (school-wise) being watched? Was there any centralized register maintained to watch utilisation of grants of schools circle-wise/block-wise and submission of Audit Report of the schools prepared by the 'Chartered Accountants'? Whether overall position of utilisation of grants for a particular financial year is ascertainable from the records maintained at D.I. (PE & SE) office? Whether D.I. of Schools (PE & SE) was required to furnish overall utilisation certificate for a particular financial year to the Director of School Education, West Bengal who allotted the fund in the shape of grant.
- (vi) Number of Inspecting staff working in the D.I. offices (PE & SE), number of Inspecting staff actually deployed for inspection of schools, no. of schools required to be inspected in a year as per norm, number of schools inspected during the financial year are to be ascertained.

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Shortfall/inadequacy of inspection may be suitably commented upon. Was there any Inspection Report submitted by the Inspecting staff? If so, suitable comments, if any, relating to administrative and financial management of the school may be highlighted.

Following points to be kept in mind, in course of audit.

a) 25 schools under each D.I. (PE& SE) may be selected each year for test-check. At the time of taking up of audit of the D.I. (PE& SE) in subsequent years another group of 25 schools may be selected for test-check and so on, so that cent *per cent* schools could be covered within four years period. Information and data as to receipt and utilisation of grants by the schools for the financial year, for which overall position was ascertained, may be checked up and information as per **Annexure IV (A&B)** need be collected and incorporated in the I.R. as annexure with comments thereon. Inadequacy of control mechanism, if any, existent in the office of the D.I. (PE & SE), to regulate release of grants and watch utilisation thereof, may be suitably commented upon.

b) Irregularities in maintenance of P.F. A/cs may be mentioned keeping in view the points indicated in **Paragraph 7.19** of the General & Social Sector-I Audit Manual, Vol-I.

### **3.3 Anglo-Indian Schools**

The two Anglo-Indian Schools at Kurseong (viz. the Victoria Boy's School and the Dowhill Girls School & Training College) are residential Government Institutions for the education, mainly, for boys and girls of European descent and for the training of lady teachers. There is a hospital attached to the latter institution which serves both institutions. The accounts of the institutions and the hospital are audited annually.

#### **3.3.1 Process of Audit**

- (1) Check the realization of the prescribed application fees from the Admission Register.
- (2) Check the income entered in the Parents' Income Register with the parents'/guardians' income declaration forms and see that the fee for each student has been correctly calculated and entered therein.
- (3) Scrutinize the income declaration forms to see that they are complete in all respects and showing the income from all sources including the joint income of parents, where both are earning and that they have been attested as required under the rules.
- (4) Check the dues from students of different classes on account of the several kinds of fees including extra fees etc., noted in the Demand and Collection Register with those entered in the parents Income Register.
- (5) Check the collections as noted in the Demand and Collection Register with the Distribution Register (showing fees received under different heads) and receipt books.
- (6) Trace the fees paid from scholarships with reference to Scholarship Register.
- (7) Check the names of the students as entered in the Demand and Collection Register with the Class attendance register.
- (8) The realisation of fees should be checked from the attendance Register showing the names of all

the pupils attending the class and traced into the Demand Register, Cash Book and the Distribution Register.

- (9) Check the boarding charges with reference to the per capita rates fixed by Government. The Contingent Register, the Meal Register and the Dormitory Attendance Register should be referred to in this connection.
- (10) Examine the diet allowed, as shown in Meal Register for one or two days with the sanctioned scale of diet.
- (11) See that the period of residence in hostel shown in the Dormitory Attendance Register does not exceed that prescribed by Government.
- (12) Check that the balance shown in the caution Money Register agrees with the Treasury Pass Book.
- (13) Check the issues of dietary articles shown in the Stock Register of dietary with the diet Register to ensure that the issues are according to the sanctioned scale of diet.
- (14) Examine that the furniture (rent free) have been placed in the staff quarters of the staff according to sanctioned scale.
- (15) Check the Store account, diet etc. of the hospital according to general principles of audit of hospitals.
- (16) Check the Diet Register with In-patients Register.

### **3.4 DIRECTORATE OF ACCOUNTS**

The Directorate of Accounts (DA) under the School Education Department with its offices in each district, headed by Assistant Director of Accounts (ADA) under its control, was established for speedy and proper disposal of pension cases of the teaching and non-teaching staff of non-Government schools. The ADA should inter-alia, conduct the checking of Service Books, Pay Fixation, Pension papers of the retired/deceased teaching and non-teaching employees of the non-Government secondary and higher secondary schools. Director of Accounts on receipt of the cases from the ADA of the district finally checks the pension cases for issue of Pension Payment Orders by the Director of Pension, Provident Fund and Group Insurance. However, such checking in respect of Primary schools are to be done by the Finance Officer, District Primary School Council (DPSC). District Inspector (PE) on receipt of cases from DPSC, sends them to Director of Pension, Provident Fund & Group Insurance for issue of Pension Payment Orders.

The responsibilities of the DA and ADA (in the district level) are as follows: -

- i) The service book, pension papers and other document of the retired/deceased school teachers and non-teaching staff sent by the DI of Schools should be examined thoroughly with reference to the relevant orders, rules and regulation with special attention mainly to pay fixation, qualifying period of services, leave, break in service etc.
- ii) The service book, pension papers should be sent back to the DI of School with specific objection there to, if any, or else the admissibility report to be sent to the Pension Sanctioning Authority recording the prescribed certificate as to the correctness of the case.



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- iii) After obtaining the prescribed certificates regarding correctness of the pension paper etc. sent by the District offices, the Director of Pension, Provident Fund and Group Insurance, will conduct a final check and issue pension payment order.

The following checks should be applied for examining the admissibility of the pension/gratuity etc. and performance of the ADA/DA.

- (1) Statement of Service, statement of leave and the period of Foreign Service, if any, are to be checked with reference to service book.
- (2) The pay scales were correct and admissible with reference to the qualification of the respective teachers,
- (3) Average emoluments have been worked out correctly on the basis of entries in Service Book.
- (4) A note regarding the issue of authorities has been kept in Service Book.
- (5) Date of retirement/death as shown in the pension papers tallies with those shown in Service Book.
- (6) The claims of family pension/gratuity have been settled in accordance with nomination obtained from Government Servants.
- (7) The amount of provisional pension and gratuity has been worked out correctly with reference to qualifying service etc.
- (8) The provisional pension has been sanctioned/ passed for admissible period only.
- (9) The amounts required to be recovered from provisional pension and gratuities have been recovered.
- (10) The amount of pension and gratuity has been worked out correctly with reference to average emoluments/emoluments last drawn, as the case may be.
- (11) The amount of relief has been allowed correctly on the relevant date.
- (12) The amounts of pension and relief have been correctly rounded off.
- (13) Death gratuity in the absence of any valid nomination has been authorized to the legal heir/family members duly supported by legal documents.
- (14) The apportionment of the charge between Central and State Governments have been indicated invariably in the pension report.
- (15) Pension payments have been authorized strictly or the terms stated and to the persons named in the pension papers.
- (16) Action taken to withhold a portion of the gratuity in case there is any un-assessed dues.
- (17) The period for which family pension is admissible has been clearly worked out with reference to date of birth of children and has correctly been mentioned in the authority.

***Note: As no system for internal check has been provided, 33.33% cases may be checked initially for a couple of years and can be reduced to 20% annually on providing an efficient internal control and check system by the State Government. (CAG No. 26-AC 11/159.88 dated 10.1.89. DAG(IC) order No. 333 dated 13.2.89 filed in OA-NC/87-88 Bundle)***

As regard to performance of the DA and its subordinate offices in the District it should be seen that:-

- 1 Total no. of cases received from DI of Schools.

2. Total no. of cases checked and returned back with objection to the DI of Schools.
3. Total no. of cases received again from DI of Schools.
4. Total no. of cases finally settled.
5. The no. of cases and actually disposed monthly should also be calculated in percentage and accumulation of monthly balance, if any, need to be commented upon in the I.R.
6. Similarly, figures in respect of the Head quarters Office (DA) regarding total no. of cases finally settled and Pension Payment Order (PPO) issued with reference to the cases received should also be obtained and delays in disposal and accumulation, if any, may be commented upon in the IR.

#### **4. HIGHER EDUCATION DEPARTMENT:**

The work of the Higher Education Department (HED) was done originally in the name of the Education Department of the Government of West Bengal in which the works of the departments of (1) Technical Education & Training, (2) Mass Education Extension, and (3) School Education were also performed. The main function of this Department includes promotion and regulation of Higher Education and cultural development including technical/ specialised education in the State.

##### **Directorates:**

- 1) Directorate of Public Instruction &
- 2) Directorate of Technical Education

The Department supports and encourages various research institutes and autonomous and voluntary organisation engaged in public service in various forms. Besides the following institutes are under the administrative control of this department.

- 3) **10** Universities including one deemed university
- 4) 428 colleges including 391 non-Government and 37 Government colleges comprising of 17 General Degree colleges, 7 B.Ed. Colleges, 4 Physical Educational colleges, 1 Art College and 8 engineering & Technical colleges (including two engineering colleges registered under Societies Registration Act) are under the administrative control of the HED.

Both the directorates and the Government colleges (excluding two engineering colleges registered under Societies Registration Act.) are under the audit jurisdiction of the G&SS-I wing.

##### **4.1 Director of Public Instruction (DPI):**

Assistant Director of Public Instruction (Pay Packet Scheme), West Bengal releases recurring grants to the non-Government colleges towards payment of salaries of teaching and non-teaching staff. Non-recurring grants are also released to non-Government colleges by the D.P.I. for specific purposes.

Divisional Inspecting organisation under the Education Directorate for the non-Government colleges in West Bengal has been functioning since 1975. Inspecting office for Presidency Division is located in Bikash Bhavan, Salt Lake. The function of these Inspecting officers is indicated in **Annexure-V.**

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While conducting audit of (i) DPI, West Bengal, (ii) the offices of ADPI (pay packet scheme), West Bengal and (iii) Presidency Division Inspectors Office, a Paragraph covering following points may be incorporated in the IR:

- i) Overall position of recurring/non-recurring grants, its purpose of sanction and purposeful utilization to be watched and deviation to be pointed out
- ii) Whether Utilisation certificate have been submitted for all grants released by Government from time to time.
- iii) Whether the posts of teaching and non-teaching staff were created on the established norms.
- iv) Whether existing teaching staff were adequately utilised and their performances have been evaluated to maintain the proper academic standard of the institution.
- v) Lapses in functioning of Divisional Inspectors Office.
- vi) Observations on maintenance of the Provident Fund A/c should be suitably commented upon.
- vii) Test check of the records of the non-Government colleges.

*Note: - Ten non-Government colleges may be selected each year. At the time of taking up of audit of D.P.I., West Bengal in subsequent years, another group of 10 colleges may be selected for test check and so on. Information and data as to receipt and utilisation of grants by the colleges at least for 5 (five) financial years to be obtained as per Annexure VI and suitable comments to be incorporated in the I.R.*

## **4.2 Government Colleges**

**Departmental Rules:** The Bengal Education Code and the Accounts Manuals for the guidance of officers of the Education Departments should be consulted at the time of local audit of the accounts of Government Colleges.

### **4.2 (a) Process of Audit**

- 1) Check the counterfoils of transfer and withdrawal certificates and see whether the fees payable for transfer and withdrawal have been actually paid and accounted for in the Cash Book.
- 2) See that the seat rents of hostels have been realised from the boarders according to the rules and the charges for electric light, fan, furniture, rent, cost of Superintendence and proportionate share of municipal taxes have been included in the seat rent realised.
- 3) Check the Laboratory Breakage Account Book with the Laboratory Caution Money Register to ensure that the amount of forfeiture on account of breakages have been correctly assessed as per rule and adjusted from the Caution Money.
- 4) Check that the unclaimed Caution Monies have been credited to Government according to the Rules.
- 5) Check the Store accounts of the Laboratories of different departments according to the principles of store audit.
- 6) Check the individual accounts of the grants from different autonomous bodies like Indian

Council of Agricultural Research (ICAR), University Grant Commission (UGC) etc. for research work on different subjects/schemes and certify the correctness of the accounts with comments, where necessary.

- 7) Check the payment of stipends and Scholarships with attendance Register to see that proportionate deductions have been made on account of absence for more than permissible period.

### **4.3 Government Colleges Arts and Crafts**

#### **4.3 (a) Process of Audit**

1. Apply all checks as in case of Government Colleges.
2. Examine the account of commission received at the Annual Art Exhibition and also the Stock book of Exhibition catalogues, checking the amounts received from the sale of such catalogues.
3. Examine the Model Register with regard to the payments for live and animal models according to the prescribed rates.

### **4.4 Engineering Schools and Colleges**

There are mainly two sections in the Engineering Colleges viz; (1) the Engineering Department containing Civil, Mechanical, Electrical etc., and (2) the Industrial Department (Workshop). The audit of accounts of the Colleges should be conducted according to the principles and rules embodied in the West Bengal Education Code, the Accounts Manual for the guidance of officers of the Education Department, WBFR and WBTR.

#### **4.4 (a) Process of Audit**

- 1) check the Registration Register with the list of students applied for admission in each session and the Admission Register with the list of students selected for admission.
- 2) check the receipt counterfoils with
  - i) the Admission Register for admission and readmission fees
  - ii) the Fee Collection Book for Students' fees, breakage charges
  - iii) the Caution Money Register for caution money deposits
  - iv) the Subsidiary Receipt Register for other receipts.
- 3) Check the testing fees received shown in the Subsidiary Receipt Register with reference to the relevant Rule in the Education Code.
- 4) Examine the refund of in the Caution Money recorded in the Caution Money Register and see that the amounts recovered from students for breakage, etc., and whether the amounts lapsed after eight years have been credited to Government. Check the balance in the register with that of the PL Account with the PAO/Treasury or SB Account in the Bank.

- 5) Check the contingent registers with (i) Contingency Menial's Pay Book, (ii) Compound Mali's Pay Book, (iii) Instructors' Register, (iv) Dusting Allowance Register. Examine the charges in the latter registers with reference to the sanctions of the competent authorities.
- 6) The laboratories and workshops attached to the Colleges consume large quantities of stores and each Department prepares indents for the purchase of stores which are countersigned by the Principal and maintain their accounts. Check the Store Accounts along with the workshop accounts in accordance with the principles described in Paragraph 7.8 of General & Social Sector-I Audit Manual, Volume-I and furnish audit certificate and also audit comments, if any, on the Store Account along with the I.R.
- 7) Check the Work Order Book for departmental and private works with the Materials Issue Register and with the estimates of department and private works.
- 8) Check that the Artisans' earnings are calculated under the relevant Rule of the Education Code and trace the credits into the Register of Artisans' Earnings.
- 9) Examine the sale price fixed in the estimate with reference to the rules prescribed by Government and see whether any excess over the estimates has been billed for and realised from the party.
- 10) Check the receipt of the value of finished products with the Counterfoil of receipts of the Accounts Department.
- 11) See that the following conditions are fulfilled when the Professors, Associate-Professors etc. are permitted to undertake consultative practice.
  - i) Consultative practice with remuneration should relate to works on which high level expert advice is sought by the consultant.
  - ii) Consultative practice should only be undertaken with the approval of the Governing Body, provided it does not interfere with the normal work of the teacher and full regard being paid to the provisions of the relevant rule of West Bengal Service Rules, Part-1.
  - iii) Detailed financial implications of every proposal requiring consultation should be worked out carefully and placed before the Governing Body. Any additional expenditure incurred in connection with the proposal should, unless otherwise agreed upon by the consulting party and the Government, be met by the consulting party.
  - iv) Fees realised towards undertaking the consultative work by the teacher shall be recorded in the receipt side of the Cash Book which will be earmarked for research work in the College.
- 12) See that the Principal maintains a suitable proforma account of the above receipts and submit an annual return to Government by April each year.

#### **4.5 Technological Institutions & Colleges**

(a) College of Textile Technology, (b) College of Leather Technology and (c) College of Ceramic Technology.

##### **4.5(a) Process of Audit**

- 1) Apply all checks as prescribed for audit of Government Colleges.
  
- 2)
  - i) Check the loan account register in respect of loans issued to the ex-students with the list of loans sanctioned by the Director of Technical Education.
  - ii) See whether the loan account of each student is current i.e. the amount of installment with interest accrued on arrears has been regularly paid by the borrower.
  - iii) See that in case of non-payment of outstanding loan, whether necessary steps have been taken for their early recovery and/or certificate case instituted against the defaulters.
  - iv) Check the repayments of loans with the credits in the Cash Book.
  
- 3) Test check the Day Book of receipts (for the month selected for detailed checking) with the suppliers' bills or invoices and the Day Book of issues with the Register of Manufacture (or with the requisitions from the factory in the case of the College of Leather Technology) and check the postings for the month from Day Books into the Ledger.
  
- 4) Where Day Books are not maintained, check the receipts and issues shown in the Ledger of Raw Materials from the Suppliers bills and with the Register of Manufacture or the requisitions from the factory (in case of college of Leather Technology).
  
- 5) See that the balances of the raw materials have been verified once a year by a responsible officer.
  
- 6) Examine the Work Ledger or Register of Manufacture by comparing the column of raw materials issued from stock with that of raw materials actually used in case of manufacture of some articles and see that the unused articles have been returned to the store.
  
- 7) Check the quantity or number of finished products shown in the Register of Manufacture with the Ledger of manufactured articles and the Order Book or Works Register.
  
- 8) Check the cost of material and labour in the Order Book, and the amount of labour charges of each worker shown in the Works ledger with the wages bill of the acquaintance roll of labourers.
  
- 9) Examine the fixation of cost of articles in the Register of Manufacture with the amount to be realised shown in the Order Book.

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- 10) Check the balance in stock in the Ledger of Manufactured Articles and see whether the balances have been verified by a responsible officer.
  - 11) Check the value realised from works done shown in the Order Book and the Ledger of Manufactured articles with the credits in the Cash Book or entries in the credit ledger.
  - 12) Examine the Credit Ledger to see that the outstanding credits have been duly realised.
  - 13)
    - i) Check one of the monthly returns with the purchases of raw skins shown in the suppliers' bills or invoices and the balance of the previous month, and check the number/quantity of manufactured finished leather with the number/quantity shown in the Ledger of Finished Leather and in the Order Book or Works Register.
    - ii) Examine whether the cost shown in the ledger or the amount realised in the Order Book has been fixed with reference to the schedule is modified by competent authority and balances in the stock/credit ledger has been verified by the competent authority.
    - iii) Check the amount realised, as shown in the Ledger of finished leather and in the Order Book, with reference to the Cash.
  - 14) The General Stock Register shows the stock of finished goods sent from Tannery as well as of treatment materials, chemicals, dyes, etc. Check this Register with the Stock Register of Finished goods and the purchase vouchers. Check the sale of finished goods with the counterfoil of receipt books and corresponding entries in the Cash Book.
  - 15) Check the entries in the Register of raw hides/skins with reference to purchase vouchers of raw hides for tanning. See that every entry of issue to Tannery is checked and initialed by the Officer-in-charge.
  - 16) Check the issues from the Stock Register of Raw hides with the receipts in the Process Account Register. Check the Finished Stock Account Register with entries in the Delivery Register for stores and for the outside Delivery Register.
  - 17) Examine the Appropriation Register to see whether the adjustment of the cost of labour etc. on students' accounts has been properly made.
  - 18) Check the entries in the Register of machines, tools, etc. with the purchase vouchers and invoices of other departments.
  - 19) Check the Register of outside works with the order of the parties. See that in each case sanction of competent authority has been obtained for outside work. Check the scales with the outside Delivery Register. See also that the fund derived there-from has been properly accounted for.
  - 20) Check the accounts records of the Demonstration Units/Manufacturing units under any scheme.
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## **4.6 Institute of Education for Women and Government Teachers Training Colleges.**

### **4.6.1 Process of Audit**

In addition to checks as prescribed for Government Colleges in regard to Hostel rent, caution money deposits & audit of transactions as detailed in General & Social Sector-I Audit Manual, Volume-I, the followings checks should also be adopted in audit of the units:

- 1) Check the Register of Special Government Deputation Allowance to Pupil teachers and see that the allowance given as per prescribed rates and the terms and conditions for such allowance were fulfilled.
- 2) Check the Admission Register with the list of selected candidates and see that prior to admission the pupil teachers have signed an agreement binding themselves to pay the prescribed penalty, if they do not complete the full course of training and the same has been realised from the pupil teachers who left the institution/college without completing the course.

## **5. DEPARTMENT OF MASS EDUCATION EXTENSION AND LIBRARY SERVICES**

The Mass Education Extension Department, created in 1988 with a view to giving a thrust to Literacy Programme in the State, has two Directorates through which it implements various schemes of the Government. These two Directorates are (a) The Directorate of Mass Education Extension and (b) The Directorate of Library Services. The activities of these two Directorates are as follows:

### **5.1 THE DIRECTORATE OF MASS EDUCATION EXTENSION:**

Implementation of various Literacy Schemes is the main functions of this Directorate. In addition to this the Directorate also looks after (i) the Special Education and Training Schemes of the Physically Handicapped students, (ii) Running of the State aided Welfare Homes, (iii) Audio-Visual Education for the masses and (iv) Running of the Shramik Vidyapith, Kolkata.

#### **5.1 (a) Process of audit:**

Audit of various schemes to be undertaken with reference to the guidelines of the schemes, by obtaining the physical and financial achievements with reference to the target fixed. Reasons for shortfall and deviation, if any, to be pointed out and incorporated in the IR.

### **5.2 DIRECTORATE OF LIBRARY SERVICES:**

The State of West Bengal has a network of public libraries comprising of 11 Govt. Libraries (including the State Central Library), 2,456 Government Sponsored Libraries (District Library-19, Sub-divisional/Town Library-228, Rural /Primary Unit Library-2,209) and 7 aided libraries run by voluntary organizations.

The Social Education Officer under the Directorate is responsible for the following functions:



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- (i) Payment of grants to Government or Government Sponsored Public/Central/District/Sub-divisional/Town/Urban and Rural Libraries.
  - (ii) Payment of grants for Folk Recreation
  - (iii) Payment of grants to Night Schools
  - (iv) Payment of grants for Social Education Day and to Social Education Centres.
  - (v) Payment of grants to Children's' Day.
  - (vi) Payment of salary grant to the Staff of the Libraries, the staff being selected by District Social Education Officer (DSEO).

#### **5.2(A) Process of Audit**

The audit of the District Libraries should be conducted as per the guidelines mentioned in the Paragraph 7.11 of the General & Social Sector-I Audit Manual, Volume-I. In addition, the following should be looked in the audit of the DSEO.

- 1) The performances, with reference to the target and achievements, of the different schemes/programme undertaken by the Government through the Directorate of the library services to be reviewed and suitable comments in this regard to be incorporated in the IR.
- 2) Examine the Register of Grants to see whether grant released on the advice/recommendation of the Advisory Council.
- 3) See that all the terms and conditions laid down in the respective orders in which allotments were placed at disposal of DSEO have been fulfilled and payments made according to the prescribed scale laid down by Government.
- 4) See that staff of the Library has been appointed with the approval of the District Social Advisory Council and the payment etc. of the staff was made and contingent expenditure incurred according to prescribed scale.
- 5) See that non-recurring grant were not in excess of the prescribed limit.
- 6) See that the building, renovation etc. of the libraries were made according to the plan and estimate approved by the DSEO and that completion certificates were obtained.
- 7) See whether the furniture, equipment and book grants did not exceed the prescribed limit. Examine some of the statements of expenditure furnished by the Libraries to see that the conditions laid down were fulfilled.
- 8) See that the teachers of Government Sponsored Adult Education Centre and Basic cum Community Centre were appointed with the approval of DSEO and the allowances paid to Library Teachers and Social Teachers were the furniture, equipment and Book grants did not exceed the within the prescribed limit.

#### **6. TECHNICAL EDUCATION & TRAINING DEPARTMENT**

Technical Education & Training Department, Government of West Bengal is the nodal department for imparting technical and vocational education and training at middle and lower levels of knowledge and skills spectrum and is entrusted with the responsibility for imparting technical education at Diploma level through Polytechnic, Craftsman training through Industrial Training

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Institutes (ITIs) and vocational education & training through Vocational Training Centres (VTCs) implemented under the Zilla Parishads and Non-Govt. Organisations towards improvement and expansion of Technical Education in the State of West Bengal.. The aim is to provide Technical and Vocational Education and Skill Development for students of class VIII+ and X+ levels to produce skilled manpower suitable for various industries and as well as for self-employment. Further the aim is to bridge the skills gap among the youth of the State so that they can take advantage of economic development and contribute to the improvement in productivity in all the sectors of economy.

## **6.1 Departmental Structure of Technical Education & Training:**

### **Directorates:**

- Directorate of Technical Education & Training, West Bengal
- Directorate of Industrial Training, West Bengal
- Directorate of Vocational Education & Training, West Bengal

### **Councils:**

- West Bengal State Council of Technical Education
- West Bengal State Council of Vocational Education & Training
- West Bengal State Council of Vocational Training

## **6.2 Objectives:**

- (i) To improve the academic standard, modernize the workshops and laboratories,
- (ii) Construction of new buildings as well as renovation and expansion of the existing premises and adoption of highly sophisticated disciplines in tune with the requirements,
- (iii) To develop industry-institute interaction along with adequate staff development programme,
- (iv) To open up opportunities of Technical Education for women,
- (v) To provide scope for training of neo-literates with special emphasis on women,
- (vi) Implementation of the Community Polytechnic Schemes all over the State, creating opportunities for self-employment among rural boys and girls,
- (vii) To expand the scope of Technical Education beyond the intake capacity of the existing polytechnics, short-term vocational training programme, implemented with the assistance of Zilla Parishads, local bodies and NGOs,
- (viii) To run the sponsored junior Technical schools under the Craftsman Training Scheme, Vocational Training Scheme of National Council for Vocational Training, (NCVT) Govt. of India,
- (ix) To impart the Craftsman Training courses under NCVT recognised courses in 27 Industrial Training Institutes to meet up the demand for skilled personnel at all level in organised and unorganised sectors,
- (x) To ensure steady flow of skilled technician in different trades for feeding the industries as well as to encourage the trainees in self-employment by organising different schemes viz., the Craftsman Training Scheme, other training schemes like NAT, part-time evening courses on Industrial Workers Scheme, Basic Training Centre etc,

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- (xi) To provide scope for enhancement of technical qualification in suitable streams for persons engaged in different industries, organize the "Part-time Evening Diploma Courses in Engineering and Technology" in four Polytechnic Institutes.

All the desired objectives of the departments are being implemented by the department through 41 polytechnics and 27 Industrial Training Institutes (ITIs) situated all over the State. All the polytechnics and ITIs and the directorates are under the audit control of this wing.

### **6.3 Process of audit:**

Besides, audit of expenditure and grants-in-aid, performances of the institutions need to be assessed during audit of the engineering colleges and schools. On introduction of Part-time Evening Diploma Courses in Engineering and Technology, Government of West Bengal in its order dated 19.9.2002 had allowed four Polytechnic Institutes to open Bank accounts in Nationalised Bank to be operated by the Principal/Officer in charge of the institutes for credit all the collection towards the tuition fees collected from the students of the courses. The additional remuneration and other expenditure of teaching and non-teaching staff for running the Part-time Evening Diploma Courses in Engineering and Technology will be spent from such deposit as a self-financing scheme. In this context, the field parties while conducting audit of the Institutions should verify the records relating to the number of students admitted for the course, Tuition fees collected, Fees credited in the Bank account, details of expenditure towards remuneration paid to the teachers and other expenditure specifically related to running of the Part-time course. Deviation, if any, to be pointed out and suitable comments to be incorporated in the IR. In addition, the records are to be verified in details to ascertain as to how far the objective of the Department/Directorate as a whole is fulfilled.

## **7. JUDICIAL DEPARTMENT**

### **7.1 HIGH COURT, ORIGINAL SIDE**

Registrar, High Court acts as DDO for all transactions of the High Court Original Side. The accounts of the High Court Original Side are maintained in two Sections — (1) Accounts Section, (2) Cash Section.

#### **1) Accounts Section**

- (i) The records relating to Suitor's Deposit for the money or securities to ordered to be deposited into Court are maintained by this Section.
- (ii) The fines imposed by the Court are also received in this Section and entered in the Fine Register. After any adjustment according to the orders of the Court, the balance of the fine is remitted to the credit of Government account in the Reserve Bank of India.

#### **2) Cash Section:**

Besides the accounts records maintained under the WBTR, this Section maintains accounts of payment for the establishment and contingencies of the Original side of High Court, receives and remits to the State Bank of India the deposit money or securities for the following accounts and maintains their ledgers as

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well as other accounts books required for keeping such accounts correctly:-

- i) Suitor's deposit account
- ii) Sale deposit account
- iii) Miscellaneous deposit account (including Attorney's and Advocate's Examination funds)
- iv) Supreme Court Appeal Ledger
- v) Companies' Liquidation Account

Current accounts are opened with the State Bank of India in the name of the Registrar General, High Court (Original side), for each deposit account and a reconciliation of the balances worked out with the corresponding balances shown in the Bank Pass Book. The receipts given to the parties for payments made by them on counterfoil receipt forms and in case of refund the payments are made by cheques.

The following account books are maintained in the cash section for the deposit accounts:

- i) Receipt Book containing counterfoil receipts
- ii) Challan Book for remittance to the State Bank of India.
- iii) Cheque Book for payments from the State Bank of India.
- iv) Bank Pass Books (one for each deposit account).
- v) Subsidiary Cash Books (for Suitor's deposit, Sale deposit and Supreme Court Appeal Accounts only).
- vi) Register of payments by cheque.
- vii) Ledgers under each deposit account (current).
- viii) Dormant Ledger.
- ix) Dead Ledger.
- x) Suitor's Security Deposit Ledger.
- xi) Classified Abstract.

### **7.1.1 Process of Audit**

(a) The Fine Register maintained is to be checked with relevant record of fines and its credit to Government Account (to the Reserve Bank) to be checked with reference to the challans.

(b) The following procedure should be adopted in the audit of the accounts of the Cash Section:-

- i.** Make a review that the receipts and payments on sale or Suitor's Security Deposit accounts are entered in the General Cash Book of the Section from the subsidiary cash books, if any;
- ii.** See that the remittances by challans to and withdrawals by cheques from the State Bank of India on the deposit accounts are both entered in the General Cash Book on payment side in the same column "Amount remitted to the State Bank of India", withdrawals being noted in red ink (i.e. minus figures).
- iii.** See that the Register of payments by cheque is posted from the cheque books, as each cheque is issued in the appropriate columns and the classified abstract is posted from the daily receipt and issue entries in the General Cash Book.
- iv.** Test check of the Receipt Book and the vouchers and other records for payment from deposits and the

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- postings in the Cash Book/Subsidiary Cash Books, with reference to the Register of Payments by cheques are correct.
- v. Test check that commission at the prescribed rates laid down in items 56 and 57 of Paragraph 74 of Chapter XXXVI of the Rules and orders of the High Court, Original Side, has been realised on Suitor's deposits and sale deposits at the time of deposit, or when crediting the interest on securities to the deposit accounts, on receipt of interest sheets from the Bank for securities kept in their custody and credited to Government Account without unnecessary delay by drawing cheque on the State Bank of India in favour of the Reserve Bank of India. The credits to the Reserve Bank of India are to be checked with the challans.
  - vi. Check the General Cash Book for the month selected for detailed check on its receipts side with Receipt Book and on the payment side with the Challan Book / the Cheque book for deposit.
  - vii. See that the total balance on account of deposits in the State Bank of India at the end of every month in the column "Amount remitted to the State Bank of India" agrees with the total balances shown in the Bank Pass Book.
  - viii. Examine the Dormant Ledgers to see that the accounts lying unclaimed for more than five years are transferred to this ledger from the corresponding current ledgers by closing such accounts in them in respect of the deposit accounts No. (i), (ii) and (iv) of Paragraph 13.1(2) and the adjustments of these accounts are thereafter watched through these ledgers.
  - ix. Examine the Dead ledger to see that all accounts in the Dormant Ledger which were lying unclaimed for more than 20 years are transferred to the Dead Ledger for final credit to Government under orders of the Court, the credit to Reserve Bank of India being verified with the challans.
  - x. Test-check the Suitor's Deposit Ledgers which contain the particulars of the securities received and delivered out, to see that the balances of securities lying unclaimed for more than 20 years are transferred to the Dead Ledger (as in the case of Dormant Ledger), and after sale, the proceeds are credited to Government.
  - xi. The acknowledgement for payments made from the deposit accounts are given by the payees on the copy of the Court's order authorizing the payments, as well as on the back of the counterfoils of the cheques issued out to them. The acknowledgement of the party on delivery of the securities kept in a deposit account is taken on the respective delivery orders of the court which are filed in the Section. Such acknowledgement should be test checked for one month.
  - xii. The account books viz. General Cash Book, Bill Register, Acquittance Roll for pay of establishment, Contingent Registers (Regular and Special), Stock Book of Furniture, Stationery Accounts, Accounts of Service Postage Stamp, Service Books, etc. maintained by the cash Section for establishment, contingencies of the High Court, Original Side should be checked in accordance with the procedure laid down in General & Social Sector-I Audit Manual, Volume-I.

*Note:- The IR on the accounts of Registrar, High Court (Original Side) requires the approval of PAG, prior to issue and need not be sent to Hd. Qtr. (Hdqrs. Letter No. 807— Rep (S)/324 — 2003 dated 06-7-2005)*

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## **7.2 HIGH COURT, APPELLATE SIDE**

“Registrar (Administration)” acts as DDO in respect of the transactions of the officers of Higher Judicial Services and “Registrar (Vigilance and Protocol)” acts as DDO in respect of the transactions relating to other employees and other expenses.

The functions of the High Court, Appellate Side are being executed through various sections, of which the following are the main sections, from the point of view of audit.

- i) General Accounts Section
- ii) Paper Book Section
- iii) Cash and Central Stores Section
- iv) Appeal Section
- v) Copying Section
- vi) Bench Section.

Besides the records required to be maintained under WBTR, the General Accounts and the Cash & Central Stores Sections of the Accounts Department of the High Court, Appellate Side maintained accounts registers and other records including the following special registers/Records.

- i) Bills for Copyists and cause lists
- ii) Register of securities
- iii) Register of Safe custody Receipts
- iv) Register of purchase of books

The following important registers and records are maintained by other sections of the High Court, Appellate Side.

### **7.2.1 Paper Book Section**

- i) Ledgers of Regular Appeals, Second Appeals, Miscellaneous Appeals and Supreme Court Appeals.
- ii) Estimates of Paper Books
- iii) Ledger of Government Dues
- iv) Ledger of Deputy Registrar’s costs
- v) Register of Miscellaneous Deposits
- vi) Ledger of Securities
- vii) Register of Challans
- viii) Register of Payment orders
- ix) Bank's Advice of deposits
- x) Bank's Advice of payments
- xi) Register of Daily Balance of the Registrar's Personal Ledger Account
- xii) Sheets of the Ledgers
- xiii) Statement of Lapsed Deposits
- xiv) Register of Refund of Court Fees
- xv) Statement of Government dues for credit to Government

### **7.2.2 Appeal Section**

- i) Order Books for preparation of Paper Books
- ii) Certified Paper Books and Taxed Cost Sheets (these are sent to the Accounts

Department)

iii) Stock Account of Paper Books.

### **7.2.3 Copying Section**

Register of information as to stamps and folios for copies for Form No. 17 (Civil).

### **7.2.4 Bench Section**

Subscription Register of cause Lists.

### **7.2.5 Process of Audit**

General Accounts, Cash and Central Stores: In addition to the checks described in General & Social Sector-I Audit Manual, Volume-I the following checks should be exercised.

- i. Check the receipts on account of saleable forms, subscriptions to cause lists and sale of paper books shown in the Register of Miscellaneous Receipts with the Sale Register of Saleable Forms, the Subscription Register of Cause Lists, and the Stock Account of paper books.
- ii. Check the bills for copyists with reference to Rules 16 & 17 of Chapter XIII of the Rules of the High Court, Appellate Jurisdiction with the Register in Form 17 (Civil) maintained by the copying Department and the amounts deducted from their remuneration on account of maintenance and repair charges of typewriters with the Ledger of receipts and expenditure for the maintenance and repairs of typewriters of extra typists.
- iii. Examine the Register of purchase of Books and see whether the purchases of the Law Books have been made with proper sanction. Trace the purchases into the Library Catalogue of books.
- iv. Check the Register of Cheques with the counterfoils of cheques and the Register of payment orders, and verify the latter with the Bank's Advice of payment.
- v. Check the Register of securities with the Register of Safe Custody Receipts and the Ledger of Securities.

### **7.2.6 Paper Book Section:**

- i. Check the Ledger of the different Appeals with the challan Register and the Bank's Advice of Deposits to see whether the amounts credited in the Ledgers have been duly deposited in the Bank or to the Registrar's Personal Ledger Account. Examine the Estimates of Paper Books to see whether the estimating cost has been debited to the Ledger Accounts of the Appeals concerned, and in cases dismissed for default of payment of the cost of Paper Books, see whether the necessary entries have been made in the corresponding Ledger Account of Appeal.
  - ii. Check the Ledger of the different Appeals and the order Books for the preparation of Paper Books to see that the deposit of money required under the Rules of the High Court, Appellate Jurisdiction (quoted in Paragraph 13.2) have been duly made and credited to the Registrar's Personal Ledger Account before any action regarding Paper Book is taken.
  - iii. Examine the paper books and Taxed cost sheets and check the cost of paper books shown in the cost sheets with the debits in the Ledger Accounts of Appeals, and the credits of the amounts due to Government in the Ledger of Government Dues. See whether all such entries
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- have been initialed by the Ledger Keeper. Examine also the vouchers for the debits.
- iv. Examine the surplus deposits in the Ledger Accounts of Appeals and check them with the Register of Payment orders.
  - v. Check the Ledger of Deputy Registrar's Costs.
  - vi. Check the Register of Miscellaneous Deposits with the Challan Register and examine the payments from such deposits. See whether the surplus left from each deposit after meeting the costs is credited to the Ledger of Government Dues.
  - vii. Examine the Ledger of Government Dues and check the amounts entered in it with the quarterly statement of Government dues for credit to Government, and see whether the total amount of the statement has been credited to Government by transfer from the Registrar's Personal Ledger Account.
  - viii. Check the Register of Daily Balance of the Registrar's Personal Ledger Account with the Bank's Advices of Deposits and Payments.
  - ix. See whether a Balances of Ledger balances on the 31<sup>st</sup> March has been prepared and verified with the balance in the Registrar's Personal Ledger Account. Also see that the deposits standing in operation for five years have been entered in the Statement of Lapsed Deposits and the total amount credited to Government by transfer from the Registrar's Personal Ledger Account.
  - x. Examine the Security Ledger and see whether the withdrawal of interest on the securities has been entered in the ledger and initialed by the Registrar and the acknowledgement of the party taken in the Ledger. Check also the refund of the securities.
  - xi. Examine the Register of Refund of Court Fees. The procedure for there fund is described in Paragraph 47 of the Manual of the Accounts Department.
  - xii. Examine the Stock Account of paper books maintained by the Appeal Sections.

*Note 1: Special care will be needed during local inspections to see that there is no fraud or manipulation in the accounts. In particular, the procedure for the operation in Personal Ledger Accounts for such purposes, i.e. for accommodating court deposits should be scrutinized with a view to ensuring that the internal check exercised by the administrative authorities is adequate.*

*(C&A G's letter No. 3752 Admn I/303-58 dated 12.12.59)*

*Note 2: The paras included in the IR on the accounts of Registrar, High Court (Appellate Side) containing objections other than those involving High Court Judges, requires the approval of PAG, but need not be sent to the Hqrs.*

*(Hqrs. letter No. 807-Rep (S)/324-2003 dated 06-7-2005)*

### **7.3 HIGH COURT JUDGES ESTABLISHMENT**

Audit of the High Court Judges establishments where Registrar General acts as DDO towards the personal claims of the High Court Judges is to be taken up in course of regular audit and expenditure of the High Court Judges to be conducted with specific emphasis on the personal claim of high court judges as detailed below:-



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**T.A. & L.T.C. claim:**

As per notification dated 15-5-2002 amending the High Court Judges (TA) Rules, 1956, the judges of the High Court Judges are entitled to use private car while availing LTC. The claim is, however, to be restricted to rail fare by entitled class by shortest route. Hence, journey undertaken by the Judges by private/own car between places connected by Rail/Air transport, may, therefore, object to cases which are not regulated as per rail fare by shortest route.

**(A) Furnishing:**

Values of furnishing of the official of the judges are covered under Central Act and Rules made there under. The excess furnishings were provided to judges in most of the cases under separate orders of State Government. In such cases the matter may be taken up with law ministry as they violate the Supreme Court observation. However, the furnishing of “Home Office” of the judges should not be reckoned for the purpose of ceiling since “Home Office” is in fact an office of the Judges. As such these objections may not be taken in the I.R.

**(B) Free Water and Electricity:**

The point regarding excess consumption of water and electricity over and above the prescribed ceiling by judges might be due to consumption of “Home Office” provision of security lighting, upkeep and maintenance of garden in the residences of the judges. Hence, the objection may not be included in the IR. However, it may be taken up with the Law Ministry suggesting provision of separate meters for residence and other purposes.

*(C&AG's office D.O. No. 610-Rep(S) 98-97 dated 23.06.99)*

**(C) Staff Car:-**

Under section 22B of High Court Judges (condition of services) Act, 1954 every judges will be entitled for a staff car and 200 litres of petrol per month/or actual consumption of petrol whichever is less. However, audit may not insist on maintenance of log book and a certificate from the judge or his personnel staff that the actual consumption was less than 200 litres may be suffice and observation on this aspect may not be included in the IR.

If, however, any objection or overpayment in respect of judges is noticed, the matter may be brought to the notice of the judge through a D.O. letter by the PAG after the observations involving personal entitlements of Judges were finally cleared by the HQ office for issue. The model D.O. letter from the PAG to the judges is given in **Annexure IX** If the judge agrees to the audit view, the objection may not be included in the IR. If the judges do not agree to the point the matter may be referred to HQ.

*(Hqrs letter No. 276-Rep (S)/98-97 dated 18-3-2002, 610-Rep(C)/98-97 dated 23.06.99 &B.O. No. OA/IC-I/94-95/5 dated 29.8.94)*

*Note: Government of India, Ministries of Law, Justice and Company affairs (Deptt. of Justice) letter No. L/11016/5/90-Jus dated 17.5.94 communicated through CAG circular No. 222/Audit(Rules)/63-92(38) dated 14.06.94 regarding provision of staff car to the Judges of High Court.*

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**Note: The observations involving personal entitlements of High Court judges are to be sent to Hqs. Office (Director RS) for vetting and clearance for issue. In no case the IR be issued without prior approval/clearance of the Hqs. Office.**

*(Hqs letter No. 807— Rep (S)/324-2003 dated 06-7-2005)*

**(E) Other Provisions: -**

1. While undertaking audit of establishment expenditure of High Court Judges, the following aspects will have to be kept in view:
  - (a) Whether there are any differences between the terms and conditions of service prescribed by the State Government and the provisions made in the Central Act and
  - (b) Whether there are any significant differences between the terms and conditions prescribed by the State Government and the benefits actually being availed of in the High Courts.Within the above framework audit of establishment expenditure should be conducted; as per the manualised principles of establishment audit.
2. In view of the sensitive nature of the matter it should; be ensured that the audit of High Courts must be properly planned and supervised personally by the Group Officer taking into account various aspects of the high Court establishment Rules, etc. wherever interpretation of Rules and regulations are involved, these must be done with utmost care.

*(D.O. No. 276-Rep (S)/98-97 dated 18-3-2002 & No. 892-Rep (S)/98-97 dated 04-9-1997)*

## **7.4 SHERIFF OF KOLKATA**

Departmental Rules:

- i) Calcutta Sheriffs Act, 1948
- ii) Calcutta Sheriffs Rules 1950
- iii) Calcutta High Court Rules — Chapter XXV and XXXVI

Two sets of Accounts are maintained in the Sheriff's office — one for transaction relating to Government account and the other for transactions relating to Personal Ledger Account.

### **7.4.1 Process of Audit**

In addition to the normal audit procedure mentioned in the General & Social Sector-I Audit Manual, Volume-I the following checks are to be exercised in course of audit of the office of Sheriff.

- 1) See that fees and poundage received under Rule 7(1) (a) of Calcutta Sheriff's Rules 1950 have been at the prescribed rates and credited to the Government account.
- 2) See that fees, poundage received and charges received under rules 7(1)(b) and 7(1)(c) Calcutta Sheriff's Rules 1950 have been at the prescribed rates and credited to the PL Account.
- 3) Check the entries in the Suitors' ledger with fee book and see that all payments made to parties have been duly entered in the ledger. Check the opening balance in the Ledger in each case with the closing balance in the ledger of the previous year.
- 4) Trace the receipt as entered in the Fee Book in the Extract Register.
- 5) See that the Extract Register has been examined at the end of each month and that items which are due

for credit to Government have been duly credited.

- 6) See that all outstanding items of the Extract Register at the end of the year have been brought on to the Clearance Register and their disposals are being watched through this Register.
- 7) Examine the Register for watching payment of wages to peons (guards) to see that wages have been paid as per prescribed rate for the period for which the peons were engaged.

## **7.5 POLICE COURT**

The accounts of the Police Courts are regulated by the Accounts Rules contained in the Criminal Rules and orders of the High Court.

In addition to the normal accounts books, registers and records, the following Registers and Records are kept in the Police Court:-

### **7.5.1 Cash Department**

- 1) Subsidiary registers of Peremptory Receipts for
  - i) Travelling Allowance of Witnesses
  - ii) Maintenance Cost
- 2) Gambling Register
- 3) Ledger of Maintenance Pay order
- 4) Duplicate receipt books for peremptory cash.
- 5) Old fine receipt book
- 6) Judicial Fine Register
- 7) Hackney carriage Act Fine Register
- 8) Fines under the Act for Prevention of Cruelty to Animals
- 9) Municipal Fine Register
- 10) Outstanding Fine Register
- 11) Annual Balance Sheet of Fines
- 12) Distress Warrant Register
- 13) Court Fee Register

### **7.5.2 Accounts Department —**

- 1) Accountant's Petty Challan Book
- 2) Register of Payment Order
- 3) Deposit Register of Receipt
- 4) Deposit Register of Repayments

### **7.5.3 Courts — Trial Register of**

- 1) Petty Cases
- 2) Hackney Carriage Act cases
- 3) Prevention of Cruelty to Animals
- 4) Municipal Cases
- 5) Motor Vehicles Act cases

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#### 7.5.4 Subsidiary Records —

- 1) Register of Confiscated Money
- 2) Fine Cheque Books
- 3) Warrant Register
- 4) Lock-up Register
- 5) Stock Account of fine cheque book

#### 7.5.5 Process of Audit

- (1) In addition to the procedure of expenditure audit on the accounts records as envisaged in General & Social Sector-I Audit Manual, Vol-I, the receipt side of the Cash Book shall be checked for the month(s) selected for detailed audit with the Fine Registers, (Register of Fines), Register of Confiscated Money, Subsidiary Register of Peremptory Receipt and the payment side with the Pass Books (Government and Municipal), Subsidiary Register of peremptory Receipts, Fine Cheque Books and Trial Registers of Petty cases in respect of payment of rewards or compensation.
- (2) **Peremptory Receipt Registers:** Check the peremptory receipts with the Accountant's petty challan book.
- (3) **Check the peremptory receipts** with the counterfoils of receipts granted by the cashier, and payments with the receipts given by the parties on the back of the counterfoil receipt forms.
- (4) In respect of maintenance, when payments have been made to a person other than the one named in the maintenance orders, see that there application duly stamped requesting payment to him and orders have been passed by the Magistrate to that effect.
- (5) See that the deposits made by the parties on account of maintenance and travelling allowance, if not paid during the next month, are remitted to the Bank to the credits of criminal deposits according to the Chief Presidency Magistrate.

#### 7.5.6 Fine Registers

- 1) Check the Fine Register with the Fine Cheque Books.
- 2) Check the amount shown as paid on account of rewards with the actual payments recorded in the Trial Registers and the receipts taken in the Fine Cheque Books.
- 3) Check the totals of the Fine Registers and compare them with the credits in the Cash Book.
- 4) Check the subsequent payments of fines with the old counterfoils of the Fine Cheque Books.
- 5) See that the subsequent payments have been recorded against the original items shown as balance. Where there is a defaults sentence of imprisonment, see from the Jail warrant Register that in the case of non-payment of the fines the persons were sent to Jail, unless time has been allowed by the Magistrate for subsequent payment.
- 6) See that the balance remaining unpaid is transferred to the outstanding Fine Registers.

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### **7.5.7 Gambling Register**

- 1) Check the items with Fine Cheque Book. See that the reward does not exceed half the fine imposed. Check the receipt of fines with the Cash Book and payment of rewards with the receipt of the payees on the counterfoils of the fine Cheque Book. See that the rewards, which are not paid in the same day, are remitted to the Bank.

### **7.5.8 Trial Register**

- 1) Examine the amount of fine imposed with the orders of the Magistrate recorded therein. Check the total of the imposition, realization and balances for a month and compare with the Fine Register.

### **7.5.9 Register of Confiscated Money**

- 1) See that the money has been recorded in the Cash Book and remitted to the Bank in full unless any reward out of the realizations has been ordered to be made by the Magistrate.

### **7.5.10 Other Registers**

- (1) Check the items of Deposit Register of Receipts with the Pass Book and Challan Book.
- (2) Check the items of Deposit Repayment Register with the Register of payment Order and see that the payments have been recorded against the original items of receipts.
- (3) Compare the items of Court Fee Register with Distress Warrant Register.
- (4) See that the Distress Warrant Register has been periodically examined by the Registrar and the Presidency Magistrate.
- (5) Trace the items of realization of the Distress Warrant Register into the Fine Register, Cash Book and the Register of Outstanding Fines.
- (6) See that the cost of Distress Warrant issued has been realised.

### **7.5.11 Register of outstanding Fines**

- (1) Check the opening balance with the last closing balance and see that the items have been correctly brought forward from the Fine Register.
- (2) Trace the realizations into the Cash Book.
- (3) Check some of the items of remissions with the orders of the Magistrate.
- (4) Compare the amounts of outstanding fines of the year with the balances of the previous year and satisfy that the figures of the current year are not unusually heavy.

### **7.5.12 Register of Fine**

- 1) Check the entries of imposition, current realization and amount written off with those in Fine Register, check the old fines realised and written off with the Register of outstanding Fines.
- 2) Check the remittance of the fine and the closing balance in hand with the Cash Book.

***N.B. Regarding Court Deposits, see instructions of the CAG of India (note below Paragraph 7.2.6 of this vol).***

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## **7.6 SMALL CAUSES COURT, KOLKATA**

### **7.6.1** Main five departments of the Courts to be audited are:

- 1) Accounts Department
- 2) Treasurer's Department
- 3) Summons Department
- 4) Warrant Department
- 5) Record Department

The matters relating to accounts and cash in the Accounts and the Treasury Departments are regulated by the Accounts Rules laid down in the Small Cause Court Manual. The following Acts and Rules may also be referred to during the local audit of the accounts: -

- a) Presidency Small Cause Courts Act.
- b) Rules of Practice

All the Departments are generally regulated by the Small Cause Court Manual. In addition to the normal accounts books, registers and records the following special Registers and Records are kept in the Court:-

### **7.6.2. (a) Accounts Department**

- 1) Registers of Deposits.
- 2) Receipt book for Deposits (Form No. A.T. 8 and their stock account).
- 3) Register of Repayments of Deposits.
- 4) Register of Personal Ledger Accounts of Deposits.
- 5) Register of Bills and cheques cashed.
- 6) Rent Registers (for stall and space rents and Pleaders' seat rent).
- 7) Subsidiary Register of receipts.
- 8) Register of Judicial Deposits, other than Civil Deposit and peremptory Receipts (Form A.T. 19).
- 9) Register of Instruments Impounded for Stamp Duty and Penalty.
- 10) Register of Fines imposed by the Court.
- 11) Register of Challans (Form A.T. 15).
- 12) Register of Challans for petty receipts (Form A.T. 16).
- 13) Register of Payment orders (Forms A.T. 17).
- 14) Accounts of refunds in compromised suits.
- 15) Payment Register of Half-cost Refund Certificates and Institution Fees.
- 16) Judge's Register of Compromise Orders and Refund Institution Fees.
- 17) Collector's Advice List of payments of Half-cost Refund certificates.
- 18) Collector's monthly return of payments.

### **7.6.2(b) Treasurer's Department**

- 1) Receipt books and their Stock Account
- 2) Treasurer's General Cash Book
- 3) Bank Account Book
- 4) Register of Sale Money
- 5) Cheque Entry Book

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- 6) Subsidiary Cash Book for miscellaneous receipts
  - 7) Subsidiary Contingent Register
  - 8) Register of valuables

**7.6.2(c) Summons Departments**

- 1) Sealer's Distribution Register
- 2) Register of attachment before judgement
- 3) Register of suits and second summons
- 4) Registers of guardian notice, jail notice and special notice
- 5) Register of New Trial cases in the case of ex parte decrees
- 6) Register of sub summons to witnesses
- 7) Register of suits filed free of cost and on half-cost

**7.6.2(d) Warrant Department**

- 1) Register of Warrants
- 2) Register of Prohibitory orders
- 3) Register of Distraints
- 4) Register of properties seized daily
- 5) Auctioneer's Sale Account Register
- 6) Receipt Books issued to bailiffs
- 7) Stock Account of receipt books
- 8) Register of Peon's wages
- 9) Register of leviable costs in pauper suits

**7.6.2(e) Record Departments**

Register of applications for supply of certified copies.

**7.6.3 Processes of Audit** of a few of the records being maintained by different departments of the Small Cases Courts are as follows:

**(A) Accounts and Treasury Department Registers of Deposits**

- 1) Check the counterfoils of receipts in the Treasurer's Department with the Deposits Registers.
- 2) Check the daily totals of receipts in the Deposit Registers and see that those are entered in the receipt side of the General Cash Book.
- 3) Check the Deposit Register with the Transit Register maintained by the Deputy Registrar in case of receipts of Rule 4(ii) and with the counterfoils of receipts issued by the Deposit clerk under Rule 4(iv), Chapter VI of the Small Cause Court Manual, Vol. II.
- 4) Check the correctness of the item transferred from one deposit register to another.
- 5) Check the totals daily payments in the Deposit Register and see those are entered in the payment side of General Cash Book.
- 6) See also that the balance in the Deposit Register is not excessive and is adjusted within the time prescribed in the Small Causes Court Manual, Vol. II.
- 7) See that the all entries in the registers are duly initialed by the competent authority.

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### **Register of Repayments of Deposits**

- 1) Check the vouchers of repayments of the Deposits with the Register of Repayments and the Register of payment orders.
- 2) See that the payments of Deposits are recorded against the original items of receipts in the Deposits Register.
- 3) Check the total daily payments in the Registers of Repayments of Deposits and trace those in the payment side of General Cash Book.
- 4) See that all entries in the registers are duly initialed by the competent authority.

### **Register of Challans and Register of Challans for Petty receipts**

- 1) Check the receipts entered in the above two registers with the subsidiary Register of Receipts, the Register of Judicial Deposits (other than Civil Deposits and Peremptory cash), the Register of Instruments impounded for stamp duty and penalty and the Treasurer's subsidiary cash book for miscellaneous receipts.  
Check the total receipts in the Register of Challans and trace those in the receipt side of the General Cash Book.
- 2) Check the items in the Register of Challans with the Treasury Pass Book/the Pass Book of the Collector of Calcutta (vide Rule 37)

### **Register of Personal Ledger Accounts of Deposits**

- 1) Check the Ledger Accounts with the Register of Deposits and the Register of Repayments.
- 2) Check the plus and minus memorandum drawn up in the Deposit Register and check that the same with the Bank Pass Book and the General Cash Book.
- 3) Check the deposits into the Personal ledger accounts of the Bank shown in the Bank Account with the payment side of the General Cash Book.

### **Other Registers**

- 1) Check the total receipt in the Register of Sale Money, daily totals in the Treasurer's subsidiary Cash Book for miscellaneous receipts with the receipt side of the General Cash Book.
- 2) Check the remittances of the receipt shown in the Treasury Pass book.
- 3) Check the Bank Account Book with the Bank Pass Book for personal ledger account and see that each entry of deposit or withdrawal in the former has been initialed by the Registrar.
- 4) Examine the Rent Register for stall and space rents and pleaders seat rents with reference to the rates of rent prescribed by Government and see that the rents are duly realised and accredited to Government.
- 5) Examine the Register of Fines and see whether the amounts have been realised and credited to Government.
- 6) See whether the refund of receipts has been noted against the original item in the Register of Judicial Deposits (other than Civil Deposits and peremptory receipts).



- 7) Check the Payment Register of Half-cost Refund certificates and Institution Fees with the Judge's Register of Compromise orders and Refund of Institution Fees.
- 8) Examine some case records of each Court to see whether the Refund orders were made correctly in accordance with Section 73 of the Presidency Small Causes Courts Act (Amended).
- 9) Check the Payment Register with the Advice list of the Collector of Stamps and check the monthly total of the Payment Register with the total of the Collector's monthly return of payment.

**(B) Summons and Warrant Departments**

- 1) Check the Sealer's Distribution Register with the Registers mentioned above and Register of Prohibitory orders to see whether the total number of notices, summons, etc served as shown in the letter register agrees with the total calculated from the Sealer's Distribution Register and see whether the bailiffs were fully employed, a comparison of three years' results may be prepared to ascertain the justification of their service rendered.

**Note** *A similar check is to be applied in the case of the bailiffs of the Warrant Department with reference to the Register of Warrants.*

- 2) Check some of the items in those registers and the Register of Distriants to see whether the amounts of Court Fee stamps noted in them have been correctly levied according to the rates laid down in the Small Cause Courts Act and also check some of the records in the Record Room and see whether the system of departmental check on the levy of stamp fee is adequate.
- 3) Check some of the items in the Register of Warrants to see whether for all Seal Warrants and Writs of Possession, Peon's wages have been levied at the rate prescribed in the Rules of Practice, and check them with the payments shown in the Register of Peon's wages.
- 4) Examine the stock account of receipt books issued to the bailiffs and check the receipts shown in them with the Deposit Registers.
- 5) See that the amounts deposited as entered in the Auctioneer's Sale Account Register have been received by the Treasurer and initialed by him and entered in the Register of Sale Money or the Deposit Registers.
- 6) Examine the Register of Properties for Daily Seizure of Properties and check the disposal of such properties by sale or otherwise.
- 7) Examine some of the entries in the Register of distribution of amounts realised on prohibitory orders and see whether the amounts have been entered in the Register of Prohibitory orders.

**(C) Record Department**

Check the Register of Applications for supply of certified copies with reference to the accounts of receipts by Court Fee stamps for certified copies of records maintained by this Department under the High Court's Orders.

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**Note: Regarding Court Deposits, see instruction of the CAG of India (note 1 below Paragraph 7.2.6)**

## **7.7 DISTRICT JUDGES, SUB DIVISIONAL JUDICIAL MAGISTRATE, MUNSIFF COURT**

The accounts of Civil Courts are maintained according to the High Court's Civil Rules and Orders, Volume-I.

There are mainly six departments or Sections in the Civil Courts, viz:-

- i) Nazareth Department
- ii) Forms Department
- iii) Accounts Department
- iv) Copying Department
- v) English Office
- vi) Record Room

### **7.7.1 Process of Audit**

#### **A) Nazareth Department**

- 1) The cash in hand of the cashier is to be verified with the balance of the cash reconciliation memorandum drawn up at the bottom of the cash book. See that the total of the amounts received after 3 P.M., when accounts are closed, has been included in the cash reconciliation memorandum of the same day in the cash book and included in the cash balance.
- 2) See whether the balance of peremptory cash in hand does not exceed the maximum limit fixed by the Judge in charge, except for special reasons.
- 3) Check the receipt side of the cash book for the month(s) selected for detailed checking with the receipts shown in the Register of Challans in the column 'Amount received in Court' and the Register of challans for petty payments and the total receipt of each day in the peremptory cash register.
- 4) Check the payment side of the Cash Book for the same month with the payments shown in the Register of payment orders in the column 'Amount cashed in Court' and with the total expenditure of each day in the Peremptory Cash Register.
- 5) Examine generally, the items on the receipt side of the cash book and see whether any of them could have been paid by the parties into the treasury/sub-treasury, but was received by the Court in contravention of rules.
- 6) Examine the stock account of receipt books for peremptory cash maintained in the Forms Department.
- 7) Check the receipt side of the Peremptory Cash Register for a month with the counterfoils of the receipt books and the payment side with the previous receipts items, tracing them from the serial number quoted against the payments and check the total of each day's receipts and payments. See at the time of the above check whether the payments have also been correctly noted against the original receipt items.
- 8) For all repayments shown in the Peremptory Cash Register, see that there is a bill or voucher with a proper pay order of the disbursing officer and the signature of the payee

has been taken in the column provided for in the register.

- 9) In the case of items transferred from peremptory cash register to Civil Deposit, examine whether (i) they are the oldest items and (ii) the amounts so transferred have been entered in detail in the Cash Book and in the Register of Deposit Receipts.
  - 10) Examine the Peremptory Cash Register of the preceding financial year to see whether all outstanding items were transferred to Civil Deposits on 1<sup>st</sup> April.
  - 11) Make a list of all outstanding peremptory receipts which have neither been repaid nor transferred to Civil Deposits and see whether the total agrees with the actual cash balance in the hands of the cashier. See whether a similar verification was made at the end of the previous half year by the Judge and a certificate recorded to that effect in the Peremptory Cash Register.
  - 12) Examine generally the items of peremptory receipts and see that charges of the following description have been withdrawn from the peremptory receipts deposited by the parties for meeting the charges and credited to the proper revenue head in the Government account before the Government Servant concerned draws his dues by bill from Government.
    - i) Travelling Allowance drawn by Nazirs for journeys to effect attachment or execution of decrees or other purposes.
    - ii) Travelling Allowance drawn by Government Servants summoned to give evidence in their official capacity, all sums due on account of travelling allowance and fees of Government Servants appointed as Commissions and the travelling and other expenses of clerks paid by parties for producing Government records.
    - iii) The fees at the rate fixed by the Government are paid to the Finger Print Expert when summoned to give evidence in the private case and the fee paid to the Government Examiner of Question Documents, but not their travelling allowance.
  - 13) See whether the rent deposits and costs of transmission received in cash entered in as the peremptory receipts have been forthwith transmitted to the landlord by postal money order.
  - 14) When commissions are issued to a Court for examination of witnesses of legal investigation of cases or to a pleader practicing in another court, see whether in addition to the usual allowance to witnesses for their attendance, any postal charges incurred for sending records to pleaders, etc. have been realised from the parties.
  - 15) Examine the Register of Securities, Jewellery and other valuables in the custody of Nazir to see that there are acknowledgements for the items which have been released. Some of the important items may be actually verified and it should be seen that a certificate of periodical verification by a responsible officer has been recorded in the register.
  - 16) Examine the Register of ordinary movables and see whether the amounts noted to have been realised by sale have been brought to account in the Cash Book.
  - 17) See whether remuneration for custody of the property, the cost of feeding, tending and custody of any live-stock according to the rates fixed by the Court has been realised from the decree-holder.
  - 18) See none of the properties mentioned at items (15) and (16) above has remained in custody for more than six months after the disposal of the suit in which the attachment has taken place.
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- 19) Check the Sale Account Register with the Treasury Pass Book and see whether the money realised by sale has been duly forwarded by the Nazir to the treasury/Sub-Treasury and credited to deposit head. See whether the Sale Account Register contains the account of sale of both movable and immovable properties and also whether a statement of the sale of estates or shares of estates which have been confirmed has been punctually sent to the Collector in the first week of each quarter.
  - 20) Examine the Register of Intestate Property with reference to the following points:
    - (i) Any cash belonging to the intestate entered in Column 7 of the Register and the sale proceeds of any property sold on account of its perishable nature are paid into the treasury at once as civil deposit. Such items are to be traced in the Cash Book and the Register of deposits received.
    - (ii) The sale-proceeds of the property sold after expiry of the period prescribed by law are credited to Government account. Such items are to be traced in the Cash Book and the Register of Miscellaneous Receipts.
    - (iii) Examine some case records to check the correctness of the entries in the Register and see whether the entries have been compared with the Police Challans by the Accountant. See also whether valuable documents such as hand-notes, etc. have not become time barred and that proper action has been taken to realise their value.
  - 21) Register of Stall Rents, leasing out of tanks:
    - i) Check the demands with the licences of the stall-holder.
    - ii) Check the collections with the treasury challans (where the rents are paid by the parties into the treasury) or with the Cash Book where the collections are made in cash by the Nazareth.
    - iii) See that the licence is in the prescribed form and is granted by the District Judge on the recommendation of the Judge-in charge of the Nazareth for a term of not more than one year and that the rents are realised in advance.
    - iv) See that proper agreements for leasing out of tanks in the Court compounds have been executed by the District Judge and the lease rents have been realised in advance.
  - 22) Register of seat rents from pleaders (where such rents are realised)
    - (i) Check the demands with the licences or the list of Demands furnished by the Public Works Department.
    - (ii) Check the collections as in 21 (ii) above.
  - 23) Calculate from the Registers of Processes, the total number of Original processes served during the immediately preceding three years and check this number with the total processes shown in the occupation Register of Process Peons and then calculate the average of the three years. Then find out the norm regarding the number of process serving peons required for serving this average number of processes. See if the total number of peons actually employed, as shown in the Register of process-serving peons, agrees with the number, as calculated above, based on admissibility.
  - 24) Check the Security bonds furnished by the process-serving peons to see that
    - i) all peons whose names appears in the Register of process-serving peons have
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furnished bonds in the prescribed form executed by a person of known respectability;

- ii) The sureties are alive and solvent;
- iii) The persons serving in the same office are not the sureties of one another.
- 25) Compare the process servers/peon's acquittance rolls for 2 or 3 months at different periods of the year with their attendance register at Court and their diaries. See during what period each process server was employed in miscellaneous work under the rule besides his process serving duties and whether any of them was granted leave without pay when leave on average pay was due to him.

*Note: It is irregular to employ permanent process peons to accompany a Judge on tour and to pay them deputation allowances while employing temporary hand in their places.*

- 26) Check some counterfoils of receipts issued by different process-servers with their diaries and the register of challans to see that the money realised has been promptly and actually credited to treasury/sub- treasury.

**(B) Forms Departments**

- 1) The Stock Accounts of receipt books, Saleable Forms and Stationery Articles are to be checked according to the procedure prescribed in the General & Social Sector-I Audit Manual, Volume-I.

**(C) Accounts Department**

**1) Register of Challans**

- i) Check the entries for a month in the "Amount received in Court" with receipt side of the Treasury Pass Book.
- ii) Check the entries for a month in Column 'Amount received in treasury' of the Register with the Treasury Advice List.
- iii) Check the entries for one month relating to receipts with the Register of Judicial Deposit maintained.
- iv) Examine whether the monthly total of the Register has been compared by the Accountant with the monthly totals of different Register of Receipts.

**2) Register of Payment Orders:**

- i) Check the entries for a month in the column 'Amount cashed in Court' in the Register with the payment side of Treasury Pass Book.
- ii) Check the entries for a month in the column 'Amount cashed in Treasury' in the Register with the Treasury Advice Lists.
- iii) Check, for detail month, the refunds from receipts shown in the Register of Challans entered in this Register with the Register of Judicial Deposits.
- iv) Examine the monthly totals of this Register with the monthly totals of the Registers of Repayment of Deposits and of any refund of fines or of miscellaneous receipts.
- v) Check the entries in column 4 of the Register of Payment Orders for a month with the corresponding original items of receipts in the different Register of receipts and see whether the

repayments have been noted against them.

- vi) Check some items in the Register relating to refund of the value of Court Fee Stamps with the original papers in the records of the cases concerned on which stamps were affixed and see whether the refund was in order and the refund order was noted by the Judicial Officer.
  - vii) Examine some cases of refund of the value of Court fees paid for processes which have not issued with reference to the orders of the Court in each case.
  - viii) Check some entries in the Register with the payment orders filed in court in Form No. (R) 38 with records or cases and see whether the prescribed checks as per Rules have been carried out. If the money is drawn by pleaders, examine whether he does so under a separate instrument or vakalatnama other than the one under which he acted in the suit, unless there is a special clause in the letter conferring on him the power to draw from the Court money realised in execution of decrees.
- 3) Check the entries in the Registers of Deposit Repayments for a month with posting of payments in the Register of Deposits Received. In the case of payments obtained by the Nazir from deposits, credits should be traced into his peremptory cash Register or the Cash Book, as the case may be.
  - 4) Test check the payments for allowances to Juries for diet and travelling allowance to witnesses for a month with reference to the Registers of attendance of Juries and Witnesses respectively of the Sessions Courts. See whether the vouchers for payment of allowance to jurors and diet and travelling allowance to witnesses have been checked by the Accountant.

#### **(D) Copying Department**

- 1) Check the Court Fees paid in applications for copies, certification and expedition fees as entered in the Register of Application for copies with the entries in the Register of Court Fees.
- 2) Examine the Column 26 of the former register and see whether searching fee has been realised for copies of papers contained in the records of cases which are not pending.
- 3) When the documents are contained in the different records, as will appear from their description entered in column 4 of the register of application for copies, see whether separate applications have been made and separate searching fees levied for copies of such documents.
- 4) See whether the unused folios have been returned to the parties.
- 5) Check the remuneration paid to copyists every month from the acquittance roll of typists and copyists with the amounts drawn in the contingent bills for remuneration to copyist and see that the earnings of the copyists do not show any unfair distribution of work or the average earning does not fall below the standard.
- 6) Check the remuneration of copyists every month with half the total value of the folios used as shown in Column 18 to 20 of the Register of Applications.

*Note: For the purpose of the above check of remuneration with the amount due on the folios, a memorandum should be drawn up at the end of each month showing the total number of folios, with their value used in the particular month including those received in the previous month but used during the month. To this should be added the cost levied for copies of maps and plans. The monthly amount disbursed in their acquittance roll should be half the amount calculated above.*

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- 7) Check the Register of Applications for information with the Register of Court-fees and see if the prescribed searching and expedition fees and the application fees have been actually levied in Court-fees stamps.

**(E) English Office**

The Catalogue of Books, Register of Security Deposits and Accounts of Service Postage Stamps maintained are to be examined according to the procedure mentioned in Civil Audit Manual, Volume-1.

**(F) Record Room**

- 1) Check the searching fees recorded in the Register of Application for Information and the Register of Inspection of Records with the Register of Court fees and see whether these registers have been examined from time to time and a certificate to that effect has been recorded by the Judge-in-Charge.
- 2) The following checks may lead to a presumption of the issue of surreptitious information from, or copies of records:-
  - i) A comparison of the Register of Applications and requisitions for documents with the Register of Applications maintained by the Copying Department to see whether documents have been obtained from the Record Room in cases where the applications for copies have been already rejected for default.
  - ii) Examine the Register of records issued from the Record Room with the requisitions to see whether (1) the requisitions have been signed by the Court or other officers, (2) the circumstances stated in them show sufficient grounds for the production of the records and (3) there has been any unnecessary delay in returning the records.
  - iii) Examine the lists of records sent to the Record Room forwarded by the Courts to see whether the interval between the date of decision and the date of dispatch of records exceeded the prescribed time limit.

**(G) In addition to above the following checks are to be exercised during audit of the Civil Courts.**

- i) Examine the Receipt Registers kept in the Civil Courts under the West Bengal Tenancy Act with a number of records of cases and see whether the transfer fee, transmission costs and process fee have been levied according to the prescribed rates. For this purpose the description of the property stated in the application for attachment and sale should be checked with the settlement khatians quoted in them to see that such statement is correct.
- ii) Examine the office copies of quarterly returns of landlord's fee deposits submitted to Government to see whether the outstanding balance is large and call for the reasons for it.
- iii) Select some records of insolvency cases from the Register of insolvency petitions and examine whether the cost of all proceedings under the insolvency Act has been realised from the party prosecuting the case.
- iv) Select some records of rent suits from the Registers of rent suits and examine those to see whether in the case deposits of rent in Court, the fees prescribed by the rules made by the Government of West Bengal under the West Bengal Tenancy Act have been levied.

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- v) Regarding checking of the accuracy of the levy of stamp duties in individual cases, it has been instructed by the CAG that it would be enough to see that the system of departmental check is adequate as a system and that the system is being applied adequately.
- (H)** For the above purpose audit should:
- i) See that the percentage of check as prescribed in the Rule 694 of High Court's Civil Rules and Orders, Volume-I is done.
  - ii) Select some records of cases from the Register of processes maintained by the Nazir to see that for serving of personal process of attachment and warrant of arrest, fees at prescribed rates have been levied correctly in Court-fees.
  - iii) See whether daily fee has been realised for the issue of a second process of attachment where the first had not been executed at the request of the decree-holder or for other reasons, but the process peon had to undertake the journeys thereof.
  - iv) Select some records of cases in which sale of property have been held from the Dstraint Registers and see whether the fees prescribed for sale of proclamation and poundage in the Rules have been levied correctly in Court-fees. See also from these records whether any refunds of poundage fees have been granted, since such refunds are ultravires.
- v) Ascertain that every Judicial Officer is making occasional inspection of documents at least once in a quarter, to see that stamps are being purchased and defaced and that they have not been subsequently removed from the documents on which they have been used and also that proper Court fee has been realised in respect of plaints and other documents and the result of his inspection is placed on record.

**Note:** *Regarding inspection of documents by the Judicial Officer, no percentage of documents to be inspected has been prescribed by Govt.*

- (I)** During scrutiny of the records mentioned in 7.6.3(A) above as well as other records which should be selected from the Register of petitions etc. the following points should be examined.
- (i) Whether proper court fees have been levied on applications praying for the issue of summons.
  - (ii) Whether separate petition and not joint petition on behalf of different defendants signed by the pleader of each defendant has been submitted.
  - (iii) Whether separate (not joint) application for time has been filed except in case of the petition for compromise.
  - (iv) Whether a petition for return of documents was filed without court fees during the pendency of the suit.

**Note:** *Select some records of cases from the Deposit Register, in which deposit have been paid and see whether court-fee has been realised on the application for orders for the payment of deposit at the rate fixed from time to time.*

- (J)** Registers of Pleaders and Advocates:
- (i) See whether the certificates of the Pleaders and Advocates have been renewed after 1<sup>st</sup> January.
  - (ii) See whether a list of Pleaders and Advocates who have not renewed their certificates have been pasted in the Court campus.



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(iii) Check with reference to the Cash book that the renewal as well as new enrolment fees were deposited as per the prescribed rule.

(K) See that the numbers of night watchmen for Civil Courts are fixed on the principle that there should be one night watchman for the Civil Court building or group of buildings at one place whether at a Sadar Station of a district headquarters of a sub-division or at a Chauki.

(L) See that the number office furniture used by the officers of the Judicial Department in their private residences free of rent is in accordance with the scales fixed by the Government/District Judge or any other authority.

(M) See that on binding work other than the binding of books, law reports and registers which are to be preserved for 12 years or more have been entrusted to the outside agencies. It is to be seen also all ordinary binding work (i.e. binding of registers which are to be preserved for less than 12 years) are done by the office duffries.

(N) See that the searching fees for papers in the records of cases are realised in accordance with the latest orders of the High Court.

(O) See that the daily fee is realised in the cases of issue of a second writ of attachment.

(P) See that the refund of the value of Court-fee stamps paid for the issue of processes has been made in accordance with the latest orders of the High Court.

*Note: Regarding Court Deposits see the instructions of the CAG (Note 1 below Paragraph 7.2.6).*

## **8. LAND & LAND REFORMS DEPARTMENT**

### **8.1 AUDIT OF THE OFFICES OF DISTRICT MAGISTRATE (DM/COLLECTOR)**

The District Magistrate's office is the principal office in a district and the gateway for receiving sanctions under different heads of account from different Departments in the Government and funds from different authorities for different purposes which inter alia included development for Unnayan Parisads, MPLADs, BEUP, BADP, District Development, Rural Development etc. Besides checking of expenditure made out of the above fund as well as the performances of different schemes/projects, checking of accounts/records the following units under the control of the DM/Collector should also be conducted in audit.

(1) PL A/c for LIGHS & Rent Deposit, (2) Election Expenditure, (3) R.R. Expenditure, (4) R.R. Loans, (5) Civil Defence, (6) Work-mens compensation, (7) Agricultural Input loan, (8) Natural Calamity Fund, (9) Civil Defence and comments to be incorporated in the same IR. The audit of District Social Welfare office and District Project Officer (DPO) is also to be carried out, if not audited separately. The office of District Magistrate has following sections to deal with different activities mentioned against each.

SI.No	Name of the Section	Activities dealt with
i)	Nazareth	Drawing of funds for Contingent expenditure and disbursement of funds drawn by all the Drawing Officers under the DM including Nazareth Deputy Collector (NDC) but excluding the Officer-in-charge of Judicial Munshikhana.
ii)	Establishment	Drawing of bills relating to pay and allowances of all the staff in the DM's office, maintenance of their service records, leave accounts, GPF A/cs of class IV staff etc.
iii)	Election	Drawing of AC Bills and other bills and sub-allotment order of funds for revision of electoral rolls, Electors Photo Identity Card (EPIC), purchase of election materials, organisation and conducting of different elections viz. General Elections (Parliament and Assembly, Panchayat and Municipal) for smooth co-ordination and management of the election process.
iv)	Relief	Sub-allotment and/or drawing of funds for normal/special/starvation gratuitous relief, house-building grants, economic rehabilitation grants etc.
v)	Social Welfare	Drawing of funds as well as Sub-allotment orders for social welfare measures viz. old age pension, widow pension, disability pension, etc
vi)	Loan	Sub-allotment and/or drawing of funds for advancing amounts to Block Development Officers (BDOs) for ultimate disbursement to the beneficiaries, maintenance of Advance Ledgers and Loan Ledgers for keeping a watch over recovery of principal amount and interest thereon.
vii)	Development and Planning	Sub-allotment and/or drawing of funds for implementation of schemes processed and formulated by the Block Planning Committee and approved by the District Planning Committee (DPC), maintenance of records for keeping watch over utilisation of funds and completion of the schemes, maintenance of relevant files in support of implementation of the schemes and co-ordinating among various departments regarding execution as well as among implementing authorities.
viii)	Certificate	Issue of process for realization of Govt. dues from different Authorities and keeping of watch over final disposal of the process.
ix)	Pool of Vehicles	Maintenance of history-sheets of the vehicles belonging to the DM and records in support of expenditure, incurred towards POL & repair of vehicles, records in support of hiring of vehicles, stock registers of spare parts
x)	Record room	Maintenance of Stock Register of Forms, maps, applications and requisition of maps, register of court-fee stamps.
xi)	Judicial Munshikhana	Administration of Solatium fund, payments to witnesses etc.
xii)	Revenue Munshikhana	Refund of Security deposit and nomination fees received from the candidates seeking election

Important records and registers maintained in these sections and subjected to audit examination are as below:

SL No.	Particulars of the records and registers		Section in which maintained
i)	Register 9	Requisitions for Certificates under Bengal Act III of 1913 ( West Bengal Public Demand Recovery Act)	All the officers i.e., OC, Loan Section, OC, Development section & others.
ii)	Register 10	Register of Certificates	Certificate section
iii)	Register 11	Register of process made over to the Nazir	
iv)	Register 27	Register of petitions	
v)	Register 58	Register of Court-fees realized	
<b>Note: Register 10 is divided into parts under different heads e.g. Road Cess, Govt. Estates, Wards' Estates etc.</b>			
vi)	Register 22	Ledger of advances for Agricultural Input Loan	Loan Section
vii)	Register 23A	Register of challans for realization of Agricultural Input Loan	
viii)	Register 24A	Register of advance made to officers for distribution of Agricultural Input Loans.	
ix)	Register 25	Register for claims to money in deposit	Revenue Munshikhana
x)	Register 26	Inspection Book	
xi)	Register 26A	Standing order Book	
xii)	Register 59	Register of Application for refund	
xiii)	Register 71	Receipt and issue of forms	Record Room
xiv)	Register 73	Register of Security Officers	Establishment section
xv)	Register 90	Register showing transactions relating to maps	Record room.
xvi)	Register 92	Stock of maps	Record room.
xvii)	Register 91	Record-Keeper's register of challans and requisition for the supply of maps.	
xviii)	Register 94	Register of Issue and Receipt Books	Nazareth Section
xix)	Register 96	Cash Book kept by Nazir	
xx)	Register 97	Treasury Remittance Book	
xxi)		Duplicate Carbon Receipt Books	
xxii)	Register 98	Stock book kept by Nazir	Nazareth Section
xxiii)	Register 43	Register of Process	
xxiv)	Register 30	Register of process	
xv)	Register	Register of stall rents	
xvi)	Register 100	Register of Service Postage Stamp Accounts	Caretaker & Nazareth
xvii)		Register of rent receipts in respect of circuit house	

In addition to the normal/detailed checks as well as points of interest that they come across in course of audit, field parties should see the following salient points.

### **8.1.1 Procedures followed**

The Nazareth Deputy Collector (NDC) is the DDO of the entire Collectorate. The NDC is the Drawing Officer of the Nazareth Department only and other officers-in charge of various departments of the Collectorate are functioning as Drawing Officer of their own Departments. However, according to the prevailing system, the other departmental heads under the Collectorate are required to initiate and finalize transactions pertaining to their departments and passed bills are endorsed to the NDC for drawals and disbursement to the payees. For this purpose, the NDC, in addition to the main cash book, maintain several subsidiary cash books. Due to such centralised cash transactions system, the O/Cs of different departments of the Collectorate have little control over drawals from the Treasury, their accounting in subsidiary and main cash books and disbursement to the actual payee made by the NDC.

### **8.1.2 Irregularities in drawing of funds**

The District Magistrates delegate the powers of drawing funds to officers-in charge of different sections of his office as per the provisions of T.R 4.028 of the West Bengal Treasury Rules 2005. This rule, however, provides that the head of the office may, as a temporary measure and to meet the emergent situation, authorise any Gr.A. Govt employee serving under him to sign a bill or order for him, communicating the name and the specimen signature of the officer to the Treasury concerned. But officers, in spite of change of incumbency continue as the drawing officers for indefinite period. The fact of such delegation of powers and continued performance need to be verified and seen whether it was brought to the notice of the Government.

Irregularities like drawing of funds though not required for immediate disbursement or to avoid the lapse of budget grant, delay in adjustment or non-adjustment of Abstract Contingent Bills, transfer credit of the amount of bills to the Personal Ledger Account of the Zilla Parishad without obtaining any receipt in support, accumulation of huge cash balance in hand etc. should also be checked.

### **8.1.3 Retention of heavy cash balance without observing of rules and procedure and checks to be exercised**

Moneys drawn from the Treasury although not required for immediate disbursements lead to accumulation of heavy cash balances. Moreover, the undisbursed amounts in chest are generally not analysed to have proper control over the disbursements.

Heavy cash balance leads to misappropriation/fraud of cash in the Collectorates. Cash balance at the end of each month for the period covered by audit are to be taken and reasons for their remaining unspent are to be analysed (bill-wise/scheme-wise). If analysis of balances is not there, suitable comment should be included in the I.R.

For selected months and in general it would be seen that acquittance rolls/vouchers are available in support of expenditure. Undue payment as well as double payments should be kept in mind while conducting audit.

The rules of the West Bengal Practice and Procedure Manual provide that the NDC should examine the Nazir's cash books daily and check the receipts and disbursements himself with the relevant vouchers and initial it as a token of check. He should also certify to the Collector at the close of each

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month that the Nazir's cash books have been duly checked by him. Non-observance of these provisions to ensure correctness of the cash accounts of the Nazir to be looked into. In addition the following points should be seen and commented upon in audit:-

- (a) Non-maintenance of subsidiary cash book.
- (b) Whether money was converted as deposit at call to reduce cash balances.
- (c) Money kept outside Govt. account or in the PL Account/LF Account of Zilla Parishad. Both of these are irregular.
- (d) Whether cash balance includes any slips in token of payment without authority for which vouchers are not available.
- (e) Period for which un-disbursed cash was not refunded to the Treasury be ascertained and reasons for lying un-disbursed. Reasons for keeping money un-disbursed for long.
- (f) Whether any payment was made out of un-disbursed cash.
- (g) Drawing of funds not required for immediate disbursement or for prevention of lapse of budget grant and reasons for retention of undisbursed/ unutilised fund.
- (h) Drawing of fund in AC bill without any specific order to avoid the lapse of budget grants.
- (i) Drawing of Grants-in-aid bill instead of AC Bill to avoid submission of detailed bill.
- (j) Reasons for errors and corrections in totalling and balancing remaining unauthenticated.
- (k) Whether the Head of the Office ensured physical verification of cash at the end of each month, as prescribed.
- (l) Absence of control over the drawals and disbursements relating to respective departments by their officers-in-charge and non-exercise of requisite checks over the cash transactions by the Drawing and Disbursing officer (NDC).
- (m) Reasons for non-observance of rules of financial discipline and retention of heavy cash balances etc.
- (n) Reasons for delay in adjustment or non-adjustment of Abstract Contingent Bills, transfer credit of the amount of bills to the Personal Ledger Account of the Zilla Parishad without obtaining approval of Government.
- (o) Reasons for accumulation of huge cash balance in hand and in the PL account
- (p) Diversion of fund etc.

#### **8.1.4 Audit of the expenditure:**

Audit of the expenditure, unadjusted advances paid to staff/officers others, non- submission of Detailed Contingent bill towards adjustment of Advance drawn in AC bill etc. are to be conducted as per the procedure indicated in the Paragraph 7.4 of the General & Social Sector-I Audit Manual, Vol-I. Besides checking of the adjustment of advances drawn in AC Bill detailed check of the expenditure incurred from the fund allotted for incurring various expenditure viz, Revision of Electoral Rolls, POL, Photo identity cards, Hiring charges of Vehicles, communication, printing of forms and purchases of stationery etc., expenditure towards deployment of Home guards, volunteers, Police forces, election observers, from the election fund should be verified with reference to the Government orders, deployment register, POL coupons, Stock book of election materials and other allied records and irregularities, if any, should be pointed out.

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### 8.1.5 District Plan & Block Plan scheme

According to the instruction of the State Planning Board, Departmental Officers and the Block Planning Committees are asked every year in the month of May to prepare a draft comprehensive Block Plan with a perspective of 10 years. The workshops involving Gram Prodhans and functionaries of Panchayat Samities are held at the Sub-divisional level where the methodology of planning is discussed. At the district level, sector-wise discussions of planning are also held. The Sthayee Samities of Zilla Parishad also review the matter in its Standing Committee meetings.

After taking all suggestions into account, the Annual Action Plan including District Plan-fund schemes are approved by the District Planning Committee (DPC). Thereafter, Development and Planning Department in the Government sanctions funds to the District Magistrate for sub-allotment to different executing agencies in the district. These schemes were to be implemented according to the Guidelines issued by the Government from time to time.

The terms and conditions for utilisation of such fund as laid down in each Government orders inter-alia includes:

- i) Authority of DM to sub-allot the amount sanctioned in favour of Zilla Parishad, Panchayat Samities, Municipalities, Statutory authorities and other Departmental agencies.
- ii) Only those schemes as approved by the DPC would be taken up.
- iii) Proper maintenance of Allotment Register and utilisation Register.
- iv) Normally no contractor should be engaged for execution of works.
- v) No post shall be created and no vehicles shall be purchased out of this fund.
- vi) DM would obtain quarterly progress reports in physical and financial terms from the implementing agencies and place them before the DPC.
- vii) DM would furnish the consolidated quarterly progress reports, in respect of the district as a whole to the Development and Planning Department and the State Planning Board.
- viii) DM was to utilize the fund within the current financial year and savings, if any, should be surrendered to the Department sufficiently in advance of closing of financial year.

Deviation from the process of implementation of the District/Block Schemes as detailed above including overlapping of the schemes, if any, executed through the fund sanctioned from the plan fund of the Government or by any other specified fund viz., MPLAD, BEUP, BADP or other Central/State fund and the position regarding allotment of fund, expenditure incurred, target, achievement and how far the schemes have been implemented fruitfully to be seen in details.

**8.1.6 Agricultural Loan Scheme:-**In course of audit of the Agricultural Loan Scheme the information as to the number of beneficiaries involved in the scheme, mode of selection of the beneficiaries, details of loan sanctioned and recovery there-against and in case of defaulters number of cases for which certificate cases were instituted and amount involved therein, number of cases in which moneys could be realised through certificate cases and amount involved therein and reasons for non-institution of certificate cases, if any, to be ascertained from the Block Level Land Reforms officers, responsible for realization of dues. Deficiencies in the system of disbursement and realization of loan money should be pointed out.

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**8.1.7 Audit of Registers of Certificates:-**Check the Registers of Certificates (Registers 10) generally with Registers 9 kept by the requiring officers to see whether they have been compared by the Superintendent (vide the Board's Instruction No. 43-2 at page 83 of the Certificate Manual) and also Column 12 of Register 10 with Register 11 to see whether there has been any undue delay in the issue of processes, or mistake or failure on the part of the Nazareth in the realization of dues in processes attachment necessitating their re-issue free of cost under Note (2) to Rule 38(1) of Schedule II of the Act (vide page 38 of the Certificate Manual).

Following points are to be examined in audit of records of certificate cases:

- i) Whether there has been any unusual delay on the part of the Certificate Officer in signing the certificate after it has been filed by the Requiring Officer.
- ii) Whether proper Ad valorem fees (court-fees upon the value of the demands in the requisition under section of the Act) have been levied in full and whether Ad valorem fees, if not paid, or partly paid at the time of filling certificates by wards' estates, etc. have been fully realised either on the termination of the cases or when the certificates were subsequently struck off as unrealizable.

*Note: Ad valorem fees are not payable on certificates for Government demands and arrear cases. (Vide section 4 of the Act).*

- iii) Whether interest has been levied in the case of arrear certificate cases.
- iv) Whether after the filing of the certificate case, interest on the demand in Government and cess cases up to the date of realization has been realised unless such interest has been remitted by the Collector, and whether all costs and charges have been correctly realized.

**Account registers and documents** — The Registers and documents to be examined are: -

- 1) Ledger of Advances under the Land Improvement Loans Act. (Register-21),
- (2) Ledger of Advances under the Agriculturists' Loans Act (Register-22)
- (3) Registers of challans for realization of the above loans (Register-23 and 23A)
- (4) Duplicate receipt books; (5) Annual Return No. XXVIII of recovery of advances (vide executive instruction no. 4) & (6) Register of Takavi Advances.

**Audit of the Registers of challans and the ledgers** — Examine the (i) duplicate carbon receipts and see that the receipts have been entered in the Registers of challans, (ii) check the items in the Registers of challans with the ledgers and see that there has been no double posting in the ledgers. (iii) the loans do not exceed the power of the sanctioning authority; (iv) the interest and the principal have been realised regularly according to Rules under the Land Improvement Loans Acts, and the Agriculturist's Loans Act; (v) in case of remission or suspension, necessary orders have been quoted in the ledger.

- a) **Security for loans** — Examine the records of some selected cases to see that proper security for the loans have been obtained.
- b) **Recovery of arrears** — See whether proper measures have been taken for recovery of arrears.
- c) **Register of Takavi advances** — Inspect the Registers of takavi advances to see how far the

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amount of each advance has been adjusted and whether adequate measures have been taken for the adjustment of outstanding advances.

**Note: Remission cases are to be checked 100%**

### **8.1.8 Performance of process-servers**

The registers of processes should be examined generally to detect any palpable error in the serial number of processes as such errors, affects the total number of processes recorded in the register. The number of original processes, as defined in Rule 168 of the Practice and Procedure Manual, issued during the year under review should then be worked out by adding up the numbers in the different volumes of the registers, excluding those containing the records of processes served through Union Boards and the correctness of this number should be checked with that shown in the occupation register and in the annual return prepared under Rule 187, *ibid.* See that this number of original process justifies the retention of the full strength of process-servers in accordance with the scale given. Check the number of temporary process-servers admissible under Rule 167-A, *ibid.*

**Receipts from process fees:** - The receipts from process fees should be test-audited from the Registers of processes as well as from the case records, if necessary, with reference to the following points.

Whether the process fees as laid down in Rule 166 of the Practice and Procedure Manual have been correctly levied in court-fee stamps.

That separate fees have been charged where process issued against persons in different villages.

That fresh process fees have been charged for re-issue of process, which is not due to any fault of the Nazareth staff.

That boat hire and demurrage for detention of the process peon or daily fees for the attachment property have been correctly charged (vide Rule 166(c) and (e) of Practice and Procedure Manual and Rule 38 of Schedule II of the Public Demands Recovery Act in the Certificate Manual).

The above checks may be exercised at the time of examination of the records of the certificate and other departments in order to save duplication of labour.

### **8.1.9 Small Savings Scheme**

Government of West Bengal, Finance Department issued directions in connection with the utilisation of cash prizes for good performances in net small savings collection and in matters relating to utilisation of cash prizes sanctioned from time to time on schemes laid down by Government. As per Government order No. 1693FD dated 18.9.78 the financial assistance could be given on the following approved schemes: -

- i) Minor Irrigation Works;
- ii) Construction/repair of village roads, masonry walls;
- iii) Tank Improvement;
- iv) Construction/addition/alteration/repair of community centre, Libraries, Stadium, bus stand and similar other public buildings excluding those which belong to Govt. or local bodies and
- v) Supply of books or equipment to non-Govt. schools & village libraries.

In addition to the prescribed routine checks, the following points should be examined:-



- 1) **Cash reward to districts** — Whether the cash rewards for exceeding targets of small savings collection was given as per guidelines and quantum fixed by the Government and to ensure that the Cash award received was utilised for implementing local development work or project to achieve the requirements and no prize money remained unutilized for more than one year. See that Government funds drawn for specific purposes were not deposited in postal Savings Bank Account to boost up small savings in the district.
- 2) **Standardised Agency System** — Whether the cash rewards (revised to 10% of the Commission) paid to the agents with required documents of the postal authority lying with the district offices and that the claims were submitted by the agents within the prescribed time limit.
- 3) **Other schemes viz. Sanchayika, Mahila Pradhan Kshetriya Bachat Yojana** — Cash rewards paid should be thoroughly scrutinized.

While auditing the Directorate of Small Savings, the summarised position of the district and correctness of payment sanctioned, the targets and achievement position should be ascertained.

#### **8.1.10 Passport cases:**

**Stock Account of Passports** — Their receipt, issue, realization of fees and their proper accounting or otherwise may be looked into.

### **8.2 AUDIT OF SUB-DIVISIONAL OFFICES:**

Accounts Records maintained by the Sub-Divisional Offices (SDO) and mode of audit are of similar to the office of the District Magistrate/Collectorate and accordingly IR is also to be prepared similar to the office of DM/Collectorate.

*Note: Copies of the IR of SDO to be sent to concerned DM, Divisional Commissioner and Pr. Secretary/ Secretary, Land & Land Reforms Department.*

### **8.3 AUDIT OF BLOCK-DEVELOPMENT OFFICES**

The Block-Development Officer (BDO) is the principal officer of a Block functioning under the District Magistrate and also acts as the Executive Officer of the Panchayat Samity. The schemes as approved by the District Planning Committee and included in the District Plan are being executed by the BDO/Executive Officer of the Panchayat Samity on release of the fund by the Government through the District Magistrate. Besides the Plan fund, DM also releases fund for execution of different scheme as sanctioned under the MPLAD, BEUP, SGSY, BADP or other Central/State sponsored schemes. Besides the prescribed routine checks as per the General & Social Sector-I Audit Manual, Vol-I, audit should ascertain the expenditure/allotment against the schemes undertaken, examine the performance of the schemes as approved by the DPC as included in the District Plan and also the achievement/performances of various other schemes undertaken with the fund sanctioned under MPLAD/BEUP/BADP or other Central/State sponsored schemes. The cases, if any, of overlapping between the schemes/projects under the District Plan and schemes/projects under MPLAD/BEUP/ BADP

or others etc, to be ascertained and suitable comments as regards to the performances and social aspects etc. to be brought out in the IR.

*Note: Copies of the IR of BDO to be sent to concerned SDO, DM and Pr. Secretary/Secretary, Panchayat and Rural Development Department, Government of West Bengal.*

#### **8.4 RENT CONTROLLER, KOLKATA**

**Departmental Rules:** (i) West Bengal Premises Tenancy Act, 1956, Section 21 (ii) West Bengal Premises Tenancy Rules 1956, Rule 6, 8, 9 & 13.

##### **Process of Audit**

In course of audit of the Rent Controller Office, the audit is to see the following mentioned against each of the function:

- 1) **Deposit of Rent:** Rents are deposited in the Calcutta/Kolkata Collectorate when they do not exceed Rs 100 and are deposited in the Reserve Bank of India, Calcutta/Kolkata when they exceed Rs 100. See that on receipt of a copy of the Challan in respect of deposit of rent by the tenants from the Reserve Bank of India or Calcutta Kolkata Collectorate the amount shown therein with particulars are entered correctly in the Deposit Register.
- 2) **Intimation of deposit of Rent:** Audit is to see that such intimation is sent within the prescribed period and the records showing the date of intimation are carefully preserved as the rents are liable to be forfeited to Government if not withdrawn within 10 years from the date of such intimation of deposit of rent.
- 3) **Withdrawal of rent:** On receipt of an application for withdrawal of rent, it is to be noted in the Register of Withdrawal Application. See that before a cheque is drawn in favour of the landlord the note of payment is made in the Challan showing deposit of rent and in the Deposit Register against the particular entry and the application is noted in the Payment Order Register before it is placed before the passing officer. Also see from the lawyers Register that the Lawyer through whom the withdrawal application has been made holds a current licence. Instances of delay in sending notice to landlords should also be highlighted specifying the financial impact.
- 4) **Drawal of Cheque:** Examine the Cheque Drawn Register to see that the cheques have been drawn for the amount passed for and noted in the Payment Order Register.
- 5) **Account of Cheques:** See that the account of Cheque Books is correctly maintained in the Stock Account of Cheque Book and the account of cheques drawn in the Register of cheques Received and Delivered.
- 6) **Personal Ledger Account of the Rent Controller:**
  - i) See that the deposits received as per Deposit Register are recorded on the receipt side and the amount of cheques drawn as recorded in the Cheque Drawn Register are noted in the payment side of the PL Account Register.
  - ii) See that the closing balance brought out by adding the opening balance to receipt agrees with the closing balance shown in the Bank Pass Book at the end of a month and in case of any discrepancies between the two figures, the same are analysed/reconciled.

- 7) **Forfeiture of deposits:** See that rents which are liable to forfeiture after 10 years have been so forfeited after necessary note in the Forfeiture Register.  
Pg 690-691 of West Bengal TA 1956.
- 8) **Register of applications for information, Copying, Searching, etc.:** Check the Registers with the Register of Court Fees to see that adequate court fees as prescribed in Rule 13 of the West Bengal Premises Tenancy Rules, 1956 have been levied on all applications for searching copies, information and for return of documents and that fees so realised have been noted in the Court Fee Register.
- 9) **Fines:** Consult some case records to see that the fines imposed have been correctly entered and speedy action taken for their recovery.
- 10) **Peremptory Cash Register:**
  - i) Check the receipt side of Peremptory Cash Register for the month(s) selected for detailed checking with the counterfoil of receipt books and the payment side with the previous receipt items and check the total of each day's receipts and payments.
  - ii) See at the time of the above check whether payments have been correctly noted against the receipt items and whether the accountant has exercised the prescribed check each day.
  - iii) For all payments see that there is a bill or voucher with a proper pay order of the competent authority and the signature of the payee has been taken in the column provided in the Register.
  - iv) See that the peremptory cash in the hands of the cashier does not exceed Rs 500 at any time and any amount in excess of Rs 500 is deposited in the Reserve Bank of India.
- 11) **Process Server:** See from the Register of Process issued that more than one process server is not entertained for 800 processes issued during a year.
- 12) **Miscellaneous receipts:** See that the miscellaneous receipts are deposited in the Reserve Bank of India through Treasury Pass Book.

## 8.5 PROCESS OF LAND ACQUISITION:

The process of Land Acquisition is being executed through the Land Acquisition (LA) Collector, Kolkata and of Districts as per the following Acts, Rules, and Orders –

- i) The Land Acquisition Act, 1894 (Act I of 1894)
- ii) The West Bengal Land (Requisition and Acquisition) Act, 1948 (WB Act II of 1948)
- iii) Act XXI of 1948 — Land Development Act
- iv) Act V of 1947 — House Requisition Act
- v) Defence of India Rules (relating to permanent acquisitions)
- vi) West Bengal Land Acquisition Manual 1991
- vii) Executive Instructions of Govt. under Land Acquisition Act (L.A. Manual)
- viii) Annexure 7 of Civil Account Code, Vol. I.
- ix) Land Acquisition Act, 1984.

Land is the very first requirement for successful implementation of any developmental project for which acquisition of land on behalf of the requiring authority are necessary. Following steps are to be taken for acquisition of land: -

- i) When the Requiring Body (RB)/department, local authority or company select the land to be taken up, it shall send to the Collector an application for acquisition of land stating the purpose along with land acquisition plan.
- ii) With a view to restricting acquisition of land to the minimum necessity for a project, a Screening Committee may be constituted by the Collector consisting of (i) Additional District Magistrate in Charge of Land Acquisition; (ii) concerned Sub-divisional Land and Land Reform Officer, (iii) Sabhapati of the Panchayat Samiti of the concerned area or his representative, (iv) Local MLA or his representative, (v) Representative of RB, and (vi) Special Land Acquisition officer.
- iii) The site proposed by the RB may be scrutinised by the committee and on the recommendation of the screening committee the collector may forward a draft notification (in Form 3 or 3A) to the Department for further action with a copy to the Divisional Commissioner for information.
- iv) On approval, of the notification to be published by the Department in the Calcutta Gazette and a copy of the same to be forwarded to the Information and Cultural Affairs Department for publication in the daily news papers.
- v) On receipt of intimation regarding publication of the notification in the Calcutta Gazette on any of the news paper, the collector shall cause public notices of the substance of the notification to be given at convenient places in the locality so that the person interested may file objection to the acquisition within 30 days from the date of publication of notification.
- vi) When it is decided that the land in question notified in (Form 3 or 3A) either objection received or not the Collector or the Additional District Magistrate with approval of Collector shall submit a report with the proceeding on the objection to the Administrative Department accompanied by the a draft declaration, (in Form 5 or 5A), if the acquisition is recommended.
- vii) Every declaration duly approved by the department to be published in the Calcutta Gazette and in two daily news papers (English and Bengali) and in Nepali daily news paper (in case of Darjeeling District) and on publication of the declaration, the Collectorate shall cause to give notice of the substance of such declaration at convenient places in the locality and also be given to the owner/occupier of the land for information.
- viii) The date of publication of declaration should be within one year from the date of publication of notification otherwise the entire proceedings will lapse and the case is to be started afresh. The collector shall make an award within a period of two years from the date of publication of declaration as per the provision of the act and if no award is made within that period the entire proceeding for the acquisition of the land shall lapse.

## **8.6 Determination of Compensation:**

(1) In determining the amount of compensation to be awarded for land acquired under this Act, the following should be taken into consideration:-

- i) Firstly, the market-value of the land on the date of the publication of notification;

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- ii) secondly, the damage sustained by the person interested, by reason of the taking of any standing crops or trees which may be on the land at the time of the Collector's taking possession thereof;
  - iii) thirdly, the damage (if any) sustained by the person interested, at the time of the Collector's taking possession of the land, by reason of serving such land from his other land;
  - iv) fourthly, the damage (if any) sustained by the person interested, at the time of the Collector's taking possession of the land, by reason of the acquisition injuriously affecting his other property, movable or immovable, in any other manner, or his earnings;
  - v) fifthly, if in consequence of the acquisition of the land by the Collector, the person interested is compelled to change his residence or place of business, the reasonable expenses (if any) incidental to such change;
  - vi) sixthly, the damage (if any) bonafide resulting from diminution of the profits of the land between the time of the publication of the declaration and the time of the Collector's taking possession of the land and
  - viii) seventhly, the loss of earnings, if any, caused to the person interested, in consequence of the acquisition of land, when earning was derived directly from such land.
  - viii) In addition to the market-value of the land, as above in every case the award should include an amount calculated at the rate of twelve per cent per annum on such market value for the period commencing on and from the date of the publication of the notification to the date of the award of the Collector or the date of taking possession of the land, whichever is earlier.

**Note:** *In computing the period referred to, any period or periods during which the proceedings for the acquisition of the land were held up on account of any stay or injunction by the order of any Court shall be excluded.*

ix) In addition to the market-value of the land as above provided, a sum of thirty per cent on such market-value in consideration of the compulsory nature of the acquisition shall be awarded.

**Note:** *Compensation payable to a bargadar for loss of earning under clause seventhly shall not exceed six times the net average annual income which bargadar derived or might have derived from the land during three years immediately preceding the date of acquisition. The net annual income of a bargadar in any year shall be taken to be fifty percent of the total produce of the land cultivated by him in that year where plough, cattle, manure and seeds necessary for cultivation are supplied by the person owning the land and seventy-five per cent of the total produce of the land in all other cases.*

(U/S 23(1) & (2) of L.A. Act, 1894)

(2) The local authorities and companies for whom land is acquired are required to bear the following charges as an incidental of acquisition: -

- a) Salaries, travelling allowances of land acquisition officer(s).
- b) Establishment and contingent charges as per L&LR Department order dated 10.3.85.
- c) Forms and Stationery
- d) Rent and Municipal Taxes for the rooms occupied by the Land Acquisition Officer.
- e) Law Charges

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In course of audit, detailed check to be exercised to ascertain whether due to inaction on the part of the management/department to take timely and appropriate action had resulted in additional expenditure of the Government towards the cost of land or interest there on. The time schedule in processing of the LA cases is detailed in **Annexure X (A & B)** of the manual.

### **8.7 Register and Records maintained by the LA Collector**

The registers and account books maintained by the LA Collectorate to be examined are:

- 1) Register 5, containing copy of awards showing the area of land, compensation awarded, date of payment etc.
- 2) Payment Ledger,
- 3) Register of cases,
- 4) Petition Register,
- 5) Daily Register of Court Fees realized,
- 6) Contingent Register,
- 7) Ledger of Land acquisition projects,
- 8) Award statements in Form A & B,
- 9) Cheque Book in Form C and CC,
- 10) Treasury Pass Books or if the Land Acquisition Officer is not a Public Works disbursing officer, weekly treasury advice of orders paid and monthly list of bills drawn from the treasury.
- 11) Cash Book showing advance received and the disbursements (in those cases only where the Land Acquisition Officer receives in advance in cash for disbursement).

### **8.8 Process of audit**

Following check to be exercised during the audit of the records of the LA Collector.

(a) **Audit of payments and the Cash Book** — Check the counterfoils of Form C in the cheque books with the treasury pass book or the weekly treasury advice list of orders paid, the award statements and the ledger of land acquisition projects. Where an advance in cash is drawn from the treasury or received by the Land Acquisition Officer for disbursement, it is to be seen that the advance and the total daily payments are recorded in the Cash Book and check the advances and the payments noted in the counterfoils of Form C with reference to the entries in the ledger and the award statements (vide Rules 10, 14, 16 of Annexure 7 to the Civil Account Code, Volume I, and, Paragraph 159 of the Executive Instructions by the Government of West Bengal). See whether the balance of Cash Book has been verified daily with the cash-in-hand with the gazetted officer.

(b) **General points** — See that one and the same clerk is not both accountant and cashier nor does the clerk entrusted with the duty of drawing bills disburse the money. See whether the clerks entrusted with the duty of handling or disbursing money received for pay bills etc. have furnished security which is 10 per cent in excess of the maximum amount likely to be in their custody at one time (vide Paragraph 161 of the Executive Instructions by the Government of West Bengal).

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(c) **Apportionment and recovery of establishment and other charges** —In the case of non-Government projects examine the monthly apportionment statements of establishment and contingent charges in Form No. 40 of the Land Acquisition Manual with reference to Paragraph 165 of the Executive Instructions issued by the Government of West Bengal and also see whether the actual law and other special charges have been separately recorded for each project. See whether the charges as well as the capitalized value of land revenue where abatement of land revenue has been granted and also the contribution for pension and leave at the prescribed rates of any permanent establishment of Government including both gazetted and non-gazetted staff employed in acquiring land for a company or local authority, Railway or the Central Government, have been actually recovered and credited to the treasury or adjusted by book transfer (vide Paragraphs 165, 169, 170, 172 and 173 of the Executive Instructions issued by the Government of West Bengal).

- 1) Examine the Payment Ledgers with Land Acquisition Cheques (P.L. A/c Cheques & Treasury Pass Book) in case of payments made by cheques or with cash book and C.C. Vouchers obtained from Central Audit Section in case of local payments. All payments by cheques should be verified from Treasury records where the statements from Treasury are not available.
  - 2) See that each payment made against specific Government sanction.
  - 3) Select 10 percent of cases of awarded in Register 5 (containing copy of awards showing area of land, compensation awarded, date of payments etc.) considering the value of the award and check the calculation of awards.
  - 4) Select 10 percent of individual cases from the Register of cases and go through the respective case files and overseer's estimates to see whether the rules laid down in the Land Acquisition Manual and the respective Acts have been observed and no financial irregularities (e.g. payment made at a rate exceeding the local rate etc.) is involved.
  - 5) See whether there was any unreasonable delay in payment or other irregularities involving additional liability (such as interest) to Government.
  - 6) Examine some petitions to see whether the Court-fees have been correctly realised.
  - 7) The house to be requisitioned is first entered in Requisition Register and after requisition the case is entered in the Register for watching realisation and payment of rents. Compare thereof the entries in the Requisition Register with those in the Register for watching recovery and payment of rent to see if the house actually occupied has been entered in the latter register.
  - 8) See that possession certificate is signed by the occupier at the time of taking possession of a house and the fair rent assessed has the sanction of Government.
  - 9) In case of Government Servant, see that rent compensation is realised in accordance with the procedure laid down in the relevant Financial Rules/Treasury Rules.
  - 10) In case of non-Government Servants, see that the rent due for a month is deposited with the L.A. Collector within 10<sup>th</sup> of the succeeding month.
  - 11) See that the rent payable by the occupier is based (generally) on the amount of rent compensation payable to the owner and also see that any subsequent modification of rent compensation is duly reflected in the amount of rent payable by the occupier.
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- 12) Check the counterfoils of Form C in the Cheque Books with the treasury pass book, or the weekly treasury advice list of orders paid, the award statements and ledger of land acquisition projects.
- 13) Where an advance in cash is drawn from treasury or received by the Land Acquisition Officer for disbursement, see that the advance and the total daily payments are recorded in the cash book and check the advances and the payments noted in the counterfoils of Form C with reference to the entries in the ledger and the award Statements.
- 14) In the case of non-Government Projects, examine the monthly apportionment statements of establishment and contingent charges in Form No. 40 for the L.A. Manual with reference to Paragraph 165 of the Executive Instructions issued by the Government of West Bengal and also see whether the actual law and other special charges have been separately recorded for each project.
- 15) See if the above charges as well as the capitalized value of land revenue where abatement of land revenue has been granted and also the contribution of pension and leave at the prescribed rates of any permanent establishment of Government employed in acquiring land for a company, a local authority, Railway or the Central Government have been actually recovered and credited to the treasury or adjusted by book transfer.
- 16) Check the Cash Book and the Contingent Register as usual. See whether the cash balance has been verified once a month by the Officer in charge and certificate of verification recorded in the cash book over his signature.

It should be seen that the procedure detailed above in this respect is strictly followed.

## **9. CORRECTIONAL ADMINISTRATION (ERSTWHILE JAILS)**

### **9.1 Offices under the Correctional Administration Department:**

- > O/o the Inspector General of Prisons, West Bengal
- > Central Correctional Homes
- > Special Correctional Homes
- > Calcutta Jail Depot
- > Borstal School/Juveniles Homes
- > District Correctional Homes
- > Sub-Divisional Correctional Homes

### **9.2 Departmental Rules:**

The West Bengal Jail Rules may be consulted in course of audit.

### **9.3 Process of Audit**

Besides normal procedure of expenditure audit as detailed in General & Social Sector-I Audit Manual, Volume-I, the following checks are to be exercised in audit of the different records maintained by the units/correctional homes of the department as mentioned against each.

#### **9.3.1 Prisoners' Cash:**

To see whether the receipts and payments of prisoners' cash have been entered in the Cash Book with reference to the prisoners' registration numbers as well as their names as laid down in Rule 1351(1)



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of the Jail Code. Check the receipts and payments of the Cash of civil and convicted prisoners with the entries in their warrants and those of the under trial prisoners with the admission register of under trial prisoners. See if the list of prisoners' property noted in the warrant has been initialed by competent authority. From the prisoners' warrants make a list of prisoners' cash in hand and see whether the total agrees with the actual balance on the date of audit as shown in the memorandum at the bottom of the cash book plus the balance of the amount in Criminal Deposit.

### **9.3.2 Wages to prisoners**

The relevant registers maintained for noting wages paid to prisoners should be examined to see that proper account of the wages has been kept and that wages paid to prisoners or kept in deposit in their favour were duly earned by them. In terms of Rule 55(2) of Calcutta Gazette notification No. 1550-L dated 13.13.97, 50% of the wages, earned by prisoners are to be kept reserved for payment to the prisoner at the time of release as deferred wages for which Bank A/cs with any nationalized bank for each of the prisoner are to be opened and the balance 50% of the wages earned may be spent by the respective prisoners. In course to audit it is to be seen:

- i) Whether Bank A/c was opened for each of the prisoner and the 50% of the wages earned by the prisoners was actually credited in the Bank Account of the respective prisoner.
- ii) Whether unauthorized expenditure, if any, was incurred from the prisoners' cash/wages.
- iii) Whether any prisoners cash/wages was kept deposited in the PL A/c, reasons for non-transferring the amount to the Bank A/c of the respective prisoners, depriving the benefit of earning interest on bank balances.

### **9.3.3 Register of Civil Prisoners**

Examine of the Register of Civil Prisoners to see:

- 1) Whether their diet allowance has been, in all cases, realised in advance according to the fixed scale and the expenditure there-from properly accounted for,
- 2) Whether the cost of any clothing and bedding supplied to a civil prisoner has been demanded and realized from the judgment creditor and
- 3) Whether any decretal amount paid by civil prisoners are entered in the Cash Book and remitted to the Court and acknowledgement of the Court are on record.

### **9.3.4 Tenders for supplies to different Jails**

Tenders for supplies of diet to prisoners and different articles to different jails in West Bengal are invited centrally by the Inspector General of Prisons, West Bengal and the rates are accepted by a Central authority on the basis of tenders received. The accepted schedule of rates is circulated to different jails. An attested copy of the schedule of rates should be collected for scrutiny of payments in respect of diet bills and other purchases, if any. These tender documents should be scrutinized at the time of local inspection of the accounts of the Inspector General of Prisons, West Bengal, when there is a stipulation in the contract about the quantity of out-turn from the supplies, it should be seen whether a full return has been obtained or a corresponding deduction has been made from the amounts paid or payable to a contractor.

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### **9.3.5 Stock Registers and Gate Register of Jail products**

Besides, examination of the stock register of jail products as per paragraph 7.8.10 of the General & Social Sector-I Audit Manual, Volume-I, audit is to see that the all stores noted therein as receipts have been duly entered in the “Gate Register of Articles”. The following points should also be examined:

- i) See whether all jail produces have been entered in the “Gate Register of Articles” and in the “Stock Book of Provisions”. See also that all by-products of any value resulting from the preparation of any articles for jail use such as broken rice, bran, oil cake etc., have been entered in the “Stock Register”.
- ii) See that the balances of all stores and stock have been verified every six months by the competent authority.

### **9.3.6 Garden Produce:**

It should be seen that:

- i) The total garden produce has been noted in the Stock Book and the figure has also been noted in the Gate Register;
- (ii) The garden produce issued as free supplies to the jail staff and for prison consumption has been noted separately in the disbursement side of the stock book.

### **9.3.7 Clothing account**

While checking the Clothing Account Book of Prisoners, it should be seen

- i) That the issues on account of transfer of prisoners agrees with the subsequent receipts entered on the receipt side of the book. Verify the issues to prisoners from the number of prisoners entered in the Lockup Register and the number supplied to Sub-Jails;
- ii) That the destruction of unserviceable clothing entered in the Account has been attested by the competent authority or is supported by separate written orders. The half yearly physical verification of the clothing articles has been done;
- iii) That the entries in the stock Account of Warders’ uniforms agree with the entries in the Warders’ Clothing Hand Book/Service Books and see that the issues are made in accordance with the rules;
- iv) That in case of discharge or retirement etc. before the expiry of the period for which uniforms are issued, see that the unused value of the uniform has been recovered from the Warder.

### **9.3.8 Diet Account**

- i) Test check the computations of the issue of diets including hospital diets as shown in the diet rolls and the hospital rolls of sick diet etc. for a certain number of days selected at random with reference to scale of diet and the number of prisoners shown in the Lock-up register and the hospital register respectively.
- ii) Check the total issues of diet shown in the diet rolls and the hospital rolls for those days with the issues in the Stock Book of provisions.

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### 9.3.9 Medicines Account for Jail Hospitals

Following checks should be exercised in respect of the supply and utilisation of Medicines for jail hospital:

- i) The medicines were procured as per requirements, duly indented by the Medical Officer (MO).
- ii) The medicines were as per approved specification.
- iii) The medicines were procured from the dealer/manufacturer as per the rate approved by the Central Medical Store.
- iv) In case of local purchases it should be seen that the medicine purchased on due necessity and/or for emergency purpose from the approved dealers and as per MRP, duly prescribed by the M.O.
- v) The medicines were properly recorded in the stock register.
- vi) The medicines were used on first come first out basis and no date expired/obsolete medicines were kept in stock.
- vii) The medicines consumed debited from the stock account as per prescription of Medical Officer.
- ix) Physical verification of the stock of medicines was done periodically by the competent authority.

### 9.3.10 Hospital Equipment Account

Following checks should be exercised in checking of the records of Hospital equipment.

- i) Whether the equipment procured as per requirement and against indent from the competent authority.
- ii) Whether the equipment were as per approved specification.
- iii) Whether procurements were made as per approved DGSD rate and or by observing tender formalities.
- iv) Whether the equipment was properly recorded in the stock register and proper inventory was made indicating the places where installed/placed.
- v) Whether the equipment were installed and put to use.
- vi) Whether any Annual Maintenance Contract (AMC) has been executed with the Supplier/Manufacturer of the said equipment.
- vii) Whether the authority had failed to avail of the servicing/repair of the equipment within the guarantee/warranty period due to delayed installation of the equipment.
- viii) Whether physical verification was done periodically by the competent authority.
- ix) Non-utilisation/installation of the equipment, if any, should be pointed out with reasons for its non-utilisation/installation.

### **9.3.11 Misc. articles Account**

The jail authorities procure huge quantities of Misc. articles — viz. Broom stick, phenyls, earthen pot, Bleaching Powder etc. In course of audit of the jail/correctional homes, the following should be looked into.

- i) Whether the articles were procured against actual requirement.
- ii) Whether the articles were procured as per the rates fixed on the basis of tender/quotation.
- iii) Whether the articles were taken into stock register.
- iv) Whether any scale for utilisation of these articles was fixed and were utilised properly and as per actual requirement.

### **9.3.12 Manufacturing Department: -**

Examine the tenders and contracts for the supply of raw materials. The rates charged in the detailed contingent bills should be checked with tenders accepted. It should be seen that no purchases were made in excess of requirement.

### **9.3.13 Day book of raw materials:**

- i) Check the descriptions, quantity, number or weight, rate and the value of materials purchased during a month entered on the receipt side of the Day Book of Raw Materials with the store orders, contracts and invoices and see whether a record of the receipt of the articles exists in the Gate Register under the same date.
- ii) Whether the result of the check of the articles has been noted over the signature of the officer making the check and that entries of all articles have been checked and attested by the Head of the office.
- iii) Whether the charges on account of railway, freight, carriage etc. of materials purchased have been added to the cost of materials in Day Book.
- iv) To check the issues of raw materials with the stores delivery orders, check the sale of useless stock with the orders of sale by proper authority and the amounts realised with the receipts noted in the Cash Book.

### **9.3.14 Ledger of raw materials:**

- (i) To check that the balances brought forward in the ledger of raw materials agree with the previous months closing balances.
- (ii) To check the totals and balances of the different accounts in the ledger.
- (iii) To scrutinize all items written off as wastage, drainage, refraction and loss etc.
- (iv) To see that physical verification of the stock has been conducted as per rules.

### **9.3.15 Store delivery orders:**

- i) See that the store delivery order forms have been bound in books and serially numbered and separate books have been used for each class of industry/Manufacturing unit.
- ii) Examine a few store delivery orders besides 100% within the month selected for detail audit to see that they are not in excess of estimates for the manufacture of the articles concerned.

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- iii) To see that the store delivery orders have been invariably passed by the competent authority,
  - iv) To see that the store keeper recorded the value of the materials on the counterfoils of the store delivery orders and obtained receipt of the foreman or warder on the foils of the same.
  - v) To see that the articles manufactured during one month, price fixed and the date on which the manufactured articles entered in the store and sale book are noted in the counterfoil of each store delivery order and initialled by competent authority in token of his having checked that the issues of raw materials have been fully satisfied by the receipt of manufactured article.

**93.16 Out-turn:-**

- i) The actual out-turn from raw materials should be checked with the scale of out-turn fixed by the Inspector General of Prisons, West Bengal. In cases, where the full out-turn is not obtained, the reasons for deficiency should be investigated.
- ii) See that prices have been calculated according to the rules.

**9.3.17 Store and Sale Book: -**

- i) Check the issues of articles in store and Sale Book to other Jails, Jail Depots and other public departments with the receipted invoices of adjustment bills etc.
- ii) Check the issue side of the store and Sale Book for credit sales and cash sales respectively with the entries in the credit ledger and Cash Book.
- iii) Check that the demand notice/claim was preferred for supply of jail products on credit to different correctional homes/other department.

**9.3.18 Ledger of Manufactured articles: -**

- i) Check the entries on both sides of the Store and Sale Book with the corresponding entries in the ledger of manufactured articles.
- ii) See that the physical verification of stock has been conducted as per rules.

**93.19 Credit Ledger: -**

- i) See that the amounts shown in the ledger as paid in by the debtors have been accounted for in the Cash Book.
- ii) See that proper action has been taken to realise the dues.
- iii) See that the proper action has been taken for Book adjustment of the cost of articles supplied to the other department of the Government.

**93.20 Audit of store accounts**

The store account and Profit and Loss Accounts prepared by the Central Correctional Homes and the Manager of the Jail Depot should be checked locally with the stock registers, other connected papers etc. and an audit certificate and audit comments on such store accounts should be furnished with the IR.

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## **10. WOMEN AND CHILD DEVELOPMENT AND SOCIAL WELFARE DEPARTMENT**

### **10.1 OFFICES UNDER THIS DEPARTMENT.**

Department of Women and Child Development & Social Welfare, Government of West Bengal acts as nodal department for care, protection and development of Women and Children. The Department plays a major role in ensuring - the principles of gender equity, as enshrined in the Indian Constitution in its Preamble, Fundamental Rights and Fundamental Duties and Directive Principles and key resolutions of International Conventions towards discrimination against women, children, physically challenged, mentally retarded, destitute and orphans in line with the principles followed by the Ministry of Human Resource Development (Department of Women and Child Welfare) and Ministry of Social Justice and Empowerment,

The department consists of one directorate viz. Director of Social Welfare, West Bengal and seven offices viz. (i) West Bengal Women Development Undertaking, (ii) West Bengal Micronutrient Initiative Society, (iii) West Bengal Commission for Women (iv) Controller of Vagrancy, West Bengal, (v) West Bengal Social Welfare Advisory Board, and (vi) Commissioner for Persons with Disabilities which are under the administrative control of the Department. Main functions and objectives of the offices under the audit control of this wing are detailed below:

#### **10 .1.1 Director of Social Welfare, West Bengal:**

Directorate of Social Welfare plays a key role in implementing Programme and policies of the Government of West Bengal. The major tasks are implementation of Integrated Child Development Services (ICDS) schemes which includes various activities related to care and protection of women, children, old persons, administration of Juvenile Justice Act, 2000 etc.

Directorate has to ensure functioning of the delivery mechanism for fulfilling the task as per guideline of the State Government and Government of India.

Besides implementation of Programme and management of own institutions of the Directorate like Homes, Shelter Homes, schools for the disabled, Directorate has to encourage non-Government organizations, civil societies, academicians and others to perform for the cause of the women and children in distress, physically challenged and mentally retarded people, old and infirm. Moreover, Directorate has to play a major role in sensitizing with current social issues to various stake-holders with the assistance of non-Government and Government institutions.

Following are the broad outlines of the works undertaken by the directorate:

- (i) Nutrition and other services viz. a) Supplementary Nutrition, b) Immunization, c) Health check-up, d) Referral Services, e) Nutrition & Health Education, f) Pre-School Education through ICDS programme for Women and children in distress.
- (ii) Rescue, relief and integration of widow, old and disabled persons.
- (iii) Anti-trafficking measures.
- (iv) Legal literacy.
- (v) Rescue, rehabilitation and reintegration of women, boys and girls under 18 years of age.

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- (vi) Arrangement of training of 3 tier ICDS personnel, employees engaged in Social Welfare activities.
  - (vii) Sensitization of various levels of stakeholders.
  - (viii) Coordination with all Government, semi-Government and autonomous bodies and non-Government organizations for the welfare of the target group.

Following schemes for the Child development including State Plan of action for Children were operated by the department.

- (a) **ICDS Training Programme (UDISHA)**-A world Bank Assisted ICDS Training programme for improvement of the quality in training through a holistic approach and a new child centric curriculum for key functionaries to promote a convergence of action in the areas of health, nutrition and early education.
- (b) **Rural Infrastructure Development** - for construction of Anganwadi Centres against the fund sanctioned by NABRAD under RIDF-VIII.
- (c) **Pradhan Mantri Gramodaya Yojana (PMGY)** - for providing supplementary nutrition where list of BPL beneficiaries were not available.
- (d) **Monitoring Health Status**:-Pilot Project for monitoring Health Status of Grade III/Grade IV Children of Jalpaiguri and Purulia Districts.
- (e) **Kishori Shakti Yojna/Sabala** -A Centrally sponsored scheme for overall development of Adolescent Girls.
- (f) **Balika Samridhi Yojna**-A centrally sponsored scheme for a post delivery grant of Rs, 500/-for depositing in an interest bearing account in a Bank or Post Office in the name of the Girl Child Born in a BPL family.
- (g) **Cottage Scheme**-Maintenance of Destitute Homes for children whose parents/guardians are unable to look after them.

### 10.1.2 West Bengal Commission for Women

The State Commission for Women is a statutory autonomous body constituted under West Bengal Commission for Women Act of 1992 and was established on 22.6.1992 in pursuance of the West Bengal Commission for Women Act of 1952. The Commission is being audited under section 19(3) of the C&AGs (DPC) Act, '1971.

The Commission is mandated to primary look at the socio-legal aspects of different problems faced by women in the State. The Commission works independently on social and legal aspects of Women's problems in the State. The Commission recommends to the State Government policy issues, regularly publishes journals, organizes meeting, seminar and sensitize various stakeholders to address problem in ameliorating the distress of women and girl children. Activities of the Commission includes:

- a) Quasi-judicial proceedings in the matter of violence against women, advocacy and research related to women's issues.
- b) Sensitization of different wings of administration within Government and policy recommendations. In particular the Act enables the commission to investigate and examine all matters relating to

safeguards provided for women under the Constitution.

- c) Review the existing provision of the Constitution and other laws affecting women.
- d) Look into complaints and take suo-motu to notices of matters relating to deprivation of women's rights, non-implementation of laws relating to protection of women, non compliance of policy decisions etc. call for special studies or investigation and others.

### **10.1.3 Controller of Vagrancy, West Bengal**

The office of the Controller of Vagrancy has been established under the Bengal Vagrancy Act, 1943. The primary objective of the Department is to provide shelter and accommodation to persons detained under this Act. For the purpose this Department maintains homes in different parts of the state. The persons detained under the Act are provided with food, medication and daily necessities of life. Apart from staff salary State Government provides funds for maintenance of these Homes including maintenance cost of the inmates.

To make these persons self-reliant and independent they are given vocational training under the Beggary Prevention Scheme. These inmates are trained in various trades like printing, tailoring, wood work, weaving etc.

To prevent juvenile beggary this Department runs units in different parts of Kolkata under the eradication and control of juvenile beggary and vagrancy scheme. Children belonging to the vulnerable class of the society are being provided with midday meal, non-formal education and vocational training under the scheme.

The integrated street children programme of Government of India and implemented through various NGOs is monitored and supervised by this office. At present about 35 NGOs have been running the scheme covering about 12,000 children.

This department is also the sanctioning and distributing authority of the three types pension scheme viz. Old age pension, Widow Pension and Disability Pension scheme at the rate fixed by the Government from time to time.

### **10.1.4 West Bengal Social Welfare Advisory Board**

West Bengal Social Welfare Advisory Board (WBSWAB) is the State branch of the Central Social Welfare Advisory Board started functioning since 1954 to materialize the different welfare schemes for the neglected and poor women and children through the registered non-Government Social Welfare organizations.

Following are the different programmes which are running under the supervision of the WBSWAB:

- (1) Condensed course of Education for Adult Women
- (2) Crèche
- (3) Awareness Generation project
- (4) Vocational Training for the Women
- (5) Family Counselling Centre
- (6) Working Women's Hostel



- (7) Strengthening of protective homes for women
- (8) Short stay Home
- (9) Border Area project
- (10) Family and Child Welfare project
- (11) Educational Tour for adolescent girl students.

## **10.2 Process of Audit:**

Funds are being sanctioned/released by the Central/State Government from time to time for implementation of different schemes, either directly to the executing authorities or through the Department/Directorate. In course of audit the procedure mentioned in the General & Social Sector-I Audit Manual, Vol-I regarding maintenance of records, accounting procedure of grants and utilisation/expenditure there against is to be followed. In addition to the above the details of target and achievement of the objective as indicated in the guidelines of the schemes to ascertain the shortfall, lacunae and reasons for shortfall in achieving the target etc. are to be analysed and commented upon in audit. Further, in course of audit of the Destitute Homes, Orphanage, Rehabilitation centres, Vagrant Homes etc. following checks are to be exercised.

- 1) Examination of the Admission Register to see that for every new admission there exists proper order and that orphans are within the prescribed age limit.
- 2) Scrutinizing the Attendance Register to ensure that none of the orphans remain absent for more than 80 days.
- 3) Checking the expenditure on food, clothing and beddings, education, health and sports, etc. as well as marriage ceremony to see that the per capital rate is not exceeded.
- 4) Checking the Rehabilitation Report Book with the report of the inmates rehabilitated to ensure that the date of rehabilitation has been recorded against the names of the relevant inmates in the Admission Register as well as the Attendance Register.
- 5) Checking that no requisition of food, etc. is made for such inmates from the date of rehabilitation.
- 6) Checking that the person admitted in the vagrant Home has been declared as vagrant under sub-section (1) of Section 7 of the Bengal Vagrancy Act 1943, as per the prescribed manner by the Controller of vagrancy
- 7) Whether the provisions of the Jail Code are generally followed in running the Homes.
- 8) To see that any money found with or on the Vagrant, is applied in the manner prescribed towards the Welfare of the Vagrants.
- 9) Examination of the accounts of receipts of such Vagrants cash and expenditure there from as maintained through the vagrants cash book to see that the condition is fulfilled.
- 10) Checking the Admission Register to see that for each admission there is a specific declaration as provided in Section 7 of the Act *ibid*.
- 11) Checking the Inmate Register with the Admission Register and to see that scale of diet as approved for vagrants and noted in the diet roll and the scale of expenditure on food for a vagrant during a month, does not exceed the prescribed limit.
- 12) To see that finished products, as recorded in the Job Register, are correctly brought forward to the Register of finished Stock.

- 13) Comparison of the weight of raw materials issued to a job with the weight of the finished products and ensures that the loss of weight represented by the difference is within the allowable limit and the costing of article produced and recorded is according to the orders passed from time to time by competent authority.
- 14) To see that orders of competent authorities have been obtained in case of disposal of finished products otherwise than by sale.
- 15) Verification of the Inside Wage Account Register and Outside Wage Account Register to see that the amounts earned by a vagrant in the Home (Inside) is according to the scale approved from time to time as well as with the approval of Competent authority and from outside by extending services to the outside agencies/authorities as and when permitted are credited in the account of the respective inmates and recorded in the relevant registers and see that when the vagrant is released, he is paid what was actually credited to his account.

## **11. LABOUR DEPARTMENT**

The Labour Department, Government of West Bengal is responsible for maintaining healthy industrial relations, raising productivities, promoting occupational health standards, industrial safety, extending social security and welfare support to workers, setting standards for working conditions and wages and overseeing trade union matters. All such activities of the department are being executed through number of Directorate/Boards as detailed below: -

- > Directorate of Employment
- > Directorate of Industrial Tribunal and Labour Court
- > Directorate of Labour
- > Directorate of Shops and Establishment
- > Directorate of Employees State Insurance (MB) Scheme
- > Directorate of Factories
- > Directorate of Boiler
- > Directorate of Industrial Training
- > West Bengal Labour Board

### **11.1 AUDIT OF DIRECTORATE OF EMPLOYMENT: -**

The Employment Directorate through its network of Employment Exchanges acts as a placement agency for non-PSC vacancies arising in the State Government establishments, State Government Undertakings, Quasi Government establishments and Local Bodies and for certain vacancies in the Central Government establishments. Besides, to obviate the dismal condition of unemployment, the Government of West Bengal had taken-up the “Self Employment Scheme for the Registered Unemployed Youth” (SESRU) and also renders “Unemployed Assistance” and imparts “Vocational Guidance Programme” which are being monitored/executed through the Directorate assisted by the Deputy Directors at the district level and Employment Officers in each of the Employment exchanges.

As regards the Unemployment/employment scenario and activities of the Employment Exchanges, following checks may be exercised in audit.

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Placement activities as regards the Registration of unemployed (Age-group wise as well as qualification-wise), notification of Vacancies (Category-wise), sponsoring of candidates, actual placement etc., to be verified in audit. In terms of Enforcement of Employment Exchanges Act, 1959 all establishments in Public Sectors and Private Sectors where ordinarily 25 or more persons are employed to work for remuneration, before filling up any vacancy in that establishment, should notify the vacancy to the employment exchanges. These establishments had to submit quarterly ER-I return and biennial occupational return in form ER II. Submission of such returns by the establishment to be verified with reference to the records of the Directorate/ Exchanges and in case of non-submission of such return and deviation, if any, regarding non-notification of the vacancies etc. action taken there-against on inspection by the Enforcement Cell of the Directorate to be looked into.

Further, beside the expenditure audit of the Directorate and its subordinates offices as envisaged in the General & Social Sector-I Audit Manual, Vol-I, the activities of the employment exchanges as regards the physical and financial target and achievement there against in respect of the implementation of the different employment generation schemes/ programme introduced by the State or Central Government need to be checked in audit.

## **11.2 AUDIT OF DIRECTORATE OF INDUSTRIAL TRIBUNAL AND LABOUR COURT**

The main function of the Directorate headed by Judge-in-charge is to adjudicate the Industrial Disputes cases under various sections of Industrial Dispute Act, 1947, Industrial Employment Act and Working Journalist Act through nine Tribunals and two labour courts.

In course of audit of the Directorate, besides normal transaction audit as per the manual, the performance of the Directorate as regards cases received (under various sections) for adjudication and achievement there against to be looked into and the reasons for shortfall in achievement, ascertained.

## **11.3 AUDIT OF DIRECTORATE OF LABOUR**

The Directorate of Labour is headed by the Labour Commissioner to execute its function through State Labour Institute, Deputy Labour Commissioners (11 nos.), Assistant Labour Commissioners (33 nos.) and Inspectors (351 nos.) spread over the entire State of West Bengal. The main function of the Directorate is to (i) look after the implementation of different schemes/programmes (viz. schemes for Financial Assistance to the workers in locked out Industrial unit FAWLOI & State Assisted Schemes of Provident Fund for unorganised workers- SASPFUW etc.), (ii) enforcement of eleven Labour Laws, (iii) collection, scrutiny and compilation of reports and returns, (iv) undertake the processing of complaints from worker or the unions for recovery of workers dues etc., (v) maintain liaison with different Government and non-Government agencies, (vi) collect and supply of information to various statutory legislative and the peoples representatives. Besides, the Labour Directorate administers and implements the provisions of the Act through the Registrar of Trade Unions. It deals with the registration of Trade Union, amendment of rules, constitution of registered Trade Unions, checking the annual returns

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submitted by the unions, cancels/withdraws the registration of trade unions, compiles various statistical reports for submission to different authorities including Labour Bureau and holding election to trade unions. Besides, defending the court cases, the Registrar sometime have to hear the litigant parties under the orders of Hon'ble court.

Besides, the audit of the transaction of the Directorate has to be conducted as per the guidelines mentioned in the General & Social Sector-I Audit Manual, Volume-I. The performance of the Directorate of Labour as regards the activities and implementation/enforcement of the provision of laws taking into account the provision of following Acts and rules may be looked into in audit and prepare a review type Paragraph prepared on the performance of the Directorate/ Department as a whole.

**(A) Trade Union Act 1926.**

- i) Whether the Trade unions functioning had duly registered/renewed their registration by payment of requisite fees.
- ii) Whether proper election was held under the control of the Registrar of Trade Unions and requisite numbers of the office bearer of the Trade Union as per norms, are actually engaged or employed in the establishment or industries to which the union is connected.
- iii) Whether the fees collected has been duly deposited in Government Account.
- iv) Whether the Trade Union has furnished the accounts.
- v) Whether any member of the Council of Ministers or a person holding an office of profit in the union or state are the member of the Executive Committee or office bearer of the union.

**(B) Payment of wages Act/Minimum wages Act**

- i) Whether any inspection was conducted by the Inspectorate to ascertain whether the Wages Register are being maintained
- ii) Whether any unauthorised deduction of wages was made and any recovery action has been initiated by determination of the unauthorised deduction of wages or delay in payment of the wages.
- iii) Whether any inspection was conducted by the Inspectors to detect any infringement and disregard of the order/Act in payment of minimum wages to the employees as per act, if so any prosecution cases were launched and fine imposed by the Court.
- iv) Whether the authority empowered to determine the amount of unauthorised deduction of wages or delayed payment of wages has directed any refund and payment of compensation. If so, whether such refund was made and compensation paid.

**(C) Industrial Dispute Act**

This Act provides for recovery of dues, against complaint of the workman, from the employer against settlement/award as per provision of this Act or under the provisions of other act. In this connection, the act may be review to ascertain: -

- i) No. of complaints received from the workmen and action taken there against
- ii) No. and amount of award issued

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- iii) Complaints against violation of award
  - iv) Complaints against violation of settlement
  - v) No. of prosecution cases lodged
  - vi) Certificate cases issued and amount realised on certificate cases.

Inaction on the part of the department to take action on the complaints and non-realisation of the amount awarded/settled on certificate cases may be pointed out in the I.R.

**(D) Plantation Labour Act:**

Supervision and enforcement of the statutory provisions for effective and efficient implementation of the Plantation Labour Act and Rules framed there under regarding the housing facilities, Health Care services, Supply of adequate potable water, Electrification of workers colony, setting up of Crèche, Canteen, and Hospital etc. for the plantation labourers, eight Assistant Labour Commissioners assisted by Inspectors have been functioning all over the state mainly in the northern districts. In course of audit of the office of the Director of Labour and its subordinate offices the following

- (i) No. of gardens ( viz. tea, Cinchona and Medicinal plants) registered,
- (ii) No. of employees,
- (iii) No. of Inspection conducted against target and reasons for shortfall,
- (iv) Whether any cases of complaints regarding discrimination in payment of wages between male and female workers has been reported, if so action taken,
- (v) Whether any cases of sexual harassment of women workers has been reported and accordingly enquired into,
- (vi) Details of allotment of fund for establishment of different amenities for the labourers (viz. Housing, Canteen Supply of Potable water, Creche, Hospital, dispensaries etc.) and expenditure there against along with the physical performance against the target and reasons for the shortfall, if any,
- (vii) Infringement of labour laws detected, prosecutions launched, fine imposed etc. and lapses on the part of the authority, if any regarding conducting enquiry of enquiring prosecution, imposition and collection of fine to be ascertained and suitably commented upon in the IR.

**(E) Motor Transport Act:**

The act provides for registration of Motor Transport Organisations and renewal thereof in payment of required fees and also prescribes the working hours, wages, overtime, Canteen, rest rooms, supply of uniforms, medical, insurances etc. for workers.

In course of audit it should be seen that:

- (i) The inspectors of the Department under the control of Additional Labour Commissioner (declared as Chief Inspector) and 45 Registrars General declared as Registering officer under the Act had conducted the inspection regarding the registration/renewal of registration of the Motor Transport Organisations and cases of infringements in regard to the enforcement of

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the Act relating to the benefit of the employees were detected and prosecution launched, fine imposed etc. to be ascertained.

- (ii) Whether the fees for registration/renewal/amendments and the fine etc. were collected as per the scale/rules and properly deposited to the Government account.

#### **11.4 AUDIT OF DIRECTORATE OF SHOPS AND ESTABLISHMENT**

The Directorate headed by Chief Inspector, followed by Additional Chief Inspectors, Joint Chief Inspectors, Deputy Chief Inspectors and Supervising Inspectors and Inspectors functions to ensure regular payment of wages to the employees, regulation of working hours couple with leave and holidays, statutory registration of all shops & establishments recovery of unpaid or illegally deducted wages, redressal of the public grievance, grievances of the employees of the shops & establishments and violation of the provisions of the Shops and Establishment Act 1963. The Act has been extended to all Municipalities, Municipal corporations and notified areas. As regards the activities and performance of the directorate it is to be seen that whether (i) Proper Inspection was conducted by the Inspectors to detect the infringement of the Rules/Act, (ii) prosecution launched, (iii) Fine imposed and (iv) Fine and Fees for registration/renewal of registration has been collected and deposited to the Government account.

#### **11.5 AUDIT OF DIRECTORATE OF EMPLOYEES STATE INSURANCE (MEDICAL BENEFIT) SCHEME [ESI (MB) SCHEMES]:**

- a) Apart from Industries large and small — hotels/ restaurants, theatres, Newspaper establishments, Road, Motor or transport establishments, shop and other establishments employing 20 or more persons have been brought under the scheme as a Social Security measures.
- b) As per agreement between the Employees State Insurance Corporation (ESIC) and the State Government the expenditure for running the ESI (MB) scheme is to be shared between them in the ratio of 7:1 subject to overall ceiling of the expenditure per Insured person per annum as may be fixed by the ESIC from time to time.
- c) Different types of Medical Benefits under the scheme are being provided to the employees termed as Insured Persons (IP) by the Government. These benefits includes out-patient treatment at Service Dispensaries (SD)/Clinics of Insured Medical Practitioners (IMP); Domiciliary treatment by IMP Indoor treatment in the ESI Hospitals, Family Planning and immunisation Services, supply of drugs and dressings supply of artificial limbs, Aids and appliances including spectacles etc. Audit of expenditure and performances of the ESI Hospital, SDs, Diagnostic Centres Specialists Clinics and Stores and stocks of medicines, Hospital equipment etc, are to be audited as per the guidelines envisaged in the Paragraph 2 of this manual and relevant chapters of General & Social Sector-I Audit Manual, Vol-I.
- d) District Medical Stores under the ESI (MB) Scheme purchases medicine and medical equipment in bulk and distribute such medicines etc. to different hospitals on demand. Audit of such unit is to be conducted as per the guideline of audit of CMS of Health and Family Welfare Department under Paragraph 2.2.1 & 2.10 of this manual.
- e) In order to meet the requirement of fund for costly treatment of the IP not available in ESI Hospitals, the ESI Corporation introduced (during 2000) the scheme of Revolving Fund. The

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annual limit of expenditure under the ESI (MB) scheme has been fixed at Rs. 600/- per IP. Out of this amount Rs.50/- is earmarked for Speciality/Super speciality treatment. Under the Scheme of Revolving fund a corpus fund has been placed at the disposal of the Regional Director, ESI Corporation. The ESI Corporation credit the amount calculated @ Rs. 50/- per IP per annum to this corpus fund by installments. The Regional Director, ESI Corporation releases fund against sanction orders issued by the State Government and the Director, ESI (MB) Scheme. In addition to the audit procedures as mentioned in (c) above, audit of the sanction and expenditure on account of the Revolving Fund is also to be conducted with reference to the IPs, fund released by the Government for credit in the Revolving Fund and Corpus Fund and details of expenditure incurred there against.

## **11.6 AUDIT OF DIRECTORATE OF FACTORIES**

Directorate of Factories is engaged primarily in the activities of establishing a safe and healthy working environment in factories for the protection of workers with elimination of every possibility of accident, occupational diseases and industrial disasters in and around the factory premises and ensuring welfare of the worker in factories etc.

The Chief Inspector of Factories is the administrative head of the Directorate assisted by 5 Joint Chief Inspectors of Factories and 11 Deputy Chief Inspectors of Factories, Inspectors and other allied officers.

As regards the activities and performance of the directorate it is to be seen whether

- (i) Proper inspection was conducted by the Inspectors to detect the infringement of the Rules/Act,
- (ii) The plans for construction /extension of the factory/industrial unit was approved,
- (iii) Installation of Plant and machinery was duly inspected,
- (iv) Prosecution launched against the industrial units for infringement of any rules and regulations,
- (v) Fine imposed and
- (vi) Fine and fees for registration/renewal of registration has been collected and deposited in the Government account.

## **12. BACKWARD CLASSES WELFARE DEPARTMENT**

The main function and activities of the department are:

- (a) To look after the educational schemes for upliftment of Schedule Castes (SCs), Schedule Tribes (STs) and Other Backward Classes (OBCs),
- (b) Community Development and Family Oriented schemes for their economic upliftment,
- (c) To supervise issue of Caste Certificates and enforce Reservation rules in services and educational institutions and
- (d) To implement different schemes for their social and cultural development.

The activities of the Department are being mainly executed and monitored by two Directorates and three autonomous bodies as follows.

- > Director, Backward Classes Welfare (BCW)

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- > Director, Cultural Research Institute (CRI)
  - > West Bengal SC &ST Development and Finance Corporation
  - > West Bengal Tribal Development Co-operative Corporation Ltd.
  - > West Bengal Backward Classes Development Finance Corporation.

Out of the above units, the Director BCW and Director, CRI are under the audit control of GSS-I wing.

Besides normal transaction towards contingency establishment expenditure, the department has to incur expenditure towards implementation of different state and central sector schemes/programmes as well as income generating schemes launched for upliftment of the SC, ST and OBC community.

## **12.1 DIRECTOR, BACKWARD CLASSES WELFARE**

The Director, BCW is overall responsible for (i) implementation and monitoring of different schemes and programme introduced by the State and Central Government, (ii) ensure enforcement of policy and rules framed by the Government for upliftment, social security and community Development of the SC/ST/OBC community, (iii) preparation of Budget proposal and (iv) release of fund to different executing agencies and compilation of reports and returns on receipt from the executing agencies and sent to the Higher Authority/Government as and when necessary.

### **12.1.1 Audit procedure**

Besides the normal Transaction audit as per the guidelines indicated in the General & Social Sector-I Audit Manual, Vol-I, audit is also to be conducted to check the status of implementation of the scheme introduced by Central/State Government with reference to the financial allotment, expenditure incurred as well as physical and financial Target and achievement etc.

As per the normal procedure the implementing authorities have to observe the following formalities.

1. Categorically maintain records of the student beneficiaries in proper register and requirement of fund thereof.
2. Maintain the allotment register to show receipt of allotments and appropriation of fund thereof indicating the Order No. etc.
3. There must be a clear-cut record book to show the class-wise/ group-wise total no. of student beneficiaries for each scheme, total no. student beneficiaries who have been remaining unpaid.
4. That the fund allotted has been utilised within the same financial year and there was no tendency to carry over the fund for the next financial year. Utilised fund for the reasons whatsoever was surrendered in proper way at the end of the financial year.
5. Whether the utilisation report has been collected from the establishment where the fund have been provided for utilisation and consolidated utilisation certificate have been sent to the department.
6. Whether the requirement of fund for each scheme has been prepared and submitted to the department provisionally as per proforma in the month of April for the next financial year and again in June and finally in the month of January of the financial year. While



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preparing the requirement, whether all left over cases and current cases were shown separately indicating the number of left over cases year-wise, if any, and for current cases and fund required for each cases.

7. For grants as Hostel charges for Hostellers under the Scheme “Payment of Hostel charges”, whether any Hostel Advisory Committee was formed as per the norms of the scheme to select the candidates for the grant of hostel charges and also recommend the continuance of stipends in suitable cases for reasons relating to conduct and discipline.
8. Whether the School authority (Headmaster /Headmistress /Principal ) who is also the convener of the Hostel Advisory Committee had collected the application for scholarship from the students intending to avail the benefit for hostel charges and place them before the committee in the beginning of each academic Year.
9. Whether the “Only one ward of the parents” was selected and whether there was any scope on machinery to ascertain that the student is the only ward of the parent.
10. Whether proper arrangements have been made to admit the students as per the recommendation of the advisory committee and on priority basis.
11. Whether payments have been made to the proper payee and U/cs obtained.
12. In case of construction of Central/Ashram Hostels the following aspects may be looked into:-
  - i) Whether administrative approval was obtained prior to taking up of the construction works.
  - ii) Whether delay in getting possession of land and in preparation of estimates lead to escalation of cost of construction.
  - iii) Whether land secured for construction works was free from encumbrances.
  - iv) Whether delays/ change of site resulted in retention of fund in or outside Government Account.
  - v) Whether safety and security aspects of the girl students were kept in mind.
13. In respect of implementation of Community Development Schemes it is to be seen whether schemes were duly approved prior to initiation of work and was based on requirement of the community. Besides, it should also be seen that fund released to the executing agencies was for sanctioned and specific schemes and for schemes whose plans and estimates were duly vetted by the appropriate authority. Cases of retention of fund and reasons therefor may be highlighted as well as detailed scrutiny of other irregularities meriting mention be carried out.

Correctness in maintenance of different records as well as observance of guiding principles by the auditee unit in successful implementation of the schemes are also to be reviewed in audit.

### **13. RAJ BHAVAN CONTINGENCY**

The Governor’s Secretariat and Military Secretary’s office are both in charge of the Secretary to the Governor assisted by one Deputy Secretary on either side. The Secretary is drawing and disbursing officer in respect of (1) Tour Expenses and (ii) Government Hospitality Fund. The Deputy Secretaries are drawing and disbursing officers in respect of other expenses.

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While conducting audit of the Governors Secretariat the guidelines mentioned in Paragraph 4.18 (c) of General & Social Sector-I Audit Manual, Vol-I may be referred to. Beside, the following may also be looked into.

### **13.1 Process of Audit**

1. Check all the accounts records maintained in the (i) Governor's Secretariat, (ii) Officer of the Military Secretary, (iii) Office of the Superintendent of Governor and (iv) Surgeon to the Governor and his office in accordance with the principles of audit laid down in Chapter VII of General & Social Sector-I Audit Manual, Vol-I. It may be mentioned that separate sets of accounts are maintained in each of the offices.
2. See that all the articles of furniture purchased up to the incumbency of the previous Governor excepting those purchased by the present Governor under Rule 12 of W.B.F.R. Vol-II have been brought on the stock list for the purpose of determining the value.
3. Examine that the expenditure on the Raj Bhavan Contingency have been incurred in accordance with Governors Allowances & Privileges Rules, 1987, framed by the Government of India.

## **14. SECRETARY, WEST BENGAL LEGISLATIVE ASSEMBLY**

Secretary, West Bengal Legislative Assembly assists the speaker regarding drawal of emoluments and other entitlements available to the members of the house including contingent expenditure of the Speaker's office. For this purpose a Personal Ledger Account is maintained in his name with the Reserve Bank of India. Secretary is the drawing and disbursing officer in respect of the Secretariat Office.

Two sets of accounts records are maintained in the Secretariat office one for expenditure relating to the Secretariat office and other for the entitlements of the members of the house. Personal Ledger Account is maintained for payment of TA/DA, Telephone, Medical reimbursement, purchase of railway coupons etc. for the members of the house. Hand Book for members of West Bengal Legislative Assembly may be consulted before conducting detailed scrutiny.

### **14.1 Process of Audit**

- i) To check all the accounts records maintained in the Secretariat establishment.
- ii) To see that the credit in the P.L. A/c does not exceed the prescribed limit of the Finance Department. The credits, withdrawals and balances have been reconciled regularly with Reserve Bank Pass Book.
- iv) To examine the Telephone Ledger and entitlement of individual members (installation, Rental and actual call charges) and their proper reimbursement with supporting documents, if possible, with original vouchers kept in the office of the A.G. (A&E), West Bengal.
- v) To scrutinize the disbursement of TA/DA claims of the members with reference to Attendance register, Committee meetings records etc. Proper accounting of the disbursement made is also to be checked, if possible with original vouchers to be had from the office of the A.G. (A&E) West Bengal.
- iv) To check the Stock Register of Railway coupons its requirement of purchase, unnecessary holdings, proper distribution and utilisation taking into account the mileage actually

covered along with its admissibility.

- v) To see that medical reimbursement claims have been preferred according to the admissibility.
- vi) To scrutinize payment made to persons entitled to receive the payments.

## **15. PUBLIC SERVICE COMMISSION, WEST BENGAL**

Conducting of competitive and departmental examination/interview for recruitment in the different categories of post of the State Government is the main function of the Public Service Commission (PSC). For conducting such examinations realisation of fees, on accounts of examinations, if not, otherwise exempted by Government and payment of remunerations to the Examiners have to be made. Fees are realised either through challans or through postal orders which are noted in the Application Register and Postal Order Register respectively.

### **15.1 Process of Audit**

Besides the normal checks as mentioned in the Chapter-VII of the General & Social Sector-I Audit Manual, Volume-I, the following points should be seen.

1. Check the receipts in the Postal Order Register with the applications received from the examinees forwarding the Postal Orders and their remittances to the Bank with the Challans.
2. Check the entries of receipt in the Application Register with the amount in the respective challan and the applications of the examinees.
3. Check the Cash Book of P.L. Account with Treasury Pass Book and cheque-Books.
4. Examine the remunerations paid to the Examiners for competitive and departmental examinations with the prescribed rules.
5. Check in details two month's accounts of the lump sum amounts drawn in abstract contingent bills for payments of remuneration to examiners, which are not submitted to Central Audit.

Further, regarding the function of PSC, WB, it should be ascertained

- i) Whether all the Government offices, Government undertaking institutions etc. were covered for initial recruitment of staff through PSC, WB — if not reasons thereof.
- ii) Actual no. of different category of staff appointed through PSC against vacancy.
- iii) Delay, if any, in conducting examination with reference to the publication of advertisement.
- iv) Delay if any, in declaration of result of examination with reference to conducting examination.
- v) Delay, if any, in taking interview and issue of appointment letter/or issue of authorization for appointment and effect of the delay in above cases to be pointed out in audit.

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## **16. DISTRICT RURAL DEVELOPMENT CELL**

The District Rural Development Agencies (DRDAs) were established in 1980 under the Societies Registration Act 1860 to function as nodal agents to manage various rural development programmes in each State. The DRDAs were entrusted with the planning, implementing, co-ordinating, supervising, monitoring and evaluation of the different rural development programmes funded by the Central/State Government. Since April 2000, the DRDA renamed as District Rural Development Cell (DRDC) has been functioning under the administrative control of Zilla Parishad.

### **16.1 Audit objective:**

All the DRDCs (erstwhile DRDAs) are required to maintain the accounts on double entry system. While the primary auditors for the DRDCs are the Chartered Accountants, the IAAD conducts superimposed audit under section 14 of CAG's (DPC) Act. 1971. Audit by the Chartered Accountant is based only on the statement of accounts i.e. on the Balance Sheet and Income and Expenditure accounts prepared by DRDCs. Their observations are therefore, restricted only to the correctness of accounting treatment, arithmetical accuracy etc. and does not comment on the efficiency or effectiveness of the programmes implemented by the DRDCs. Audit need to evaluate the performance of the DRDCs in effective implementation of the schemes/ Programmes.

Emphasis on the following important points should be given:

- (1) Whether the assistance provided was adequate and in consistence with, the aims and objects of the scheme?
- (2) Was there any mechanism adopted by the implementing agencies to watch the progress of income generation and to show the number of assisted families that had crossed the poverty line?
- (3) To what extent follow up services were provided to the beneficiaries to overcome the constraints in implementation of the project?
- (4) Was the employment provided, proportionately adequate to the requirement?
- (5) What was the volume of unemployment as per the records of Employment Exchange and Gram Panchayats?
- (6) Was adequate attention paid to backward rural areas?
- (7) Was coverage of SCs/STs and Women adequate and as per guidelines?
- (8) Was any programme suspended for want of resources or other reasons like lack of coordination between DRDCs and other implementing agencies including bank?
- (9) Whether DRDCs liaison with the financial institutions to see that payment of assistance to the beneficiaries was not unnecessary delayed.
- (10) Whether the financial statements prepared by the DRDCs provide adequate information to the higher authorities?
- (11) How far were the certificates issued by the Statutory auditors correct regarding utilisation of funds in respect of various schemes?
- (12) Did the records maintained or data generated by DRDCs sufficiently reflect the achievement (both physical and financial) under the scheme?

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- (13) Were there any deficiencies in planning, execution and monitoring of the programmes/schemes (both physical and financial)?

### **16.2 Audit check**

In addition to prescribed routine checks following checks need to be exercised on the specified areas.

#### **16.2.1 Funding:**

- (1) Whether the Central and State shares being received in time and as per norms specified for the schemes?
- (2) Whether allocation and release of funds were adequate to meet the end objective of the programme?
- (3) Whether delayed receipt of fund had resulted in non-implementation of the programme and left heavy unspent balance at the end of the year?
- (4) Whether the state Government made adequate budget provision as per its requirement and released its share in time?
- (5) Whether money advanced to various executing agencies, supplies lying unadjusted and pending UCs/accounts were treated as final expenditure though not actually spent?
- (6) Whether the money remained unutilised and parked in PL account?
- (7) Fund deposited in the savings bank account or invested by any other means and position of interest accrued and its utilisation.
- (8) Diversion of fund to activities not connected with objectives of the scheme?
- (9) Rush of expenditure at the fag end of the year.
- (10) Whether the subsidy was released to the bank in time and the money reached the real beneficiary for whom it was actually released?
- (11) How far the authority watches the utilisation of the fund released to the executing agencies and have control over the expenditure and the un-disbursed subsidy?
- (12) Whether the Administrative cost is within the ceiling?
- (13) Whether the fund released for the schemes are economically viable and as per approved plan?
- (14) Whether the monitoring and evaluation is done at each level?

#### **16.2.2 Planning:**

- (1) Whether Perspective District plan has been prepared taking into account the demographic trends, human resource available and the status of various ongoing programmes.
  - (2) Whether Annual Action Plan (AAP) based on Perspective District Plan was ready by the month of February of the preceding financial year?
  - (3) Whether the AAP spells out thrust areas proposed to be adopted giving reasons for such selection?
  - (4) Whether the AAP has the approval of the Governing body?
  - (5) Whether the works undertaken was within the approved AAP?
  - (6) Whether the AAP shows the list of beneficiaries proposed to be benefited during the
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year?

- (7) Whether there is any overlapping of the works undertaken by the DRDC with other works undertaken under other scheme/project?

### **16.2.3 Selection of Project and beneficiaries:**

- (1) Whether the project activities chosen match with needs of the beneficiaries?
- (2) Whether the survey of identification of new beneficiaries completed before taking up the project?
- (3) Was the priority list of the poorest of the poor approved by the Panchayat?
- (4) Whether the AAP shows the list of beneficiaries proposed to be benefited during the year?
- (5) Whether there exists an effective system of obtaining applications from the beneficiaries residing in remote villages or from those belonging to the backward communities?
- (6) Whether any register of agricultural labourers is maintained by the Panchayat?
- (7) Whether identification of BPL and unemployed/ underemployed persons has been done and identity/family cards issued to all registered workers/families?

## **17. AUDIT OF AUTONOMOUS BODIES (ABs)**

Audit of the annual accounts and transaction of autonomous bodies are conducted under section 14, 19 or 20 of CAG's (DPC) Act. 1971. It is not obligatory on the part of this office to certify the annual accounts audited under section 14 but in cases where audit was undertaken under section 19 or 20 the certification of the annual accounts is involved.

### **17.1 AUDIT OF ANNUAL ACCOUNTS**

In course of audit of annual accounts the following guiding principles are to be observed.

#### **17.1.1 Form of annual accounts:**

Except, otherwise specifically authorised, every organisation that receives assistance from Government in the form of grants/loan must compile the three sets of accounts viz. (i) Receipt and Payments Accounts (R&P A/c), (ii) Income and Expenditure Account (I&E A/c) and (iii) Balance Sheet. It is necessary to ensure that the annual accounts presented for audit, duly ratified in its Board Meeting, contains sufficient information through 'Notes on Accounts' as well as the supporting schedules, where necessary, to enable one to develop an understanding of the results of working and the financial position of the organisation.

#### **17.1.2 Basis of preparation of accounts:**

The R&P A/c is an abstract of cash receipts and payment. Since the cash transactions do not make any distinction between revenue and capital expenditure and do not enable to quantify the income and expenditure pertaining the period of audit, it is necessary to prepare I&E A/c which is designed to measure the annual income and expenditure of the organisation. Thus, I&E A/c as well as Balance Sheet are to be prepared on accrual basis where all the income whether received or not pertaining to the period under audit is taken credit for and the expenditure whether paid or not

relating to the period is charged. However, in view of historical reasons or otherwise the cash basis of accounting is still being followed in various ABs. In all such cases, it would be necessary to examine whether having regard to the activities of the ABs accounting on cash basis, by and large, serves the purpose. However, the ABs are to be insisted upon for preparation of the accounts on accrual basis.

### **17.1.3 Capital and revenue expenditure:**

Since measurement of income for a given period involves matching of cost with revenue, the distinction between Capital and Revenue expenditure becomes important. It is customary in certain organisation to charge small items of expenditure of capital nature to the revenue of the year in which the expenditure incurred, for which it is necessary to disclose such accounting policies in the account. In absence of such disclosure, the Audit Report should disclose the accounting practice followed by the AB.

### **17.1.4 Method of audit of accounts:**

In course of audit of annual accounts the following essential guiding principles may be taken into consideration:

- (1) Whether the accounts submitted to Audit for verification were duly authenticated and placed before the board meeting and duly ratified in the meeting to make critical review of the system of book keeping, accounting and internal control;
- (2) To make test and enquiries as the auditors considered necessary to form an opinion as to the reliability of the records as a basis for preparation of accounts;
- (3) The R&P A/c should be checked with reference to the cash book;
- (4) Items appearing in I&E A/c should be checked with Trial Balance;
- (5) To compare the I&E A/c and the Balance sheet with underlying records in order to see whether they are in accordance therewith;
- (6) To make a critical review of the I&E A/c and the Balance Sheet in order that a report may be made stating whether, in the opinion of the auditors, the accounts are presented and the items are described in such a way that they show not only true but also a fair view;
- (7) Though Trial Balance is not an integral part of the compiled accounts the balances as represented in the trial balance will have to be verified with reference to the balances of ledger accounts and the ledger accounts will have to be checked with reference to the books or original entry like Cash book and Journal;
- (8) Entries in the cash book and other books of original entries should be vouched and the casting attested;
- (9) The posting from the books of prime entry to the ledger accounts should be test checked;
- (10) The justification and authority for each journal entry should be examined;
- (11) The ledger balances should be checked and agreed with debtors' schedule and creditors' schedules etc.
- (12) Provision for outstanding liability and accrued income/revenue should be verified;

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- (13) The ownership and continued existence of assets appearing in the balance sheet should be verified and adequacy of the provisions for items like depreciation and bad debts etc. should be checked.

Apart from the necessary routine checking of posting, casting and vouching, the following aspects should also be kept in view while auditing the accounts of an organisation.

- (i) Check the opening balances with reference to the closing balances of the previous year's accounts.
- (ii) Look for exceptional transaction which has resulted in charges or credit of a material amount relevant to the accounting period.
- (iii) Vouch all Capital and Revenue expenditure.
- (iv) Verify existence and ownership of assets and check basis of valuation and provision of depreciation.
- (v) Ascertain the system of stock taking and test check the stock sheets and valuation duly authenticated/certified by the competent authority.
- (vi) Check whether the Bank Reconciliation Statement (BRS) was prepared in respect of all the Bank Account. In case of discrepancies of closing Balances between the Cash Book and Pass-book/Bank Statement, BRS is to be prepared to ascertain the reasons for such discrepancies.
- (vii) Whether the provision for outstanding liabilities, bad debts, damage or deterioration in value of assets was fixed and duly accounted for.
- (viii) To ensure all income has been brought to account.
- (ix) To see that all allowances, discounts etc. are authorised and admissible.
- (x) To review balances of sundry debtors, advances etc. analyse their periodicity and ensure that their recovery is enforced and that none represents fictitious balances.
- (xi) Consider the value placed on current assets.
- (xii) Ascertain, if there have been any changes in the basis of accounting having material effect on the accounts of the year under audit.
- (xiii) Examine the schedules showing the composition of each item in the balance sheet and compare such items with corresponding figures for the previous period.
- (xiv) To ascertain that charges/transactions falling beyond the scope of authorised activities of the organisation.

#### **17.1.5 Internal Control:**

The extent of checks to be exercised in audit depends upon the system of internal control operating in the organisation. Internal check is a tool of the management, to have a check on day to day transaction which operates continuously as part of the routine system, the objective being the prevention or early detection of errors or fraud. The existence of the internal control systems need to be assessed in audit on the following aspect.

- (i) Accounting of each receipts and payments are correct and as per rule;
  - (ii) Realisation of receipt and avoidance of loss due to negligence, delayed action etc.
  - (iii) Sanction of expenditure and watch over progress of expenditure vis-à-vis budget of autonomous body.
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- (iv) Purchase, accountal, issue, utilisation and physical existence of store and stock.
  - (v) Execution of construction programme.
  - (vi) Disbursement of grants, subsidy, scholarships etc. and their utilization by the recipients.
  - (vii) Utilisation of Government assistance for specified purposes.
  - (viii) Review of objectives of the autonomous body.

While preparation of the Separate Audit Report indicating the comments on various aspects of Annual Accounts as per the format prescribed by the Head Quarters (vide Paragraph 7.25.4 of General & Social Sector-I Audit Manual, Volume-I, a comment on the existence and effective functioning of the Internal Control System of the organisation to be highlighted in the SAR).

## **17.2 AUDIT OF TRANSACTION:**

Audit of transactions of ABs varies from organisation to organisation depending upon the nature of the organisation, its objective and the system of accounting and documents maintained. In this regard, instruction given in the General & Social Sector-I Audit Manual, Vol-I, Manual of Standing Order (Audit) and Manual of instruction for audit of Autonomous Bodies may be adopted for audit of transaction of the ABs and comments, if any, be brought out and incorporated in the IR.

Cash transactions of the ABs are on double entry system. The cash book is the most fundamental record and audit commences with check of the Cash Book and check of the entire posting in the Cash Book. The main purpose of the auditing of cash book is to ensure that all receipt are taken, no improper or fraudulent payment made, the receipt and payment of cash and cheque were legitimate and accurately recorded and supported by Money receipts, order of the competent authority and relevant voucher etc. and casting/balancing reflected ate worked out correctly. In case of discrepancies between the Cash book balance (Bank column) and balances of pass-book/bank statement, BRS is to be prepared to ascertain the reasons of discrepancies. Non-preparation of the BRS, in case of such discrepancies, and long pending (unrealized or un-cashed) cheques and other irregularities ascertained on preparation of BRS need to be commented in the IR of the ABs.

## **17.3 AUDIT OF KOLKATA METROPOLITAN DEVELOPMENT AUTHORITY (KMDA) AND WEST BENGAL HOUSING BOARD (WBHB)**

**17.3.1** This Department is responsible for the statutory audit of transactions and accounts of various divisional offices of Urban Development, Housing and Public Health Engineering Departments of the State of West Bengal including the concerned direction offices headed by the Chief Engineers and Superintending Engineers in accordance with the provisions contained in the CPWA Code, Accounts code Vol-III and the Financial Rules / Departmental Codes of the State Government and orders of CAG as available in MSO (Audit) & MSO (A&E).

**17.3.2** At present there are two autonomous bodies under the control of PAG (G&SSA), WB, namely:

- i. Kolkata Metropolitan Development Authority (KMDA); and
- ii. West Bengal Housing Board (WBHB).

### **17.3.3 Audit procedure**

The audit of the accounts of the autonomous bodies mentioned above are conducted under Section 19 (3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 through Resident Audit Offices and peripatetic audit teams as indicated below:

Audit of KMDA through Resident Audit Office.

Audit of WBHB by peripatetic audit teams.

### **17.3.4 Check of trial balance**

Although trial balance is not a part of the compiled accounts for audit of the annual accounts it should form the starting point. The balances as extracted in the Trial Balance will have to be verified with reference to the ledger accounts. The ledger accounts in their turn will have to be checked with reference to the books of original entry like cash book and the journal.

Broad outline for accounts audit. The method of auditing the annual accounts will be broadly as follows:

Entries in the cash book and other books of original entries should be vouched and casting tested.

- i. The postings from the books of prime entry to the ledger accounts should be test-checked.
- ii. The justification and authority for each journal entry should be examined.
- iii. The ledger balances should be checked and agreed with schedule like debtors' schedule, creditors' schedule etc.
- iv. Provisions for outstanding liabilities and accrued income should be verified.
- v. The receipts and payment account should be checked with reference to the cash book.
- vi. Items appearing in the Income and Expenditure Account should be checked with trial balance.
- vii. The ownership and continued existence of assets appearing in the Balance Sheet should be verified and adequacy of provisions for items like depreciations, bad debts etc. checked.

### **17.3.5 Expenditure on works**

The expenditure on works can relate to execution of a project as a whole or execution of individual work or works relating to maintenance and repairs, both regular and special. The prescribed accounting procedure will have to be examined to see that by and large, they are similar to those adopted by the Government Public Works Divisions. Instructions given in the Manual of Standing Orders (Audit) relating to such audits may be applied mutatis mutandis for audit of works transactions of autonomous bodies as well. In addition, the general points on which audit can divert its attention, can comprise the followings:-

- i. Whether the project as a whole has been approved by the competent authority of the autonomous body and the financing authority, like the State or Central Government?
- ii. Whether time schedule for implementation has been drawn up indicating the physical

and financial target from time to time duly agreed to by the financing authorities as well?(as per DPR)

- iii.** Whether for several components of the projects, required detailed plans and estimates have been drawn up in time, duly approved by the competent technically qualified authority specified for the purpose?
- iv.** Whether the execution of works was taken up as planned and whether flow of funds was as anticipated? If not, how far the works suffered may be looked into.
- v.** Whether detailed drawings and designs, where required, were duly drawn up in time and furnished to the executing authorities and if not, what are the causes of delay?
- vi.** Whether a proper procedure for award of contract is laid down and is duly observed?
- vii.** Whether tenders are invited and properly scrutinized in time before decision is taken?
- viii.** Whether the delays, if any in preparation of plans and estimates, supply of detailed drawings and designs, invitation and acceptance of tenders, supervision of works in execution etc. have resulted in any loss, not only for the work as such, but also to the development of the organisation itself or in execution of schemes taken up the organization?
- ix.** Whether payments to contractors were in time in accordance with the agreed procedure and whether an unauthorized aid is involved?
- x.** Whether proper records of measurement exists and the records are compiled in time by qualified/competent persons and are subject to adequate supervisory check?
- xi.** Whether quantities of work executed compare favourably with the estimates and variations are examined and are justified?
- xii.** Whether extra items executed are such that they could not be anticipated and not those initially omitted from plans and estimates for tendering and whether the rate paid for them had been correctly assessed in accordance with the contract?
- xiii.** Whether a proper record of completion exists and quality of work is subjected to adequate test, according to prescribed procedure and terms of contract?
- xiv.** Whether for reported poor quality of work at the time of completion or inspection, the matter was not noticed by the authority supervising the work and recording the measurement?
- xv.** In respect of contracts on "cost plus percentage" basis the control on quantity of work is quite adequate and there are no avoidable increases in quantity and there are no instances of use of costly items of work as substitution, resulting in avoidable increase in cost and consequent increased commission.
- xvi.** In cases of contracts with architects, whether the terms are properly drawn up to protect the organization against wasteful expenditure, lack of timely supervision on the works by the architect, compensation of losses attributable to failures by the architect etc.?
- xvii.** Whether funds are not obtained for works from Government far in advance of needs and deposited back with Government for carrying out the works as deposit works, the commencement of work being delayed thereafter for one reason or other, such as non-availability of land, plans and estimates, non-invitation of tenders etc.
- xviii.** In respect of expenditure on maintenance and repairs, whether (there are sufficient

reasons for undertaking repairs and maintenance) are not in remedy of patent defects in initial execution on which timely action had not been taken?

- xix.** Whether proper materials at site account are kept, all receipts and issues noted, whether surplus material is not procured without a plan on utilization, just to indicate utilization of budget provision, whether control on stock is kept and unused materials at the end of a work are duly transferred to stock/other works, etc. or otherwise disposed of?
- xx.** Whether the works executed are utilized for the purpose for which they are carried out?

#### **17.3.6 Advances to suppliers and contractors**

- xxi.** In the same way as advances to employees, it is necessary to account advances to suppliers and contractors as advances only in accounts and final adjustment made on receipt of accounts/materials/or after works are executed. No advances to suppliers and contractors should be made unless payment of such advances has been permitted under the terms of contract or it has been authorized under the trade practice in vogue for the supply or the contract conceived payment of advances. In all such cases it has to be seen in audit whether:-
  - xxii.** the terms of agreement provide for the payment of advances;
    - i.** the terms of contract provide for adequate protection to the autonomous body for claiming the advances back with penalties in the event of breach of contract;
    - ii.** the advance is limited to the minimum admissible and is not paid far ahead of prescribed time;
  - iii.** a proper record of such advances is kept and recovery/adjustment is watched through it;
  - iv.** adequate provision exists for inspection of materials/work for which advance is paid and it is scrupulously observed;
  - v.** in cases of non-adjustment of advances within the prescribed time, action in accordance with the terms of contract is initiated in time; and
  - vi.** in respect of running contracts for works/supply and payment of advances a periodical account settlement takes place and balances stand duly accepted by either parties.

#### **17.3.7 Loans raised by the autonomous bodies**

Loans may be raised by the autonomous bodies either for general purposes or for certain specified activities. In such cases, it may be seen in audit whether:

- i.** the financial position of the autonomous body was such that it had to raise the loan up to the level raised;
  - ii.** the purpose for which loan is to be raised is determined and loan is utilized for that purpose;
  - vii.** the loan is not raised for ahead of the schedule or in excess of the needs, resulting in diversion of loan for other purchases or in investment;
  - viii.** the capacity to repay has been duly assessed with reference to source of income from which repayment is to be made and the source becomes actually available for the purpose;
  - iii.** the repayment of loan and interest is not met by obtaining grants for the purpose, unless it is specifically authorized by the grant sanctioning authority;
  - iv.** the terms and conditions of loan are clearly determined and a copy of document is available with the loanee;
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- v. the interest payable is correctly worked out and is duly indicated in accounts whether actually paid or not;
- vi. the loan is utilized for the specified purpose and any excess is duly refunded, if it is permissible;
- vii. a proper record of the loan is kept for watching timely repayment and the record is duly reviewed;
- viii. all matters relating to raising of loan, utilisation, finalization of terms and conditions, position of repayment etc. are duly brought to notice of the main governing body and other connected committees from time to time.

### **17.3.8 Loans disbursed by the autonomous bodies**

In respect of loans disbursed by the autonomous bodies, it may be seen in audit whether:-

- i. the scheme for grant of loan has been authorized by the management (and Government where necessary);
- ii. the source for financing has been duly determined;
- iii. the terms and conditions are duly determined and a proper agreement is carried out with the loanee;
- iv. the loan agreements are duly registered, where necessary, and kept in proper safe custody;
- v. loans are paid only to those who are eligible under the scheme after fulfillment of the required conditions;
- vi. the capacity to realize the loan installments had been assessed before loan is paid;
- vii. demand notices are issued well in time for recovery of principal and interest and matter pursued according to terms of loan till recovery;
- viii. prescribed reports on utilization of loan for specific purposes are obtained and recovery of excess release of loan is made in time;
- ix. the acceptance of balances is obtained annually from each loanee;
- x. the loan records are properly kept, reviewed periodically at an appropriate level and action taken; and
- xi. accounts clearly take into account (clearly reflect) the position of overdue installments of loan and interest.

### **17.3.9 Correction of accounts**

One of the points that need to be looked into before certification, is the need or otherwise for correction of accounts, as presented for audit before they are certified. Correction of accounts should not be insisted as a matter of course for rectification of every mistake that is noticed in audit and the request for correction should be made only sparingly in cases where the autonomous body is either willing to carry out without delay to avoid audit comments or the corrections are such that they affect fundamental correctness of the accounts to be certified. In cases where the autonomous body is willing to carry out the corrections in future accounts, it shall normally be agreed to and cases where such that it is not in a position to certify the accounts as representing a true and fair picture of the autonomous body, it is necessary that the current year's accounts must be

correct.

#### **17.4 KMDA-Special points**

##### **17.4.1 The distribution of works for RAO/KMDA (Hd. Qrs & Sector)**

1. Audit of Annual Accounts of KMDA, preparation and issue of Separate Audit Report together with Audit Certificate;
2. Verification of expenditure incurred out of Foreign Loan and issue of audit certificate thereon;
3. Conducting inspection of divisional offices as per programme approved by DAG (GSS-I);
4. Processing, editing and issue of IRs;
5. Processing of DPs and sending them to the Head office along with all available Audit Evidences and relevant documents for approval of PAG;
6. Conducting concurrent audit of sectoral offices including KMDA HQ;
7. Any other works as may be assigned by the DAG (GSS-I)/PAG;

##### **17.4.2 Broad outline of the functions of KMDA -Special points**

1. Subject to such rules as may be made by the State Government in this behalf, the Metropolitan Authority shall be responsible for –
  - a. The formulation, subject to the approval of the State Government, of plans for the development of the Kolkata Metropolitan Area or such part thereof as it may think fit;
  - b. The coordination of the execution of plans, approved by State Government, for the development of any area within the Kolkata Metropolitan Area;
  - c. The supervision of the execution of any project for the development of any area within the Kolkata Metropolitan Area, the expenses of the whole or any part of which are met from its funds; and
  - d. The financing and execution of any project in any plan for the development of the Kolkata Metropolitan Area or any part thereof.
2. In particular, and without prejudice to the generality of the foregoing functions, the Metropolitan Authority shall also discharge the following functions: -
  - e. to receive the money paid to it by the State Government under the provisions of the taxes on Entry of goods into Kolkata Metropolitan Area Act, 1970 and to apply such money for the purposes specified in sub-section (3) of Section 12 of the Act;
  - f. To specify the development projects for the implementation of which any money referred to in clause (a) of this sub-section shall, subject to such conditions and restrictions as the Metropolitan Authority may impose, be applied by
  - g. any municipal or other authority within the Kolkata Metropolitan Area, or
  - h. such other authority, not being a local authority or any authority specified in sub clause (i), As the State Government may, by notification in the official Gazette, specify in this behalf, or
  - i. any Department of the State Government; provided that the execution of such development project is approved by State Government;

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- i. To receive any money borrowed by it and any money which may be paid to it by any authority other than State Government;
  - j. To apply any money referred to in clause (c) of this sub section for financing any project for the development of Kolkata Metropolitan Area or any part thereof; and
  - k. To perform such other functions as may be prescribed .

*(Authority: Chapter III, Clause 15 of CMDA Act, 1970)*

### **17.4.3 Audit Set Up of KMDA**

There shall be two branches of Resident Audit Office, viz., Headquarter and Sector under the charge of Senior Audit Officer stationed at Unnayan Bhawan, Salt Lake. The functions and responsibilities of the Resident Audit Office would be:

- i. Audit of annual accounts, preparation of SAR, issue of Audit Certificate.
- ii. Verification of CUDP expenditure and issue of audit certificate thereof.
- iii. Co-ordination with different audit units, KMDA and head office at Salt Lake.
- iv. Drawing of inspection programme and getting approval of DAG (GSS-I) thereto, conducting inspection of divisional offices, review of old I.Rs and audit of CPF accounts of KMDA.
- v. Sending of potential draft paras to DAG together with all relevant Audit Evidence.
- vi. Concurrent audit of sectoral offices including KMDA HQ at Salt Lake and organizing audit and other related matters in respect of reviews in consultation with Performance Audit Cell in the Main Office.
- vii. Any other work as may be assigned by DAG.

The inspection party(s), the Sectoral audit units and the resident audit office shall function in close co-ordination so as to avoid complication, duplication and overlapping of works.

## **17.5 WBHB-Special points**

### **17.5.1 Functions of the West Bengal Housing Board**

1. Subject to the provisions of the West Bengal Housing Board Act, 1972, the Board may, from time to time, incur expenditure and undertake works for the framing and execution of such housing schemes as it may consider necessary and such housing schemes may include housing schemes in relation to lands and buildings vested in or in the possession of State Government.
2. The State Government may, on such terms and conditions as it may think fit to impose, entrust to the Board the framing and execution of any housing scheme and the Board shall thereupon undertake the framing and execution of such scheme.

The Board may, on such terms and conditions as may be agreed upon and with the previous approval of the State Government, take over for execution any housing scheme, on behalf of a local authority or co-operative society, or on behalf of an employer, for building houses mainly for the residence of the employees of such local authority, co-operative society or employer, as the case may be.

*(Authority: The WBHB Act, 1972—Chapter III, Section 17)*

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## 17.5.2 Audit Set Up of West Bengal Housing Board

Audit of West Bengal Housing Board is conducted by peripatetic audit teams under direct supervision of Sr. Audit Officers/Audit Officers. Works (co-ordination) section will be responsible for organizing audit of Housing Board, finalization of Inspection Report, certification of accounts and preparation of Separate Audit Report within the due date.

### 17.5.3 Licence Fees from Buildings

#### 17.5.3.1 General

a. A premises belonging to, or taken on lease or licence or requisitioned by or on behalf of the Government of West Bengal which is borne on the books of or in the administrative control of Public Works Department or Housing Department, may by general or special orders of the Government, be allotted as office to one or more departments or offices or as residence to the incumbent of any post under the Government or central or other State Governments.

*(Authority: Rule 292 of West Bengal PWD Code Vol. I)*

b. Service departments are not allowed to make charges against other service departments of the same Government for services rendered which fall within the class of duties for which they are constituted. Service rendered or supplies made to commercial departments or Government commercial undertakings should, however, be charged. Rent should, therefore, be charged at full rate prevailing in the locality for similar accommodation only in cases where office accommodation is supplied to commercial departments or to Government commercial undertakings of the State Government as well as in cases where office accommodation is supplied to other Governments.

*(Authority: Rule 293(1) and 293(2) of West Bengal PWD Code Vol. I)*

c. The supply by a service department, of residential accommodation to the employee of a commercial department under the same Government or vice versa should not, for the purpose of this rule be held to constitute a service rendered. The rent charged for residential accommodation will thus in all cases be the rent recoverable under the prescribed rules from the persons actually accommodated; but in the case of residences occupied by officers under the administrative control of Central or other State Government the full rents will be recoverable under FR 45B of the Fundamental and Subsidiary Rules irrespective whether the rent is more or less than the prevailing rent in the locality.

**Note:** For the purpose of this rule only those subordinate offices of the Irrigation and Waterways Department, which entirely deals with works for which capital accounts are kept, should be treated as commercial department.

*(Authority: Rule 293(3) of West Bengal PWD Code Vol. I)*

d. When public premises are let out or leased to private associations or other private bodies and individuals, full economic rent should be charged, which means in the case of accommodation supplied for non-residential purposes the full rent at the rate prevailing in the locality for similar accommodation including occupier's share of taxes, if any, and in the case of residential accommodation the rent under FR 45B of the Fundamental and Subsidiary Rules.

*(Authority: Rule 300 of West Bengal PWD Code Vol. I)*



e. No public building in charge of the Executive Engineer may be occupied as a private residence without his consent, except under the orders of his departmental superiors or of Government.

(Authority: Rule 301 of West Bengal PWD Code Vol. I)

### 17.5.3.2 Government Employees' Liability in respect of Residences Allotted to them

a. The holder, whether permanent or temporary, of a post to the incumbent of which a premises owned or leased by Government, has been allotted as a residence, shall be liable to pay during the period he is holding the post, whether he occupies the premises or not-

- i. Licence fee at the prescribed rate; and
- ii. meter hire, when charged separately and cost of water, electrical energy etc. consumed; and
- iii. if the residence is supplied with services, other than water supply, sanitary or electrical installations and fittings, such as furniture, tennis court or garden, maintained by the cost of Government, such additional rent or charges therefor as Government may determine without taking into consideration the value of the site.

[Authority: West Bengal Services (Revision of Pay and Allowances) rules, 1990 kept in the Works (R&C)/111-13B/(Manual)/State Govt. Orders—page 207 and West Bengal Service Rule 223]

b. As per provision of paragraph 8 of the Government of West Bengal, Finance Department, Audit Branch's Memo No. 432 F-12.1.1990, pending fixation of licence fees according to the system recommended by the Pay Commission, the recovery of licence fees from Government employees provided with accommodation owned/ hired / leased by Government and the drawal of house rent allowance by them shall be regulated as follows:

- i. For those employees living in flats for which assessment of rent has been made and the occupier pays assessed rent as licence fee and draws usual house rent allowance, the drawal of house rent allowance shall further be limited to the actual assessed rent paid.
- ii. For those employees paying licence fees as percentage of pay, the recovery shall be frozen at the level at which the licence fees were recovered from the pay bills of December 1989, in unrevised scale.

[Authority: West Bengal Services (Revision of Pay and Allowance) Rules, 1990 kept in the Works (R&C)/111-13B/(Manual)/State Government Orders—page 207]

### 17.5.3.3 Fixation of Assessed Rent (Standard Rent) of Residential Premises Owned by Government

a. The formula adopted by the Housing Department, Government of West Bengal in fixation of assessed rent (Standard rent) for the Rental Housing flats meant for the State Government employees is as follows :-

Capital cost of construction including land development, say Rs 100/-

Realisation of cost of construction and land development over 75 years with

i. Interest @ 6% per annum.	6.077
ii. Maintenance cost @ 2% per annum	2.000

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Municipal taxes 12 1/2% of annual valuation of 5% of the capital cost per annum 0.625

**Total = 8.702 p.a**

Residence service charges are to be levied at the appropriate rates.

*[Authority: Government of West Bengal, PW Deptt., Common Services Branch's memo no. 1447-CS dt. 22.3.82 kept in file Works (R&C)/III-13B/(Manual)/State Govt. Orders page 201-203]*

b. Cost of land not to be taken into consideration in fixing the assessed rent of the PWD flats/quarters.

*[Authority: Government of West Bengal, PW Deptt., Common Services Branch's memo no. 1447-CS dt. 22.3.82 kept in file Works (R&C)/III-13B/(Manual)/State Govt. Orders page 203].*

c. The addition to be made as per the formula adopted to fix the assessed rent (standard rent) shall be reviewed by the competent authority every seven years and on such other occasions as Government may desire.

*(Authority: Rule 336 of West Bengal PWD Code Vol. I)*

d. When the standard rent (assessed rent) of a residence has been calculated, minor addition and alterations may be made without the rent of the residence being increased, subject to the following conditions, namely

- i. the total cost of such additions and alterations shall not exceed 5 per cent of the capital cost on which the standard rent (assessed rent) was last calculated; and
- ii. such additions and alterations shall be within seven years after the last calculation of the standard rent (assessed rent).

*(Authority: Rule 337 of West Bengal PWD Code Vol. I)*

e. When, by reason of additions and alterations, the capital cost of a residence exceeds by more than 5 per cent the capital cost on which the standard rent (assessed rent) was calculated, the standard rent (assessed rent) shall be recalculated, with effect from the 1st April next following or from the date upon which a new tenant become liable for the payment of rent, whichever is earlier.

*(Authority: Rule 338 of West Bengal PWD Code Vol. I)*

#### **17.5.3.4 Fixation of Assessed Rent (Standard Rent) of Residential Premises Leased by Government**

The annual standard rent of a residence leased by Government shall be the sum paid annually to the lessor plus the following additions to meet charges which fall on Government during the period of lease, namely-

- i. for meeting such charges for both ordinary and special maintenance and repairs the estimated cost thereof (including maintenance and repairs of any additional work done at Government expense); and
- ii. for meeting such charges for capital expenditure on additions or alterations and for interest thereon, the amount estimated to be sufficient to repay to Government during the period of lease such charges, or such part thereof as the lessor may not have agreed to reimburse to Government, plus interest on half the sum of such charges and the amount (if any) to be reimbursed by the

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lessor, calculated at the rate fixed under clause (a) of rule 334 of West Bengal PWD Code Vol. I; and

- iii. the annual amount of municipal and other rates and taxes in the nature of house or property tax payable in respect of the residence, unless such amount has been included in the sum paid to the lessor.

*(Authority: Rule 340 of West Bengal PWD Code Vol. I)*

#### **17.5.3.5 Register of Buildings**

1. Each Superintending Engineer will keep a register of building in charge of the department within his circle, and each Executive Engineer a similar register of the buildings within his division. In these registers the value of the land comprise in the property will be shown separately from the value of the building or buildings thereon, value of each separate structure being also shown separately. In the case of a purchased property the price paid will be apportioned between the various items comprising the property, e.g., land, main buildings, servants' quarters, compound wall, well etc.
2. The capital value of any portion of the building which is abandoned or dismantled without replacement should be written off from the total capital value of the building.

*(Authority: Rule 306 of West Bengal PWD Code Vol. I)*

**17.5.3.6** In case of buildings and works borne on the returns of the Public Works Department, the Executive Engineer will be held responsible that the plans of such building and works are corrected on the completion of any alterations.

*(Authority: Rule 307 of West Bengal PWD Code Vol. I)*

#### **17.5.3.7 Renting of vacant buildings**

1. It is the duty of Executive Engineer to endeavour to get tenants for public buildings not immediately required for Government use whenever asked for by the District Magistrate or the Deputy Commissioner concerned to do so. They should generally be let out from month to month basis, but a lease may be given with the approval of the District Magistrate or the Deputy Commissioner, where necessary. A clause in the agreement should be added to enable the Executive Engineer to terminate the lease at short notice in case the building is required by Government.
2. A period of three month's vacancy may be taken as the maximum period for which a residential building may be allowed to remain vacant without definite steps being taken to obtain a tenant.

*(Authority: Rule 298 of West Bengal PWD Code Vol. I)*

#### **17.5.3.8 Responsibility for recovery of rent**

The officers of PW Department are responsible for the recovery of the full rent of all residential buildings, and Divisional Accountants are responsible for bringing to the notice of Executive Engineers any case where a revision of rent is to be brought into force and also when assessment on new residences (whether provisional or final) becomes due. The responsibility for any delay in the recovery of rent owing to Executive Engineer omitting to inform the occupants that the rent of

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their residences has been raised, or is due, rest entirely on the Executive Engineer concerned and his Accountant.

(Authority: Rule 350 of West Bengal PWD Code Vol. I)

### **17.5.3.9 Legislation Relating to Tenancy & Occupancy**

#### **a. The West Bengal Government Premises (Tenancy Regulation) Act, 1976.**

In order to provide for the regulation of certain incidents of tenancy in relation to Government premises in West Bengal which are owned by the State Government or by Government Undertakings but do not include the official residences of any persons authorized to occupy any premises in consideration of the office which they hold under the State Government or the Government undertakings for the time being and for matters connected therewith or incidental thereto, the Legislature of West Bengal enacted the West Bengal Government premises (Tenancy Regulation) Act, 1976. The Act was subsequently amended from time up to 1985.

In exercise of the power conferred by Section 15 of the Act the State Government made rules called the West Bengal Government Premises (Tenancy Regulation) Rules, 1976.

These Act and Rules contained, inter alia, the provisions in respect of termination of tenancy, eviction of tenant/unauthorized occupant, imposition of penalty for unauthorized subletting or failure to deposit rent in time and recovery of claims from defaulting tenant or unauthorized occupant.

*[Authority: West Bengal Act XIX of 1976, VIII of 1980, XLVI of 1980 and XXX of 1985 kept in the file Works(R&C)/III-13B/(Manual)/State Government Orders –Page 190 to 193]*

#### **b. The West Bengal Premises (Regulation of Occupancy) Act, 1984**

With a view to preventing unlawful occupation of Government premises in West Bengal, meant for the employees of the State Government, and ensuring the use of such premises by the persons for whom, and for the purpose of which, they are intended the Legislature of West Bengal passed the West Bengal Government Premises (Regulation of Occupancy) Act, 1984. This Act contained, inter alia, the provisions in respect of grant of licence for occupation of such premises, termination of licence, imposition of penalty and liability to pay compensation for unlawful occupation and recovery of arrears of licence fees or compensation.

*(Ref: West Bengal Act XXI of 1984 kept in file Works (R&C)/III-13B/ (Manual )/State Government Orders-Page 194)*

### **17.5.3.10 Procedure regarding demand, collection and accounting of licence fees of buildings and lands**

The procedure regarding demand, collection and accounting of licence fees of buildings and land is laid down in Chapter 9 of CPWA Code and Section I of Chapter 2 of the West Bengal Financial Rules, Vol. I.

#### **17.5.3.11 Audit Check**

The following points should receive special attention in audit:

**i.** Calculation of capital and assessment of standard licence fees in respect of buildings since last

- inspection should be checked;
- ii. All cases of new assessment of licence fees payable by individual allottees since previous inspection should be checked;
  - iii. The Divisional officers are required to take action to re-assess the demands for licence fees with reference to variation pointed out by the disbursing officers and recover the arrears of licence fees, if any, due. Compliance in this regard may be watched;
  - iv. A complete and thorough check of the assessment of licence fee, the demand statements issued and the realization of licence fees for the selected month(s) in respect of each inspection should be done besides the general check of the Register of lands and buildings;
  - v. Necessary audit scrutiny should be made to unearth the following points of irregularities which may lead to non-realization of rent or loss of revenue :-
    - a. Non-fixation of assessed rent or under assessment of assessed rent of the residence allotted to Government employees and others.
    - b. Non-obtaining option from the Government employees occupying Government premises for residential purpose, in accordance with relevant service rules/orders for payment of licence fees.
    - c. Unauthorised occupation of Government premises.
    - d. Delay in allotment of Government premises/flats.
    - e. Delay in fixation of assessed rent.
    - f. Non-initiation of recovery of arrear licence fees.
    - g. Short-realization/non-realization of licence fees.
  - vi. The register of rent of building and lands should be checked in detail to see that :-
    - a. it is kept in the prescribed form;
    - b. the cost of land is shown therein separately from that of the buildings(s) thereon;
    - c. the register is maintained in accordance with the instructions contained in para 9.5.5. of CPWA Code and is kept up to date;
    - d. cost of residential buildings in the register agrees with that shown in the last capital and revenue account except in the case of incomplete works.
  - vii. In the case of buildings let out to private persons, it should be seen that the revenue assessed and realized is not less than the standard licence fee as recoverable under the rules.

#### **17.5.4 Hire Charges of Tools and Plant**

**17.5.4.1** When departmental tools and plant are lent to local bodies, contractors or others, the hire and other charges should be determined by local rules and should be recovered regularly.

*(Authority: Paragraph 7.3.11 of CPW Account Code)*

**17.5.4.2** The detailed procedure for letting out tools and plant to contractors or local bodies or others and the manner of fixation of hire charges for such letting out and recoveries thereof have been laid down in Rule 398 to 400 of the West Bengal PWD Code Volume I.

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### 17.5.4.3 Audit Check

While conducting scrutiny of the recoveries of hire charges made in a Public Work/Irrigation Division on account of lending of the departmental tools and plants to contractors, local bodies and others it should be seen in Audit that:

- i. all claims for hire charges of tools and plant lent to contractors, local bodies and others have been duly entered in the Register of Miscellaneous Recoveries (Form PW 95) according to the dates of such lending;
- ii. the entries of such lendings of the tools and plant as made in the Register of Miscellaneous Recoveries are supported by and receipts and log books of the tools and plant and also corroborated with the postings of such lendings in part II of the Tools and Plant Ledger (Form 15) maintained in the Sub-Divisional office concerned;
- iii. the claims assessed for the hire charges are in accordance with the rules and orders in force and as per rates fixed by the department concerned;
- iv. the hire charges have been recovered from the first available bill for work done in case the tools and plant lent to contractors and in case the tools and plant lent to local bodies and others such hire charges have been recovered in advance.
- v. the tools and plant as let out/sent out have been returned without unnecessary delay and in good condition.

### 17.5.5 Sale Proceeds of Unserviceable/obsolete/surplus stock

**17.5.5.1** The procedure for disposal of unserviceable/obsolete/surplus stock is laid down in Rule 390 to 394 of West Bengal PWD Code Vol. I. The rules and regulations for disposal of such materials by public have been set forth in Appendix 12 of WB PWD Code Vol. II.

#### 17.5.5.2 Audit Check

**a.** The records of the bids including the highest one in an action in the PW Deptt. is maintained by the officers of Department inviting bids for any public property. The W.I. parties of this office should check the bid sheets during the local inspection.

*[Authority: Govt. of W.B. W&B Deptt. Memo No. 5039A dated 8th Nov 1957 received with Govt. of W.B.P.W Deptt. Letter no. 681-A date 5th July 1962 (Dy. WA-11/1620) and orders of the Sr. Dy. Accountant General (W) West Bengal thereon filed in WA-II/19-H-58-59, Vol. II]*

**b.** It may be verified in audit that the procedure has been followed correctly by the divisions in the disposal of the surplus/obsolete/unserviceable stock and that no stores are disposed of without sanction of competent authority. If such stores are sold in public auction it should be ensured that proper publicity has been given and the value fetched is not too low compared to the book value or assessed value.

**c.** The Survey Report Register maintained in the divisions should be checked to see that all unserviceable/surplus materials survey reported by the sub-divisions have been

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promptly disposed of on receipt of sanction from the competent authority. All cases of disposal should be checked with reference to relevant Survey Reports and Sale Accounts and money receipt mentioned in the Sale Accounts.

d. Losses, if any, arising from irregular procedure adopted in disposal of the unserviceable/surplus stores should always be looked into critically.

### **17.5.6 Lapsed and Confiscated Deposit**

Lapsed deposits and confiscated deposit which do not represent compensation for damage to works-in-progress, are treated as Non-Tax Revenue according to the classification shown in Appendix 2 of the CPWA Code. Rules and procedure in respect of these items of revenue have been laid down in paragraph 15.4.1 to 15.4.3 *ibid*.

### **17.5.7 Profit on Revaluation of Stores, Stores found surplus on Verification and Unclaimed Balances under Purchase Account**

Rules and procedure in respect of the items of revenue viz., (1) profit on revaluation of stores; (2) stores found surplus on verification; and (3) unclaimed balances under purchase account have been laid down in paragraph 7.2.35, 7.2.36 to 7.2.38 and 13.2.5 of CPWA Code.

## **KMDA & WBHB**

### **18. FINANCE DEPARTMENT**

#### **18.1. AUDIT OF WEST BENGAL SECRETARIAT (FINANCE)**

One Accounts Officer, West Bengal Secretariat and Ex-officio Deputy Secretary to the Government of West Bengal, Finance (Accounts) Department stationed at Writers' Buildings and another at Bikash Bhawan, Salt Lake are generally referred to as AO (Finance) and function as DDOs in respect of the expenditure of the West Bengal Secretariat. The administrative control being vested on Accounts Officer, West Bengal Secretariat (Finance), who is stationed at Writers' Buildings. Responsibility for maintenance of books of accounts of the West Bengal Secretariats, as per West Bengal Treasury Rules and Financial Rules, for recording the transaction in respect of all the Departments, Directorates and offices (having no separate DDO) vests on these 2 DDOs.

For the purpose of audit, the accounts and records of all departments under the control of AO (Finance) may be segregated as (I) Secretariat Contingent Expenditure, (II) Pay and allowances, Travel Expenses including Foreign Travel expenses and (III) General Provident Fund Accounts of Gr. 'D' staff. Audit of all these are to be conducted annually as per the following arrangement:

a) Audit of Contingent expenditure in respect of Information and Cultural Affairs Department and one third of the remaining Departments/offices will have to be taken up once in a year so that all departments/Directorates/offices under the control of the AO (Finance) are covered by rotation of 3 years.

b) Pay and allowances, Travel expenses including Foreign Travel expenses and General Provident Fund Accounts of Gr. 'D' Staff will also be conducted separately by a party once in a year.

The Supervising Officer of the audit team, on taking up of the audit of AO (Finance) should select the departments for audit and obtain approval of the DAG (GSS-I). The selection of the departments should be made in such a way that besides Information and Cultural Affairs Department (which have no directorate and all contingent expenditure are incurred through this department),  $\frac{1}{3}$ <sup>rd</sup> of other departments

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which were not selected in previous two years should be covered in audit in each year. In this process it may be possible to cover all departments/Directorates/Offices every three years.

Each audit team should consist 1 Sr. AO/AO, 2 AAOs/SOs and 2 Sr. Auditors/Auditors. A total of 100 party days for audit of the records of AO (Finance) to be allotted as (i) 60 party days for audit of contingent expenditure, and (ii) 40 party days for conducting audit of Pay and Allowances, Travel expenses including Foreign Travel expenses and General Provident Fund Accounts of Gr. IV staff had been approved.

### **18.1.1 Process of Audit:**

Normal audit; checks as mentioned in the Chapter VII of the General & Social Sector-I Audit Manual Vol-I should be exercised in audit of the accounts records of AO (Finance). In addition, sanction orders issued by the selected departments regarding allotment/release of fund, agreement/works executed etc. are to be scrutinized in audit with reference to the relevant documents. As per arrangement with the AO (Finance), conveyed under memo No. 1140-F/AC dated 04-6-2003, the Finance Department (Accounts Branch) will initiate follow-up action on the Audit Queries issued during inspection.

## **18.2 DIRECTORATE OF SMALL SAVINGS**

The Directorate is to promote the Small Savings Schemes to inculcate the habit of thrift among the people, through the following activities which are being organized by the Directorate through its district level offices headed by a Deputy Director of Small Savings.

- a) Distribution of leaflets containing the interest and other features of small saving scheme through zonal offices and the office of the Block Development officers;
- b) Issue of Advertisements to major dailies and also to local news papers depicting main features of important schemes,
- c) Publicity of Small Savings schemes through decorated tableaux in rural as well as urban areas,
- d) Wall writing at prominent places showing the important features of small savings schemes and
- e) Organize "Sanchayika" (School Savings Bank) in various schools to inculcate the habit of thrift amongst the students.

Against total small savings, cash awards are sanctioned to the agents as well as to the District level offices by the Government from time to time. Against the cash awards sanctioned to the District Level offices, different local development work or project are to be implemented.

**18.2.1 Utilisation of Cash Awards:** In course of audit, in addition to the prescribed routine check, the following points should be examined.

**18.2.2 Cash reward to the districts:** It should be seen that

- a) Cash rewards for exceeding targets of small savings collection was given as per guidelines and quantum fixed by the Government.
- b) The cash award received was utilised for implementing local development work or project to achieve the requirements and no prize money remained unutilized for more than one



year.

- c) Government funds drawn for specific purposes were not deposited in postal Savings Bank Account to boost up small savings in the district.

**18.2.3 Standardized Agency System:** To check that the

- a) The cash rewards as per existing rates paid to the agents with required documents of the postal authority lying with the district offices and
- b) The claims were submitted by the agents within the prescribed time limit.
- c) Other schemes viz. Sanchayika, Mahila Pradhan Kshetriya Bachat Yojana - Cash rewards paid should be thoroughly scrutinized.

**18.2.4** While auditing the Directorate, the summarised position of the district and correctness of payment sanctioned, the targets and achievement position should be ascertained.

**19. CIVIL DEFENCE DEPARTMENT**

**19.1 NATIONAL CADET CORPS:**

The expenditure of the National Cadet Corps (NCC) is regulated by the scales laid down by the Government of India; Ministry of Defence Circular letter No. 0168/56/NCC/ Co-ord (B) dated 15-9-56.

**19.1.1 Registers/records maintained**

Following registers/records are generally being maintained by the offices of the commanding officer, NCC.

- i) Cash Book
- ii) Bill Register
- iii) Bill Transit Register
- iv) Allotment Register
- v) Log Books for vehicles.
- vi) Register for advances to staff
- vii) AC/DC bill register
- viii) GPF A/c ledger of Gr.'D' staff
- ix) Service Book Ministerial staff
- x) Stock registers (Stationery/Furniture/Equipment etc.)

Audit of all these registers are to be conducted as per the guidelines indicated in General & Social Sector-I Audit Manual, Vol-I. In addition, following register/records are also maintained by the auditee unit for recording the transaction of camps:

- i) Camp Cash Book
- ii) Camp Receipt Book
- iii) Messing A/c / Messing Stock books
- iv) Incidental Stock book
- v) Attendance register (for cadets)
- vi) Parade Statement

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vii) Punishment register

### 19.1.2 Process of audit:

Two types of Audit of the NCC are being conducted by the GSS-I wing. (i) Transaction Audit of the NCC units and (ii) Audit of Camp Accounts. Transaction Audit of the NCC unit under the Commanding officer of the respective unit should be conducted as per the guidelines indicated in the General & Social Sector-I Audit Manual, Vol-I.

In course of audit of Camp Accounts of NCC unit following points should be seen and incorporated in the Report.

- (1) Details of the order of the competent authority for conducting the camp,
- (2) Place and duration of camp held,
- (3) Whether the camps were held during the period actually stipulated in the respective G.Os,
- (4) Number of officers and cadets sanctioned for participation and actual position thereof, with reference to Attendance Register/Parade Register and comments, in case of deficiencies, in any,
- (5) Name and designation of the Camp Commandant and the DDO,
- (6) Whether the amounts drawn by the unit Commander from the Treasury in advance in AC Bills is supported by Government Orders and the amount is duly taken into cash book and deposited in the account of any nationalised bank opened in the name of the Unit,
- (7) Irregularities in drawing fund if any,
- (8) Whether Physical verification of the Cash Balance was conducted and the results thereof recorded in the cash book,
- (9) Whether the T.A. and other allowances paid to officers attending the camp are according to the prescribed scales,
- (10) Whether the purchase on account of stores of dry and fresh rations is made from the selected contractors according to rate approved by the `Board of Officers' appointed for the purpose,
- (11) Whether the expenditure incurred was against fund received for conducting the camp,
- (12) Details of stock held by the camp commandant and whether physical verification of stock was conducted,
- (13) Whether the claims of T.A. and washing charges drawn in respect of the cadets were on the basis of attendance and the parade strength,
- (14) Payment of TA/DA to the cadets and officials and unspent balances, if any, or any other matter connected with conducting the camp and maintenance of camp accounts to be highlighted in the "Report on Camp Account",
- (15) Whether Bank reconciliation statement was prepared every month,
- (16) Whether refund of unspent balance to the treasury/PAO was made and duly verified by the CO.
- (17) Whether the adjustment bill (DC Bill) against drawal of Advance through AC bill was submitted in time.
- (18) Drawals of fund as well as refund of unspent balance to the Government account should

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be verified by the field party with reference to the treasury records.

- (19) **Checking of Register of Punishment:** Examine the Register to see that the register has been brought up to date by noting all developments of the cases and that the items noted therein have been duly disposed of.

*Note: For several camp accounts held under the same NCC Commanding Officer one consolidated Inspection Report, containing separately, observation under each camp accounts, may be prepared and submitted by the party instead of separate IRs for each of the camp accounts.*

## **19.2 WEST BENGAL NATIONAL VOLUNTEER FORCE (W.B.N.V.F.)**

The audit of the W.B.N.V.F. consists of checking the accounts of the following units:

- i. The accounts of the State Commandant and the National Volunteer Force Directorate at Kalyani including the accounts of (a) Periodical training of District Battalion of Volunteer Forces, (b) Emergency mobilization of Volunteer Forces.
- ii. Kalyani Training Centre.
- iii. Halisahar Training Centre including accounts of District Battalion Stores (kit, uniform, implements, etc.)
- iv. Cooch Behar Training Centre
- v. Kurseong Training Centre and
- vi. First (Biswakarma) Battalion, Bangiya Agragami Dal, Durgapur including accounts of Five Companies of the 1<sup>st</sup> (Biswakarma) Battalion, maintained at the respective Head Quarter stationed at Durgapur.

The State Commandant who is the Director of the West Bengal National Volunteer Force is the drawing officer in respect of all sums required for running all the training centres and units mentioned in (i) to (vi) above. The accounts of expenditure of all the units are consolidated in the office of the State Commandant. All office copies of bills, acquittance rolls, etc. are kept in the custody of the State Commandant. But the initial records such as Cash Book, Stock Ledgers, Ration Register, Parade Register, Volunteer Register etc. are maintained in the respective offices mentioned in items (ii) to (vi). At the time of local audit of the units mentioned in items (ii) to (vi), the Contingent Register, Bill Register, acquittance rolls, office copies of the bills, etc. are to be obtained from the office of the State Commandant in order to check the initial records maintained there. There are several motor vehicles attached to West Bengal National Volunteer Force distributed over the Commandant's Office, Battalion headquarters and the Training Centres.

### **19.2.1 Process of Audit**

#### **a) West Bengal National Volunteer Forces Directorate at Kalyani**

1. See from the Register of Recovery of charges for services rendered by the W.B.N.V.F. personnel to other departments and local bodies that charges have been correctly assessed and realised.
2. (i) See the Stock Register of Railway warrants and Railway credit notes to verify that the Railway warrants have been issued by the authorized officer to the staff of the N.V.F. on Government duty.  
(ii) Examine the credit notes to see that these have been issued for dispatch of W.B.N.V.F. goods.

3. Check the Annual attendance and Summary Register of parades prepared at the directorate with the Attendance Register of parades attended by the District Battalions to ensure that the bills have been prepared on the basis of number of parades attended by each volunteer and the honorarium paid to them is strictly in accordance with the orders of the State Government.
  4. **Collective Training:** Check the nominal roll of volunteers attending annual camp of collective training, normally held once a year for 15 days, with the nominal roll maintained at the Directorate in respect of the above volunteers attending periodical training to see that the names tally and that the honorarium was paid strictly in terms of the orders of the State Government.
  5. **Emergency mobilization:** W.B.N.V.F. personnel when called upon for emergent duty are paid at the rate of pay admissible to the regular staff. Check the nominal roll of the emergency mobilization volunteers with the attendance register, parade statements and other relevant records maintained in the emergency mobilization camps to see that the payments in respect of pay, travelling allowances and subsistence allowances have been made at the prescribed rates.
- b) First (Biswakarma) Battalion, Bangiya Agragami Dal including company offices:**
6. Check the Ration Register with the daily issue slips, parade statements, Cadets' attendance register and other relevant register/records to see that indents have been made according to the number of cadets or volunteers present and the ration consumed is within the prescribed scale.
  7. Check the quantity of daily supply of dietary and other articles with the contracts and tenders to see that the rates charged are accepted tendered rates according to the existing financial rules and departmental provision, if any, and that the supply agrees with the daily issue slips.
  8. Check the Deserters' cost Realisation Register with reference to relevant records to see that necessary steps have been taken for recovery of the cost of uniform, kits, etc. taken.
- c) Training Centres:**
9. See that the persons have been recruited for training in accordance with the provision of the W.B.N.V.F. Act I of 1949 and W.B.N.V.F. Rules, 1949 and no expenditure has been incurred by recruiting undesirable persons.
  10. During the period of training the recruits are entitled to get free board and lodging, free uniform and a pocket allowance at a prescribed rate per month. Check the pocket allowance bill with the attendance Register and other relevant records to see that the same has been correctly drawn and disbursed to proper person.

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### 19.3 Rajya Sainik Board, West Bengal

The State Soldiers' Sailors' and Airmen Board established in 1945 subsequently renamed as Rajya Sainik Board at the Headquarters and Zilla Sainik Boards in the districts are functioning under the Rajya Sainik Board.

The main functions and activities of the Board are as follows:

- a) Co-ordinating the work of Zilla Sainik Boards in the state in accordance with rules and instructions of Central and State Governments.
- b) Promoting measures of welfare and resettlement of ex-servicemen, their families of serving/deceased soldiers of Armed Forces, either directly or through Zilla Sainik Boards of the state.
- c) Dissemination of information to the general public regarding the Armed Forces.
- d) Organising Armed Forces Flag Day Fund Collection. Organising the meeting of Rajya Sainik Board/Special Fund every year with concerned authorities. Rajya Sainik Board is also responsible for organising Remembrance Day Celebration in memory of deceased soldiers of World War-I.
- e) Looking after administrative problems of staff of ZSBs and the ex-servicemen, their families/dependants and the families of serving soldiers.
- f) Arranging for job opportunities for resettlement of ex-servicemen in civil life, providing various welfare measures etc.

### 20. HOME DEPARTMENT

Offices under the Home (Police) Department:

- i) Director General and Inspector General of Police, West Bengal
- ii) Commissioner of Police, Kolkata
- iii) Deputy Inspectors General of Police, West Bengal.
- iv) Superintendents of Police, of each district.
- v) Deputy Commissioners of Police.
- vi) Commandants, Armed Forces Battalions and Eastern Frontier Rifles.
- vii) Police Training College, Barrackpore.
- viii) Police Training School, Calcutta.
- ix) Police Hospitals, Calcutta and Barrackpore.
- x) Police Service Depot, Calcutta.
- xi) Registering Officer, Hackney Carriage Branch.
- xii) Crime Record Bureau, Salt Lake

Departmental rules and regulations which should be consulted in Audit are given below:-

- a) Police Regulations, West Bengal for West Bengal Police.
- b) Police Regulations, Calcutta for Kolkata Police.

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## **20.1 MAINTENANCE OF RECORDS:**

Following records/registers are required to be maintained by different sections of the offices under the control of Home (Police) Department, West Bengal.

*Note: The list of accounts records mentioned below are not exhaustive and details should be collected at the time of audit of the unit.*

(a) Police office under the Superintendent of Police (SP) or Administration Sections of different offices under the department: -  
Head Assistant/Accountant of the Police Office under the SP or Administration Section/ Accounts Section of different Police Offices are to maintain the following records of the respective section, in addition to the accounts records required to be maintained under WBTR/WBFR.

1. Cash Book
2. Receipt cheque (RC)
3. Pay cheque (PC)
4. RC/PC stock register
5. Demand Register
6. Incumbency Register
7. Held over Register
8. Committee Register for furniture
9. Forms & Stationery Register
10. Bus Warrant & Railway Warrant Register
11. Stock register of Furniture
12. Escort Charges/Police Cost realization Register
13. Monthly Cash A/c (in consolidated form)
14. Contingent charges register
15. Register of pay and allowances
16. Budget files
17. Recovery Register

### **(b) Reserve Office:**

Reserve Office looks after the establishment of the forces and maintain the

1. Committee register for Misc. purchases
2. Stock books for Misc. Purchases
3. Committee register for clothing
4. Stock register for clothing,
5. Arms and Ammunitions register
6. Service books of the forces
7. District order Register
8. Disposition register
9. Leave Register
10. Morning report

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11. Duty Roster
  12. Muster roll
  13. Register of Casualties
  14. Register of punishment
  15. Minor Works Register

**(c) M.T.Section:**

1. Committee register for POL, spare parts
2. Stock register for POL and spare parts
3. Stock register for obsolete spares
4. Bin Card of vehicles
5. Register for maintenance of POL coupons.

**(d) Wireless Section:**

1. Purchase register,
2. Committee register
3. Stock register etc.

**(e) Court and Police Station:**

1. Monthly Cash Account
2. Property Register
3. Stationery stock register
4. Records of Land & Buildings of the Police Station.
5. Malkhana Register.

**(f) M.O. Police Hospital**

- 1 Order register
2. Committee register
3. Purchase/ tender register
4. Washing charges register
5. Stock register for medicine, equipment, clothing, furniture etc.
6. Diet register.

**(g) DISTRICT ENFORCEMENT BRANCH (DEB)**

It is a separate establishment under the control of the Superintendent of Police of the district headed by Deputy Superintendent of Police. The main function of the DEB, inter-alia, includes detention or seizure of different contraband commodities / articles or food stuff for illegal possession or otherwise and arrest and prosecute the offenders. These seized articles are disposed of subsequently as per the order of court on observance of relevant rules and regulation. In addition to the records maintained by the police office, the following records should also be maintained by the DEB

- (1) Stock register of confiscated materials (Perishable and non-perishable)
- (2) Register for payment of informers. In course of audit following information as regards to seizure of articles and disposal thereof should be obtained and comments on the data received,

should be incorporated in the I.R.

Date of seizure	Article seized	Quantity	Estimated value	Where lying	Present position, if not disposed of	Date of disposal	Authority/order	Amount realized	Amount realized
1	2	3	4	5	6	7	8	9	10

## 20.2 PROCESS OF AUDIT:

In addition to normal audit procedure as envisaged in the General & Social Sector-I Audit Manual, Vol-I, the process of audit of different records maintained by different units of the Police Department are detailed below:-

### 20.2(A) CASH BOOK/CASH ACCOUNT

Cash Book of the Police Department is maintained in West Bengal form No. 5313. It should be seen that no sum of money has been paid or received on any account without the authority of pay cheque (PC) or receipt cheque (RC), to be issued in duplicate, in West Bengal form No. 50 or West Bengal form No. 4705 and on no account, any receipt in manuscript to be used. But when money is sent to or received from the Treasury or when the actual payee is present and paid in individual or departmental office or when his dues are remitted by Postal money order and receipt in duplicate is not required, the RC/PC should not be written in duplicate. It should be seen in audit that the original form has been defaced by a line across it.

The Cash book should be maintained daily. Erasing and overwriting is prohibited. In terms of provisions under Police Regulation of Bengal (PRB) or Police regulation of Calcutta (PRC), cash and bank balance certificate shall be submitted to DGIGP/ Commissioner on or before 15<sup>th</sup> of each month duly signed by the SP/head of the office stating that the cash found on physical verification and number and amount of PC outstanding, pending for filing of roll etc.

**Cash Account:** The monthly cash account shall be kept at each police station (PS) in duplicate. All sums received at the station, either from the SP's office or from civil courts to be forwarded to the Sadar Courts, small judicial fines realised, cash stolen and recovered or from any other sources, shall be entered in the cash account. Omission of any sum in the cash account should be dealt with seriously. At the close of each month the original form in use throughout the month shall be forwarded by the officer-in-charge (OC) of the PS to the SP's office through the court officer. No cash shall be kept in hand in the PS unnecessarily. Any sum retained in hand for more than two months, the OC of the PS while submitting the monthly account should explain fully the reason for the delay. The cash account submitted to the SP's office, by the PS and Court, shall be compared monthly with entries in the records of the SP office, by the Accountant and in case, any sum remained in hand for more than two month shall be brought to the notice of SP. Correctness of the monthly accounts should be checked in the audit with reference to the account of the previous month, paid voucher including PCs, RCs and acquittances etc. and deviation/ irregularities in this regard, if any, to be pointed out in audit.



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## **20.2(B) DISBURSEMENT OF PAY TO POLICE STATIONS, ARMED POLICE AND OTHER UNITS**

The disbursements of pay and allowances to the forces are made by the OCs of PS, Reserve Office and other units. The drawing officer is to make over the pay of each section to the respective OC along with abstract of pay rolls for disbursements to the persons under him. It should be seen in audit that:

- i) The money along with the PC sent to outstation for disbursement, has been returned with original PC and acquaintance roll and the original PC defaced and attached with the duplicate PC;
- ii) The acquaintances on being received back in office shall be brought together each month into one bundle with the abstract acquaintances roll;
- iii) The officer-in-charge on receipt of the cash commences the disbursement of money at once, in person, to all available men and on no account leaves the distribution to subordinates;
- iv) That the pay of men who are on leave has been sent to them by money order;
- v) The undisbursed pay, if any, at the close of the day has been locked up in the Malkhana chest, the key being kept by the officer-in-charge and by no other person;
- vi) After disbursement of pay, the pay book of the section which cannot be disbursed at the section (the details of which are to be recorded in the pay book over the signature of the officer-in-charge) shall be sent to the Drawing Officer at the earliest with the requisite certificate specified in the Police Regulations; and
- vii) That the disbursements made by the officers-in-charge have been checked and accepted by the Drawing Officer or by some one entrusted for the purpose.

### **20.2 (C) DISPOSITION REGISTER:**

A disposition register in West Bengal from No. 4291 is to be maintained at the Headquarters regarding deployment of the police Forces/personnel and also at all Police Stations and units. The register shall contain:

- i) Category wise sanctioned strength of personnel;
- ii) List containing the names and numbers of different category of personnel;
- iii) Number and date of the district orders regarding the transfer to and from the district/Police Stations &
- iv) Particulars regarding deployment of forces to different places quoting the authority and order No. of the authority, wherever necessary.

2. It should be checked in audit that:

- (i) The entries in the disposition register have been initialled by the officer-in-charge;
- (ii) The names in the pay rolls of the district agree with the names shown in the disposition registers;
- (iii) Deployment of forces for security purposes are as per order of the higher authority;
- (iv) Whether the VIPs, individuals or any organisation/authority for whom the forces were deployed for security are actually entitled to so far free of cost, if not, Whether the security personnel were engaged as per the order of the higher authority and charges were levied for such security personnel &

- (v) Charges, wherever, recoverable were claimed as per guidelines indicated in Paragraph 20.2 (D) below, regularly and the requisitioning body remitted/paid the charge. Efforts need to be taken by the concerned police office to realise all the pending bills of the district/unit within 31<sup>st</sup> March of every financial year. To ascertain the position of the outstanding position of the police cost/escort charges, detailed information may be collected from the concerned police unit in the proforma given in **Annexure VII**.

## **20.2 (D) ESCORT CHARGES/POLICE COST-REGISTER**

For recovery of cost for supply of Police force to different banks and other organisations, the controlling authority of the personnel should prefer claim in respect of all officers and police personnel for guard duty on daily basis or monthly basis as the case may be taking into the existing average pay and other admissible allowance and 8% contingency charges and different non-recurring charges as detailed below:

a)

- i) Average Basic pay : Minimum + Maximum of the scale divided by 2**
- ii) Dearness Allowance : As per admissible rate on (i) above**
- iii) House Rent allowance: As per admissible rate on (i) above**
- iv) Medical allowance : As per admissible rate on (i) above**
- v) Ration allowance : As per admissible rate on (i) above**
- vi) Travelling allowance : 10% of (i) above**
- vii) Contingency : 8% of (i) above**

(b)

- i) Cost of first kit : Rs. 450 per annum**
- ii) Contributory cost of Ammunition : Rs. 100 per annum**
- iii) Contributory cost of musket :Rs. 200 per annum**
- iv) Contributory cost of Iron cots : Rs. 200 per annum**

(c) In case of escort duty for a short period in respect of the item mentioned in (b) above not to be claimed

(d) In case of continuous detailment, quarterly bills should be claimed preferably on the 1<sup>st</sup> day of April, July, October and January every financial year.

(e) All efforts should be made to get the pending bills in the district/unit cleared within 31<sup>st</sup> March of every financial year.

(f) A register indicating the name of the units for which personnel/manpower provided (category wise), period/number of days of deployment, mode of calculation and details of the amount claimed (with reference number and date) date of deposit/recovery etc. to be maintained by the respective police unit and such records need to be verified in audit with reference to the deployment order etc.

(Govt. of West Bengal Police Directorate Memo No 389(40) Fin/BT/Fin/BT/119/97 dated 10/2/2003)

**Note:** While checking the claim, current/revised order, if any, to be taken into consideration.

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## **20.2(E) HELD OVER REGISTER**

The held over register should be checked with reference to the absentee statement to see that the names of police personnel, the pay and allowances in respect of whom have not been drawn for the months.

## **20.2 (F) MALKHANA REGISTER**

The Malkhana Register should be checked to see that:

- i) The Malkhana Register has been inspected once a month by an officer not below the rank of DSP.
- ii) The register has been maintained in proper form and all property received has been entered therein;
- iii) The order for return of property has been noted in the proper column and the initial of the authority sanctioning it has been obtained;
- iv) The receipt of the person receiving the property has been taken in the column provided for the purpose;
- v) Orders have been taken to convert perishable unclaimed property into cash and action taken accordingly;
- vi) On 1<sup>st</sup> January each year all outstanding items in the Malkhana Register has been brought forward in red ink and duly certified by the officer-in-charge.

## **20.2 (G) RAILWAY WARRANTS**

It should be seen that:

- i) Stock accounts of the warrants have been maintained properly;
- ii) Warrants have been issued to all officers below the rank of Inspectors when making journeys on duty by Railway or Steamer as per the movement order/register duly authenticated by the competent authority; and
- iii) No Railway fare has been claimed by them for such journeys performed.

## **20.2 (H) MOTOR TRANSPORT POOL SECTION**

The audit of the Motor Transport Officer (MTO) should be conducted to see and ensure that the following principles are being observed by the MTO in day to day functioning of the MT Pool section. However, comprehensive information as regards to the MT Pool section may be obtained in the proforma detailed in **Annexure VIII**.

- 1) Dip calibration of the fuel container to be done by the Indian Oil Corporation (IOC) every 3 months as per the procedure.
- 2) Dip calibration at the M.T. Pool should be done at least twice in every month.
- 3) P.O.L. to be issued and details to be recorded in the POL Stock Register indicating vehicles number and other details including the time of issuing and quantity issued and daily balance to be worked out.
- 4) Surprise checking of the dip of P.O.L. Tank to be conducted by the officer assigned by Head of office for a particular day/time and the result of such checking to be entered into the Stock register by the concerned officer.

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- 5) The difference of the closing balance between the Stock Register and physical balance (taken by per dip calibration) to be assessed, and actual difference of the stock to be quantified taking into the evaporation loss as admissible.

**Note:- As per the Indian Oil Corporation, Government of India circular, the evaporation loss of the High Speed diesel is 0.75% when issue/sale of petrol was below 0.600 kilo ltr. or 0.60 % when sale or issue is above 0.600 kilo ltr. However, Government of West Bengal, Director of Commercial Taxes accept such evaporation loss up to 1%. (Extra ordinary Gazette of India No. dated 25.9.90 published in Part II Section3, sub-section (I) Government of India, Ministry of Petroleum and Chemicals order file No. P/11-13/3, 60-Dist dated 22 September 1990 and IOC (Marketing Division) Calcutta District Office letter No. CAL/CON/32 dated 3.7.73 addressed to Commissioner of Police, Calcutta)**

- 6) On arrival of oil-load truck at M.T. Pool from IOC, ten (10) minutes should be allowed in the term of Settling Time.
- 7) Whether any action has been taken to draw sample of the POL immediately on supply (at least three sets of samples not less than 650 ml in each case to be drawn from the tank lorry duly countersigned by the lorry driver) and forwarded to the laboratory for test. If any suspicious or contamination is noticed on the test, this should be immediately brought to the notice of the IOC
- 8) Total time for decanting tank lorry including settling time is to be recorded in the G.D. book and also in the stock register.
- 9) To check the quantity of POL the use of Hydrometer and other equipment is to be made.
- 10) The milo-meter of the vehicles should be in working condition.
- 11) When the vehicle is detailed to the driver the milo-meters should have been checked and it should be the duty of the driver to hand over the vehicle to the M.T. Section after filling the log book/Car-diary of the vehicle.
- 12) All the drivers detailed for the superior officers' duty should invariably obtain their signature on the car diary.
- 13) No vehicle should be utilised other than official/Law and order duty and no vehicle should be provided for other than those entitled.
- 14) After the movement of the vehicle an entry should be made in the movement register about mileage and fuel consumption and necessary action to be taken to bringing up the KMPL to appropriate level.
- 15) The mileage of all vehicles should be monitored and proper action for low mileage with explanation should be taken.
- 16) Monthly consumption of POL (vehicle-wise) of M.T. Pool Vehicle and outside vehicles should be prepared for submission to higher authority.
- 17) Action need be taken to recover the cost of fuel provided to the vehicles belonging to the other department/state, on an emergency basis, as per approval of the higher authority.
- 18) While detailing the vehicle it should be seen that the short-run vehicle were given priority for long-run.

- 19) MT section should maintain "Bin Card" for each and every vehicle under the control of the unit and the detailed history of the vehicle viz. date and source of procurement/receipt, Value, Chassis No., Engine No., weight, Capacity, Dates of overhauling, Dates of vulcanizing of Tyre, Replacement of Tyre, dates of repairs etc., and each of the entries should be authenticated by the MTO.
- 20) No spare parts for the vehicles should be purchased or repair work be done without prior and specific permission of the Head of office.
- 21) Every purchase order should be signed by MTO and DSP/officer of equal status. They should also mention the expected life of the component spare parts to be purchased. The following registers should be maintained by the Store-keeper which needs to be checked, physically verified and authenticated periodically by the MTO/Higher authority.
  - i) Purchase Order Register.
  - ii) Stock Register of new spare parts, item-wise.
  - iii) Stock Register of condemned spare parts item-wise. ( when the parts are received it should be signed by O/C Garage and/or Workshop/MTO).
  - iv) Committee Register.
  - v) Outside Garage Register garage wise.
  - vi) Repair register.
  - vii) Log Book of different vehicles.
  - viii) Job cards.
  - ix) Disposition Register.
  - x) Register of bill of the Suppliers/repairers in detail (indicating the name of the suppliers, repairer, order No. & date, particulars of works/supplies with date, amount etc.) and date of forwarding the same to the accounts section for payment.
- 22) The spare parts condemned and indented to be replaced are to be certified by O/C Garage and/or Workshop/MTO and are replaced after condemned parts are received in the Store. These parts are to be punched. The condemned parts are to be kept in the pigeon hole with the tag of identification as done in Malkhana of Police Station. At the end of each month these are to be sealed by MTO/ or by any authorised officer.
- 23) The orders for purchase of spare parts for repair are given to the firms whose quotations have been accepted and in no case to any other firm without prior and specific permission of the Head of office.
- 24) The orders slips for the spare parts should be given to the firm and initiated by Store keeper, MTO should check it up and authorised officer should scrutinize the order slip, supervise the process and take necessary action.
- 25) All the new spare parts received by the Store must carry an identification trade mark of the supplier and should be entered in the Stock/Committee Register and O/C Garage and/or Workshop should certify that the spare parts which are fitted on a particular vehicle are supplied by the specific supplier and it should be recorded in the Repair Register with the name of that supplier.
- 26) While receiving the spare parts in the stock register the normal life expectancy of the spare parts should be laid down in the appropriate column.
- 27) The genuineness of the parts may be checked by the mechanic or the OC garage/workshop

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- MTO and should be certified in writing and forward it to Head of office.
- 28) All the parts received should be maintained properly by Store keeper who is responsible for proper maintenance of the store. MTO should supervise the maintenance and submit report periodically to the higher authority.
  - 29) No condemned parts from other units should be accepted without the specific permission of authority.
  - 30) All vehicles should be handed over properly by name to one driver who is responsible for the maintenance of the vehicle and for maintaining its car diary.
  - 31) The damage or loss to the vehicle, if any, should be the responsibility of the driver concerned.
  - 32) The damage, if any, to any of the vehicle should be immediately reported by driver to the MTO who shall ascertain and pinpoint the responsibility to the damage.
  - 33) Register for keeping all records of accidents to be maintained by the M.T. Pool and should contain everything required for monitoring the accident including the time, place of occurrence, kind of duty, damage, case no., name of the driver, development of the case, final position of the case etc.
  - 34) Vehicles Movement Register should be maintained in which "milo-meter OK". should be noted before detailing the duty and after the duty is over to ensure that the consumption of fuel are accounted for and average K.M. per litre was written in the Movement Register.
  - 35) No vehicle should be detailed without requisition and without order of the MTO or any other authorised officer and are to be kept informed of all detailments. If a vehicle is detailed over telephonic order from superiors, the same has to be communicated to the higher authority and the approval is to be taken.
  - 36) MTO should issue the duty slip to the drivers and the same should be properly recorded in the movement register.
  - 37) The car diaries are properly filled up by the drivers and the user officer had duly signed on it. The car diary should be checked daily and submit to the higher authority with comments.
  - 38) MTO should check car diaries at least thrice a week.
  - 39) Addl. AP/DSP or officer of equal status should check car diaries at least once in a week.
  - 40) Head of office, if possible, should check the car diary once in a month.
  - 41) These car diaries must always be with the vehicle and should be kept ready for the inspection by the superior officers.
  - 42) Before undertaking the repair works, O/C Garage and/or Workshop should inspect the vehicle and prepare job description and scrutinize the repair/purchase book of the vehicles to see that the repairs are justified and accordingly detail mechanic for repair. The O/C Garage and/or Workshop should also explicitly state the life expectancy of the parts intended for and should certify accordingly.
  - 43) O/C Garage and/or Workshop with the help of his mechanic, driver & other staff should give the following details after thorough inspection of the vehicle:-
    - i) The frequency of reporting sick of each vehicle.
    - ii) That the repairing of the vehicle is absolutely necessity, justified and economically viable with reference to the life as well as total KM run of the vehicle and no condemned vehicles are placed for repairing.
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- iii) When the repair/purchase was last done and total number of repairs done. Whether the parts indented to be replaced have served their normal life period. If not what are the reasons of shorter life of the parts.
  - iv) When the last repair was done in the outside garage with name of the garage and amount involved in the repair. This report of O/C Garage and/or Workshop should be supervised by MTO/DSP or officer of equal status and submitted to Head office with their comments.
  - v) Justification for sending the vehicle for repair to outside garage.
  - vi) If the repair is to be done outside (by private agency), the date of last repair and the particulars of the repairer, whether the repair lasted its normal period etc. should be clearly given in the report. The amount involved in the last repair with specification should be communicated to Head of office without delay.
  - vii) A garage/workshop register is to be maintained indicating the vehicles given for repairs with date-in and the date-out and the corresponding bill number with amount of the bill.
  - 44) Except for the explicit permission of Head of office no vehicle other than M.T. Pool will be maintained in the garage.
  - 45) All the vehicles under repair in workshop/garage should be detailed with the driver to help mechanic in the work for maintenance and cleanliness of the vehicles. He should also ensure that the genuine parts are being supplied and the repair work is done as per the requirement.
  - 46) All the spare parts are to be supplied from the store to the workshop/garage after receiving back the condemned spares. It is the responsibility of the Store Keeper/MTO to ensure that the genuine parts have been issued and also the parts to be condemned are received before the supply.
  - 47) After the repair when the vehicle reports, O/C Garage and/or Workshop /MTO should certify that the work has actually been done perfectly and all the spare parts be replaced have been received back and properly recorded and where necessary new spare parts were purchased as per procedure and duly recorded in the item-wise stock register.
  - 48) O/C Garage and/or Workshop will maintain Attendance Register for the staff under his control and submit a report to the head of office regarding utilisation of their service.
  - 49) Before submitting the bill on account of repair O/C Garage and/or Workshop /MTO should certify in writing that they have checked the repair of the vehicle and certified for genuineness of the spare parts fitted in the vehicle.
  - 50) In case any repair work of the vehicle not belonging to the MT pool, undertaken as per the order of the higher authority, arrangement should be made to recover the cost of repairing.
  - 51) Under no circumstances off-road vehicles should be kept ingarage/workshop unnecessarily. Prompt repair should always be ensured.
  - 52) In cases of hired vehicle similar action as regards to issue of POL, maintenance of log book, deployment of vehicle to be maintained. Besides, while certifying the bill placed for the hired vehicles, scrupulous checks as regards to the total kilometre run, POL issued, overtime of the driver of the hired vehicles etc. to be checked and certified accordingly by MTO.
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## **20.2 (I) SUPPLY OF CLOTHING TO POLICE PERSONNEL:**

For each kind of clothing, periods of durability have been fixed. The clothing Hand Books for different personnel should be requisitioned and the periods of use checked with the periods of durability. For reissues of articles before expiry of durability period, recoveries should be made at specified rates fixed from time to time and the register concerned should be checked and recoveries traced. Tenders for supplies of these articles are invited centrally by the commissioner of Police, Kolkata/Director General & Inspector General of Police, West Bengal. These should be checked at the time of local inspection of the accounts of those offices.

## **20.2 (J) QUARTER/RENTED HOUSE FOR POLICE PERSONNEL:**

Rented houses have been taken at different localities to accommodate superior staff and for use as police barracks. It should be seen that the full accommodation is utilized regularly, for the superior staff accommodated in rented quarters; the incidence of actual house rent borne by Government per officer in such quarters should be compared with what would have been paid if the officers drew house rent allowance and provided for themselves their own accommodation. Any large discrepancy should be commented upon. The agreements with landlords should also be scrutinized.

In this connection it should also be seen in audit that whether before allotment of any quarter to the Officer/staff joined in this unit on transfer, the authority had taken appropriate action to ensure that the quarter, if any, allotted to the incumbent in his previous unit from where he was transferred was vacated, if not, the House Rent Allowance was not paid/ and Licence fees are being recovered as per rules.

## **20.2 (K) HACKNEY CARRIAGE BRANCH:**

- i) Check the various licence registers with the connected files to verify renewals and trace those entries into the Receipt Register;
- ii) Check the statements showing the calculations of surplus of the Calcutta Hackney Carriage fund with the figures received from the Accountant General, West Bengal and the office records.

## **20.2 (L) CHECKING OF RECEIPTS:**

- 1) Check the counterfoils of permanent licences with the Demand Register to see that the renewals were duly made and trace the entries of the Demand Register into the Accountant's Receipt Register.
- 2) Check the counterfoils of licences and passes, other than the permanent licence, with the accountant's receipt register to see that all passes and licences issued by the Commissioner of Police have been paid for and the amounts have been duly brought to account.
- 3) Check the bills for Police supplied to private individuals and other with the application of the parties, where available and with the command certificates and the Bill Register. Check the rates charges, with the sanctioned scale. Check the bills for police supplied to private individuals with the Accountant's receipt register.
- 4) Check each of the cattle Pound Registers and the Dog Pound Register with the counterfoils of



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receipts for impounding and release of Cattle and dogs, check the feeding charges and poundage fees realised at the time of release. Check the sale of unclaimed Cattle and dogs. Check the remittances from the pounds to the Police Office, as shown in the Pound Registers, with the Accountant's Receipt Register.

- 5) Check the files for (a) rent of tram lines at the Maidan (b) grazing cattle in the Maidan and (c) pitching tents on the Maidan with the Receipt Register.
- 6) Check the Register of recoveries maintained by the police office under Regulation of PRB/PRC indicating all miscellaneous recoveries due from officers, together with the dates of recovery and deposit in the treasury. The item shall be serially numbered for each year and should be authenticated by the officer who signs the bill in which recovery is made.

## **20.2 (M) CHECKING OF EXPENDITURE:**

Checking of expenditure incurred by the Police Office is to be conducted as per the procedure detailed in the Paragraph 7.4 of the General & Social Sector-I Audit Manual, Vol-I. Besides, the following to be looked into in audit.

1. Whether the heads of offices had submitted to the IG in each month (on or before 10<sup>th</sup>) a statement showing the details of pay drawn to ensure pay of subordinate officers not being drawn in excess of the sanctioned scale,
2. Whether the abstract of acquittance roll is prepared in the head quarters office on the basis of the acquittance roll sent by the unit office showing the number of officers of different ranks for whom pay is drawn, the number absent on leave or otherwise and verify the entries with the monthly statement submitted by the Reserve officer regarding the number of officer in each category were actually in the force during the month, broken period etc.
3. Check the contingent expenditure bills and expenditure bill regarding petty repair of the building, police station, barrack etc. and see that the such repair works were for own buildings, and urgent in nature, detailed estimates were duly approved by the higher authority, expenditure were within the financial power of the Head of office, and the total expenditure were not split up to avoid approval of the Higher authority.
4. Expenditure incurred for implementation of any scheme/programme to be verified with reference to the guidelines of the schemes taking into account the objective, financial sanction, target and achievement and to ascertain the reasons/constraints for the shortfall, if any, in achieving the target and its overall impact.

## **20.2 (N) PROCEDURES OF TENDERS**

While checking the records of the tenders' etc. observation of the following to be made and deviation, if any, to be commented upon.

1. Each Unit Tender Committee shall consist of the following: -
  - a) S.P./Commandant — President,
  - b) Deputy S.P./A.C. HQ — Member Secretary,
  - c) Secretary of District/Unit Committee of W.B. Police Association.

2. In matters of acceptance of tender, the ultimate responsibility shall be with the District S.P./Commandant of the Unit who has to act in accordance with Clause 13 of Rule 47 of W.B.F.R. — I.
3. Tenders for supply of articles should be called quarterly viz. in January, April, July and October of each year.
4. Tender notices should be published in two leading dailies of Kolkata in Bengali/English and in Nepali (in Darjeeling District) and in some local newspapers.
5. District S.P. /Commandant/D.I.G. shall maintain a panel of local wholesalers. Before empanelling any name, verification shall be done by the D.E.B./C.E.B.  
So far as the units in and around Kolkata are concerned, S.P's/ Commandant shall contact the whole sellers and obtain tenders directly from them.
6. The S.P/Commandant to monitor the prices of accepted articles. For this purpose S.P/Commandant shall collect the wholesale market prices of different articles prevalent in the district through the D.E.B. For the industrial belt, they may seek the information from the D.I.G, E.B. also. The same should be compared with the prices offered by the firms. If the prices offered by the contractors are unreasonably higher than the wholesale rates, fresh tenders shall be called for.
7. The recommendations of the Tender Committee together with the broad sheet of tenders and the list of the wholesale market rates shall be sent by the S.P./Commandant to the concerned D.I.G.
8. The D.I.G. after proper scrutiny shall approve the recommendations of the Tender Committee. He shall ensure that there is uniformity in the accepted rates of the Districts/Units of his Range. If necessary, D.I.G. may direct the S.P/Commandant to call for fresh tenders.
9. D.I.G. shall send copies of all relevant papers viz. Broad Sheet, wholesale rate, accepted rate etc. to the Police Directorate where also monitoring should be done.
10. Before tender is accepted, the credibility of the Firms should be verified.
- 11.. All S.Ps/Commandants must ensure payment of Bills from suppliers within sixty days.

## **20.2 (0) POLICE HOSPITALS**

The checking should be conducted in the manner in which the checking of the accounts of the hospitals to be done as mentioned in Paragraph 2.4 of this manual.

## **20.2 (P) RESERVE OFFICE:**

The reserve office is a branch of the SPs office, which is concerned mainly with matters connected with the equipment, discipline and general management of the whole force of each district and should ordinarily be located in the police lines. Reserve Office Inspector (RI) is the overall in charge of the Reserve Office. The duties and responsibilities of the RI in the districts are as follows:

- (a) He is responsible for the drill, discipline, training and efficiency of the all men permanently or temporarily posted to the lines.
- (b) He is responsible for care and custody of the arms ammunition, stores, tents, clothing etc.

and shall keep the accounts and registers pertaining to them.

- (c) He shall hold regular inspections of arms and ammunition.
- (d) He shall inspect the barracks, out-offices and grounds of the lines.
- (e) He is responsible for the safe custody of the keys of the armoury and the magazine and shall keep them in his personal custody at night.
- (f) All stores including the miscellaneous stores, clothing stores etc. are under the control of the Reserve Inspector of a Police Unit. Tendering, purchases and distribution of such articles are being done by the RI office. Audit of the stores are to be conducted as per the Paragraph 7.8 of the General & Social Sector-I Audit Manual, Volume-I. In addition to the above, it should also be noted that as soon as the articles are received against the order the same are being inspected and entered in the committee register which shall be duly authenticated by the Reserve Inspector and other member of the Purchase committee and counter signed by the Head of office or other officer authorised by him. No articles would be accepted and paid unless recorded in the Committee Register. Besides, the RI is also responsible for maintenance of the records relating to distribution of clothing and kits to each of the police personnel and officers according to their entitlements. Maintenance of such records and issue of articles to the officer and staff and recording the same in the respective clothing pocket book to be checked in audit. He shall exercise check of all stock books of the stores.
- (g) He shall detail the force for duty and see the relief of fixed guards at the prescribed intervals.
- (h) He shall detail all escorts, calculate the fares etc. to be advanced, receive the reports of the officers in charge of the escorts on their return and examine the accounts of the money advanced.
- (i) He shall sign command certificates and check them on return of the officers to whom they were issued.
- (j) He shall make issue leave certificates take delivery of the clothing and appointment certificates of officers proceeding on leave, and check the leave certificates on their return from leave.
- (k) He shall prepare the acquaintance rolls and Travelling allowance bills of all ranks in the lines and distribute the pay of the force attached to the lines, headquarters guards and police in hospital.
- (l) He shall see to the preparation of pension rolls of the officers and adjust accounts of those leaving the force.
- (m) He shall prepare all periodical returns relating to the force and submit to the appropriate authority in time.

Deficiencies in performing of the above, to be looked into in audit and comments, if any, to be incorporated in the IR

## **20.2 (Q) NVF OFFICES AND HOME GUARD (HG) OFFICE:**

Detailment of HGs and NVF personnel for duty, issue of kits and clothing etc. are being maintained in the office of NVF/HG under the control of the Police Office of the District Head quarter. Deployment of the HGs and NVF personnel, maintenance of their duty roster etc. details

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records of clothing and kit issued and their entitlement are being maintained by the office. The particulars of the personnel engaged for deployment to different establishment for which charges are required to be realised are forwarded to the police office for preferring claim as mentioned in **Annexure VII.**

### 20.3 Outstanding liabilities of the Police Unit:

It was often noticed that huge quantities of the articles are being procured by the Police unit; this not only resulted in huge accumulation of stock (Stationery, Printed documents, Spare parts of MT section, Furniture and equipment, Clothing and linen etc.) but also in accumulation of outstanding liabilities. In this respect, proper scrutiny should be exercised to ascertain whether the procurement were made in excess of requirement and to avoid the lapses of budget allotment, the budget of the unit was realistic and prepared taking into account the actual requirement and payment of dues of a particular year was not paid from the allotment of the subsequent years. To ascertain the position of outstanding liabilities of the unit the information may be sought from the unit in the following proforma and suitably commented upon.

SL No	Heads	Outstanding as on 1 <sup>st</sup> April with year wise breakup of each item		Procured during the year	Paid during the year	Out of total payment details of previous years dues (year wise breakup)	
		Year	Amount			Year	Amount
1	Hiring charges of Vehicles						
2	Cost of Petrol & Diesel/M oil						
3	Repairing charge of vehicles						
4	Cost of spare parts						
5	Cost of Stationery						
6	Cost of Clothing/Linen						
7	Cost of Miscellaneous articles						
8	Furniture/Equipment						
9	Others, if any.						
	<b>Total</b>						

### 20.4 MISCELLANEOUS:

In addition to above there are various aspects to be verified in audit with reference to the Police Regulations, General & Social Sector-I Audit Manual, Vol-I West Bengal Treasury Rules/Financial Rules, Service Rules/Regulation, etc. as illustrated below:

(i) Preparation of Budget, (ii) Appointment/Suspension cases, (iii) Supervision and Inspection of Police Stations (Once a year by SP/SDPO) and The district office (by the IG once in every two years), (iv) Records of land and building and repairing of buildings, (v) Tender Formalities for Purchases/Repair, maintenance of office buildings and police lines quarters, (vi) hygienic and habitable condition of the Police Lines, (vii) Appointment/ transfer/ promotion pay fixation etc.

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## **21. MUNICIPAL AFFAIRS DEPARTMENT**

### **Formation:**

State Government has set up Department of Municipal Services in 1972. Subsequently, in 1978, the Municipal Service Department was renamed as Local Government & Urban Development Department. Present Municipal Affairs Department was created in the year 1991 vide Home (C&E) Department's Notification No 16133-AR dated 29 June, 1991 by bi-furcating the Local Government and Urban Development Department.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Vol-I.

### **21.1 Functions of the Department:**

The department is primarily responsible for giving necessary support to all the Urban Local Bodies that are being constituted in the State of West Bengal. Its role is that of a facilitator and system maintenance manager. Urban Local Bodies are being governed by elected local bodies and they have dual responsibilities: one to the electorate and another to the State Government. They are accountable to both.

Similarly, the State Government is legally authorised to control the local bodies from the point of view of a system maintenance manager. Role of the State Government in M.A. department is to see that the local bodies are functioning within the bounds of law and discharging the functions as per standard set by Law, Rules and Regulations.

## **22. PANCHAYAT & RURAL DEVELOPMENT DEPARTMENT**

Panchayat & Rural Development Department of the Government of West Bengal is entrusted with the responsibility of constitution and framing policy related to functioning of the rural local self-government, i.e., the Panchayats, providing administrative support to the three tier panchayat system as well as implementation of various rural development programmes including the major poverty alleviation programmes in the rural areas of the State. The Department also organizes community action for participatory planning and development through the elected Panchayat bodies at different levels.

The Department of Panchayats & Rural Development aims at facilitating economic and social development in the rural areas of the State and organize community action in all development initiatives in the rural sector by utilising Central/State Sector programmes.

### **22.1 Thrust Areas of the Department:**

The thrust areas of the Department include the following:

- Deepening and widening decentralisation through the Panchayat bodies
- Training and capacity building of the Panchayat bodies for better governance
- Promotion of wage employment for people living Below Poverty Line (BPL)
- Organizing the rural poor in Self Help Groups for their socio-economic development
- Augmenting livelihood opportunities for the rural population
- Sustainable development of natural resources
- Providing social security and safety nets to the disadvantaged and socially excluded.

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- Improving the social and physical infrastructure in the rural areas.
  - Improving service delivery in the field of elementary education and preventive health care in collaboration with the respective departments of the state government.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.

## **23. PARLIAMENTARY AFFAIRS DEPARTMENT**

This Department deals with the

1. Programme of business of the Assembly
2. Regulation of relations between the Executive & the Legislature and summoning and prorogation of West Bengal Legislative Assembly.
3. Notification of Governor's/President's assent to the Bills.
4. Monitoring implementation of various recommendations of the subject committees of West Bengal Legislative Assembly.
5. Implementation of the Youth Parliament Competition Schemes (Unit Level & State Level) in schools and Degree Colleges in the State.
6. Organising Seminars/ Orientations on Parliamentary Practices & Procedures for officers of different Departments of the Government.
7. A Welfare Cell functions to render official assistance to the M.L.As of West Bengal Legislative Assembly in case of any eventuality, particularly for the medical treatment of the MLAs in the hospital/nursing homes whenever necessary.

### **23.1 Important Activities:**

- 1) Programme of business of the West Bengal Legislative Assembly.
- 2) Regulation of relations between the Executive & the Legislature and summoning and Prorogation of West Bengal Legislative Assembly.
- 3) Notification of Governor's / President's assent to the Bills.
- 4) Monitoring implementation of various recommendations of the subject committees of West Bengal Legislative Assembly.
- 5) Organizing Seminars/Orientations on Parliamentary Practices & Procedures for Officers of different Departments of the Government.
- 6) A Welfare Cell functions to render official assistance to the M.L.As of West Bengal Legislative Assembly in case of any eventuality, particularly for the medical treatment of the MLAs in the hospital/nursing homes, whenever necessary.
- 7) Implementation of the West Bengal Youth Parliament Competition Scheme in Educational Institutions for preparing the future generation for providing effective and responsible leadership in the Parliamentary Democracy of the country.
- 8) Arranging Competition in the following fields:-
  - i) Youth Parliament Competition for providing opportunities to students to act and compete in the roles of Members of Legislature.
  - ii) Quiz Contest on (a) History of freedom struggle in India, (b) Indian Constitution and (c) Indian Parliament and West Bengal Legislative Assembly.

- iii) Extempore Speech Competition to sharpen the capacity of the students for innovative thinking and effective expression.
- iv) State Level Essay Competition for students of Schools and Colleges to foster the quality of creative thinking and develop the language skills.
- v) Attractive prizes and certificates of recognition are awarded to the top participants.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.

## **24. PERSONNEL & ADMINISTRATIVE REFORMS DEPARTMENT**

The Personnel & Administrative Reforms Department is one of the most important Departments of the Government. The State Administrative force within its territory is fully controlled by this Department. The State machinery is made to function properly under its control. This Department is mainly engaged in controlling the cadre borne in IAS, WBCS (Executive), West Bengal Secretariat Service, West General Service, West Bengal Assistants & Typists in the West Bengal Secretariat. Other important matters dealt by this Department relate to Administrative Reforms, redressal of Public Grievances [act as Nodal Department], the financial & establishment matters of the attached offices of this Department viz. (i) the office of the Vigilance Commission, (ii) the Resident Commissioner, West Bengal at New Delhi, (iii) the Administrative Training Institute (ATI) at Bidhannagar, Kolkata, (iv) the Lokayukta, West Bengal and (v) the West Bengal Information Commission and Allotment of fund & drawing up of schemes for development of infrastructure at district and Sub-division levels. Moreover, this Department acts as Nodal Department for implementation of two most important Acts viz. ‘The Right to Information Act, 2005’ which is a Central Act and ‘The West Bengal Lokayukta Act, 2003’.

The Hon’ble Chief Minister of the Government of West Bengal is the Minister-in-charge of this department.

### **24.1 Functions:**

1. Supervision of all the functions of S.R. & A/cs. Cell. Relating to maintenance and updation of Service Book of I.A.S & WBCS (Exe) Officers and Supervision of functions of WBCS Cell in respect of Pension, GPF and Health Scheme of WBCS (Exe) Officers.
2. Supervision of all Vigilance and Law matters, Supervision of maintenance of Secretariat Common Cadres of L.D.As to S.Os and Typist (Basic Grade) to Typist (Senior Supervisor Grade) and to act as appellate authority in respect of right to information.
3. Supervision of work related to placement of fund, staff etc. for smooth functioning of office of West Bengal Information Commission, Lokayukta, Administrative Training Institute (ATI) & Regional Training Centers (RTC’s), Resident Commissioner Office at New Delhi & also Supervision of all establishment work relating to P&AR Department only. Supervision of all matters related to transfer, posting, promotion of Group A, Group B & Group C employees of West Bengal Secretariat and supervision of all Group Insurance matters for IAS and IPS Officers.
4. Initiation & Supervision of all establishment matters related to the IAS Officers.
5. Supervision of Establishment matters [Appointment, Transfer, Posting, Confirmation, Foreign service contribution, maintenance of Cadre list WBCS (Exe) Officers] Supervision of all establishment matter relating to the employees of WBCS.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.

**25. CHIEF MINISTER’S OFFICE**

- Home
- Health and Family Welfare
- Land and Land Reforms
- Information and Cultural Affairs
- Personnel and Administrative Reforms
- Hill Affairs
- Minorities Affairs and Madrasah Education
- Micro and Small Scale Enterprises and Textile
- Tribal Development Cell.

At the time of audit of aforesaid Departments fallen under the perview of General & Social Sector-I, pertinent checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I. & Volume-II.

**26. DEPARTMENT OF PLANNING (ERSTWHILE: DEVELOPMENT & PLANNING)**

**26.1 Function:**

The Department of Planning formulates Annual Plans and Five-year Plans under guidance of the State Planning Board and in consultation with other Departments of the State Government. The Department coordinates and monitors implementation of the Annual Plans as well as the Five-Year Plans. The Directorate of Evaluation Manpower and Monitoring are all under the administrative control of the Department of Planning. The Department administers important schemes like Bidhayak Elaka Unnayan Prakalpa (BEUP) and Natural Resources Data Management System (NRDMS). This Department is also the nodal agency at State level for such nationally important scheme as Member of Parliament Local Area Development Scheme (MPLADS).

**26.2 State Planning Board:**

State Planning Board is the apex organisation under guidance of which the Development & Planning Department carries out activities on Plan formulation and Plan Monitoring.

The State Planning Board, in collaboration with Planning Commission, Government of India took up preparation of State Development Report.

The State Government has taken the initiatives to follow up the issues identified as major concerns and signed a tripartite MOU with Planning Commission and UNDP for a three-year project titled “Strengthening State Plans for Human Development” with the objectives to:

- a) Build and strengthen capacity of state planners to provide a human development perspective in the State Plan.
- b) Provide research and training services
- c) Strengthen State statistical system. Implementation of the project has started in full swing.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.



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## **27. COUNCIL OF MINISTERS**

The Council of Ministers of West Bengal is the collective decision-making body of the Government of West Bengal, composed of the Chief Minister and 34 Cabinet Ministers, the most senior of the government Ministers. The Cabinet is the ultimate decision-making body of the executive within the Westminster system of government in traditional constitutional theory.

The Union Council of Ministers of the Government of West Bengal was formed after the West Bengal state assembly election, 2011.

### **27.1 Constitutional Requirement**

#### **For the Council of Ministers to aid and advise Governor**

According to Article 163 of the Indian Constitution,

1. There shall be a Council of Ministers with the Chief Minister at the head to aid and advise the Governor in the exercise of his function, except in so far as he is by or under this Constitution required to exercise his functions or any of them in his discretion.
2. If any question arises whether any matter is or is not a matter as respects which the Governor is by or under this Constitution required to act in his discretion, the decision of the Governor in his discretion shall be final, and the validity of anything done by the Governor shall not be called in question on the ground that he ought or ought not to have acted in his discretion.

The question whether any, and if so what, advice was tendered by Ministers to the Governor shall not be inquired into in any court.

This means that the Ministers serve under the pleasure of the Governor and he/she may remove them, on the advice of the Chief Minister, whenever they want.

### **27.2 Function:**

West Bengal is governed through a parliamentary system of representative democracy, a feature the state shares with other Indian states. Universal suffrage is granted to residents. There are two branches of government. The legislature, the West Bengal Legislative Assembly, consists of elected members and special office bearers such as the Speaker and Deputy Speaker that are elected by the members. Assembly meetings are presided over by the Speaker or the Deputy Speaker in the Speaker's absence. The judiciary is composed of the Calcutta High Court and a system of lower courts. Executive authority is vested in the Council of Ministers headed by the Chief Minister, although the titular head of government is the Governor. The Governor is the head of state appointed by the President of India. The leader of the party or coalition with a majority in the Legislative Assembly is appointed as the Chief Minister by the Governor and the Council of Ministers are appointed by the Governor on the advice of the Chief Minister. The Council of Ministers reports to the Legislative Assembly. The Assembly is unicameral with 295 Members of the Legislative Assembly, or MLAs, including one nominated from the Anglo-Indian community. Terms of office run for 5 years, unless the Assembly is dissolved prior to the completion of the term. Auxiliary authorities known as panchayats, for which local body elections are regularly held, govern local affairs. The state contributes 42 seats to Lok Sabha and 16 seats to Rajya Sabha of the Indian Parliament.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Vol-I.

## **28. HOUSING DEPARTMENT**

Housing Department is entrusted with the noble mission to provide shelter to all classes of people belonging to the lowest rung to the topmost rung of the society. Categorically, the Department's function may be broadly divided into two sectors - one is to construct flats and outright sell to eligible and prospective buyers and the other function is to construct flats and rent it out and to maintain the same. Again the rental flat is of two types - one is absolutely meant for State Government Employees, who are allotted flats on joining the Government service or allotted on transfer from other places of posting. The other types of rental accommodation such as M.I.G., L.I.G. etc. are allotted to common people who belong to those categories.

The social obligation is given the topmost priority in selecting the projects. Under the social upliftment programme a good number of accommodation has been provided to the people belong to economically weaker section of the society. Apart from these, hostel accommodation for working women and night shelters for waiting passengers at Bus Terminus and patient party at Hospitals are also included in the activity of the Department.

### **28.1 Functions:**

1. Coordinate different line depts. for solving housing problem of different categories of people.
2. EWS housing scheme Gitanjali, Amar Thikana in collaboration of P&RD.
3. Housing for forest tribal villagers.
4. Accommodation for govt. employees throughout the state including districts and sub-divisions and maintenance.
5. Accommodation of Industrial workers, police and general people through LIG, MIG scheme and maintenance.
6. Accommodation for single working women in important towns and cities.
7. Night shelters at bus stand and different hospitals and medical colleges.
8. Promoters act for regulating, promoting and boosting promoting activities.
9. Apartment ownership act for establishing the right of apartment ownership of housing complex build by different promoting agencies.
10. To solve accommodation problem of people in general through PPP model with nine joint venture companies and nine assisted sector companies.

## **29. INFORMATION & CULTURAL AFFAIRS DEPARTMENT**

The Information & Cultural Affairs Department comprises 4 Directorates namely Information, Culture, Films, and Archaeology and Museums. The principal objectives of this department are to disseminate information about the activities & achievements of the state government through different media, to keep the ministers & other senior government functionaries aware of public reactions reflected through the media & other sources, to promote & preserve the cultural heritage of Bengal (including the folk culture), to preserve West Bengal's archaeological heritage to co-

ordinate with important personalities and facilitate all activities related to films, theatre, art etc., to organize state ceremonies, and to extend hospitality to visiting Indian and foreign dignitaries. The department also organizes the Kolkata International Film Festival, Children's Film Festival, and Film Appreciation courses. The department is actively involved in setting up of integrated Film Cities and other related activities for overall development of film industry of the state.

### **29.1 Information Directorate:**

The Directorate of Information carries out works relating to exhibitions, hospitality and protocol, state ceremonies, news bureau, rural information, publication and advertisements.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.

## **30. MINORITY AFFAIRS & MADRASAH DEPARTMENT**

Minorities Affairs and Madrasah Education Department [renamed from Minority Development and Welfare Department vide Home (C&E) Department Notification No. 42-Home (Cons.)/R2R(Cons.)-4/2007, dated 18.02.2008] has been created in 1996 with the sole aim to cater to the aspirations of the Minorities of the State, especially in the field of Development and Welfare. Originated from the 'Minority Cell' of Political Branch of Home Department, the Minority Development & Welfare Dept. started functioning as a full-fledged Department by amending the Rules of Business vide Home(C&E) Department Notification No.705-Home(Cons.)dated30.05.1996.

The Minority Affairs and Madrasah Education Department (MAMED) is catering to the specific needs and aspirations of the large minority community in the State. The Department works for the development and welfare of minorities, thereby ensuring the protection of rights and providing opportunities for growth.

### **30.1 Functions:**

Madrasah Education in West Bengal is fulfilling a critical need. Madrasahs are discharging social obligation towards the nation as a whole. They are providing access to elementary education for the most deprived people, most of whom live in rural areas, where avenues and opportunities are markedly limited. The recognized Madrasahs play an integral role in creating community linkages as they were founded with the initiative of community donations and in course of time, were recognized and funded by the Government. Most of these Madrasahs are in areas where there were few or no schools where community came forward recognizing the importance of education and created access for students, majority of whom are first generation learners. These Madrasahs have successfully synthesized the cultural needs of the community along with modern concepts in education and thus ensure enrolment and participation of the budding citizens of the country.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.

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## **31. REFUGEE RELIEF & REHABILITATION DEPARTMENT**

The Refugee Relief and Rehabilitation Department was created to handle the enormous dimensions of the human tragedy that West Bengal had to face following the partition of India in 1947 in order to normalise the procedures for tackling the massive task of providing relief and rehabilitation to millions of persons displaced from East Pakistan, this Department and its Directorate were re-organised in early 50s.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.

## **32. DISASTER MANAGEMENT DEPARTMENT**

The new Government emphasised to prioritize the system of disaster management and for this purpose brought three different Departments of Disaster Management, Fire & Emergency Services and Civil Defence under one minister so that it becomes easy for him to effectively coordinate in crisis and ensure holistic disaster management. A direct outcome of this merger is running at the State Control Room 24X7 on all days of the year with the staff from the Departments of Civil Defence & disaster Management.

### **32.1 Roles & Responsibilities:**

#### **Part-I**

1. Crisis Management in case of Natural Calamities i.e. arrange for rescue, relief and rehabilitation of people affected by Natural Calamities.
2. Arrange for Risk Management by coordinating among all concerned departments of the State Government & promoting the culture of Preparedness, Mitigation and Prevention for reducing disaster risks in the State.
3. Administration of Disaster Management Act, 2005 and its provisions.
4. State Disaster Management Authority & District Disaster Management Authority constituted under the Disaster Management Act, 2005.
5. Preparation of State Disaster Management Plan.
6. Preparation/ Updation of Gram Sansad Disaster Management Plan.
7. Preparation/Updation of Gram Panchayat, Block & District Disaster Management Plan
8. Promoting the Culture of preparedness, Mitigation & Prevention of effecting Sustainable Development.
9. Coordinating with Nodal Departments of the State Government for preparation of Crisis Management Plan in respect of those disasters, which are monitored by the National Crisis Management Group.

#### **Part-II**

1. Inquiries and statistics for the purposes of any of the matters specified in List-II or List-III with which the Department is concerned.2.Contracts and agency in respect of any of the matters with which the Department is concerned. (Entry 7 of List III) 3. State Public Services with which the Department is concerned.

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### **Part-III**

1. Union Public Services in respect of the matters with which the Department are concerned.
2. Union Agencies and Institutes for
  - a) Professional, Vocational, Technical training
  - b) Promotion of special studies of research so far as subjects dealt with the services administered by the Department are concerned.
3. Entering into treaties and agreements with foreign countries & implementing of treaties and agreements are convention with foreign countries so far as the Department is concerned.
4. Participation in international conferences associations and other bodies and implementation of decisions made there at as the Department is concerned.

#### **32.2 Organizational structure:**

Suitable organization has been evolved in this State at all appropriate level to draw up coordinated plans for setting up Disaster Management operations. The lowest unit of Disaster Management organization is the Gram Panchayats. The Gram Panchayats in an area is formed into Block, each under a Block Development Officer (BDO). A Disaster Management Officer appointed by the Director of Disaster Management, W.B is placed under the B.D.O. In the Sub Division, a Sub Divisional Disaster Management Officer (SDDMO) is placed under the Sub Divisional Officer (SDO) and a District Disaster Management Officer (DDMO) is placed under the District Magistrate. In the Directorate of Disaster Management W.B, Disaster Management Officers and Senior Disaster Management Officers are placed under Director of Disaster Management. The Disaster Management organization of the State is running under the Department of Disaster Management, Government of W.B. The Secretary, Disaster Management Department, is the State Relief Commissioner. He/She is assisted by Additional and Joint Secretary and officers and staff already mentioned in the organogram. The Directorate of Disaster Management, headed by a Director, assist the Secretary of Disaster Management for execution of all Disaster Management Operations at the State level.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.

### **33. SPORTS DEPARTMENT**

The main aim of the Department is to improve and develop sports infrastructure in the State, as also to search and nurture sports talents. With this in view, the department lays special emphasis on creation of sports facilities at the district, sub-division and block level, to ensure participation of maximum number in sports and games. Emphasis is also given to promote vulnerable sections like women, schedule tribes and schedule castes in sporting arena.

#### **33.1 Objective:**

- To improve Sports & Games throughout the State of West Bengal.
- Infrastructural Development to create sports Infrastructure like Stadium, Playground, Swimming Pool, Sports Academy, Sports Hostel, Gymnasium Hall maintaining existing such facilities, Special Provision for SC/ST community areas are there.

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- Provide grant for organizing sports competition / Tournament etc. to individuals for Participation in national / International sports event. Development of sports in respect of women is specially considered.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.

### **34. URBAN DEVELOPMENT AND TOWN AND COUNTRY PLANNING DEPARTMENT**

The Urban Development Department which was previously known as Metropolitan Development Department presently has three Branches viz. Metropolitan Development or Urban Development Branch, Town and Country Planning Branch and Urban Land Ceiling Branch, each of which has a different history of its own. During the fifties, the Irrigation Dept. took up a township project in the North-Eastern suburb of Kolkata by the name of Salt Lake City. In 1961 the Kolkata Metropolitan Planning Organization, the first of its kind in India, was set up through a resolution of the Development and Planning Deptt., to develop a comprehensive development plan for the Metropolis of Calcutta. Later on, the Development & Planning Department set up separate Development Authorities for Siliguri-Jalpaiguri, Asansol- Durgapur, Digha, Haldia, Sriniketan - Santiniketan and Jaigaon and Planning Authorities for Burdwan, Midnapore - Kharagpur, South 24-Parganas, Mirik, Bakreswar, Barjora - Gangajalghati and Farakka. The purpose was all-round development and preparation of Land Use and Development Control Plan (LUDCP) of the local areas.

All the above Development Authorities and Planning Authorities were created under the Town & Country Planning Branch of the Development and Planning Department. For all round development of certain other local areas, Kanchrapara Area Development Scheme (Kalyani Township) and Patipukur Township were undertaken by the Development & Planning Department in the fifties and sixties.

Later on, as the activities of these two Sectors gradually gained momentum two full fledged offices in the name and style of Kalyani Estate Office and Patipukur Estate Office were established under the said Development and Planning Department. Subsequently in 1966 Kolkata Metropolitan Water & Sanitation Authority (KMW & SA), and again in 1970, Kolkata Metropolitan Development Authority (KMDA) were established for implementation of a large-scale urban infrastructure development programme, the objective of which was to arrest the rapid deterioration in the urban involvement of Kolkata Metropolitan Area and to address the emerging urban aspirations of the urban people. The Urban Land Ceiling Branch with a directorate at Kolkata and sub-divisional offices in the districts were set-up under the Land and Land Reforms Department under the Urban land (Ceiling & Regulation) Act, 1976. Later on, it came under the Urban Development Department.

#### **34.1 ACTS & RULES**

##### **Town & Country (Planning & Development) Act, 1979**

- To identify potential urban growth centres all over West Bengal;
- To set up Statutory Planning Authorities for integrated planning for those Areas;

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- To set up Development Authorities for those Areas for integrated planning & development of those Areas;
  - To control land use and development to arrest haphazard growth;
  - To act as a catalyst in economic, social and cultural development of those Areas;
  - To preserve environmental balance in those Areas etc.
  - To notify those areas as Statutory Planning Areas;
  - To set up Statutory Planning Authorities for integrated planning for those Areas;
  - To set up Development Authorities for those Areas for integrated planning & development of those Areas;
  - To control land use and development to arrest haphazard growth,
  - To act as a catalyst in economic, social and cultural development of those Areas;
  - To preserve environmental balance in those Areas etc.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.

### **35. SELF HELP GROUP & SELF EMPLOYMENT DEPARTMENT**

The Department of Self Help Group (SHG) and Self Employment was set up in 2006 with the objective of policy formulation and Coordination of activities relating to SHGs and Self Employment Programmes operated by different departments of the Government. It organizes skill development training for SHGs as well as entrepreneurs for self-employment which includes tailoring, packaging, computer application, interior decoration, leather goods production, animal husbandry and marketing, bee keeping etc. The Department also takes care of marketing of products of SHGs through different exhibition as well as Co-ordination with business houses. The Department has begun the process of setting up of infrastructure in the districts for providing training and marketing outlets for the SHGs under RIDF (Rural Infrastructure Development Fund); Seven Marketing Cum Training Centres have been completed. Activities of the BSKP (Bangla Swanirbhar Karmasansthan Prakalpa) are also looked after by this Department through Society for Self Employment of Un-employed Youth. The Department has been organizing 'Sabala Mela' Centrally through the Society for Self Employment of Un-employed Youth, and monitoring 'Sabala Mela' in the Districts where rural artisans, entrepreneurs and SHGs gets the opportunity to show their skills and creativity.

#### **35.1 Objectives:**

To promote the entrepreneurship and employment opportunities by sponsoring, implementing, administering, supervising, training and monitoring self employment programme for the unemployed or underemployed youth towards generation of additional employment and income.

#### **35.2 SWAMI VIVEKANANDA KARMASANSTHAN PRAKALPA (SVSKP)**

SVSKP is to generate self-employment in the urban and rural areas of the state through promotion of tiny scale units of production, manufacturing, trade, service or any other sector including agro-based industries, floriculture, horticulture, animal husbandry, etc. other than direct agriculture.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Vol-I.

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## **36. FOOD & SUPPLIES DEPARTMENT**

Food & Supplies Department was set up in Bengal in the month of March, 1943. The Department, being the administrative dept, is the apex body under the state govt. responsible for management of food economy of the State and for taking policy decisions thereon. The Department has the dual responsibilities of procuring of food grains distributing of food grains and some other essential commodities as well as for monitoring and enforcing orders enacted under the EC Act, 55. It keeps close watch on the stock position, price level, availability of essential commodities, including food, operation of Public Distribution System. It monitors functioning of different directorates under it for implementation of different orders.

### **36.1 Major Objectives:**

The major objectives of the department are:

- Guarantee food security for the vulnerable and poor. Deliver higher quality of services to citizens via PDS.
- Empower citizens in PDS and Food security.

### **36.2 Functions:**

The primary functions of the Department are to guarantee food security for the vulnerable and poor, deliver higher quality of services to citizens via PDS & Empower citizens in PDS and Food security.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.

## **37. DEPARTMENT OF YOUTH SERVICES**

The major area of activities of Youth Services Department is essentially focussed at the Student - Youth section of the society. It is the Student-Youth, who represent the most vibrant, capable section of the society, who are especially enthusiastic in moving forward for the sake of human welfare even sacrificing their personal interests. The Youth Services Department has given special emphasis on providing training to the Student-Youth of our state to make them prepared for meeting up the demand of the day. Keeping this demand in view, the Youth Services Dept. is trying to expand the opportunities for availing different kinds of training. Thousands of student-youth have been receiving Computer / Vocational Training from the low cost YCTCs / YVTCs.

Student - Youth festival is the largest cultural endeavor in our state which is organised all over the state by the Youth Services Dept. Student - Youth festival is a unique platform for searching young talent. The West Bengal Mountaineering & Adventure Sports Foundation under the Y. S. Dept. accommodates the Student Youth in the adventure expedition and mountaineering programmes. Apart from this Scientific Awareness and development of service, Club activities, a popular service - based programme are taken up regularly by the Youth Services Dept.

Actually, all the programmes of Youth Services Dept. are being formulated keeping in view the social demand and real scenario of the Student-Youth of the state.



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### **37.1 Youth Computer Training Centre**

The Youth Computer Training Centres run by the Department of Youth Services in collaboration with different private organizations play an important role in providing low cost computer training to the student-youth across the state and in enabling them to survive in the competitive job market successfully. The computer training is catered to in six monthly (Certificate Course) and Yearly (Diploma Course) mode.

### **37.2 Vocational Training and Self-Employment Scheme**

In order to get the students and youths prepared for the job market, the Department of Youth Services introduced various Vocational Training Centres in different places across the state. Trainings are provided in 22 disciplines, which are as follows:

1. Diploma in Interior Decoration & Designing
2. Advance Diploma in Interior Decoration & Designing
3. Diploma in Fashion Designing
4. Advance Diploma in Fashion Designing
5. Certificate in Textile Designing
6. Certificate in Telephone Repairing & Servicing
7. Diploma in Mobile Phone and Telephone Repairing & Servicing
8. Certificate in Still Photography
9. Diploma in Still Photography
10. Certificate in Computer Hardware Repairing & Maintenance
11. Advance Course in Computer Hardware & Networking
12. Certificate in Radio-Tape-T.V Repairing
13. Diploma in Radio-Tape-T.V Repairing
14. Certificate in Videography
15. Certificate in Silk-Screen Printing
16. Diploma in Silk-Screen Printing
17. Certificate in Electrical Equipment Servicing & Repairing
18. Certificate in Electronics Equipment Servicing & Repairing
19. Certificate in Air-Conditioning & Refrigeration Engineering
20. Certificate in Anchoring (Conducting Programmes)
21. Certificate in Beautician Course
22. Motor Training

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.

### **38. STATISTICS & PROGRAMME IMPLEMENTATION DEPARTMENT**

The Department of Statistics and Programme Implementation was created vide Notification No.106-Home (Cons) dated Kolkata, 24th Feb, 2012 and included after necessary amendments in the First Schedule of the West Bengal Rules of Business. The department was entrusted with the following business:-

- 1) Monitoring and reviewing of implementation of programmes and schemes of the departments of the State Government.
- 2) Co- ordination of statistical work of all departments.
- 3) All matters connected with:-
  - a) The affairs of Bureau of Applied Economics and Statistics.
  - b) 20 Point Programme.

The activities of the department can be broadly divided in 2 divisions based upon the activities undertaken by the department directly or through the Directorate that is Bureau of Applied Economics and Statistics. They are:

- 1) Issues relating to Programme Implementation and
- 2) Publications and activities relating to Statistics and their analysis.

### **38.1 Functions**

- a) Collecting of reports on Twenty Point Programme (TPP) from the districts, analysing and compiling them and sending the overall performance of the state to Ministry of Statistics and Programme Implementation, Govt. of India on monthly basis.
- b) Collection of resolution copies of the District Level Development and Monitoring Committee meetings held every month and taking up issues which needs State Level Intervention with the concerned departments for removing of bottlenecks for smooth administrative functioning.
- c) Collection of reports on the 13 monitorable items under the Flagship Programmes implemented by various departments under the Central and State Government and monitoring of schemes.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.

## **39. Law Department**

The Law Department is entrusted with the drafting, settlement and publication of Bills and Acts and the settlement of statutory notifications, rules and by-laws of the various administrative Departments of the Government of West Bengal. This Department is also entrusted with the translation into Bengali and Nepali, the Constitution of India, various Central Acts, State Acts and Rules.

### **39.1 Functional Chart:**

The Law Department of the Government of West Bengal consists of three wings, namely: -

- (1) Legislative Branch, Law Department, Government of West Bengal having its office at Main Block, Top Floor, Writers' Buildings, Kolkata 700001;
- (2) Official Language Branch - Bengali, Law Department, Government of West Bengal having its office at 8, Lyons Range, 3rd floor, Kolkata 700 001;
- (3) Official Language Branch - Nepali Office having its office at the Nepali Translator, Official Language Branch, Law Department, Government of West Bengal. "The Maldon", The Mall Road, Darjeeling – 734101.

The Minister-in-Charge of the Department is the Supreme Authority of the Department. All policies and principles of the Departmental functions are implemented with his approval and ratification.

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Secretary of the Department is the Executive Head. He has been vested with the power to execute any decision that has been approved by the Minister-in-Charge of the Department.

Under the Secretary there is a set of Officers like Joint Secretary, Deputy Secretary, Assistant Secretary, Law Officers, Registrar, Officer-on-Special Duty, Special Officer and Section Officer. All Officers right from the Secretary down to the Officer in the rank of Registrar enjoy the power of disciplinary functions of the Department. Any of the Officers below the rank of the Secretary can draw disciplinary proceeding against the offending Employee and to submit his report to the Secretary for consideration. The Secretary in his turn is authorized to punish the offending employee if the charge is substantiated beyond doubt.

The Officers from the rank of Secretary down to Assistant Secretary are empowered to issue any executive order with the approval of the Secretary. They enjoy the power of issuing any Government order sanctioning and allotting fund subject to the concurrence of the Finance Department so far as release of the fund is concerned. In some cases the Secretary enjoys the power of incurring expenditure as per delegation of Financial Power Rules, 1976.

Checks are to be exercised as per the guidelines envisaged in the GSS-I Audit Manual, Volume-I.

#### **40. WELFARE etc. (Commercial)**

##### **Introduction:**

The scope of work included welfare activities in respect of five (05) Corporation viz (1) West Bengal Women Development Undertaking (WBWDU) (2) West Bengal Minority Development & Finance Corporation (WBMD & FC) (3) West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation (WBSC&STD) (4) West Bengal Backward Classes Development and Finance Corporation (WBBCD&FC) and (5) West Bengal Swarojgar Corporation Limited (WBSCL) relate to-

**WBWDU:** improve the social and economic welfare and upliftment of women in the state;

**WBMD & FC:** provide financial assistances under term loan, cluster loan, micro financing and education loan schemes, vocational training and marketing support to the minorities;

**WBSC&STD:** undertake the task of economic welfare through industrial and commercial activities based on financial assistance offered by the Central Government and the State Government in the form of margin money loan and subsidy in addition to bank loan;

**WBBCD&FC:** provide financial assistance to OBC beneficiaries under various self-employment schemes at nominal rate of interest and

##### **WBSCL:**

- Carry on the business as tool of market intervention in the field of Agricultural and allied Commodities on Commercial basis;
- Set up its own channel of distribution network through the state but particularly in the rural areas through cluster of SHGs;
- Promote self-employment potential and co-ordinate among various such groups working in the field;

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- Ensure that the commodities procured by it reaches the general population in all remote and in accessible packets at reasonable price;
  - Carry business of growers, cultivators, producers, buyers sellers and dealers in all types of vegetables/ food products etc. respectively.

However, at the time of audit of aforesaid PSUs and departmentally managed Commercial Undertakings, following common features are to be checked where pertinent. Apart from this some special points which are to be squared-up at time of each audit are supplemented along with the summary outline of the company.

#### **40.1 COMMON FEATURES:**

##### **40.1.1 List of eligible Beneficiaries and selection procedure:**

- Examine whether the Company has prepared a list of eligible beneficiaries so as to ensure coverage of all the targeted beneficiaries in a phased manner and analyses the reason for delay, if any, in selection of projects and beneficiaries.
- Examine whether, the targeted groups were identified in all the districts to ensure coverage of all eligible beneficiaries in a phased manner.
- Examine whether survey of OBC population was conducted by the State Government.
- Check that the OBC certificates were genuine and not fake; to ensure financial assistance was not extended to fake beneficiaries.
- Check the targeted beneficiaries were not denied financial assistance defeating the objectives for which the funds were meant for.
- Check that the funds were not diverted.
- Examine whether the Corporation have prepared data bank for SHGs/NGOs for extension of micro credit for the districts to achieve better recovery.
- Review the pre-disbursement inspection and formalities to be fulfilled by the beneficiaries and see whether those are working effectively.

##### **40.1.2 Disbursement of loan, delay in release of loan and recovery of loan:**

###### **40.1.2. a Disbursement of loan:**

- Examine the annual performance report, annual plans and files relating to selections, sanctions and disbursement of loans under different schemes.
- Examine that the loans were disbursed to the beneficiaries after complying with pre-sanction appraisal/pre-disbursement formalities.

###### **40.1.2. b Delay in release of loan:**

- Examine whether the Company has strengthened the procedures of selection of sanction and disbursement of loans to avoid any delay.
- Examine whether there were delay in finalizing loan application – resulting in payment of additional interest to the National body by the Corporation.
- Scrutinise the cases where loan have been made without any provision for applicable interest.

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- Scrutinise the cases where loan has been sanctioned/released for the second time through the loanee was either defaulter or irregular in payment of installment of principal and interest.
  - Check that the Corporation had prepared the reconciliation for the amount disbursed to the beneficiaries by the bank with those records maintained by the Corporation.

#### **40.1.2. c Recovery of Loan:**

- Check whether the Corporation maintain any age profile of dues to priorities efforts for recovery of old dues.
- Scrutinise and enlist cases where the Company has issued “Full recovery of loan” certificates without getting back the principal/interest in cash or without marshalling the securities (i.e. adjusting the realisable value of securities).
- Review the extent to which the various projects on which the loans have been sanctioned by the Corporation has proved successful.
- Verify that post-dated cheques submitted by the loanees to the banks which are forwarded to the Head Office of the Corporation for record.
- See that the periodicity of repayment of installment of principal and interest is strictly followed.
- Check that the post- dated cheques received by the Corporation from the beneficiaries against loan disbursed has been duly accounted for and placed with the banks in due time.
- Check that the collection of funds by the banks at the district level has been properly remitted to the Head Office.
- Examine whether the Corporation have prepared data bank for SHGs/NGOs for extension of micro credit for the districts to achieve better recovery.
- Examine the reconciliation with the banks in respect of funds transfer and recovery.
- Check the steps taken against the defaulting beneficiaries and legal action taken under Negotiable Instrument Act.

#### **40.1.3. Optimum utilization of scheme funds and assessment of the scheme:**

- Check whether the Company had ensured optimum utilization of scheme funds.
- Check that the funds received for implementing the schemes for the benefit of the weaker section had been utilized and are not parked.

#### **40.1.4. Training Programme / Vocational Training:**

- Examine the initiatives taken by the Corporation, for training programme in respect of Project linked training programme.
- Check that the beneficiaries so identified have been imparted training before they are extended financial assistance.
- Check whether the Company has developed the vocational training programmes more effectively to ensure employment opportunities. Analyse the reasons for drop out or ineffective training.
- Whether and to what extent the trained beneficiaries were provided employment.
- Analyse the reasons for drop out or ineffective training.

**40.1.5. Awareness across the Block level & pre-sanction counseling:**

- Steps taken by the Company to generate awareness across the block level as well as introduce pre-sanction counselling.

**40.1.6. Margin of security:**

- Scrutiny the formulation of schemes under self-employment in respect of term loan, margin money loan, micro credit and education loans schemes.
- Examine a few cases on the margin of security and see that the security is adequate to safeguard the interest of the Company in realising their dues.
- Enlist the cases where outstanding dues have exceeded the value of securities.
- Check that the subsidy and margin money had been duly utilized and not refunded (district wise).

**40.1.7. Mortgage/ Title Deed/ Land/ Building:**

- Check the hypothecation/mortgage deeds and title deeds and to see that proper valuation has been made in respect of land, building and sheds etc.
- Review the loans sanctioned/paid with reference to the terms and conditions mentioned in the mortgage deeds and ensure that there exist sufficient security.

**40.1.8. Payment of interest and Principal as well:**

- See that the periodicity of repayment of installment of principal and interest is strictly adhered to.
- Examine the calculation of interest and installment.
- Check that the NGO's charged interest at specified rate fixed by the Corporation and repayment to the NGOs within specific period was in line with guidelines of the Corporation.
- Scrutinise the adequacy on the action taken by the Corporation in respect of default, if any, in payment of installment of principal/interest.
- Review the loans advanced/investment made to see that those have been utilized for the purpose for which they were sanctioned.

**40.1.9. Memorandum of Association:**

- Scrutinise the object clause of the Memorandum of Association which was required to be altered and registered with the Registrar of the Companies.

**40.1.10. Review the Project/Review the various projects:**

- Examine the laid down procedures for sanction and disbursement of funds.
- Examine in detail, formulation of any long-term perspective plan to implement the schemes.
- Check monitoring of the schemes and whether any analysis of the impact of implementation of the schemes was conducted or not.

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- Steps taken by the Company to establish a mechanism to assess the impact of the roll of the Company in upliftment of targeted women and in implementing the schemes.
  - Examine the reasons as to non-achievement of physical and financial targets with reference to availability of funds.
  - Examine whether physical & financial target has been set district wise, if required, in respect of education loan with wide spread awareness camps.
  - Study the post disbursement monitoring mechanism in depth at all levels.
  - Check the instructions issued by the department for implementing schemes.
  - Examine the extent of awareness campaign programme conducted as a pre-requisite to bring more members for availing the financial assistance.
  - Examine the extent of role played by the Corporation in support of marketing of products of the beneficiaries, if any, through National level exhibition and organizing exhibition at the district and state level.
  - Examine whether the impact on the implementation of the schemes and projects are analysed to assess the extent of economic and social upliftment of the minorities etc. on sustainable basis.
  - See that claim preferred as audit fee has been paid by the Corporation.
  - Check the effective role of participating bank in implementation of the project.
  - Check the viability of the projects.
  - Examine that the sanction of essential term loan.

**40.1.11. Idle asset lying with the NGO:**

- See whether idle assets lying with NGOs, if any, which were procured for implementation of different schemes out of the grant received by the Company from the Government of India, and the said assets were recovered by the Company.
- Check that the beneficiaries are engaged in income generating schemes and funds were not left idle or wasted.
- Examine the reasons for funds lying idle in the district branches of the Corporation, non-execution of the same as funds preferred on unrealistic basis will attract penal interest.
- Check, whether, the Corporation had any system of evaluation of the loan funds spent for the specified purposes.
- Analyse the outstanding debtors with reference to customers profile and doubtful recovery of storage charges.

**40.1.12. Concentration of Minority Population:**

- Check that while fixing the target, concentration of minority population was considered district wise.

**40.1.13. GOI/ State Govt. & other grants:**

- Study whether assessment of funds requirement of the Corporation were assessed on realistic basis.
- Examine whether the actual cost of acquisition and distribution exceeds the economic cost allowed by GOI and analyse the reason for excess, element wise.

**40.1.14. Deposit account:**

- Examine the deposit account maintained at PAO/Kolkata and analyse the deposits received under different heads.
- Check the deposit account withdrawal and diversion in the Saving Bank.
- Check the records relating to remittance from non-operable collection account to Cash Credit Account.

**40.1.15. Refund of Bank Loan:**

- Check that the beneficiaries did not refund bank loan by retaining the margin and subsidy money, there by frustrating the object of the upliftment of the down trodden.
- Check whether disbursement has been effected without bank loan.

**40.1.16. Rehabilitation of Trained person:**

- Check that the trained persons were rehabilitated and not left out.

**40.1.17. Annual Action Plan:**

- Scrutiny the Annual Action Plan (AAP)
- Examine the steps taken by the Corporation, to utilize the maximum of capacity in order to reduce the losses.

**40.1.18. Evaluation:**

- Check whether the Corporation had any system to evaluate performance of the NGOs.
- Steps taken by the Corporation to recover its outstanding through recovery cell.

**40.1.19. Insurance Claim:**

- Examine the insurance claims in respect of stock against losses on account of fires, flood, burglary and fidelity etc.
- Examine the insurance coverage of the warehouses against fire, damage, accident and see that the Management has taken appropriate steps in this regard.

**40.1.20. Production:**

- Review the production programme and examine reasons for variation in the production actually achieved.
- Review the progress of sales with references to sales programme and examine cases, if any, of delay in adhering to delivery programme.
- Review the average cost of production to investigate the variation in cost compared to previous year.
- Review the repair/maintenance and overhauling of plant and machineries.



#### **40.1.21. Sales:**

Review the progress of sales with respect to sales programme and examine cases, if any, of delay in adhering to delivery programme.

### **40.2 SUMMARY OUTLINE OF THE COMPANY:**

#### **40.2.1 WEST BENGAL WOMEN DEVELOPMENT UNDERTAKING**

##### **Introduction:**

West Bengal Women Development Undertaking was incorporated under Section 25 of the Company's Act 1956 as a non-profit making Company to improve the social and economic welfare and upliftment of women in the state. The Company acts as a State Channeling Agency (SCA) of Government of India to organize vocational training for women under Norwegians Agency for International Development (NORAD), now known as "Swabalamban" scheme since 1997-98 and implement the integrated women empowerment programme under the SwayamSidha Scheme since 2001-02.

##### **Special points to be seen**

- (i) Roll of the Company in upliftment of women and in implementing the schemes.
- (ii) Analyse the convergence of schemes of other departments to provide a complete package of benefits to women.
- (iii) Check how far the Company succeeded in identifying the target groups of women.
- (iv) Analyse whether the coverage of the training programme organized was significant in comparison to the total women population.
- (v) Examine various schemes of the Company to help the women and see that there is no delay between the date of application and actual release of the sanctioned amount.

#### **40.2.2 WEST BENGAL MINORITIES DEVELOPMENT & FINANCE CORPORATION**

##### **Introduction:**

West Bengal Minority Development & Finance Corporation was established in October 1995 under the West Bengal Minorities Development and Finance Corporation Act, 1995. The audit of the accounts of the Corporation has been entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The Corporation acts as a State Channelising Agency (SCA) of the National Minority Development Finance Corporation (NMDFC) for providing financial assistances under term loan, cluster loan, micro financing and education loan schemes, vocational training and marketing support to the minorities.

##### **Special points to be seen.**

- (i) Examine the reports of annual conference, correspondence with NMDFC and GOI, and details of awareness campaign programme.
- (ii) Examine the implementation of term loan and cluster loan schemes for backward section amongst the minority for project cost upto Rs 5 lakh on income generating activities under agriculture, small business, artisan, handicrafts and transport etc. under the scheme loans and up to Rs.50000 per member of Self Help Group for income generating economic activities

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- provided directly to SHGs specially women @ 6% p.a for areas specific schemes having concentration of minority population in municipality or Gram Panchyat.
- (iii) Examine the extent of awareness campaign programme conducted as a pre-requisite to bring more members of the minorities to avail the financial assistance.
  - (iv) Examine the extent of role played by the Corporation in support of marketing of products of the beneficiaries through national level exhibition and organizing exhibition at the district and state level.
  - (v) Review the system of identifying the targeted group of beneficiaries i.e. minorities having annual income below double the poverty line (Annual income not exceeding Rs 81000/- in rural area and Rs 1,03,000/- in urban area) and it's working efficiency in this regard.
  - (vi) Review the system of appraisal ensuring the selection of viable projects capable of generating income on a sustainable basis for economic upliftment of the minorities.
  - (vii) Examine whether the impact on the implementation of the schemes and projects are analysed to assess the extent of economic and social upliftment of the minorities on sustainable basis.
  - (viii) Examine whether education loan is disbursed to the targeted beneficiaries i.e. meritorious students belonging to any minority community in the age group of 16 to 32 years with family income less than double the poverty line, after creating adequate awareness campaign among the minority students.
  - (ix) Review whether fund earmarked for micro-financing scheme is utilized properly and more emphasis has been given to disburse the fund directly to the poorest section of the minorities instead of channeling the fund through NGOs in order to lessen the interest burden on them.
  - (x) See that claim preferred as audit fee has been paid by the Corporation.

### **40.2.3 WEST BENGAL SCHEDULED CASTES AND SCHEDULED TRIBES DEVELOPMENT AND FINANCE CORPORATION**

#### **Introduction:**

West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation was formed under 'The West Bengal Scheduled Castes Development and Finance Corporation Act, 1976'. Subsequently the Act was amended as 'West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation Act' in 1980 and 1981 with a view to organizing convergence of the flow of benefits from various schemes to the Scheduled Castes and Scheduled Tribes families of the State living below poverty line and to undertake the task of economic welfare through industrial and commercial activities based on financial assistance offered by the Central Government and the State Government in the form of margin money loan and subsidy in addition to bank loan.

The Department of Backward Class Welfare, GOWB, being the nodal department was to monitor the progress of the schemes taken up by its Directorate and the other executing agency (WBSCSTDFC and WBBCDFC).

#### **Special points to be seen**

- i) Examine the SCA received from GOI year wise of which quantum of SCP & TSP component to be earmarked.

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- ii) Examine the deposit account maintained at PAO/Kolkata and analyse the deposits received under different heads.
  - iii) Check the deposit account withdrawal and diversion in the Saving Bank.
  - iv) Check the Other Authorities Fund, maintained by the Corporation in respect of funds for different schemes of the BCW Department.
  - v) Check that the funds received for implementing the schemes for the benefit of the weaker section had not been utilized and deposited in short term deposits.
  - vi) Examine the district wise target in respect of SCP and TSP had been prepared on the basis of survey conducted by the district office of the Corporation.
  - vii) Examine that the beneficiaries under NSFDC & NSTFDC scheme has been listed out district wise to fulfill the target of upliftment of weaker section.
  - viii) Examine that the survey has been conducted by the District Office with the help of Panchayat and municipalities to cover up the scavengers under NSLRS.
  - ix) Check that the beneficiaries are engaged in income generating schemes and funds were not left idle or wasted.
  - x) Check the effective role of participating bank in implementation of the project.
  - xi) Check whether disbursement has been effected without bank loan.
  - xii) Examine the extent of proper assessment for fund requirement under NSFDC/NSTFDC and non-execution of the same as funds preferred on unrealistic basis will attract penal interest.
  - xiii) Check that the trained persons were rehabilitated under NSLRS and not left out.
  - xiv) Examine the CD schemes were implemented and sanctioned as per the guidelines of GOI with reference to Article 275(1) of the Constitution of India.
  - xv) Review the extent to which the various projects on which the loans have been sanctioned by the Corporation has proved successful.
  - xvi) Scrutinise the cases where loan have been made without any provision for applicable interest.

#### **40.2.4 WEST BENGAL BACKWARD CLASSES DEVELOPMENT AND FINANCE CORPORATION**

##### **Introduction:**

West Bengal Backward Classes Welfare (BCW) Development and Finance Corporation was formed in 1995 under the West Bengal Backward Classes Development and Finance Corporation Act, 1995 with the object of promoting economic development of the Other Backward Classes (OBC) people by way of providing financial assistance from income generating activities, training programmes to promote entrepreneurship for self-employment, marketing assistance to beneficiaries as well as for pursuing professional/technical education.

The Corporation functions as a State Channelising Agency (SCA) of National Backward Classes Finance and Development Corporation (NBCFDC). It provides financial assistance to OBC beneficiaries under various self-employment schemes at nominal rate of interest.

##### **Special points to be seen:**

- (i) Examine the guidelines issued by NBCFDC for implementing different schemes.
- (ii) Check the instructions issued by the BCW department for implementing schemes.

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- (iii) Examine in detail formulation of any long-term perspective plan to implement the schemes for social, economic and educational upliftment of OBC people.
  - (iv) Examine whether survey of OBC population was conducted by the State Government.
  - (v) Scrutiny the formulation of schemes under self-employment in respect of term loan, margin money loan, micro credit and education loans schemes.
  - (vi) Examine that the sanction of term loan has been accorded to the OBC people living below double the poverty line. (DPL)
  - (vii) Check the scheme contribution of project cost – 40 per cent by NBCFDC 10 per cent by the State Government/Beneficiary contribution and balance 50% bank loan has been duly computed and sanctioned accordingly.
  - (viii) Examine whether Beneficiary Identification camp in the district were held to extend loan to OBC population.
  - (ix) Check the action taken by the Corporation to empower the needy poor women of OBC community under Swarnima / New Swarnima schemes.
  - (x) Check that the OBC certificates were genuine and not fake, to ensure financial assistance were not extended to fake beneficiaries.
  - (xi) Examine whether the micro-credit schemes disbursement schemes has been made after complying all the formalities along with Mahila Samridhi Yojana (MSY), another micro finance schemes for women only.
  - (xii) Examine that Micro credit and MSY schemes were extended to all the districts through Self-Help Group (SHG) and NGOs.

#### **40.2.5 WEST BENGAL SWAROJGAR CORPORATION LIMITED**

##### **Introduction:**

West Bengal Swarojgar Corporation Limited was incorporated on 27 November 2009 as a wholly owned Government Company for assisting SHGs in the state. The main objectives of the Company for which it was set up, inter-alia, include the following:-

- (i) To carry on the business as tool of market intervention in the field of Agricultural and allied Commodities on Commercial basis;
- (ii) To set up its own channel of distribution network through the state but particularly in the rural areas through cluster of SHGs;
- (iii) To promote self-employment potential and co-ordinate among various such groups working in the field;
- (iv) To ensure that the commodities procured by it reaches the general population in all remote and in accessible packets at reasonable price;
- (v) To carry business of growers, cultivators, producers, buyers sellers and dealers in all types of vegetables/ food products etc.

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## **41. MARKETING etc. (Commercial)**

### **Introduction:**

The major scope of work of the four (04) Public Sector Undertakings (PSUs) and departmentally managed Commercial Undertakings which included Marketing activities in common viz (1) Scheme of Public Distribution System (PDS) of Food Grains (2) WB Essential Commodities Supply Corporation (WBECSC) (3) WB Medical Service Corporation (WBMSC) and (4) The Electro-Medical and Allied Industries Limited (EMAIL) relate to-

**PDS:** - confine in procurement, storage and distribution of food grains;

**WBECSC:** - Engage in purchase, sale, distribution and delivery of food grains, food-stuff and other essential commodities and in processing vegetable non-essential oil;

**WBMSC:** - Procure drugs and equipment and to execute construction works; and

**EMAIL:** - Manufacture of X-ray machines and bio-medical equipment and earn revenue in execution of servicing and repairing of different medical equipment including X-ray machines and also in trading activities of supply of hospital equipment, X-ray films and chemicals respectively.

However, at the time of audit of aforesaid PSUs and departmentally managed Commercial Undertakings, following common features are to be checked where pertinent. Apart from this some special points which are to be squared-up at time of each audit are supplemented alongwith the summary outline of the company.

### **41.1 COMMON FEATURES:**

#### **41.1.1 Annual Action Plan:**

- Scrutiny the Annual Action Plan (AAP)
- Examine the steps taken by the Corporation to utilize the maximum of capacity in order to reduce the losses.

#### **41.1.2 Operational expenses:**

- Review the scheme/function of the Corporation as distributing agency and see how the scheme operates. Check the resulting loss, if any, and reasons there for.
- Rate fixation policy of the Corporation and see that rate is commensurate with the operational expenses.
- Examine the production process and see that there is no over-production of components.
- Compare the production cost of components with the bought out components.
- Examine whether the Company is purchasing any components which may be produced in its own workshop.
- Review the steps undertaken by the Management to popularise the products of the Company so that its volume of turnover may steadily increase.
- Review the cases of repairing jobs taken up and see that the amount realised as repairing charge is sufficient to cover the marginal cost of repair.
- Review the “Activity ratio” of the Plant & Machinery.

**41.1.3 Accounting Organisation:**

- Accounts wing is headed by whom.
- Persons assisted to the head of the accounts wing.

**41.1.4 Budgetary Control:**

- Observe preparation of financial budget to ensure control over its various functions.
- Review the budget and see that performance compares with the budget.

**41.1.5 Accounting manual:**

- Observe compilation of Accounting or Cost Accounting Manual, Material Manual, Service Manual and Purchase manual.

**41.1.6 Cost Control:**

- Review the Cost Control system as adopted by the company either in introducing own Costing or Budgetary Control technique or by implementing Marginal Costing system etc.
- Whether Company introduced Job Costing system by working out the average cost of the product on historical cost basis to ascertain the extent of loss incurred on each product.
- Whether Company prepared cost estimate in order to respond to quotations.
- Review the utilization of hired go-downs and the actual requirement of the hired go-downs.
- Review the procedure of engagement of carriers of materials.
- See that for revision of controlled price, the management has reviewed the price from time to time and recommendation made to Government for revision of such price.
- Review the quantum of storage loss and handling loss and see how those vary from the established norm in this regard.

**41.1.7 Purchase Procedure:**

- The composition of the purchase Department mentioning the Head of the purchase department and number of store assistant/s etc. attached with purchase departments.
- Normal procedure of purchases of the company either in inviting tender / quotation or by making negotiation and also check that mention is made regarding rate quoted should not exceed MRP.
- Rates of suppliers on different items selected by the Purchase and Sales Committee must be approved by the Managing Director.
- Check the records relating to contracts for procurement, if any. See that the price paid is reasonable, not more than MRP and is also approved by the competent authority.
- See that the cost of the commodity, tax elements (VAT, IT etc.) are shown separately.

**41.1.8 Manufacturing Process:**

- In which manufacturing work the company is engaged.
- Proportion of raw materials used for final product & nomenclature of final products, name of the waste products, re-cycling/ disposal/ admissibility in environmental tolerance, if any, thereof.

- See that quality of material is commensurate with price paid and is as per approved specification.
- In how many assembly/s functional divisions (indicating Sub, Main, Ultimate general etc., if any) the company comprised with to get the final product.
- The number of the workshop/s attached with the Company and number/s of Manager engaged thereby.

**41.1.9 Production:**

- Review the production programme and examine reasons for variation in the production actually achieved
- Review the average cost of production and investigate the variation in cost compared to previous year.
- Review the progress of sales with references to sales programme and examine cases, if any, of delay in adhering to delivery programme.

**41.1.10 Laboratory:**

- Whether Company has got laboratory for quality controlling of product.
- Whether Chemist attached to the Laboratory.

**41.1.11 Inventory Control:**

- Store Department headed by whom to overall control of the Purchase & Store.
- List of raw material/s procured, if any.
- Whether Consumables and spares are purchased as and when required.
- Whether received raw and packing materials inspected by the Quality Control Section and entered into the receipt side of the stock ledger after due clearance and issued on the basis of indents adopting FIFO (First In First Out) method, where applicable.
- No. of Item/s handled by the Stores Department of the Company mentioning Mechanical and Electrical.
- Total quantity/s of Component/s and sub-assembly/s, if any, are assembled by the Company in its workshop. List of assembled item/s procured, if any.
- Whether records of production maintained.
- Whether quarterly physical verification report of stock prepared.
- Whether Bills for supplies paid on the basis of receipted challans, goods received notes and valid orders.

**41.1.12 Sales Management:**

- The composition of the Sales Department mentioning the Head of the Sales department and number of Sales assistant/s etc. attached with Sales departments.
- Number and place of outstation sales depot, if any, possessed by the Company.

#### **41.1.13 Sales:**

- Review the progress of sales with respect to sales programme and examine cases, if any, of delay in adhering to delivery programme.

#### **41.1.14 Repair and Maintenance**

- Review the repair/maintenance and overhauling of plant and machineries.

#### **41.1.15 Evaluation:**

- Check whether the Corporation had any system to evaluate the performance.
- Steps taken by the Corporation to recover its outstanding/ dues through recovery cell.

#### **41.1.16 Insurance Claim:**

- Examine the insurance claims in respect of stock against losses on account of fires, flood, burglary and fidelity etc.
- Examine the insurance coverage of the warehouses against fire, damage, accident and see that the Management has taken appropriate steps in this regard.

#### **41.1.17 Internal Audit:**

- Whether there is any system of Internal Audit Checking for regularity of audit and effective internal controls towards fraud prevention measure.
- Whether the company has Internal Audit Wing or Internal Audit is being conducted by a firm of Chartered Accountants for submission of the report before the Board of Directors.

#### **41.1.18 Computerisation:**

- Whether Company is equipped in computerisation for preparation of final accounts along with the supporting schedules, acquittance roll of pay and allowances and cash book.

#### **41.1.19 Service Book, Leave Account:**

- Necessary checking in respect of Service Book and leave account maintained by the Company may be conducted.

#### **41.1.20 Provident Fund:**

- Whether Company is covered under Contributory Provident Fund Scheme.

### **41.2 SUMMARY OUTLINE OF THE COMPANY:**

#### **41.2.1 SCHEME OF PUBLIC DISTRIBUTION SYSTEM OF FOOD GRAIN**

##### **Introduction:**

The scheme of Public Distribution System of food grains (PDS) come into existence to take over the work of Public distribution of Food grains from the Food Corporation of India in phases. The scheme is run under the administrative control of the Food and Supplies Department of the State Government. The activities of the scheme are confined to procurement, storage and distribution of

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food grains. At present only two commodities viz. rice and wheat are being distributed under the scheme.

#### **41.2.2 WB ESSENTIAL COMMODITIES SUPPLY CORPORATION LIMITED**

WB Essential Commodities Supply Corporation Limited was incorporated as a Government Company, wholly owned by the State Government under the Companies Act, 1956 on 15<sup>th</sup> March, 1974 with a view to dealing in essential commodities.

The Company is at present engaged in purchase, sale, distribution and delivery of food grains, food-stuff and other essential commodities and is also engaged in processing vegetable non-essential oil.

##### **Special points to be seen in respect of PDS and WBECSC.**

- Check the allotment quota of food grains and see that all the quota are lifted.
- See that for revision of controlled price, the management has reviewed the price from time to time and recommendation made to Government for revision of such price.
- Check the records relating to remittance from non-operable collection account to Cash Credit and see that quality of food grain is commensurate with price paid and is as per approved sample.
- Check the relevant records relating to transfer of fund from cash credit account to current accounts held by the District Controller/Deputy Controller of Rationing.
- See whether subsidy is claimed regularly in time as per agreement with GOI on the procurement under Decentralised Procurement Scheme of Rice.
- Examine whether the actual cost of acquisition and distribution exceeds the economic cost.
- Examine the system of appointment of handling agents.
- Check the records relating to remittance from non-operable collection account to Cash Credit Account.

#### **41.2.3 WB MEDICAL SERVICE CORPORATION**

##### **Introduction:**

The Government owned Corporation was formed under Memo No. HF/SPSRC/WBMSRC/40/2008/162 Dt.17<sup>th</sup>November 2008 with the major area of activity to procure drugs and equipment and to execute construction works as per instruction of DHFW, Government of West Bengal.

##### **Special points to be seen:**

- Checking of records towards execution of construction works followed as described in Chapter relating to works.....

#### **41.2.4 THE ELECTRO-MEDICAL AND ALLIED INDUSTRIES LIMITED**

##### **Introduction:**

The Electro-Medical and Allied Industries Limited was incorporated as a Government Company, wholly owned by the State Government under the Companies Act, 1956 on 29 June 1961.

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The present activities of the Company is to manufacture X-ray machines and bio-medical equipment. The Company also earns revenue in execution of servicing and repairing of different medical equipment including X-ray machines and in trading activities of supply of hospital equipment, X-ray films and chemicals.

**Special points to be seen:**

- Examine whether the Company is purchasing any components which may be produced in its own workshop.
- Review the cases of repairing jobs taken up and see that the amount realised as repairing charge is sufficient to cover the marginal cost of repair.

**42. PRODUCTION etc. (Commercial)**

**Introduction:**

The major activities dealt with production job executed by the four (04) Corporations & Departmentally managed Undertakings viz (1) West Bengal FILM Development Corporation Limited (WBFDCCL) (2) Basumati Corporation Limited (BCL) (3) Directorate of Brick Production (BP) (Manual) and (4) Directorate of Brick Production (Mechanised) relate to-

**WBFDCCL-** Set-up of Colour Film processing and Sound Recording Laboratory Complex;

**BCL-** Carry on business as Proprietor and Publisher of newspapers, journals, magazines, books and other literary works and writings and to carry on business of printers and publishers; and

**BP-** product bricks Manual and Mechanised method by utilising the gangetic silt cleared from the siltation tank of the Water Filtration unit of the Kolkata Municipal Corporation at Palta.

However, at the time of audit of aforesaid PSUs and departmentally managed Commercial Undertakings, following common features are to be checked where pertinent. Apart from this, some special points which to be squared-up at time of each audit are supplemented along with the summary outline of the company.

**42A. COMMON FEATURES:**

**42A.1 Organisation Set-up:**

- Board of Directors headed by whom
- Board of Director consists of numbers of Directors mentioning their Appointing Authority.

**42A.2 Accounting Organisation:**

- Accounts wing is headed by whom.
- The organizational set-up of the company involving number of Controller of Finance and Accounts/ Accounts Manager/ Assistant Manager and Sr. Accountant/Accountant etc. engaged thereby.

**42A.3 Accounting manual:**

- Observe compilation of Accounting or Cost Accounting Manual, Material Manual, Service Manual and Purchase manual.

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#### **42A.4 Budgetary Control:**

- Observe preparation of financial budget to ensure control over its various functions.
- Review the budget and see that performance compares with the budget.
- See that the company entered into any Public Private Partnership venture and conduct required checking.

#### **42A.5 Cost Control**

- Review the Cost Control system as adopted by the company either in introducing own Costing or Budgetary Control technique or by implementing Marginal Costing system etc.
- Whether Company introduced Job Costing system by working out the average cost of the product on historical cost basis to ascertain the extent of loss incurred on each product.
- Whether Company prepared cost estimate in order to respond to quotations.
- See that the price paid is reasonable and is also approved by the competent authority.
- Review the procedure of engagement of carriers.
- See that for revision of controlled price, the management has reviewed the price from time to time and recommendation made to Government for revision of such price.

#### **42A.6 Inventory Control:**

- Store Department headed by whom to overall control the Purchase & Store.
- List of raw material/s procured, if any.
- Whether Consumables and spares are purchased as and when required.
- Whether received raw and packing materials inspected by the Quality Control Section and entered into the receipt side of the stock ledger after due clearance and issued on the basis of indents adopting FIFO (First In First Out) method, where applicable.
- No. of Item/s handled by the Stores Department of the Company mentioning Mechanical and Electrical item separately.
- Total quantity/s of Component/s and sub-assembly/s, if any, are assembled by the Company in its workshop. List of assembled item/s procured, if any.
- Whether records of production maintained.
- Whether quarterly physical verification report of stock prepared.
- Whether Bills for supplies paid on the basis of receipted challans, goods received notes and valid orders.

#### **42A.7 Purchase Procedure:**

- The composition of the purchase Department mentioning the Head of the purchase department and number of store assistant/s etc. attached with purchase departments.
  - Normal procedure of purchases of the company either in inviting tender / quotation or by making negotiation.
  - Rates of suppliers of different items selected by the Purchase and Sales Committee must be approved by the Managing Director.
  - Check the records relating to contracts for procurement, if any. See that the price paid is reasonable, not more than MRP and is also approved by the competent authority.
  - See that the cost of the commodity, tax elements (VAT, IT etc.) are shown separately.
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#### **42A.8 Manufacturing Process:**

- In which manufacturing work the company is engaged.

Proportion of raw materials used for final product & nomenclature of final products, consumption of fuel, name of the waste products, re-cycling/ disposal/ admissibility in environmental tolerance, if any, thereof.

- In how many assembly's/ functional divisions (indicating Sub, Main, Ultimate general etc., if any) the company comprised with to get the final product.
- The number of the workshop/s attached with the Company and number/s of Manager engaged thereby.

#### **42A.9 Production:**

- Review the production programme and examine reasons for variation in the production actually achieved.
- Review the average cost of production and investigate the variation in cost compared to previous year.

#### **42A.10 Laboratory:**

- Whether Company has got laboratory for quality controlling of product.
- Whether Chemist attached to the Laboratory for necessary certification of the product.

#### **42A.11 Sales Management:**

- The composition of the Sales Department mentioning the Head of the Sales department and number of Sales assistant/s etc. attached with Sales departments.
- Number and place of outstation sales depot, if any, possessed by the Company.

#### **42A.12 Sales:**

- Review the progress of sales with respect to sales programme and examine cases, if any, of delay in adhering to delivery programme.

#### **42A.13 Repair and Maintenance:**

- Review the repair/maintenance and overhauling of plant and machineries especially the boilers etc. and see that it is adequate.

#### **42A.14 Evaluation**

- Check whether the Corporation had any system to evaluate the performance.
- Steps taken by the Corporation to recover its outstanding/ dues through recovery cell.

#### **42A.15 Insurance Claim.**

- Examine the insurance claims in respect of stock against losses on account of fires, flood, burglary and fidelity etc.
- Examine the insurance coverage against fire, damage, accident and see that the Management has taken appropriate steps in this regard.

#### **42A.16 Internal Audit:**

- Whether there is any system of Internal Audit Checking for regularity of audit and effective internal controls towards fraud prevention measure.
- Whether the company has Internal Audit Wing or Internal Audit is being conducted by a firm of Chartered Accountants for submission of the report before the Board of Directors.

#### **42A.17 Computerisation:**

- Whether books and accounts maintained in computerized system.
- Whether Company is equipped in computerisation for preparation of final accounts alongwith the supporting schedules, acquittance roll of pay and allowances and cash book.

#### **42A.18 Service Book & Leave Account**

- Necessary checking in respect of Service Book and leave account maintained by the Company may be conducted.

#### **42A.19 Provident Fund**

- Whether Company is covered under Contributory Provident Fund Scheme.
- See that the company is up-to-date in remitting the dues of CPF to the Regional Provident Fund Commissioner.

#### **42A.20 Vigilance Mechanism:**

- Whether the Company maintained separate Vigilance Committee to watch frauds/misappropriation or referred it to the State Vigilance Commission.

### **42.1 WEST BENGAL FILM DEVELOPMENT CORPORATION LIMITED**

West Bengal Colour Film and Sound Laboratory Corporation Limited was incorporated as a State Government Company, wholly owned by the Government under the Companies Act, 1956 on 5<sup>th</sup> March, 1980.

The name of the Company has been changed to West Bengal Film Development Corporation Limited with effect from the 15<sup>th</sup> July, 1983.

The Company is entrusted with setting up of Colour Film processing and Sound Recording Laboratory Complex and rent-out some theatre houses apart from making documentary films.

#### **Special points to be seen**

- See whether the Company has started commercial operation.
- Examine the contracts for civil construction, if any. Observe passing of bills and admissibility of payment with reference to measurement books, Register of Works, terms and conditions of contracts.
- Investigate the reasons for upward revision of estimate and loss due to delay in execution of work, if any.
- See that delivery schedule is strictly adhered to.

- See that the allocation of expenditure between capital and revenue has been made in accordance with the accepted principle of commercial accounting.
- See the collaboration agreement with special reference to financial involvement, technical know-how and the beneficial interest of the collaborators as well as Company.

## **42.2 BASUMATI CORPORATION LIMITED**

Basumati Corporation Limited was incorporated on the 4<sup>th</sup> February, 1975. The State Government entrusted (February, 1975) the Management of the undertaking of Basumati limited (Acquisition of undertaking Act 1974). The main objects of the Company are to carry on business as Proprietor and Publisher of newspapers, journals, magazines, books and other literary works and writings and to carry on business of printers and publishers also.

### **Special points to be seen:**

Scrutiny of the scheme for modernisation and renovation and to see how far these meet the level set-forth.

Review the procurement policy of the company as regards to news-print/paper/ published materials. See the execution of orders received and also observe that both workers and plant facilities are utilised towards smooth flow of work.

Observe the policy of appointment/selection of Agent and see that it is conducive for gradual expansion of the business.

Review the quality control measures adopted and see that rejection of printed materials by customers are kept at the minimum.

Compare the consumption of white paper and ink with reference to the norms fixed by All India Federation of Master Printers (AIFMP).

Reconcile the consumption of paper where this is supplied by clients.

Review the price fixation policy to check whether prices fixed taking into account reasonable costs incurred.

Review the reports relating to the scrapping of metal types and connected machines/facilities and their disposal.

Review the utilisation of man power particularly taking into account the changeover in the printing system.

Review the special emphasis on cost sheet.

Examine the materials declared waste and see that is not in excess over norms. Check the procedure for disposal of waste.

## **42.3 DIRECTORATE OF BRICK PRODUCTION (Manual & Mechanised)**

### **Introduction:**

Manual and Mechanised units for production of bricks are run as (Commercial) Departmental Undertaking under the Directorate of Brick Production. The administrative control is, however, exercised by the Housing Department of the State Government. The Manual units are located at Akra (24 Parganas), Kalyani (Nadia), Durgapur (Burdwan) and Mechanised unit at Palta (North 24 Parganas).

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The Mechanised unit was established in 1965 with the purpose of utilising the gangetic silt cleared from the siltation tank of the Water Filtration unit of the Kolkata Municipal Corporation at Palta. At present, the production is continued only at Palta unit.

**Special Points to be seen:**

- Review the average cost of production per 1000 bricks and investigate the variation in cost compared to previous year.
- Review the budget and see that performance compares with the budget.
- Review the repair/maintenance and overhauling of plant and machineries especially the boilers.
- Review the consumption of coal in each firing kiln.
- Examine whether the coal fired kilns pollute the environment/air spontaneously.
- Analyse the cost of sales per 1000 bricks in comparison to actual selling price fixed by the Directorate.

**43. DEVELOPMENT AUTHORITIES**

**43.1 WEST BENGAL HOUSING INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED**

**Introduction:**

West Bengal Housing Infrastructure Development Corporation Limited was incorporated on 26<sup>th</sup> April, 1999 as a state company under the Companies Act, 1956 wholly-owned by Govt. of West Bengal with the sole objective of creation of New Township in Rajarhat, Bhangore areas. Accordingly, the objectives and functions of the Company include developments of land by land filling and compaction of earth through-out the New Town and subsequently creation of infrastructural facilities like Roads, Sewerages, Drainage, Water supply, Green Areas, Power Supply, Wi-Fi Internet connectivity for making a smart city and others along with City Level recreation facilities, Parks etc. and other pre-requisites for a Modern City.

Main object of developing Housing Project and related infrastructure, acquiring and purchasing of free hold or other property for the project, providing accommodation and facilities for residences and/or industrial, commercial and /or business of all types and providing promoting formation of industrial estates, commercial or residential, townships, colonies, co-operatives, housing/or industrial society, companies, trust etc. At present the Company is engaged in Rajarhat New Town Project.

**43.1.1 Organisational Set-up:**

- The management of the Company is vested in a Board of Directors consisting of part time chairman, Minister in charge and seven other Directors as on March 2007. The Managing Director is the Chief Executive, who is assisted by the Director General (Engineering), the Director General (Quality Control & Engineering), the Chief Accounts Officer (Finance), the Secretary, the Financial Advisor and the General Manager (Administration) for day to day work.

#### **43.1.2 Project Planning:**

- Whether the company assessed the demand, demand profile and demand sector for prioritization and drew any comprehensive strategic plan for the project.
- Examine the preparation of the project report for acquisition and development of land for Residential, Industries, New Business District, Roads, open space & water bodies etc.
- Observe the year of preparation of detailed Project Report and any subsequent revision thereof and see that the quantity of land to be developed indicating the cost of land in all cases.

#### **43.1.3 Purchase & Acquisition of Land:**

- Review that the land acquisition is made through Land Acquisition Collectorate (duly observing the Land Acquisition Act 1894 and Land Acquisition Manual 1991 with guidelines of Land & Land Reform department) as well as direct purchase for emergent purpose.
- Other purchases are made through tender/quotation vetted by Purchase Committee and approved by Competent Authority.

#### **43.1.4 Land Development & Road Construction:**

- See that the possession of acquired land is taken and examine the preparation of layout plan, undertaking of earth filling and compaction work, construction of major arterial roads, sub-arterials roads, and local roads, drainage and sewerage systems, electric supply and telecommunication system as well as public utilities like schools, colleges and parks.
- See that the Company awards land development contracts through tendering.

#### **43.1.5 Implementation of drainage & sewerage system:**

- Check the drainage & sewerage system in the Project entrusted to Public Health Engineering Department (PHED) has been implemented properly.

#### **43.1.6 Sales Procedure:**

- Sales of the Company consist of sale of plots and flats either freehold or leasehold basis. Plots are sold for residential, commercial, industrial or institutional purposes to individuals, co-operatives or bulk allottees. Allotment to individuals and co-operatives of different income groups are made through open lotteries except certain percentages of plots which are reserved for allotment by chairman of the Company. The bulk allotments are decided as per approval of Board. Sales activities are jointly looked after by the Marketing and Administrative Section. Physical possession of the plots, sanction of building plans and activities thereafter are looked after by Estate management section.

#### **43.1.7 Accounting Organisation and Procedure:**

- The Accounts department is headed by the Chief Accounts Officer who is assisted by Finance Officer. Accounts is prepared by a Chartered Firm on contract basis under the supervision of Finance Officer.



- GSS-I/AB should write the Department calling for proforma accounts and incorporate in the calendar of returns.

#### **43.1.8 Internal Audit:**

- Whether there is any system of Internal Audit Checking for regularity of audit and effective internal controls towards fraud prevention measure.
- Whether the company has Internal Audit Wing or Internal Audit is being conducted by a firm of Chartered Accountants for submission of the report before the Board of Directors.

#### **43.1.9 Budgetary Control:**

- The Company prepares budgetary expenditure on different aspects of the project annually. Revised budget is also prepared whenever necessary.

#### **43.1.10 Cost Control:**

- The Company exercises its cost control mechanism through works committee and Tender Acceptance Committee regarding purchase/acquisition of land, acquisition collectorate fixes the rate for award as per L.A. Act and Rules. For land filling and road construction the Company now adopts the technical specification prescribed by the Ministry of Surface Transport (MOST)/Ministry of Road Transport & Highways (MORTH).

#### **43.1.11 Special Points to be seen:**

- Check whether the Company has devised and implemented any strategic long and short term plan.
- See whether there is any work plan for land development, construction and infrastructure and these are implemented in accordance with the strategic plan.
- Check the target fixed by the Company for different area of activities vis-à-vis actual achievements.
- Check that process of acquisition of land is completed in time after assessing the suitability and requirement of land.
- See whether adequate compensation is paid to the land loser and effective rehabilitation package for land losers is chalked out and implemented.
- Check the contract management system and quality assurance system.
- Check the systems and procedure followed to assess comparability and reasonableness of the estimated and actual cost of works executed.
- Check the procedure for preparing feasible development/construction/infrastructure packages along with estimates.
- Review the selections of contractors as well as management of contractors.
- Review the carriage payment as well as availability of earth from different Bheries and other places.
- Review the fixation of rate for Bill of Quantities in respect of land filling.
- See that the land was properly utilised for the purpose for which it was awarded.

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## **43.2 KALYANI TOWNSHIP SCHEME (erstwhile Kanchrapara Area Development Scheme)**

### **Introduction:**

KALYANI TOWNSHIP SCHEME (erstwhile Kanchrapara Area Development Scheme) was established on 24<sup>th</sup> February, 1951 with an idea to provide a suitable and modern living accommodation to the public near Kolkata on the stretch with 9723.01 acres of land. Initially the Kalyani Township was as Kanchrapara Area Development Scheme (KADS) under the administrative control of Development & Planning Department of the Govt. of West Bengal (presently under Urban Development Department) and the development works were conducted by the Special Engineer-in-Chief of Construction Board.

Out of the 9723.01 acres of land, 9418.05 acres land was obtained from the requisitioned land (requisition under Section 5A of the Defence of India Rules and which continued to be requisitioned under Section 3 of the said Act.) near Kanchrapara under Chakdaha Police Station.

### **43.2.1 Land Use:**

Land use plan of Kalyani Township were prepared by Development & Planning Department, Govt. of W.B. The planned Urban Sector was originally divided into 6 (six) Blocks mentioned 'A', 'B', 'C' and 'D' Block are on the Western side of the Sealdah-Ranaghat Railway line, whereas the Blocks 'E' & 'F' fall on the Eastern side of the same Railway line.

The jurisdiction of the Kalyani Municipality is on the Western side and that of the Gayeshpur Municipality is on the Eastern side.

### **43.2.2 Organisational Set-up:**

- The Kalyani Township was under the administrative control of Development & Planning Department of the Govt. of West Bengal and the development works were conducted by the Special Engineer-in-Chief of Construction Board. Estate Manager held the charge of the office and also acted as Drawing and Disbursing Officer.

### **43.2.3 Project Planning:**

- Whether the Scheme assessed the demand, demand profile and demand sector for prioritization and drew any comprehensive strategic plan for the project.
- Examine the preparation of the project report for acquisition and development of land for Residential, Industries, New Business District, Roads, open space & water bodies etc.
- Observe the year of preparation of detailed Project Report and any subsequent revision thereof and see that the quantity of land to be developed indicating the cost of land in all cases.

### **43.2.4 Purchase & Acquisition of Land:**

- Review that the land acquisition is made properly.
- Other purchases are made through tender/quotation vetted by the Competent Authority.

#### **43.2.5 Monitoring and persuasion of Land Development:**

- See that the possession of acquired land is taken and examine the preparation of layout plan and monitored properly executed by the line departments.

#### **43.2.6 Internal Audit:**

- Whether there is any system of Internal Audit Checking for regularity of audit and effective internal controls towards fraud prevention measure.

#### **43.2.7 Budgetary Control:**

- Whether office prepares budgetary expenditure on different aspects of the schemes annually and prepares revised budget whenever necessary.

#### **43.2.8 Cost Control:**

- The Scheme exercises its cost control mechanism.

#### **43.2.9 Special Points to be seen:**

- See the maintenance and updating of records of the land.
- Monitoring and persuasion of the development works, in aid with Kalyani Municipality, P.W.D, P.H.E Dte. & WBSEDC LTD etc.
- Monitoring the works executed by contractors.
- Check the quality assurance system.
- Check the allotment, transfer, mutation (transfer/death), collection of salami, rents etc. in respect of plots and Govt. built house at kalyani.
- Review the execution of lease deed, permission for mortgage, demarcation & delivery of possession of plots & houses.
- Observe the termination/ resumption proceedings against defaulting allottees/ Lessees of plots & houses.
- Check the preparation of plan budget/schemes for development of township under different Sector like roads, water supply, sewerage, drainage, electrification of non-electrified area etc.
- See the allotment of bulk lands to different organization.

### **44. WEST BENGAL STATE WARE HOUSING CORPORATION**

#### **Introduction:**

West Bengal State Warehousing Corporation was established in March, 1958 under the Agriculture Produce (Development and Warehousing Corporation) Act, 1956, subsequently replaced by the Warehousing Corporation Act, 1962. The Corporation commenced operation from January 1959. At present the main activity of the Corporation is to run warehouses for storage of agricultural produce, fertilizers and other goods. At the end of March 2013, the Corporation was operating 29 warehousing centers under four zones with hired and own capacity.

#### **44.1 Activities of the Corporation:**

The Corporation is set up with the specific mandate of providing scientific storage facilities to farmers so that the need to sell their products immediately after harvest. The Corporation has been jointly promoted by Government of West Bengal (GoWB) and Central Warehousing Corporation (CWC) each having 50 per cent shareholding. Presently, the Corporation provides warehousing services to public sector as well as private sector clients in West Bengal.

The items stored in the warehouses are broadly classified as:

- Agricultural commodities comprising food grains, pulses, jute, cattle feed, maize etc.
- Agricultural inputs including fertilizers, pesticides etc.
- Industrial items and
- Custom bonded items.

The Corporation offers three types of arrangements of storage facilities namely Actual Occupancy, Guaranteed Occupancy and Self Operation joint locking systems.

**44.2 Organizational Set up:** The management of the Corporation is vested in a Board of Director consisting of 11 members, 5 of whom are nominated by the Central Warehousing Corporation (CWC) and 5 by the State Government, including the Chairman and the Managing Director of the Corporation. The Board is assisted in the performance of its functions by an Executive Committee consisting of the Chairman, the Managing Director and three other Directors as required under section 25(1) of the Act *ibid.* Each warehouse is managed by the Superintendent/Zonal Officer.

#### **44.3 Accounting Organisation:**

The Finance and Accounts Wing of the Corporation is headed by the Accounts Officer.

#### **44.4 Cost Control/Budgetary Control:**

The Corporation has introduced costing system to regulate the operation of various warehouses under its control. For enhancement of rate, concurrence/decision of the Board of Directors is essential and the same has been delegated to the Managing Director by the Board. The Corporation, while letting out its warehouses to various parties, formed a Hiring Committee/Storage Fixation Committee with its own employees and the Committee placed their views to the Managing Director. The decision of the Managing Director is final and binding to that extent.

#### **44.5 Internal Audit and Internal Control:**

- Whether there is any system of Internal Audit Checking for regularity of audit and effective internal controls towards fraud prevention measure.
- Whether the company has Internal Audit Wing or Internal Audit is being conducted by a firm of Chartered Accountants for submission of the report before the Board of Directors.

#### **44.6 Provident Fund:**

- The employees of the Corporation are covered under Contributory Provident Fund Scheme (C.P.F.). The Fund standing to the credit of the C.P.F. has been transferred to the Trustee. Normally, the Statutory Auditors serve as Auditors of the Provident Fund Trust.

- To check the Provident Fund Scheme.

#### **44.7 Warehousing Operation:**

The Corporation operated its own as well as hired warehouses in the districts of West Bengal.

#### **44.8 Special Points to be seen:**

Examine the steps taken by the Corporation, to utilize the maximum of capacity in order to reduce the losses.

- Check whether own godowns were constructed with proper assessment of business potential.
- Check whether regular repairs & renovations were carried out for up-gradation of the conditions of the godowns.
- Examine the plan target for construction of godown when there was availability of fund.
- Examine whether the Corporation obtained prior approval of CWC for construction of its own warehouses.
- Check that the storage losses of the godowns are within the permissible limits, if not, reasons to be analysed.
- Determine the ratio between own capacity and hired capacity and account for the variation. Particularly see whether hiring of godowns was beneficial compared to capital cost of own project.
- Review the quantum of storage loss and handling loss and see how those vary from the established norm in this regard.
- Review the scheme/function of the Corporation as distributing agency (of fertilizer, etc.) and see how the scheme operates. Check the resulting loss, if any, and reasons therefore.
- Review the rate fixation policy of the Corporation and see that rate is commensurate with the operational expenses.
- Check that the tariff structure has been periodically reviewed and revised by the tariff determining committee.
- Check that there is no loss of potential revenue due to allotment of extra space.
- Examine that the fixation of storage charges are not below charges fixed by CWC against the same commodities.
- Review the implementation of revised storage charges at all warehouses. Check that the interest has been charged and collected against the delayed payment of storage bills.
- Examine the insurance claims in respect of stock against losses on account of fires, flood, burglary and fidelity etc.
- Analyse the outstanding debtors with reference to customers profile and doubtful recovery of storage charges.
- Examine the insurance coverage of the warehouses against fire, damage, accident and see that the Management has taken appropriate steps in this regard.
- Review the utilisation of hired godowns and the actual requirement of the hired godowns.

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## **45. WEST BENGAL STATE POLICE HOUSING CORPORATION LIMITED**

### **Introduction:**

West Bengal State Police Housing Corporation Limited (WBSPHCL) was established in March, 1993 Registered under Companies Act, 1956. According to the provisions of Sections 166, 210, 230, 619 and 619-A of the Companies Act, 1956, accounts of a Government company for each financial year is required to be prepared and approved by the Board of Directors (BOD) and handed over to the Statuary Auditors report. The Comptroller and Auditor General of India (CAG) is empowered to undertake audit on the audited accounts and Supplement the Statutory Auditors report. The Board of Directors is to lay the audited accounts, Statutory Auditors' report and comments of CAG in the Annual General Meeting (AGM) of the shareholders within six months from the close of the financial year.

### **45.1 Criteria for selection of State Public Sector Undertakings (SPSUs):**

The existing criteria for selection of SPSUs for audit of their accounts for supplementary audit under section 619(4) of the Company Act, 1956 was revised as under vide memo no 200/CA-II/Cord/ Criteria/ Govt. Co/ 23-2004 dated 17.06.2011.

### **45.2 Activities of the Corporation:**

- To undertake construction of buildings for the housing of police personnel of Government of West Bengal;
- To formulate and execute housing Schemes for the benefit of serving police personnel of Govt. of W.B;
- To undertake construction of buildings for residential and non-residential purposes for the police, vigilance and Fire Service Departments of Govt. of W.B;
- To undertake construction of buildings necessary for conducting Schools, Hospitals, Clubs and other welfare measures for the benefit of the police personnel of the Government of West Bengal as original works on deposit of cost from Police Relief and welfare and other equivalent funds;
- To formulate and execute schemes or measures for social and economic welfare of employees.

### **45.3 Review the Project:**

Necessary funds for the above and other allied objects generated by issuing of share capital and/or by securing loans from Government and other sources including financial institutions and banks on reasonable interest and also obtaining the grants available from the Central and/or State Government to achieve the objects and to borrow or raise money from the issue of or upon bonds debentures, bills of exchange, promissory notes or other obligations or securities of the Company or by mortgage, hypothecation, pledge or charge of all or any part of the property of the Company or its uncalled capital or in such other manner as the Company think fit;

- Examine the sanction and disbursement of grants for serving and retiring employees of the Govt. of W.B in the Police Department for purchase of lands and buildings or for construction and repairs of dwelling their appurtenances.

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- Check the construction of buildings houses, residential premises, dwelling houses for the benefit of the employees or retired employees (including their families) of the Govt. of W.B in the Police Department and to form or incorporate or register Co-operative Societies to them and to give flats in the houses, buildings, residential premises, dwelling houses on ownership basis, or hire purchase basis or in such other beneficial manner.
  - See the drainage facilities, lighting, laying of roads, path and parks etc. in the construction of building and for housing schemes formulated, propounded executed or adopted by the Company.
  - Examine the contracts made with persons, institutions or organisations to carry out the object of the corporation and observe such information, data and statistics for carrying out of the object.
  - See the direction as issued by the Govt. in pursuance of the need to achieve the objects of the Govt.
  - Check the sell, improve, manage develop, exchange, transfer, lease, mortgage, on franchise, dispose of turn to account, maintain, or otherwise deal with all or part of the property and rights of the Company.
  - See acquire by purchase, exchange, lease, transfer, negotiation or otherwise.
  - Check the investment of any surplus moneys.

#### **45.4 Organizational Set up:**

- The Governor may appoint any one of the Director of the Board to be Managing Director for such period and upon such terms as he think fit for the conduct or management of the business of Company subject to the control and supervision of the Board of Directors and further time to time appoint one of the Directors as a Chairman and Vice Chairman of the Board of Directors is to hold his/her office.

#### **45.5 Accounting Organisation:**

- The Governor may appoint Financial Advisor and Chief Accounts Officer for such term and such remuneration as may think fit.

#### **45.6 Cost Control/Budgetary Control:**

- Check the preparation of budgetary expenditure on different aspects of the project annually and also see the revision of budget whenever necessary.

#### **45.7 Internal Audit and Internal Control:**

- Whether there is any system of Internal Audit Checking for regularity of audit and effective internal controls towards fraud prevention measure.
- Whether the company has Internal Audit Wing or Internal Audit is being conducted by a firm of Chartered Accountants for submission of the report before the Board of Directors.

However, at the time of audit of aforesaid unit, following special features are to be checked apart from normal audit checking.

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#### **45.8 Special Points to be seen:**

- Check whether the Company has devised and implemented any strategic long and short term plan.
- See whether there is any work plan for construction and infrastructure and these are implemented in accordance with the strategic plan.
- Check the target fixed by the Company for different area of activities vis-à-vis actual achievements.
- Check the contract management system and quality assurance system.
- Check the systems and procedure followed to assess comparability and reasonableness of the estimated and actual cost of works executed.
- Check the procedure for preparing feasible development/construction/infrastructure packages along with estimates.
- Check that the tariff structure has been periodically reviewed and revised by the tariff determining committee.
- Check that there is no loss of potential revenue due to allotment of extra space.
- Examine the insurance coverage of the building against fire, damage, accident and see that the Management has taken appropriate steps in this regard.
- Review the selections of contractors as well as management of contractors.
- Test check measurement book of works executed and running bills of the contractors.

#### **46. AUDIT OF WORKS UNITS**

##### **46.1 OVERVIEW OF THE SYSTEM OF ACCOUNTING IN WORKS UNITS**

###### **46.1.1 General**

Works system of accounting has some distinctive features over the accounting system of other civil departments. Disbursing officers of the Works Department obtain from the treasury in two ways the cash which they require for disbursement-either directly by bills drawn on the treasury or by means of cheques while the other Civil Departments draw money from the treasury through bills only. In respect of the latter Departments, the month's transactions are compiled by the treasury and despatched to the Accounts Officer. These treasury accounts are copies of the initial accounts and on them are based the subsequent compilation in the Accounts Office. Unless the accounts contain sufficient details of the classification of the items of receipt or expenditure, the compilation of these in the Accounts Office will not be possible. Such information can be furnished by the treasury in respect of those transactions only for which details are given in challans which accompany the money for payment into the treasury or in the bills on which money is drawn from the treasury. As regards Works Department, for payment made by the treasury on bills drawn, the detailed information are available with the treasury and the accounts sent to the Accounts Officer supported by vouchers. But in respect of transactions made through cheques by the Works Departments, details are not available with the treasury and those transactions, therefore, appear in the treasury accounts in Lump only without details. In such cases, the maintenance of separate initial and subsidiary accounts is, therefore, required. These initial and subsidiary accounts are prepared by the Department, and copies of



them are rendered to the Accounts Officer. PW Officers empowered to draw cheques in payment of dues in respect of works executed by them are required to maintain accounts records and schedules as provided in the Central/State Works Department code and are responsible to submit a compiled and classified monthly accounts of receipts and charges in the form prescribed in the said code.

The monthly accounts complete in all respect are required to be despatched by the 7<sup>th</sup> of the following month (10<sup>th</sup> in case of the Accounts for March) to the Accountant General (A&E), West Bengal for incorporation in the general accounts. In order to adhere to the time schedule the sub-divisional accounts should be closed on the 25<sup>th</sup> of each month except in March when they should be closed on the 31<sup>st</sup>.

The monthly accounts prepared in Form-80 should be supported by the following documents along with vouchers relevant to the documents:

1. Schedule of

i) Revenue realized

ii) Refund of revenue

iii) Receipts and Recoveries on Capital Accounts, in Form 46A.

1. Classified Abstract of Expenditure, Form 74.
2. Schedule of Works Expenditure, Form 64.
3. Consolidated Contingent Bill (with necessary vouchers) Form TR 32.
4. Schedule Dockets, Form 61 (with necessary vouchers, transfer entry orders, survey reports and sale accounts attached to each).
5. Schedule Docket of percentage recoveries, Form-62.
6. Stock Account, Form 73 (with Sale Accounts Form-19, in support of cash credit to stock).
7. Schedule of debit to stock, Form-72.
8. Abstract Account of Credits, Debits and balances of Purchase Account, Form-69 supported by a list of credits to the suspense head 'Purchases' during the month showing references to the Transfer Entry Orders aggregating to the figure shown in the classified Abstract of Expenditures, Form-74.
9. Schedule of Misc. Works Advances, Form-70.
10. Schedule of workshop suspense (local Form).
11. Schedule of Credits and Debits to Misc. Heads of Account, Form-76.
12. Schedule of Transactions adjusted under the head "Cash Settlement Suspense Account" Form-76A.
13. Schedule of monthly settlement with Treasuries Form-51 (with supporting consolidated Treasury Receipts and Certificates of Issues signed by the Treasury Officers).
14. Schedule of Deposit, Form-79. Extracted from the Deposit Register. Form-67.
15. Schedule of Deposit Works, Form-65 (with reports of progress of expenditure)
16. Schedule of Takavi Works, Form-66 with accepted certificate of Collector referred to in **paragraph 16.4.5** of CPWA code.
17. List of Accounts submitted to Audit, Form-83.
18. Copies of Tools and Plant Received Sheets and Tools and Plant Indents, Form 13 and 14

(only in respect of special Tools and Plant), Form-14 should be accompanied by the supporting survey Report of Stores, Form-18 Sale Accounts, Form-19 and acknowledgement of officers concerned in the case of articles transferred to other PW Divisions, including the divisions of other Government.

#### **46.1.2 Duties and responsibilities of Divisional Accounts Officer/Divisional Accountants**

**46.1.2.1** The Divisional Officer, as the primary disbursing officer of the division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.

To assist the Divisional Officers in the discharge of their responsibilities, the Accountant General (A&E) will post a Divisional Accounts Officer/Divisional Accountant to each Divisional office.

The functions of the Divisional Accounts Officers/Divisional Accountants are threefold:

- i.as Accountant** - as the compiler of the Accounts of the Division in accordance with the prescribed rules.
- ii.as Internal checker** - charged with the responsibility of applying certain preliminary checks to the initial accounts, vouchers etc. and
- iii.as Financial assistant** - as the general assistant and adviser to the Divisional Officer in all matters relating to the accounts and budget estimates or to the operation of financial rules generally. In the discharge of these duties, he is expected to keep himself fully conversant with all sanctions and orders which may affect the estimate or accounts of actual or anticipated receipts or charges. He should advise the Divisional Officer on the financial effect of all proposals for expenditure and keep a watch, as far as possible, over all the liabilities against the grant of the division as they are incurred.

**46.1.2.2** To enable him to discharge his duties efficiently the Divisional Accountant is treated as the senior member of the office establishment of the division.

**46.1.2.3** If he considers that any transaction or order affecting receipts or expenditure is such as to be challenged by the Accountant General he should bring the fact to the notice of the Divisional Officers with a statement of his reasons. In case of any disagreement with the Divisional Officer or where he has been overruled he should note the case in the Register of Divisional Account's Objections Form 60 and obtain Divisional Officer's final decision for information of the Accountant General (Audit). The objection noted in the Form 60 is finally disposed of only after it is reviewed by the Accountant General (Audit) for which purpose the register should be available to the Inspecting Parties.

**46.1.2.4** The Divisional Accountant is responsible for safe custody of tender documents when they remain in the Accounts Branch.

He is responsible for the arrangement for checking the computed tenders. He should conduct personally a test check of the computed and checked tenders.

**46.1.2.5** The Divisional Accountant is further required to inspect periodically under the orders of the Divisional Officer, the accounts/records of the sub-divisional offices and to check a percentage of the initial accounts. The result of this inspection should be placed on record for inspection of the Accountant General (Audit).

**46.1.2.6** He should see that the comparative statement correctly incorporates the total as checked on the individual tenders.

**46.1.2.7 (a)** The Divisional Accountant should bring to the Divisional Officer's notice all instances in which subordinate officers exceed the financial limitations on their power place by the Divisional Officer or higher authority.

**(b)** He may be required by the Divisional Officer to undertake on his behalf, such other scrutiny of the accounts of the receipts and disbursements of subordinate officers falling within the Divisional Officer's own powers of sanction, as the latter may consider necessary.

**(Authority: CPWA Code)**

## **46.2 RESULT OF CENTRAL AUDIT\_(Pursuance & clearance of objections)**

### **46.2.1 General**

The objections noticed during audit of the monthly accounts and connected documents are to be communicated to the departmental officers in the form of audit notes vide paragraph 3.1.30 of M.S.O (Audit). The objects to be achieved are:

- a.** That all irregularities in transactions as well as other points arising out of the examination of accounts and vouchers should, where necessary, be registered, in one shape or another unless they are trivial or the objection has been waived by competent authority vide paragraph 7.1.24 of M.S.O (Audit) first edition;
- b.** That they should be intimated at once to the Divisional Officer and thereafter pursued until they are regularized or explained satisfactorily; and
- c.** That the Superintending Engineer should be given opportunity of reviewing, month by month, objections relating to want of or excess over financial sanction and also, in respect of big projects or works, objections regarding-
  - i.** serious delays in the regularization of excess etc. over sanctioned estimates/allotments; and
  - ii.** want of or excesses over administrative approval.

Any other important points noticed in Audit should also be reported to the Superintending Engineer if the amounts involved are considerable or the deviation from rule is serious or the points are not receiving adequate or prompt attention from the Divisional Officer.

The procedure to be observed with a view to achieving these objects is described in the subsequent paragraphs of this Chapter. Further details of the procedure for the preparation and disposal of Audit Notes may be prescribed locally by the Accountant General.

#### **46.2.2 Part-I of Audit Note**

The audit note on the monthly accounts of a Division should be prepared in two parts in form MSO (Audit-3). Part-I should include (1) all objections regarding want of or excess over financial sanction where such sanction is required in addition to technical sanction, and (2) in respect of works included in Part-I of the Works Register maintained by the Accountant General (A&E), objections of want of, or excess over, sanctioned estimates/allotments where regularization has been delayed for over six months and for want of, or excess over, administrative approval.

The last three columns of Part-I of the Audit Note should be left blank, the first two of these for the explanation of the Divisional Officer and the remarks of the Superintending Engineer respectively, and the last column for the record on its return of the action taken by the Audit Office on reviewing the replies.

#### **46.2.3 Part-II of Audit Note**

Part II of the Audit Note should include all other objections whether relating to substance of the accounts on the score of deviation from financial rules or of standards of financial propriety or miscellaneous remarks, observations and enquiries on minor matters and objections to the form of the accounts and vouchers. In the preparation of this part of the Audit Note a distinction should be observed between (1) remarks and observations indicating errors of omission or commission, on the part of the Divisional Accountant in the compilation or preliminary examination of the accounts and (2) points relating to the substance of the transactions brought to account.

Objections relating to certain standard categories, e.g. “want of sanction to special charges”, “overpayments and short recoveries” and “delays in the adjustment of debts due to Government” should be included at the end of this part of the Audit Note under suitable headings. Under each of these headings the first entry to be made in red ink should give the total amount of objections awaiting adjustment including those relating to the accounts of the month to which the Audit Note pertains, details of the latter being stated thereunder concisely but clearly in the column provided for the purpose.

**Note:** The amounts of objections, when entered in the money columns, may be expressed in the nearest rupee.

#### **46.2.4 Issue of Audit Note**

As soon as they have been passed Part-I and II of the Audit Note should be separately signed by the Assistant Audit Officer of the Central Audit Party. On receipt in the Central Support Section, the Audit Notes should be vetted and sent after entry in the Objection Book wherever required (see paragraph 46.2.5.1 of this manual) to the Divisional Officer for his

explanation and replies with the remarks that Part II should be returned direct and Part I through the Superintending Engineer so that he may add his comments and orders.

#### **46.2.5 Watch over Objections**

**46.2.5.1** The objections entered in Part I of the Audit Note need not be recorded in the Objection Book [form M.S.O (Audit-4)] as such objections will be reflected through the Schedule of Works Expenditure. Of the objections entered in Part-II of the Audit Note, only those should be brought on to the Objection Book which relate to “want of sanction to special charges,” “overpayments and short recoveries”, “delays in the adjustment of debts due to Government” and other objections for which the maintenance of money value record is necessary according to the instructions in Section VII of M.S.O (Audit).

**46.2.5.2** Advances and advance payments which have been made under proper authority and debts due to Government which do not indicate any financial irregularity should not be placed under objection or entered in the Objection Book with the object of watching recovery or adjustment otherwise. The realization of such assets is watched separately through one of the accounts prescribed in the Account Code, volume III, or this Compilation, and an entry in the Objection Book is necessary only when there is an objection, e.g. for want of sanction, for want of necessary certificate and so on.

**46.2.5.3** Each Sr. Auditor/Auditor is responsible for recording in the Objection Book the objections for which money value record is to be kept, arising out of audit of the documents in Central Audit as also those noticed during inspections of Works Offices, before intimating them to the Divisional Officers concerned. He should also see that objections arising out of the audit work transferred to a Central Audit Party attached to another Central Audit Supporting Section vide paragraph 4.2.4 of M.S.O (Audit) are also incorporated in his audit note, unless a separate objection book is maintained in the other Central Audit Supporting Section.

**46.2.5.4** Audit Notes on return, should be reviewed by the Audit Officer who, if necessary, will make a further reference in writing to the Superintending Engineer, or appropriate higher authority, before filing them. Any sanctions or orders recorded by the Superintending Engineer or the Divisional Officer on an Audit Note should be scrutinized and any objection removed thereby should, at the same time, be adjusted vide paragraph 46.2.8.2 of this manual.

It should be seen that the explanations and replies of the Divisional Office are signed by the Divisional officer himself and not by the Divisional Accountant and that if a statement contains a sanction or order which is to be the authority for the removal of an objection or the passing of a transaction in audit the sanction or order, as the case may be is signed by the competent authority.

**46.2.5.5** A suitable register should be maintained in the Central Audit Support Section for watching the prompt disposal of Part I and II of the Audit Notes. The Assistant Audit Officer should review this register weekly and take any action that may be necessary and at least once a month the register should be submitted to the Audit Officer.

**46.2.5.6** All entries in the Objection Book are to be made with due care so that the Book may at all times represent a complete and accurate record of all objections raised, clearance of objections citing reference to any order, explanation or information on the basis of which the objections are cleared and the balances outstanding.

#### **46.2.6 Objection Book**

**46.2.6.1** The objects of the Objection Book [Form M.S.O (Audit-4)] are (1) to serve as a continuous record of the objections raised through Part II of the Audit Note and clearance of objections during and to end of each month separately for each division, (2) to afford readily means of reviewing the outstanding objections and (3) to facilitate compilation of such statistics the objections, as may be required from time to time.

**46.2.6.2** Objection connected with the settlement of Remittance Account transactions should not be entered in the Objection Book as a separate book is provided for them (vide Articles 110 and 142 of the Account Code, Volume-IV).

**46.2.6.3** A set of pages of the Objection Book should be reserved for each distinct class of objection, of which a separate record may be required for any purpose e.g. “want of sanction to special charges”, “Overpayment and short recoveries” and “Delays in the adjustment of debts due to Government”. Another set of pages of the Objection Book should be reserved for keeping note of overlapping objections [paragraph 4.4.9 of MSO (Audit)].

#### **46.2.7. Registration of objections**

**46.2.7.1** Under each head the objection relating to each distinct transaction should be treated as a separate item and a serial number should be assigned to it.

**46.2.7.2** The amount placed under objection during the month in respect of any item should be noted against it in black ink in the appropriate column of the month concerned and below this entry should be noted in green ink (as the denominator of a fraction the numerator of which is the entry of the amount placed under objection during the month) the progressive total of the amount placed under objection, to end of the month. In the case of objections classed as “Miscellaneous” full particulars of the objection should be placed on record. In the case of items for which the money columns are not required to be filled in [vide Paragraphs 4.4.12 of M.S.O (Audit) the auditor will set his initial in the amount column of the month column of the month in which the item has been placed under objection. The postings of all items placed under objection should be verified by the Assistant Audit Officer/ before the

Audit Notes are issued, and token of verification, after the entries of the month have been abstracted he should initial the entries in the abstract (vide Paragraph 46.2.9.1 of this manual).

*Note: If in the case of any objection the money value of which was not recorded originally, it transpires subsequently that it should be recorded, the total amount under objection at the time of the discovery should be entered against the item concerned in the money column of the current month with a suitable explanation in the column “Remarks” which should be attested by the Assistant Audit Officer.*

#### **46.2.8 Clearance of Objections**

**46.2.8.1** An objection should be removed as soon as the necessary sanction or document is received or when the audited accounts show that the expenditure under objection is adjusted or recovered or when the delay, defect or doubt, as the case may be has ceased to exist or has been explained. The removal of an objection should be indicated in the Objection Book by an entry of the amount adjusted in the column “Amount cleared” for the month following that of which the accounts were last audited, the progressive total of the adjustments being also noted, at the same time, in the manner prescribed for the posting of the amounts placed under objection. In the case of items for which the money column of the objections was not filled in, the adjustment should be indicated merely by the initial of the auditor in the column for the month concerned. As a precaution against error, a red ink line should be drawn across the page in all the remaining columns. The reference to the order, account or other document, on the authority of which the objection has been removed, should also be noted in the column provided for the purpose.

*Note: Brief notes, of or references, to all correspondence or other action taken towards clearance of any objection should be kept in the column “Remarks” of the Objection Book.*

**46.2.8.2** All entries regarding the adjustment of objections should be attested by the Assistant Audit Officer. In respect of objections removed by sanctions and orders, or other documents, the examination or acceptance of which can be completed before the audit of a Monthly Accounts, the Assistant Audit Officer will be responsible that the adjustment entry is attested by him at the same time as any sanction or order is received and accepted. Adjustments dependent upon audit of a Monthly Accounts should be made as soon as the awaited event take place.

#### **46.2.9 Monthly Closing**

**46.2.9.1** The entries relating to each class of objection should be totaled separately and a general abstract prepared in a separate section of the objection book Progressive total of each class of objection should be carried forward from month to month and the unadjusted balance from year to year. The Assistant Audit Officer should examine and initial the abstract and submit the Objection Book to the Audit Officer.

**46.2.9.2** The Objection Book should be reviewed closely by the Assistant Audit Officer and the Audit Officer at the time of monthly closing. Delay in settling an objection or circumstances which have come to light since it was raised, may warrant its report to the

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Superintending Engineer even though such action was not taken originally. Such objections should be suitably brought to the notice of that Officer. Items which have remained unsettled in spite of two or more reports to the Superintending Engineer are otherwise serious or important should be reported specially to higher authority.

#### **46.2.10 Annual Closing**

The Objection Book should be closed annually and the balances of outstanding objections should be carried forward to the following year's Book. The entries being attested by the Assistant Audit Officer. In the Objection Book of the New Year all such items should be noted (in relevant groups) in a separate section thereof. If the outstanding balances thus brought forward relate to two or more year, the balances of each year should be similarly registered in a separate section. This action, however, cannot be taken completely until the Supplementary Accounts of the year has been audited, but it is permissible in anticipation of the event of transfer to the New Year's Objection Book such items of the old Book as may be affected by the accounts of the New Year audited before the Supplementary Accounts. The Assistant Audit Officer is, however, responsible that any corrections due to the Supplementary Account are carried out neatly in the new Objection Book, in due course by plus or minus entries, as the case may be, with suitable remarks.

#### **46.2.11 Annual Review of the working of Works Units**

The Accountant General (A&E) should submit a review on the working of Works Division to the Government in such form and detail as may be settled mutually. For audit portion necessary materials will be supplied by Audit Office to A&E Office for incorporation in the review.

### **46.3 INSPECTION OF WORKS UNITS**

#### **46.3.1.1 General**

Initial accounts and records maintained in the Works Divisions which are not susceptible to verification in Central Audit of the A.G. (E&RSA), West Bengal are inspected and test audited locally by GSS-I Inspection Parties. The instructions for local inspection of Works Offices are prescribed in Section VI of the Manual of standing orders (Audit) and in Paras 28 to 53 of the Comptroller and Auditor General's Memorandum of Instructions regarding extent of audit. The rules and orders of local character are described below with a view to supplementing the said instructions. Both the Inspecting Officers and their staff should carefully study the rules on the subject in the books mentioned above and this manual be generally guided by the principles enunciated therein. They are also expected to have a thorough knowledge of Departmental Codes.

#### **46.3.1.2 Objects of Inspection**

**As laid down in para 6.1.2 of M.S.O (Audit) the primary objects of inspection of Works Offices are: -**

- i. to verify and satisfy that the initial accounts from which the accounts rendered by departmental officers are compiled, or on which they are based, are properly maintained in the prescribed forms



and that financial rules and orders are strictly followed;

- ii. to test audit such accounts, vouchers etc; as are not audited in Central Audit or as cannot be checked adequately except in local audit; and
- iii. to ensure that the Divisional Accountant attached to the Division discharges his duties efficiently.

#### **46.3.1.3 To achieve the objects of Inspection, the Inspection party is required**

1. to conduct general examination of the initial accounts of cash or stock, the measurement books, muster rolls and detailed accounts of works for the entire period covered by the inspection;
2. to review the procedure observed by the Divisional Accountant in discharging the duties entrusted to him in connection with (1) his internal check functions and (2) the periodical Inspections by him of the accounts of Sub-divisional offices on the spot;
3. to pay special attention to any arrears or defects noticed in the accounts of the Division and to devise to be applied in consultation with the Divisional officer and the Divisional Accountant;
4. to see that irregularities brought to notice at the previous inspection as well as those noticed by the Superintending Engineer or the Divisional/Sub-divisional Offices have been remedied and the correct procedure is being observed in respect of all matters, the procedure relating to which was considered defective previously;
5. to investigate all points noticed in central audit from time to time since the previous inspection as requiring special attention on the spot [para 30(N) of S M I];
6. to advise the Divisional Officer and the Divisional Accountant in matters concerning accounts, budget etc. or the financial regularity of transactions;
7. to offer suggestions which have a bearing on the economy of public money particularly in all cases of avoidable clerical work in connection with accounts and audit; and
8. to draw up Inspection Report and Test Audit Notes embodying the results of Inspection in accordance with the instructions contained in para 6.1.24 of M.S.O (Audit) and to submit them to the Group Officer.

#### **46.3.2 Categorization of auditee units and allotment of man-days**

Auditee units as well as Inspection Parties are to be categorized as follows:

8-10 working days: Category 'A' units shall be units having more than 1 crore expenditure excluding establishment expenditure and will be audited annually.

6-8 working days: Category 'B' units shall be units having expenditure between 25 Lakh to 1 crore and will be audited bi-annually.

3 to 6 work days: Category 'C' units shall be units having expenditure less than 25 Lakh may be audited once in 3 years depending on the availabilities of field staff.

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**Note:** The categorization of party will change based on the review to be undertaken every 6 months and category 'A' party may be downgraded to category 'B' or even category 'C' depending on performance by way of contributions of Audit Report material and vice-versa.

*[Authority: C&AG's letter no. 1127-Rep (S)/200 I -02 in Annexure-II]*

### **46.3.3 Details of works to be checked**

#### **Records/documents to be test checked during local audit**

The records/documents enumerated below may be subjected to scrutiny in a Works Division while test auditing its accounts locally.

- i.** Cash book with counterfoil of cheque and Receipt books and other relevant records including Remittance Book and Cash Balance Reports.
- ii.** Transfer entry book.
- iii.** Contractor's ledger.
- iv.** Agreements.
- v.** Stock account with all relevant records.
- vi.** Tools and plants accounts with relevant records.
- vii.** Register of tenders received and accepted.
- viii.** Works order book/work orders.
- ix.** Materials at site accounts.
- x.** Register or licence fees of buildings and land.
- xi.** Suspense / Deposit registers.
- xii.** Division wise register of transactions adjusted under the head "Cash Settlement Suspense Account".
- xiii.** Register of fixed charges.
- xiv.** Register of revenue other than license fees.
- xv.** Log books of vehicles including construction machinery.
- xvi.** Treasury bill book.
- xvii.** Contingent Register.
- xviii.** Acquittance Rolls.
- xix.** Register of cheque and receipt books.
- xx.** Register of Survey Reports.
- xxi.** Register of Service Books.
- xxii.** Work charged Provident Fund Accounts (Class IV staff)
- xxiii.** General Provident Fund Accounts of Class IV Staff.
- xxiv.** Muster Roll Register / Muster Rolls.
- xxv.** Register of manufacture.
- xxvi.** Register of interest bearing securities.
- xxvii.** Schedule of settlements with treasuries.
- xxviii.** Register of works / Works abstracts.
- xxix.** Register of leases / Lease Files.
- xxx.** Subsidiary Cash Book.
- xxxi.** Check list for verification of receipt of materials buy Works Division.

- xxxii. Register of Fixed Assets.
- xxxiii. Register of Duplicate key.
- xxxiv. Earnest Money Deposit Register.

*[Authority: C & AG's No. 1610-TA-II/222-82 and 764-TA-II/178-82 dt. 12.11.82 pages 189-192 and 205 of file Works (R&C)/III-13A (Manual/CAG's circular)]*

#### **46.3.4.1 Selection of months and works for detailed check during local audit**

As soon as the programme of local audit of divisions for a particular period is received from Works Coordination Section, the Audit Officer of CASS (Works) should make advance selection of month(s) for detailed check and selection for detailed analysis with the approval of the Sr. DAG (Works)/ DAG (Works) in respect of each division and despatch them in time to the Inspection Party.

It should be kept in mind that the selected month(s) for test audit and the works for detailed examination are confidential information.

#### **46.3.4.2 Test Audit of the accounts of the selected month (s)**

The test audit involves the following:

- i.audit in detail of all vouchers not submitted to Audit in support of unvouched cash and transfer entry charges shown in the schedule dockets received from the Audit Office. It should be seen that:
  - 1. there is on record a voucher correct in all respects, in support of each item of expenditure for which a voucher is not required to be submitted to the Audit Office (Vide Article 232 of the Accounts Code Vol.III) and which appears in the several cash books and the Transfer Entry book.
  - 2. the charge is in order.
  - 3. it is traceable into the schedule docket concerned, and
  - 4. in the schedule docket, there are no items treated as unvouched charges which should not have been so classed.
- ii.examination of the audited vouchers of the selected month with the original record in the Divisional Office.
- iii.verification of the foils of paid cheques brought from Audit Office with counterfoils, cash book and vouchers to see that the payments have actually been made to persons entitled to receive them, that the cheques have been drawn in favour of actual payees and that endorsement and acknowledgements of the payees on cheques do not give rise to any suspicion of fraudulent payment.
- iv.examine whether the charges against or credits to stock account or work accounts are shown correctly under the appropriate sub head or suspense account and in the contractor's ledger or the

materials account if the vouchers and T.Es affect the accounts of stock and work,

v.all transfer entries involving the rectification of error should be examined with reference to the records leading to original wrong adjustments and it should be seen

1. that the rectification was necessary and in order
2. that the original error does not disclose a defect in the system of accounting or indicate any financial irregularities.

vi. examination of the stock accounts of the selected month(s) to see that

1. they are maintained in accordance with rules and kept up-to-date,
2. the quantities of both receipts and issues are correctly taken into account,
3. both receipts and issues have been valued correctly, and
4. issues to works have been classified under appropriate sub heads or suspense accounts and carried to the ledger or materials account concerned, and

vii.check of the works Abstracts of the month(s) selected and agreeing the total charges on each work with the total of the relevant schedule docket and examination of the Register of Works to see that the Works Abstracts have been posted correctly in it and all entries in the Register of Works were reviewed by the Divisional Officer.

*NOTE: For detailed instructions for conducting the above test audit, paras 33 to 38 of the Secret Memorandum of Instructions may be referred to. Detailed instructions laid down in connection with the general examination of accounts should also be borne in mind in conducting the test audit of the accounts of the selected month(s). In the exercise of the check mentioned above the accounts of selected month(s) subject to relaxed audit in Central Office should be examined in respect of points which are not checked in the course of relaxed audit.*

viii.check specifically whether all the survey reports and sub-accounts were sent along with the monthly accounts.

*(CAG's letter No. 1119-T-Admn II/66-67 dated 06.07.1970 File WM-II/15-386)*

#### **46.3.4.3 Complete examination of the selected works**

The accounts of the selected major work or two minor works should be examined in detail with reference to the orders contained in paragraphs 44 and 45 of the Secret Memorandum of Instructions. All transactions recorded in the work abstract should be analysed and compared with the details of the sanctioned estimates and with contracts agreements, measurement books, stock account and other relevant documents. In particular the following points may be verified:

i.The accounts exhibit accurately the actual cost of work done relating to the particular

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object for which the particular estimate was sanctioned. The information gathered during survey/ investigation has been properly applied in the preparation of the estimate, the estimate has been prepared to satisfy the requirements of the work. The estimate of the work concerned should be studied together with the relevant correspondence to see that estimate has been sanctioned by the competent authority and that tenders have been invited, work allotted and agreement executed before commencement of work. All charges should carefully be examined to see whether any of these does not fall beyond the scope of sanction. Quantities should be compared with the quantities of work actually done with a view to verifying that savings due to abandonment or otherwise have not been utilized for additional work or that there have been no material alternations or modification in the sanctioned design without the sanction of competent authority.

- ii.**All recoverable charges have been made good to Government by an equivalent cash recovery or short payment of dues.
- iii.**All payments for supplies of materials, etc. should be made strictly in accordance with the contract agreement indicating no laxity in any of the terms. The rates provided in these contract agreements indicating no laxity in any of the terms. The rates provided in these contracts should be specially scrutinized with reference to the sanctioned estimate and schedule of rates to see that they do not allow any concession detrimental to the financial interest of Govt.
- iv.**The contractors and others on whose behalf the recoverable charges are incurred do not get the benefit of any concessions to which they would not have been entitled if they had themselves incurred the charges.
- v.**The provisions of chapter 10.3 of the Central Works Account Code laying down rules for the issue of materials direct to works and to contractors are not infringed. Quantities of the materials required for the work actually done should be worked out on the basis of the analysis given in the estimate or other established formula and compared with the actual issues both in the case of direct issue to works or to contractors to investigate the difference, if substantial, and
- vi.**Generally there has been no irregularity in the upkeep of the accounts including initial records relating to them,
- vii.**The various documents/records to be scrutinized in general in analyzing a work and the details/documents to be enclosed in case of any irregularity-to be included in the Inspection. Report are listed below:
  - 1.** Copies of G.Os for Administrative sanctions.
  - 2.** Report to accompany Estimate/Revised Estimate.

3. Abstract of Estimate/Revised Estimate.
4. Proceedings sanctioning the Estimate/Revised Estimate.
5. Date of sanctioning Estimate/Revised Estimate.
6. Date of invitation of tender/Last date for receipt of tender.
7. Number of tenders received/Lowest tender/original.
8. Date of agreement/authority executed and its reference.
9. Copy of agreement where necessary/special conditions.
10. E.M.D./S.D. collected and their form.
11. Contract-Lumpsum or percentage rate.
12. Review of contract/target date for the scheme as a whole.
13. Date of handing over site.
14. Dates of commencement/Completion of the several components of the work/split up parts etc.
15. Date of supplemental agreement/copy thereof.
16. Date of execution of supplemental items of works.
17. Where the objections relate to rates, extract of departmental data for the items.
18. Reference to letters in which L.A. Proposals were sent.
19. Date of entering into land.
20. Area of land acquired/Dry or wet.
21. Amount of compensation paid and month of account in which paid.
22. Whether awards have been passed and advance payments adjusted
23. Date of termination of contract.
24. Date of last measurement of the terminated works.
25. Date of tender/agreement for the balance work.
26. Extra cost involved copy of agreement.
27. Date of commencement/Completion of balance work.
28. Sub-head wise expenditure details of the work.
29. Analysis of reasons for excess over estimates/revised estimate.
30. Ayacut developed/under developed.
31. Betterment levy/increased water cess.
32. Cost per ton of food production.
33. In the case of E M D/S D forfeited, reference to adjustment in the accounts, T E No. etc.
34. In the case of stores purchased whether they have been consumed on the work, extract of comparative statement of quotation, purchase orders, tender notice, dates of requisition, payment etc. Full and detailed specification of stores.
35. Where the objection relates to particular items of work the dates of execution of these items with value quantity etc.
36. Length of approach roads formed with dates.
37. Extract of Log books where necessary.
38. Extract from the progress report of the work.
39. Details of value and quantity of materials outstanding in M A S Accounts.
40. Provision in the Budget for the work in question.

41. Extract of final bill/last bill paid.
42. Whether the objective of the scheme has been achieved; if not reasons thereof.
43. In the case of channels, length of channels, ayacut at various points and dates of execution of various lengths dates of completion of Headworks and channels, and reasons for the delay.
44. Whether there has been any change in design during execution of the work.
45. Rainfall statistics for the past 7 years.
46. Storage particulars for the past 7 years.
47. Dry or wet lands, irrigation season and date or setting out water in the channels.
48. When the works are handed over to the Panchayet, Unions or other bodies, dates of such handing over.
49. In respect of completed works, maintenance expenditure annually for following years.
50. In respect of all schemes, date of bringing into beneficial use/delay.
51. Nature and period of occurrence of damages, rectification of repairs/damages, full details of estimate, tender agreement, dates of execution, final cost etc.
52. Extracts/Copies of all relevant and important correspondence, documents etc.

#### **46.3.5 General examination of accounts**

The various initial accounts, records, etc. to be inspected are mentioned in the succeeding paragraphs with points requiring special attention as detailed against each. It should however, be borne in mind that the work of the inspecting staff is not only confined to the routine work of test audit but also to detection of serious financial irregularities through examination of original records e.g. measurement books, estimates, agreements etc.

#### **46.3.6 Cash Accounts**

**46.3.6.1** The arrangements for obtaining cash from treasuries and for its custody, for the disbursement and the accounting of cash should be examined to see that they are in conformity with the rules on the subject contained in chapter 6 of Central Works Accounts code and chapter 2 of West Bengal Financial Rules volume-I. While inspecting the divisions it should be seen whether the cashier has furnished security Deposit as laid down under rule 22 of W B F R Volume-I or has been exempted from furnishing security under orders of the competent authority.

**46.3.6.2** The cash book should be carefully scrutinized to see that it is properly written and maintained in accordance with the instructions given in the notes on Works Account Form-I. It should be specially seen: -

1. That private cash or accounts of members of the department as also undisbursed balance of cash obtained from treasuries on bills for pay and allowances of establishment, are not accounted for through the cash book or mixed up with the regular cash balance.
2. That the cashier who handles cash of the Executive Engineer does not take part in the preparation of divisional accounts;

*(vide B G F D No. 1350-F dated the 20th March 1931)*

3. That cash received is promptly paid into the Treasury through the Treasury Remittance

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Book and is duly acknowledged therein;

4. That the cashbook is closed and balanced on the prescribed dates;
5. That there are no erasures or interpolations and that errors are rectified properly;
6. That there is evidence in the cash book of verification of all entries made therein regarding receipts and payments and of the actual balance of cash in chest as counted on the last working day of each month;
7. That there is no tendency to keep an unduly large cash balance in hand;
8. That temporary imprests issued to subordinates are properly accounted for and are promptly adjusted.
9. It should be seen that imprest and advance accounts are regularly closed and accounted for every month and that they are properly examined by the recouping officer before recoupment.

#### **46.3.6.3 The cheques and receipt books should be examined to see: -**

1. that all books on receipt are entered into the “Register of cheques and Receipt Books” and that the Register is maintained and reviewed properly under paragraphs 23.1.1 to 23.1.3 of the Central Works Account Code;
2. That the counterfoils of used books are returned promptly to the divisional office for record and bear the check certificate of the Divisional Accountant;
3. That the certificate of the count of number of forms is duly recorded on the fly leaf of each book;
4. That no receipt in Form 3 is signed before the receipt of the money has been recorded in the cash book or by an officer not authorized on this behalf.

*NOTE: Divisional Accountants are not ordinarily required to receive (or pay out) cash and have no authority to issue receipts over their own signature. Where monetary transactions are not large, either in number or in amount they may be entrusted with receipt (and disbursement) of cash on the responsibility of the Divisional Officer with the consent of the Accountant General previously obtained.*

*(vide Auditor General’s letter No. Admn. T-1097/400-28 dated the 24<sup>th</sup> August 1928 Dy. A.G. 573)*

5. that no cheque is drawn unless it is to be paid away at once;
6. that time expired, cancelled or lost cheques are properly dealt with;
7. that the paid cheques are traceable in the Treasury pass book maintained under paragraph 22.3.3 of the Central Works Account Code.

#### **46.3.7 Bill register**

A Bill Register in W.B.T.R. Form No.5 (vide Works Appendix-II) is required to be maintained for Establishment, Contingent and T.A. Bills etc. cashed direct from the treasury vide Note-I under SR.31(v) of W.B.T.R. Volume-I. A separate bill register in Bengal Form 4883 (vide Works Appendix-III) should also be maintained in respect of bills of contractors and suppliers etc. for works, It should be seen during local inspection that the register is properly maintained, reviewed regularly by the Divisional Officer at frequent intervals, there are no undue delays in disposal of bills etc.



### **46.3.8 Treasury Remittance Books**

It should be seen that:-

- i.** there are no undue delays in sending the Remittance Books to the Treasury and their return;
- ii.** the monthly certificates of agreement have been signed by the Divisional Officer;
- iii.** the identity and the amounts of treasury remittance recorded in the Treasury Remittance Book are examined by the Divisional Accountant and initialed therein in token of his check;
- iv.** challans not acknowledged by the treasury for more than three months are kept properly and the reasons for non-acknowledgement investigated;
- v.** steps have been taken in getting the acknowledged items cleared early.

### **46.3.9 Cash Settlement Suspense Account**

**46.3.9.1** Under the system of settlement of inter-divisional transaction in cash, all transactions relating to services rendered or supplies made by one division to another (whether the divisions fall within the same account circle or in different account circles) including those pertaining to works done by a division on behalf of another division are settled by the divisions amongst themselves without the intervention of the Accountant General (A&E). The claims are to be settled within 10 days as prescribed in para 2 of Appendix 7 to C P WA Code. It should be seen that items not settled have been taken up with respective officers.

The entries of credits shown in the schedule of cash settlement suspense account, should be compared with the details given in the memo of cash receipts on the reverse of Form 80 (monthly account).

At the close of the year, there should normally be no balance under this head and with this object, the list of outstanding items should be reviewed monthly towards the close of the year and the Divisional Officer addressed, if the provisions of Article 185 of Account Code Volume 111 appear to have been ignored.

**46.3.9.2** From 1<sup>st</sup> April 1993 a revised procedure has been introduced vide Govt. of West Bengal, Finance Department, Audit Branch Memorandum as reproduced below :-

**No. 12460 P**

**Government of West Bengal**

**Finance Department**

**Audit Branch**

#### **MEMORANDUM**

- 1.** With the introduction of the system of centralized procurement and supply of materials by the resources divisions in most of the engineering departments and enforcement of the system of issuing letters of credit on divisions, expenditure, the problem of accumulation of unadjusted balances under “Cash Settlement Suspense Account” has assumed serious dimensions, while the resources circle/divisions book the cost of the materials issued from stock under the above mentioned suspense head the user i.e. the working divisions are required to make payment of cost of the materials to the resources circle/divisions by

charging the expenditure directly against the works for which the materials were indented for, through the “suspense” head “purchase” to enable the supplying divisions to clear the suspense head. If the accounting procedure had been followed properly and the divisions receiving the materials had been promptly settling the dues, the accumulation of unadjusted balances in the suspense head could have been avoided. The Accountant General (A&E), West Bengal has repeatedly drawn the attention of the Government to the problem of increasing accumulation under this suspense head.

2. In accordance with the accounting procedure prescribed in this Department Memo No. 7635 (9)-F dated 19.08.80 the working divisions are required to settle the cost of the materials booked in the suspense head by making payment in cash to the resource divisions through a special type of cheque. This procedure has not been working satisfactorily mainly for the reason that for issuing any cheque by the working divisions fresh letter of credit was required which mean release of letter of credit twice-once to the resource division for making purchase of the materials and again to the user or working division for making payment of the cost of the same materials.
  3. Having regard to the complexity of the problem, Government decided to set up a Committee consisting of the representatives of the Accountant General (A&E), West Bengal, Finance Department, I & W Department and the P W Department for studying the problem in depth and suggesting measures for arresting further accumulation of balances in cash settlement suspense account and for recommending the measures for clearing the outstanding balances in the C S S A.
  4. The above committee set up under the Works Department Resolution No. 4110-A dated 13.06.91 submitted its recommendation to Government in September 1991. After careful consideration of the recommendations of the said Committee in consultation with different Engineering Departments, the Governor has been pleased to order in respect of the Engineering Departments where the system of centralized procurement and supply of materials by the resources circles/divisions exist as follows:
    - i. The letter of credit (LOC) will be released in favour of the user working division only.
    - ii. To start with LOC for a small amount may be issued in favour of the resources circles/divisions for procuring initial stock of materials in case there is no balance brought forward from the previous years stock.
    - iii. The working or user divisions, after ascertaining from the resources division about availability of the required materials and the cost will make full payment in advance to the resources division by drawing cheques and sending the same to the resources division for arranging supply of materials. The amount of the cheque will be debited to a sub-head styled as “C S S A” below the minor head “799-Suspense” under relevant Capital or Revenue major head and the opening of the said sub-head is hereby authorized with effect from 1.4.93. The debit in this suspense head will be cleared by contra debit to suspense “Stock” or “Work” as the case may be on receipt of materials from the resources division.
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- iv. The issuing division i.e. the resources division shall send adjustment bills to the receiving division immediately on completion of supply and where necessary shall also send a supplementary debit note for the additional amount due, if any, along with the adjustment bills. The working division shall immediately pay the balance amount by debiting the relevant expenditure head.
  - v. The resources division shall keep the amounts received from the working divisions under the head “P W Deposit” and charge the cost of procurement of materials to the same head.
  - vi. On the basis of the amount credited to the “P W Deposit” the Chief Engineer will issue LOC to the resources division without reference to the Finance Department on the analogy of the Finance Department Memo No. 7635(9)-F dated 19.08.80.
  - vii. For authenticating the transactions, the resources/issuing division shall obtain (a) acknowledgement of payee (b) details of charges with full classification and (c) authority for incurring the expenditure etc. on record which should be preserved carefully for cross verification with the beneficiary and his own division for audit etc. purposes.
  - viii. The procedure laid down as above may be followed mutatis mutandis in cases of transfer of materials between two working divisions also.
  - ix. No portion of the LOC issued to a working division shall be utilized for procurement of materials from other sources by the working Division where such materials are normally supplied by the resources division unless the resources division certifies in writing inability to supply the materials in question.
5. Necessary amendment to the provisions under S R 122 of West Bengal Treasury Rules, Volume-I will be made in due course.
  6. In order to liquidate the accumulated amount outstanding under “purchase suspense” till 31st March 1993, suitable provision will be made in the budget of the succeeding years against which the working divisions will issue “non-cashable cheque” in favour of resources divisions on release of LOC. Necessary orders in this matter will be issued later after different engineering deptts. report to the Finance Department about the amount of outstanding balance lying in the CSS Account.
  7. The order contained herein will take effect from 1.4.1993.

Sd/- Asok Gupta

Secretary

Finance Department

#### **46.3.10.1 Audit of Purchase of Stores**

While conducting audit of purchase of stores, it shall be seen that -

- i. the purchases are covered by proper sanction;
  - ii. they are made economically and in accordance with any rules or orders made by the competent authority;
  - iii. when stores are purchased from contractors, the system of open competitive tenders is adopted and that the purchase is made from the lowest tenderer;
  - iv. in case purchase is not made from the lowest tenderer, reasons for accepting a higher
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- tender have been kept on record;
- v. the rates paid agree with those shown in the contract or agreement made for the supply of stores;
  - vi. certificates of quality and quantity are furnished by the passing and receiving Government servants before payment is made except where the contrary is allowed by the rules of the Government regulating purchase of stores;
  - vii. purchase orders are not split up to avoid the necessity of obtaining sanction of a higher authority with reference to the total amount of the orders;
  - viii. The purchase has been made taking into account the workload of the Division and the requirements have been assessed on a realistic basis and funds are available for the procurement.

*[Authority: Para 2.4.4 (i) of M S O (Audit) 2n<sup>d</sup> Edition 2002]*

#### **46.3.10.2 Stock Account**

Materials in stock of a Division are sometimes kept in a go-down or yard under the charge of a store keeper or other officer, or each sub-divisional officer who may have a separate stock in his charge, either at this Headquarter or scattered over the sub-division in the direct custody of subordinates or other sectional officers. The stock although scattered, over the entire Division, may be under the general charge of a single official and the sub-divisional officer may merely indent upon him, the account being kept by the former.

The stock accounts may be maintained in a sub-divisional office even though the officer-in-charge is not authorized to keep a cash account in Form-I. A separate account should be kept in Divisional Office of any stock which is directly under the charge of the Divisional Officer.

Materials may be received in stock from suppliers, other sub-divisions, Divisions, Department and manufacturers. The materials so received from different sources issued or may be issued from stock for the purpose of using in works either by issue to contractors or direct despatch to other sub-divisions, Divisions or Departments for sale to contractors, employees, other persons or local bodies etc.

*(Authority: Para 7.2.1 of CPWA Code)*

The initial account records relating to stock for the month selected for test audit should be checked with the schedule dockets and vouchers of the month received from the office of the Accountant General (A&E) and generally the records for the period of inspection should be scrutinized to see:

- i. that the initial accounts are in proper order, and the receipts and issues are recorded therein in the order of occurrence;
  - ii. that there are no fictitious adjustments in the accounts;
  - iii. that authority exists for the receipt or issue of materials and a proper acknowledgement taken for every issue accounted for.
  - iv. that materials received are examined and measured at the time of actual receipt by an authorized person, other than store keeper (unless there is a Government order authorizing as a special case, the store keeper to record measurements of stores received).
  - v. that the value accounts are maintained and issue rates fixed in accordance with the
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instructions contained in Rules 125 to 127 of W B F R volume-I

- vi. that the head “stock” is charged only with expenditure connected with the acquisition of stock materials and with manufactures operations and is duly credited with the value of materials issued to works, sold, transferred or otherwise disposed of (Materials purchased specially for work should be charged to that work);
- vii. that issues to work are correctly classified in terms of paragraph 10.3.1 of Central Works Account Code as “Issues to contractors” or “Issues directly to works” and correctly charged for according to the norms prescribed under paragraph 7.2.20 to paragraphs 7.2.22 *ibid*;
- viii. that in respect of issues to works, the conditions laid down in paragraphs 10.3.2,10.3.3, 10.3.9. and 10.3.13 of the Central Works Account Code are
- ix. that there is no unnecessary accumulation of materials;
- x. that proper and adequate action has been or is being taken to ensure the adjustment of profits and losses due to revaluation of stock taking or other causes and for the disposal of unserviceable or surplus materials. Losses on stock which are due to the negligence of departmental officers, should be brought to the notice of Government for necessary action; and
- xi. that the adjustment of surpluses and deficit arising from the discrepancies between the values at the revised rates (i.e. future issue rates) and the present book values of the stores under each sub-head are carried out under the orders of the competent authority.

A few selected items of stock which were certified by the Divisional Officer in the yearly register of stock as having been verified should be examined in detail to see that both the quantity and value accounts thereof were duly corrected in accordance with the recorded results of the verification.

*[Authority: Para 10.3.1 and 1.5.8 (C) of CPWA Code]*

#### **46.3.10.3 Audit of Stores Accounts**

While examining the accounts of stores it should be ensured that

1. they are kept in the prescribed form;
2. the entries of receipts and issues of all stores (purchased or otherwise obtained) are made therein as and when transactions actually occur;
3. the issues are supported by requisitions and indents approved by the proper authority;
4. proper acknowledgement of the recipients have been obtained;
5. the balances of stock after receipt/issue have been correctly worked out;
6. an accurate and detailed account of consumption of consumable stores is maintained by the indenters to whom these stores are issued;
7. where scale has been prescribed by Government or other authority for issue of stores of any particular kind the same has not been exceeded;
8. balance as per previous account has been correctly carried forward and that no entries have been tampered with;
9. all transactions and balances in the stock registers or ledgers have been attested by a responsible officer;

10. the stores are periodically counted, weighed or otherwise examined by some responsible official other than the custodian of the stores and verified with the balances in the stock books and that necessary action has been taken to adjust the surpluses or shortages noticed;
11. the system of verification adopted by the department is adequate and proper;
12. there is no unnecessary accumulation of stores;
13. a reserve limit of stock has been fixed by Government or other competent authority;
14. the balance of stores in hand does not exceed the maximum limits prescribed and is not in excess of the requirements for a reasonable period;
15. adequate action has been taken to survey, segregate and arrange for the disposal of surplus, obsolete and unserviceable stock;
16. the scrutiny of sanction to write off accorded by the competent authority does not reveal any defect in the system.

In cases where a priced account is maintained, see that

- a. the stores are priced with reasonable accuracy;
- b. the rates initially fixed are reviewed from time to time and revised wherever necessary so as to correlate them with the market rates;
- c. the value of accounts tally with the accounts of works of departments connected with stores transactions;
- d. the total of the value accounts agree with the outstanding amount in the general accounts;
- e. the numerical balance of stock materials is reconcilable with the total of value balances in the accounts at the rates applicable to the various classes of stores; and
- f. steps are taken for adjustment of profits and losses due to revaluation, stock taken or other causes and these are not indicative of any serious disregard of rules.

*(Authority: Audit Guide Series No.7)*

#### **46.3.10.4 Yearly Register of Stock**

1. Yearly Register of stock, PWA Form 12 should be test audited care should be taken to see that the closing balances as per last audited register are correctly carried forward. Any unattested alteration or correction, overwriting or erasure in the audited register should be viewed with suspicion and specially scrutinized.

***NOTE:** The Register of stock should be closed annually and steps taken to revise the issue rates in important cases in accordance with the rule in paragraph 7.2.21 of the Central Works Account Code. The register which should contain entries to end of March should be completed by the Divisional Office on or before the 1<sup>st</sup> June and be ready for audit by that date, If there are adjustments on account of stock*

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transactions in March (final), which should be the exception and not the rule, the Register should be finally closed by the 15<sup>th</sup> July each year.

2. The following points should also be attended to in auditing the yearly Register :
- i. that the current issue rates agree with the future issue rates of the previous year in respect of items brought forwarded;
  - ii. that the alterations in rates made, if any, during the course of the year owing to fluctuations in the market rates, have been approved by the Executive Engineer and that the month from which the altered rates took effect have been noted in the “Remarks column”;
  - iii. that in respect of issues of stock materials to contractors, the conditions of paragraphs 10.3.2 and 10.3.3 of the Central Works Account Code are observed, and that contractors are correctly charged in all cases and do not derive, directly or indirectly any unauthorized monetary benefit in consequence of any arrangements in force. A special watch should be kept over the disposal of materials the issue rates for which are known to be appreciably below the market rates vide paragraph 7.2.22 *ibid*;
  - iv. that future issue rates have been carefully fixed in accordance with the principle laid down in paragraph 7.2.20 of the Central Works Account Code and that they are not in excess of market rates as defined in paragraph 2.1.1 of the same code and set down in the Register under orders of the Divisional Officer;
  - v. that the values at current issue rates and future issue rates have been correctly calculated;
  - vi. that the totals of the values of the several sub-heads at future issue rates correspond with the balances shown in the stock Abstract Book under the respective subheads;
  - vii. that in cases of discrepancies between the values at revised rates (i.e. future issue rates) and the present book values of the stores under each sub-head the surpluses and deficits are adjusted on receipt of orders of competent authority agreeably to the ruling in Paragraph 7.2.37 of the Central Works Account Code;
  - viii. that the value of stock held has not exceeded the approved reserve stock limit;
  - ix. that the register is closed annually and if not, the year from which the stock registers have not been closed;
  - x. that the physical verification of stock has been conducted and the position ascertained ;
  - xi. that whether any items of stock have been declared surplus or unserviceable.

*(Authority: BO No. WAD 1/168 dt 22.04.78)*

#### **46.3.11 Annual Register of Tools and Plant**

**46.3.11.1** The Register of Tools and Plant (PWA Form 15) should be checked in full. The actual transactions of all the months of year as brought to account in Works Account Forms 13 and 14 should be audited and then traced into the Register.

**46.3.11.2** As the monthly accounts of special Tools and Plant (Form 13 and 14) are audited by CAP and CASS (Works) and sent to works Inspection Party at the time of inspection, the works inspection staff will check the receipts and issues directly from the audited forms without having to examine the accounts and vouchers relating to the return under audit. In order to enable the test audit staff to see whether all special Tools and Plant charged direct to works have been brought to account, a note should be furnished by the CASS (Works) from the Register of Points for

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Inspection of all such items. In respect of tools sold it should be seen that the values appear in the accounts and that there is authority for write off of all the useless articles.

**46.3.11.3** The Register which runs for the whole year from 1<sup>st</sup> October to 30<sup>th</sup> September should be completed and kept ready for audit by the 15<sup>th</sup> December following.

**46.3.12 Account of Motor Lorries, other heavy Machinery, trucks, tractors and launches etc. used for works or touring purposes**

In order to exercise control over the working of motor vehicles etc. for carriage of materials for works or otherwise, under the rules, suitable accounts and log books should be maintained for them. In the examination of these accounts among other points, it should be particularly seen that the consumption of stores purchased and replacement of parts and other maintenance charges are reasonable and recorded in the relevant parts of the Log books and the recoveries in connection with them whenever necessary are correctly made and in accordance with the rules.

**46.3.13 Register of hire charges**

It should be seen that: -

- i.** the register is maintained in proper form;
- ii.** separate folios are set apart for each vehicle and the receipt of Log extracts of each is watched properly;
- iii.** the idle period of the vehicle is clearly indicated;
- iv.** the hire charges are adjusted on the basis of Log extracts received and reference to the Schedule Docket No. /Transfer Entry No. and the month of account is given in respect of the vehicle.

**46.3.14.1 Contractors Ledger Account**

A personal account should be maintained in the Ledger for every contractor, whether or not a formal contract has been entered into with him, unless the work or supply entrusted to him is not important and no payment is made to him except on a First and Final bill (PWA Form 24) on completion. If any materials are issued to the contractor or any payment is made on his behalf, a ledger account must be opened.

**(Authority: Para 10.7.2 of C P WA Code)**

**46.3.14.2 Test audit of Contractor's Ledger Account**

The ledger account of all contractors since the last inspection should be test audited in the following manner, it should be seen: -

1. that balances have been correctly brought forward;
2. that all running account bills have been correctly posted and that each series is consecutively numbered. Any omission in the posting of the transactions should be noticed;
3. that all debits to contractors on account of stores issued or payments made on their behalf have been duly raised and that all recoveries and cash realizations from them have been duly taken to their respective accounts;
4. that the debit and credit entries on account of first and final bills balance each



- other;
5. that all totals in each individual account are arithmetically correct;
  6. that the details of the closing balance of each account work upto the total and agree with the outstanding shown in the respective work abstracts and vouchers;
  7. That all debits to contractors on account of materials issued are supported by receipts;
  8. That liabilities not yet liquidated are not taken into account except in the case of a final bill of an account closed under paragraph 10.5.20 of the Central Works Account Code;
  9. That different series of bills are not made out in respect of the same contract (vide paragraph 10.2.20(C) of the Central Works Account Code ;)
  10. That the issue of materials to the contractors is in accordance with the terms of the contract or is otherwise authorized (vide paragraphs 10.3.2 and 10.3.3 of the Central Works Account Code);
  11. That the recovery of the cost of materials issued to the contractor is regulated by the ruling in paragraph 10.3.7 of Central Works Account Code;
  12. That advance payments and secured advances to the contractors are in order and they are promptly adjusted (vide paragraphs 10.2.21 and 10.2.22 of the Central Works Account Code);
  13. that there is no tendency on the part of the Divisional or the Sub-divisional officers to give unauthorized financial aid to contractors (vide paragraphs 10.2.23, 10.2.24 and 10.2.25 of the Central Works Account Code);
  14. that the accounts represent a concurrent record of facts (e.g. it should be noticed whether materials issued to the contractors in an earlier month as per contractors' acknowledgement in the receipts were accounted for in or after the month of payment of the bill from which the value was recovered);
  15. that in the case of running account bills, the necessary check over the continuity of the bills is exercised by the Divisional Accountant and in token of this the entries in column 10 of the Ledger are initialed by him;
  16. that there are final bills in the proper form in respect of all running accounts closed.

#### **46.3.15 Register of Measurement Books**

The Register of measurement books prescribed in rule 201 of WBFR Volume-1 should be examined to see that it is properly maintained and is a complete record of all the measurement books maintained in a division. The prompt return of completed measurement books to the divisional Office and their retention for the prescribed period of ten years, after the date of completion of works, the measurements of any part of which are recorded in the book, should also be checked through this register.

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### **46.3.16 Test-audit of measurement books and vouchers**

**46.3.16.1** While inspecting divisional offices, particular attention should be paid to the check of records of measurement. They should not only be examined in the light of the order in Government of West Bengal Works Department Code (Paragraphs 361, 362 and 363), Bengal Financial Rules (Rules 201-202) and the Central Works Account Code (paragraphs 10.2.6, 10.2.7 and 10.2.8) but also be checked arithmetically in the manner indicated below in respect of bills of the month selected for test audit: -

- i.** check arithmetically the 'Contents' or area entered in the measurement book,
- ii.** compare the rates with those in the agreement,
- iii.** compute the value of work done with reference to the quantity and the rate,
- iv.** check the grand totals,
- v.** compare the previous payment shown in the memorandum of payments with the total amount in the previous bill,
- vi.** compare the bills with the entries in the measurement book as regards quantities, rates and amounts,
- vii.** while checking the final bills it should be seen that a theoretical consumption statement of materials issued in connection with execution of the contract is submitted alongwith each bill. These statements may be subjected to detailed check with supporting documents like measurement Books, materials at site accounts, estimates etc. in respect of all final bills paid during the period covered by inspection including the work/works selected for detailed audit.

*(C&AG's No. 1555 TA II/475-70 dt. 15.09.72 kept in File Works (R&C)/III-13A (Manual)/CAG's circular pages 29 & 30)*

**46.3.16.2** The Inspecting Officer must understand clearly that superior authorities can never take action against individual officer on remarks in an inspection report which are expressed in general terms. Thus when the reports merely state that certain classes of mistakes are common in the measurement books of a certain division and give no concrete instances, this can only be regarded as warning that these mistakes should not be committed in future and one cannot expect superior authorities to do more than to reiterate that warning. If, however, the comments in the Inspection Reports are to convey the impression that the work of measurements and the check measurements and of recording the results was being very badly performed, and a mere warning would be insufficient, the Inspecting Officers, when they come across serious cases of neglect, should bring out precisely the degree of neglect and should quote numerous instances. It would then be possible to press for definite action against individuals. The entries in a measurement book must be so reliable as to be accepted as evidence in a court of law. Moreover, serious frauds may be cloaked by the manipulation of entries in a measurement book. Such manipulation is easily capable of detection if a measurement book is properly maintained. Finally, the entries in a measurement book constitute the basis of all payments and, therefore, they must be made with such attention to rule as to establish the presumption of accuracy. These results are quite unattainable if there are (1) unattested corrections, (2) pages not crossed off and left blank, (3) corrections made by over-writing, (4) instances of contractor's signature not taken in acceptance of measurements, (5) no details of measurements recorded and

(6) no evidences of check measurements by Sub-divisional Officers. It is because the grave results of these irregularities, some of which are apparently trivial are not frequently over looked that it is incumbent upon the Inspecting officer to investigate the matters more thoroughly and bring out instances of infringement of rules regarding measurements and their record in the measurement books to investigate them very carefully and to report in such a way as to make the degree of the irregularity apparent.

(CAG's letter Nol. 10181/2-A&A/472-19 dt. 17<sup>th</sup> December 1919 Dy-C.G.488)

#### **46.3.17 Muster Rolls**

Muster Rolls should generally be examined to see that the instructions contain in paragraph 10.2.3 of the Central Works Account Code and Rule 198 to 200 the W B F Rules Vol-I for their preparation are followed. In particular it should be seen

1. That payment is made through muster rolls only to day-labourers and never to,
  - a. Permanent or temporary employees whose pay is chargeable to the head “establishment” or
  - b. Members of the work-charged establishment;
2. That a systematic record is maintained of the unpaid items, and of their payment, and that wages remaining unpaid for three months are regularly reported to the Divisional Officer; and
3. That progress of work done is shown when it is susceptible of measurements.

#### **46.3.18 Work-charged Establishment**

**46.3.18.1** The list of the work-charged establishment employed in a Division should be scrutinized to see:-

- i.that proper sanction exists for each of the posts, vide Rules 229 and 230 of the W B F Rules;
- ii.that provisions for the purpose has been made in a separate sub-head of the sanctioned estimate; (Lump sums fixed in lieu of estimate for repairs include such provision, vide Rule 230 of the W B F Rules);
- iii.that pay of no such post exceeds the prescribed rates in cases where such rates have been definitely laid down by a higher authority for any particular class of posts;
- iv.that all sanctions to appointments in the work - charged establishment and payments of wages to members of such establishments are entered in the Register of sanction to Fixed charges (PWA Form No. 58) and that the Divisional Accountant puts his dated initials against each sanction noted in the Register (vide para 22.2.5 of the Central PWA code);

**46.3.18.2** Vouchers in support of payments to members of the work-charged establishment holding posts which the divisional officer is authorized to sanction, are not required to be submitted to audit. These as well as vouchers pertaining to charges for chowkidars and garden establishment should be carefully scrutinized during local inspection, vide paragraph 397 of W B Works Deptt. Manual. Paid vouchers for one or two months should be specially looked up to see:-

- i.that a proper acquaintance is available in respect of each such post;
- ii.that the pay bill is prepared correctly and in Financial Rule Form No.24 (vide Note-I

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below Rule 229 of W B F Rules);

iii.that a simple register is maintained for wages remaining unpaid on the monthly bills;

#### **46.3.19 Audit of accounts on the issue of materials**

**46.3.19.1** The following points should be examined in audit:

Issue of materials for use on works —

- i. that the materials to be supplied by Government for use on the work as specified in the contract or piece - work agreement are obtained by the contractor from Government and paid at specified rates, regardless of fluctuations in the market rates or in the stock rates of the division;

*[CPWA Code para 10.3.2 (b) and the rule 233 of WBFR]*

(This examination is specially necessary in the case of materials the market rates of which are known to be lower than the rates to be charged by Government as per tender).

- ii. that no carriage or incidental charges are borne by Govt. for moving the materials beyond the place or places of delivery specified in the contract;

*[CPWA Code Para 10.3.2 (b) and 233 (c) of WBFR]*

- iii. that materials not specified in a contract but which are required for use on the work and exist in Government stocks are issued only with the express authority of the divisional officer and at rates specified by him, subject to the conditions mentioned in clauses (b) of paragraph 10.3.3 of the Central PWA Code, and rule 234 (b) of the WBFR;

- iv. that suitable arrangements exist for limiting the total issues of materials to a contractor in connection with a particular work to the reasonable needs of that works;

*[Rules 238 of the W B F Rules]*

(This precaution is specially necessary when the rates at which articles are issuable under the contract are lower than the market rates).

- v. that the cost of materials issued to a contractor is recovered promptly, in accordance with the instructions contained in paragraph 10.3.7 of the Central PWA Code and rule 237 of the WBFR;
- vi. that no advance or recoverable payment is made to or on behalf of a contractor and no financial aid is given to him except in accordance with the terms of his contract or agreement and the relevant rules on the subject;

*(Para 10.2.24 of the Central PWA Code and Rule 227 of the WBF Rules)*

- vii. that in cases when the cost of materials is adjusted at once as a final charge, arrangements exist for exercising detailed control over transactions relating to materials and for verifying the unused materials;

*[Vide para 10.3.12 (c) of the Central PWA Code]*

- viii. that in cases of probability of excess of actual over estimated cost of work, work-slips in the prescribed Form (PWA Form 39) are submitted, to the Superintending Engineer when necessary

*(Vide paragraph 10.6.3 of CPWA code)*

**46.3.19.2**All cases of expenditure on demolition or restoration or rebuilding works, in connection with buildings or structures irrespective of the amount involved or of the date of the original construction, should be investigated with reference to the reports on estimates etc. in order to see :-

- i.that the original expenditure has not been proved unnecessary or fruitless,

- ii. that the new expenditure is not due to lack of foresight or neglect either in the arrangements for original construction or in those of maintenance after construction, and
- iii. that there is proper justification for the original as well as the new expenditure.

#### **46.3.20 Works Abstract**

All transactions relating to a work in a month on cash stock or other charges, the accounts of which are prepared in the Divisional Offices in Works Abstract Form CPWA-33 by incorporating the accounts broadly under three categories viz a) Final Charges b) Suspense Charges and c) Contingency. When the sanctioned estimates for a work exceeds Rs.1,00,000/- it should be treated as major work and a separate account should be kept for each sub-head estimated to cost not less than Rs.7500/- while the expenditure on the remaining sub-heads may be lumped together.

When examining the accounts of works, it should be seen that

- i. in case of major works the accounts of which are kept by sub-heads, a suspense sub-head 'Materials' is opened in the Works Abstract and the Register of Work. The charges under this head should be supported by an account in Bengal Financial Rule Form No. 21 which should show monthly the receipt of materials brought to the site of the work, their issues to the contractors or direct to the sub-heads of the estimate on which used up;
- ii. there is evidence that all marked deviations from the provision for receipt and recoveries of expenditure in an estimate are investigated under Paragraph 22.2.10 of the Central Works Account Code;
- iii. the balances under the suspense accounts 'Contractors and 'labourers' have been verified by the Divisional Accountant and the sub-divisional officer respectively, and that in the cases test checked they agree with the balances shown in the Contractors, Ledger and in the record of unpaid wages;
- iv. Progress is recorded (except where dispensed with by the Divisional Officer under paragraph 10.5.6 of the Central Works Account Code) from the details furnished by authorized executive officials in charge of the work, and not compiled from measurement books or vouchers etc. by members of the office establishment (Central P W A Code) paragraph 10.5.24 and
- v. There is evidence to show that the Works Abstracts are examined monthly by the Divisional Officer.

*(Vide para 10.5.26 of the Central PWA Code)*

#### **46.3.21 Register of Works**

The permanent and collective record of expenditure incurred in the division during a year on each work estimated to cost more than Rs.5000/- is the Register of works. This record is maintained in Division office. There are two prescribed forms of register of works corresponding to the two forms of Works Abstract (Form 33 and Form 34) for the major and minor estimates. The detailed Form 40 should be used for major estimate and the simpler form 41 for minor estimates.

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The Register of Works are maintained in accordance with the paragraphs 10.6.1 to 10.6.6, 10.6.8, 10.6.9 and 10.6.12 of the CPWA Code.

The Register of works should be inspected to see

- i.** that it is posted monthly from Works Abstract and a separate folio or a set of folios of Form 40 is assigned to each estimate whereas entries relating to two minor estimates can be made on a single page of Form 41.
- ii.** That as the Register of Works is not a classified account of works, it is to be seen whether for facility of reference it is supplied with an index which is sub-divided under the prescribed heads of accounts classification.
- iii.** That the sanctioned amount of the estimate is entered in respect of each work. When supplementary estimates are sanctioned the additional amounts sanctioned are entered below the corresponding amounts of the original estimates and both are totaled.
- iv.** That when a revised estimate is sanctioned, the account of the original estimate is closed and the revised estimate is entered in a fresh folio, prominently marked “Revised Estimate” in red ink and a reference to the folio on which the original estimate is to be formed has been entered there.
- v.** That in the case of works for which specific appropriations (allotment) are sanctioned individually, the amount of the appropriation for the year is noted in the Register at the top of the page. Addition or deduction of appropriations made during the year is also noted in the same place.
- vi.** That the blank vertical columns in Form 40 (Major Works) not below Rs.7500/-is utilized for the final sub-head of the estimate i.e. earthwork, brick work, concrete work, wood work, S&P work, work-charged establishments etc. and as far as many of the suspense head i.e. materials, contractors, advance payments, contractors secured advance, contractors’ other transactions (all debits and credits to contractors) etc. awaiting settlement.
- vii.** That the additional charges for materials issued to the contractors/direct to works is operated for the record of differences between the rates charged to the contractors and actual cost of procurement of materials (plus or minus as the case may be). Lastly the column provided for “Total Cost” is filled up monthly.
- viii.** That in Form 41 (minor works), the final charges on works are posted in column “Total value of work done” and the single column “Suspense Accounts” is embraced in transaction under all the Suspense Accounts.
- ix.** That before the date of submission of the monthly accounts to the AG (A&E) the posting of the Register of works is completed and laid before the Divisional Officer for review.
- x.** That the monthly posting are examined and attested under the dated initials of the ‘Divisional Officer.
- xi.** That all the liabilities and assets are settled and suspense accounts cleared before the accounts of a work is closed.
- xii.** That the note of completion of work is recorded in the register under the signature of the Divisional Officer as indicated in para 10.6.9 of CPWA Code.
- xiii.** That action prescribed in para 10.6.12 of CPWA Code for correction of error, if any, is taken where necessary.

**NOTE-1:** If the transactions of the Division are very large, the Divisional Officer may allow extra period of a few days for the completion of Register of Works but submission of monthly accounts to AG should not be delayed on this account.

**NOTE-2:** It should be seen from the Register of Works whether the progress of expenditure is satisfactory or not. If any of such works has been stopped or known to be nearing completion, the delay in closing their accounts should be enquired into. If the slow progress of expenditure is due to delay in measuring work done or in settlement of bills, the cause should receive attention for necessary action.

(Authority: Chapter 10 of C P WA Code Volume-I)

#### **46.3.22 Watching of Actuals (expenditure)**

In connection with the arrangements for regulating and controlling expenditure in accordance with appropriation, it should be seen that the orders contained in paragraphs 5.4.1, 5.4.2 of the Central Works Account Code are observed in practice and that proper arrangements exist for watching the progress of expenditure with a view to taking early steps for obtaining extra funds or surrendering probable savings as may be necessary in each case (see also Rules 384 and 385 of WBFR Volume-I).

#### **46.3.23 Audit of contracts/Agreements**

The responsibilities for the conclusion of contracts for works to be done and supplies to be made and to enforce them rests on the Executive. However, the scrutiny of the contracts or agreements entered into by the Government servant on behalf of the Government constitutes one of the important functions of audit. The objective of such scrutiny is to see whether the contracts or agreements have led to wastage of public money and also to ensure the rules and regulations provide reasonable scrutiny against any mal practices.

The fundamental principles adopted for the guidance of authorities authorized to enter into contracts or agreements involving expenditure from Government fund have been specified in Rules 47 to 49 and 174 to 185 of the WBF Rules.

The followings are the main source documents to be checked in audit of contracts and agreements.

- i.** Contract files maintained by the Department.
- ii.** Accounts and payments vouchers received from treasuries.
- iii.** Administrative approval and technical sanction of the competent authority forming the basis of contract.
- iv.** Bills for supply of stores.
- v.** Copies of contracts and agreements.
- vi.** Any other document that will facilitate effective audit.

In course of scrutiny of the above records Audit should see

- i.** that the terms of the contract is precise and definite and there is no room for ambiguity or misconstruction.

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- ii. That the standard forms of contracts have been adopted wherever possible and the terms being subjected to adequate prior scrutiny.
  - iii. That as far as possible the legal and financial advice have been taken in drafting of the contracts before they are finally entered into.
  - iv. That no contract involving on uncertain or indefinite liabilities or any condition of unusual character has been entered into without the prior consent of competent financial authorities. Where any escalation in respect of labour, overhead, custom duties, freight charges etc. is provided for in a contract the basis for the calculation of the same should be clearly indicated.
  - v. That the terms of the contract once entered into have not been materially varied without the prior consent of the competent financial authority.
  - vi. That the contracts are in-variably placed only after inviting open tenders and lowest tenders accepted. In cases where it is considered practicable to invite open tenders or to accept the lowest tenders, the reasons for such deviation have been recorded.
  - vii. That in selecting the tenders to be accepted the financial status of the tendering individuals and firms have been taken into consideration, in addition to all other relevant factors.
  - viii. That the provisions have been made in contracts for safeguarding Government properties entrusted to contractors.
  - ix. That the transaction relating to two or more separate working estimates are not covered by a single contract or agreement.
  - x. That any payment outside the strict terms of the contract or in excess of the contractual rates are not made without the consent of the competent financial authority.
  - xi. That all the contracts have the provision for recovery of liquidated damages for default on the part of the contractor or in absence of that special instructions are issued by the competent authority.

*[Authority: Para 3.7.1 of chapter 7 of MSO (Audit) 2<sup>nd</sup> Edition]*

#### **46.3.24 Schedule of Rates**

A schedule of rates for each kind of work commonly executed is required to be maintained and kept up-dated by each Division to facilitate the preparation of estimate as also to serve as a guide in determining rates in connection with contract agreements. It should be prepared on the basis of the rates prevailing in each locality and necessary analysis of the rates for each description of work and for the varying conditions thereof should so far as may be practicable be recorded.

The rates entered in estimates should generally agree with the schedule of rates but where, from any case, the later are not considered sufficient, the deviation should be explained in detail in the report of the estimate.

It should be intelligently scrutinized to see that it is correctly maintained.

*(Authority: Rule 249 of WBFR Vol-I)*

#### **46.3.25 Account of interest bearing securities**

The accounts of interest bearing securities should be looked into with a view to examine the following points:-

- i. that security as determined by the Superintending Engineer in each case under the relevant



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orders on the subject is furnished by the cashiers, store-keepers and members of subordinate and clerical establishment entrusted with the custody of cash or stores.

- ii. That security deposits are covered by a proper bond or agreement setting forth the conditions under which the security is held;

(Central PWA Code, Para 15.2.1)

- iii. That the rules relating to interest bearing securities as indicated in paragraph 15.2.2 of the Central Works Account Code are observed and that the register of their receipt and disposal in Works Account Form 85 is correctly maintained.

It should be seen also-

1. that cash deposits of subordinates and contractors are regularly converted into interest bearing securities under the orders laid down in paragraph 15.2.4 of the Central Works Account Code and
2. that Government paper tendered as security is taken at its market value at the time of deposit and that in the event of its subsequent appreciation or depreciation in value, a readjustment is made, if necessary.

(Vide G of 1, 1&1, PW Br letter No. Mis-8 dt 22<sup>nd</sup> July 1926)

#### 46.3.26 Road Metal Returns

The Road Metal Returns should be examined in accordance with the rules laid down in paragraph 7.4.1 to 7.4.3 of the Central Works Account Code and Rules 144 of the West Bengal Financial Rules.

#### 46.3.27 Revenue Receipts

The records maintained under paragraph 9.1.4 of the Central Works Account Code showing the assessments made in respect of all items of revenue, the progress of recovery and the outstanding debts due to Government, should be examined to see that proper action is taken in each case and that no debts due to Government are written off without the orders of the competent authority.

#### 46.3.28 Register of Miscellaneous Recoveries

The register of recoveries prescribed in paragraph 22.2.9 of the Central Works Account Code should be examined to see;

- i. that the register is properly maintained in PWA Form No. 95 and regularly reviewed;
- ii. that orders regarding recoveries to be made from contractors or other persons which cannot be watched through a suspense or other account are promptly entered in the register;
- iii. that credits, anticipated in the estimates for works, for recoveries of expenditure, etc. are posted in the register immediately on receipt of sanction to estimates;

*NOTE: It should be seen how the recoveries on account of sale of dismantled materials received from works are watched in the sub-divisional offices.*

- iv. that the timely realization of each item is carefully watched;
- v. that there is evidence on record that all marked deviation from the provision for credits in the estimates of works were duly investigated.

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(Vide para 22.2.10 of the Central Works Account Code)

### **46.3.29 Registers of (a) Sanctions to Fixed charges and (b) Miscellaneous sanctions**

The Register of sanctions of Fixed charges (in PWA Form 58) and the Register of Miscellaneous Sanctions (in PWA Form 59) should be examined generally to see that the sanctions to be entered in them under paragraph 22.2.5 of the Central Works Account Code, are noted as they are accorded, that the expenditure incurred against sanctions is regularly posted and that there is no irregularity.

### **46.3.30 Establishment Audit as per normal audit of G&SS-I**

#### **46.3.31 Suspense and other Registers**

**46.3.31.1** The suspense and other register should be examined to see that there is no undue delay in the clearance of suspense and other balances and that no items are outstanding and adequate action was taken for their expeditious settlement.

**46.3.31.2** All transactions booked under Suspense and Remittances heads are either merely adjusting entries or of a temporary character, and are required to be cleared expeditiously by responding transactions or cash payments or adjustments. While the primary responsibility for clearing the transaction devolves on the Divisional Officers, an important function of audit is to scrutinize the balance to effect their early clearance. Efforts made in central audit in clearing the balances have not proved very effective, in spite of the position regarding heavy accumulation of balances having been brought to the notice of the Finance Secretary and Chief Engineers several times. It has, therefore, been decided that Works Inspection Parties should also scrutinize the suspense balances in depth during Local audit and incorporate suitable paras where heavy balances are continuing year after year and the departmental efforts in clearing the balances are wanting.

Departmental inaction in setting the balances may result either in non-detection of frauds, embezzlements (in respect of Remittances into Treasuries, Works cheques and Cash Settlement Suspense Accounts) or in non-realization of dues, not making good losses etc. (in respect Misc. P W Advances). Horizontal reviews for incorporation in the Audit Report may be prepared in respect of the following items: -

1. Settlement with Treasuries.
2. Cash Settlement Suspense Accounts.
3. Misc. PW Advance.

*[Authority: Sr. DAG (W)/order/224 dt. 06.01.82]*

#### **46.3.32 Review by Divisional Officer**

All accounts records, not specifically mentioned in the preceding paragraphs should be examined and it should be seen that they are periodically reviewed by the Divisional Officer as laid down in paragraph 22.4.32 of the Central Works Account Code.

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### 46.3.33 Review of last Inspection reports by EE/DA/SE

The reports of last inspection conducted by the Superintending Engineer of the Divisional Office and by the Divisional Officer and Divisional Accountant of the sub-divisional Offices should be examined to see that the irregularities brought to notice in those reports have been remedied and that the correct procedure is being observed in respect of all matters the procedure relating to which was considered defective previously.

### 46.3.34 March Expenditure

In addition to the points to be scrutinized as mentioned in **paragraph 7.3.11 of Volume-I of this manual**, a procedure for the examination of accounts in cases of heavy expenditure is laid down below :-

1. The irregularities which often accompany exceptionally heavy expenditure are
  - i. Unreal payments i.e. payments charged off in the accounts but not actually made to the parties concerned at the same time.
  - ii. Payments made before the work is performed.
  
2. **Unreal payments-** The first irregularity can be easily detected in the Audit office by noting instances in which acquaintances are not received with the accounts and ascertaining the causes which led to the delay in their submission. The facts ascertained should be verified at the time of inspection e.g. it is argued that a contractor was not present at the station for receiving payment, his Ledger account may be consulted and it may be seen if payments, for any other works were made during the same period. If by such a test it is found that there was an attempt to hold over the payment deliberately, it should be seen (as described in subsequent paragraphs) if the work was really carried out before the cheque was drawn.
  
3. In some cases stamped bills are sent by firms in advance of the despatch of stores and cheques or remittances transfer receipts are drawn but are held back for delivery till the stores are actually received. This is irregular. An Inspection of the local records connected with the receipt of the stores or the procuring of remittance transfer receipts will reveal such irregularities.
  
4. Payment for work not done - The progress report of the division for March shows the expenditure against grant for the whole year. From this a list should be made of all items in which the proportionate expenditure in March has been unduly high. The high expenditure may be either cash or stock expenditure.
  
5. Stock - At the inspection the original records of stock transactions should be consulted to see how far the stock transaction in the accounts are really bonafide. The indents for stores issued should be inspected so as to ascertain the dates of issue of the indents for the stores. The actual date of receipt at site can be ascertained from the

entry in the appropriate column in the receipts for the stores sent and can be checked with the dates on which payments are recorded for the incidental charges, if any, such as cartage and freight charges. Such a check should bring to light all cases in which stock is shown as issued simply with a view to work up grants.

6. Cash - The figure under this head as shown in the schedule docket for the work concerned may represent-
  - i. actual cash expenditure, or
  - ii. adjustments for working debits etc.
7. **Actual cash expenditure**—From the vouchers received a list in the following form should be prepared.

Sr. No. and date	Date of measurement	Measuring Officer	No. of measurement book and page	Place of measurement
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8. This list will show if there is a tendency to make an unduly large number of measurements towards the end of March. If this tendency be found, the fact that the measuring officer was on the days specified at the particular place should be verified with the traveling allowance bills and journals. If it appears that the same officer is shown as having measured a disproportionately large number of works in a given time, the fact should also be brought to notice.
9. The comparison with traveling allowance bills should be made locally in the case of lower sub-ordinates and other officers for whom the journals do not come to the Audit office.
10. The work shown as measured should also be verified as far as possible with the progress reports locally.
11. Payment for materials: Cash payment may also be made for materials supplied in which case the following additional checks may be applied if the payment forms an advance to contractors for supply of materials. Subsequent measurement books should be looked into to see when the materials were actually used.
12. In the case of materials issued direct to works and accounted for in Financial Rule Form No. 12, it should be seen whether they are of a nature liable to rapid deterioration which would result in loss to Government, if not actually required for some time after purchase and whether the materials collected are in excess of requirements of the works. Some case of actual loss incurred may be noticed from the reports of verification of unused materials (Financial Rule Form No. 12).
13. In the case of materials purchased, it should also be seen if they were provided for in

the estimates. Instances are not uncommon in which stores are charged off to some estimate in which there is a saving, the debit being relieved as the stores are being used up in other works.

14. The rates at which these heavy payments are made should also be scrutinized locally to see that higher rates than are justified are not passed e.g. the higher rate provided for teak wood work should not be allowed for teak wood supplied.
15. The transfer entry orders should be scrutinized and all facts clearly ascertained; if any transfer of materials is involved, the same check should be applied locally in verifying the transactions as in the case of stores supplied. The actual date of transfer should be ascertained and verified with the dates on which cartage and other charges, if any, were incurred.
16. General: Besides the above, the following checks should be applied:
  - i. At inspections the dates of closing of the divisional and sub divisional accounts should be verified. The causes of any delay in the submission of the sub-divisional cash or stock accounts should be enquired into.
  - ii. Whenever in the course of audit, an adjustment is met with, it should be seen if the original entry written back was made in March simply to work up to grants.
  - iii. Whenever a Division is inspected the figures for works expenditure and regular establishment should be compared and suitable paragraph drafted if the percentage of the charges be very heavy compared with works expenditure, justifying the matter to be taken up from the audit point of view. Such paragraph may be examined in the WAD to see whether the matter should be taken up with the Government and on receipt of the reply from Government the case may be sent to H O D for further scrutiny.

*[Sr. DAG (Works)'s order dated 28<sup>th</sup> November 1957, filed in WM I/T/1 of 1957-58]*

What audit should do is to find out if the increase in expenditure has led to any definite irregularity or waste of expenditure.

*[CAG's circular No. 2 dated 22<sup>nd</sup> March 1912 (Dy.CG 10) and letter No. 1034 A & A 109-11 dated 9<sup>th</sup> October 1914 (Dy. CG 291) Bundle WA/155 of 1912-13]*

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### **46.3.35.1 Divisional Accountants Objection Book (Form 60)**

When a Divisional Accountant is not satisfied with the decision of the Divisional Officer on a point raised by him, he should make a note of the case in the Register of Divisional Accountant's Audit Objections (Form 60) for the Divisional Officer's further remarks as required under paragraph 4.2.3 of the Central Works Account Code. If there are no points for entry in the register, a 'nil' remarks should be made. The register should be reviewed periodically by the Divisional Officer as required under paragraph 22.4.32 of CPWA Code. An objection entered in this register should not be considered as finally disposed of until it has been reviewed by the Accountant General (RW&LBA).

*(Authority: Letter No. WM 143 dated 8<sup>th</sup> May 1937 Filed in Bundle WA-39 of 1931-32 Vol-IV)*

### **46.3.35.2 Result of Review of Divisional Accountants Audit objection Book**

A special report on the results of review of the Divisional Accountant's Audit objections, which the Inspecting Officer is to undertake under paragraph 4.2.3 of the Central Works Accounts Code, should be submitted by the Inspecting Officer, separately, but simultaneously with the Inspection Reports.

The concerned Head Quarters Section should also keep watch over the matter through their register of Inspection Reports and see that if any Division is not inspected locally during a particular year, the Register of Divisional Accountants, objections of that division is called for review by the first week of April.

*(Authority: AG's order on the Auditor General's letter No. 191-Admn-11/28-37 dated 15<sup>th</sup> March 1937, Dy. India 3945/WM 2841-A)*

## **WORKS APPENDIX – I**

### **List of division to be inspected**

#### **Housing Department**

1. Housing Construction Division - I
  2. Housing Construction Division – II
  3. Housing Construction Division – III
  4. Housing Construction Division – IV
  5. Housing Construction Division – V
  6. Housing Construction Division – VI
  7. Housing Construction Division – VII
  8. Housing Planning Division
  9. Housing Electrical Division – I
  10. Housing Electrical Division – II
  11. Housing Construction Division –VIII
  12. New Town Construction Division – I
-

13. New Town Construction Division – II
14. Central (Brick) Division
15. New Town Construction Survey and Planning Division
16. Akra (Brick) Division

**Public Health Engineering Department**

1. Alipur Division (PHE)
2. Malda Division (PHE)
3. Burdwan Division (PHE)
4. Murshidabad Division (PHE)
5. Bankura Division (PHE)
6. Jalpaiguri Division (PHE)
7. Nadia Division (PHE)
8. Howrah Division (PHE)
9. Resources Division (PHE)
10. RCFA Division-I (PHE)
11. Birbhum Division-I (PHE)
12. Eastern Mechanical Division (PHE)
13. Tamluk Division (PHE)
14. Midnapur Division (PHE)
15. IS. Midnapur Mechanical Division (PHE)
16. Northern Mechanical Division (PHE)
17. Darjeeling Division-I (PHE)
18. Central Mechanical Division (PHE)
19. Barasat Division (PHE)
20. Central Drilling Division (PHE)
21. Bankura Mechanical Division (PHE)
22. Purulia Mechanical Division (PHE)
23. Kharagpur Water Supply Division (PHE)
24. Purulia Division (PHE)
25. Haldia Water Supply Maintenance Division (PHE)
26. Durgapur Water Supply Division (PHE)
27. Electrical Division (PHE)
28. Asansol Division (PHE)
29. Survey Division (PHE)
30. Coochbehar Division (PHE)
31. Balurghat Division (PHE)
32. Asansol Mechanical Division (PHE)
33. RCFA Division-II (PHE)
34. Hooghly Division (PHE)
35. Special Investigation Division (PHE)
36. Malda Arsenic Water Supply Division-I (PHE)

37. Malda Arsenic Water Supply Division-II (PHE)
38. Siliguri Water Supply Division (PHE)
39. Malda Mechanical Division (PHE)
40. Neorakhola Water Supply & Maintenance Division (PHE)
41. South 24 parganas Water Supply Division-I
42. South 24 Parganas Water Supply Division-II
43. South 24 Parganas Mechanical Division
44. North 24 Parganas Water Supply Division-1
45. Noth 24 Parganas Mechanical Division-II
46. Bolepur Mecahnical Division
47. Bolepur Water Supply Division
48. Raghunathpur Water Supply Division
49. New Town Kolkata Water Supply Division-I
50. New Town Kolkata Water Supply Division-11
51. New Town Kolkata Mechanical Division

### **Urban Development Department**

1. Salt Lake Construction Division
2. Salt Lake Reclamation Division
3. Central Mechanical Division
4. Bidhannagar Municipal Services Division
5. New Town Construction Survey & Planning Division
6. Bustee Development Division

### **Municipal Engineering Affairs Department**

1. Burdwan (ME) Division
2. Bankura (ME) Division
3. Malda (ME) Division
4. Asansol (ME)
5. Siliguri (ME) Division
6. Berhampur (ME) Division
7. Jalpaiguri (ME) Division
8. Krishnagar (ME) Division
9. Hooghly (ME) Division
10. Midnapur (ME) Division
11. 24- Parganas (ME) Division
12. Central Mechanical Division



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**Kolkata Metropolitan Development Authority**

**Abstract**

1.	Housing Department	16	
2.	Public Health Engineering	51	
3.	Urban Development Department	06	
4.	Municipal Engineering Affairs Department	12	
5.	Kolkata Metropolitan Development Authority		01

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**TOTAL**

<b>86</b>
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**WORKS APPENDIX-II**

(Referred to in para 46.3.7 of the Manual)

**Bill Register**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
		<b>Amount of the bill Details heads of account</b>																<b>Amount disbursed</b>				
<b>Bill No. &amp; Date</b>	<b>Purchase of the Bill</b>	<b>Pay of establishment</b>	<b>Dearness allowance</b>	<b>Compensatory allowance</b>	<b>House rent and other allowance</b>	<b>House rent and other allowance</b>	<b>Travel expense</b>	<b>Gross amount</b>	<b>Deduction</b>	<b>Net</b>	<b>Date initials of the Office (DDO) signing the bill</b>	<b>Date of presentation at the treasury</b>	<b>Amount passed by the Treasury</b>	<b>Date of signing acknowledgement with initials or the office signing the bill</b>	<b>Date of entry in the Cash Book</b>	<b>Initials of the officer –in-charge of the cash</b>	<b>Month of encashment</b>	<b>2<sup>nd</sup> month</b>	<b>3<sup>rd</sup> month</b>	<b>Reference to bill number and date in which balance cash has been short drawn</b>	<b>Remarks</b>	

**Note:** Entries in column 11 need not be made if the undisbursed item are extracted and watched through the Cash Books.

**WORKS APPENDIX-III****Bill Register**

(Referred to in para 46.3.7 of the Manual)

Bengal Form No. 4883

Sl. No.	Name of work	Name of contractor	Nature of bill i.e. whether running account or final	Ref. to Bill		Ref. to MB		Amount of Bill Rs.	Tender No. and date	Date of check measurement		Amount of Bill passed	Date of Commence of work	Date of Completion of work	Progress of Bill							Voucher No.	Remarks
				No.	Date	No.	Page			By E.E.	By S.D.O.				Date of measurement	Date of preparation Of bill	Date of receipt in Divisional office	Date of putting up to E.E.	Date of passing by E.E.	Date of payment			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	

## **46.4 POWER OF SANCTIONS**

### **46.4.1 Power of Chief Engineer and Superintending Engineer, Public Health Engineering**

In supersession of Govt. order No. 2563 PH dated 13<sup>th</sup> September 1953, the Government is pleased to delegate to the Chief Engineer, Public Health Engineering, West Bengal, all powers of Chief Engineer, P.W.D and to Superintending Engineer, P.H.E. all powers of Superintending Engineer, P.W.D (except tender accepting powers) as detailed in the Works Directorate code W.B.F.R and Works Account Code.

*[Authority: - Govt. of W.B, PH Branch order No. PH/428/2R-12/62 (PT) dated 10<sup>th</sup> Feb. 1964 read with para 35 (a) of W.B Works, Departmental Manual]*

### **46.4.2 Power of Executive Engineers, PHE Department to incur charges for carriage and handling of stock**

The Executive Engineers under Public Health Engineering Department are authorized to incur expenditure on the carriage and handling of stock materials up to prescribed limit subject to further limit of budget provision.

*(Authority: Govt. of W.B. Medical and PHE Deptt. Order No. PH.2915-15-42/49 dt. 4.12.1950 Dy. WM 2356 dt. 12 December 1950-filed bundle No. WA/39 of 1931-32-Vol. VI)*

### **46.4.3 Adoption of P.W Rules 1987 by PHE Directorate**

The Governor is pleased to adopt with immediate effect Works Rules 1987, as promulgated under the Notification No. 37770A dt. 20.03.87 issued by Works Dptt., Govt. of W.B for execution of work by the PHE Directorate.

*(Authority: - G.O. No. H/PHE-II/890/2E-1777/86 dt. 8<sup>th</sup> May 1987, kept in bundle 2)*

## **46.5 SUBSIDIARY RULES AND ORDERS RELATING TO CONTRACT**

### **46.5.1 Piece work and contract work**

a. The recognized system for carrying out work otherwise than by employment of daily labour, are 'Piece work' and 'Contract work'. Piece work is that for which only a rate is agreed upon, without reference to the total quantity of work to be done or the quantity to be done within a given period. The term contract does not include agreements for the execution of work by piece-work, nor does it include mere ordinary purchase of materials or stores. All other work done under agreement is termed 'Contract work', and in agreements for such work which should invariably be in writing, there should generally be a stipulation as to the quantity of work to be done, and the time within which it is to be completed.

*(Authority: Rule 174 of WBFR, Vol. I)*

b. Contracts may be of three kinds, viz. Lump sum, Schedule and combination of these two.

i. In a lump sum contract, the contractor is engaged to execute the work with all its contingencies for a fixed sum.

- ii. Schedule contracts are those in which contractor undertakes to execute the work at fixed rates. The sum he is to receive depends on the quantities and kind work done or material supplied.
- iii. The third kind of contract is a combination of both these. Thus, a fixed sum is proposed for the completion of the work as specified and a schedule of rate is agreed upon by which to regulate the price to be paid or to be deducted for additions and alternation.

*(Authority: Rule 175 of WBFR Vol. I)*

#### **46.5.2 Principles to be followed for entering into contracts/agreements**

The principles to be followed by officers who to enter into contracts for execution of work or for obtaining supplies have been laid down in Rule 47 for WBFR Vol.1. The said rule has been amended in F.D. Audit Branch Notification No. 9600F dated 4<sup>th</sup> Oct. 1991. The amended rule is given in Appendix I to this Chapter. The officers who are empowered to enter into contracts/agreements for execution of work or for obtaining supplies should follow the rule strictly.

#### **46.5.3 Carrying out negotiation with contractors on verbal assurances**

Sometimes at the time of carrying out negotiations with contractors, certain verbal assurances are given to them and they also verbally put forward certain conditions to which their offers are subject. Such assurances and conditions cannot be accepted by audit unless these are put in black and white.

It has been decided that henceforth all assurances given to and conditions put forward by contractors at the time of negotiation with them should be put in black and white.

*[Authority: I & W Deptt. Order No. 5573 (35)/1 IA of 30<sup>th</sup> October 1959. Dy. WA/1485 filed in WAV/46-4/57-58 (Vol.11) read with WMI on 03.12.59]*

#### **46.5.4 Certificate regarding completion of work within the stipulated time**

In cases where a work is, in terms of accepted tenders, to be completed within a stipulated time, the Executive Engineer should record in the final bill a certificate regarding the completion of the work by stipulated time and that in cases where the works are not so completed, the Executive Engineer should record reasons for waiving the penalty clause or granting an extension.

*(Authority: CE, Irrigation Deptt. Memo No. 512-13-CIE dated 19<sup>th</sup> March 1936. Dy. GB 1900-WA-III 298 Bundle No. WI 3 of 1935-36)*

#### **46.5.5 Use of Tender Form other than standard forms of contract**

Cases where tenders in forms other than in the standard contract forms are proposed to be accepted, should invariably be referred to Government for their approval prior to the acceptance of such tenders by the local officers.

*[Authority: Govt. of WBFD Audit Branch Memo No.1232 (7) F/F/IC-C/56 dated 12<sup>th</sup> April 1956. Dy. WM 193 dated 18<sup>th</sup> April 1956 in Bundle WA/39 of 31-32 Vol-VII]*

#### **46.5.6 Classification and financial limits of enlisted contractors of Works Department**

Enlisted contractors may deposit immediately a fixed permanent security as per current orders, against which they will be eligible to submit tender in all cases, other than open tender cases for any number of works within his class without having required to deposit the Earnest Money as before along with each individual tender.

*Note:- S.C.C [Supervisor certificate of competency] syllabus consists of Part 1-Basic fundamentals, 2-Distribution of Power, 3-D.C. Motor, 4- A.C. Motor, 5- High tension above 650 volts] equipment, 6(a)-Overhead line upto 650 volts, 6(b)-Overhead lines upto 33,000 volts, 6(c)-overhead line above 33,000 volts 7(a)-underground cable upto 650 volts, 7(b)-underground cable upto 11, 000 volts 7(c)-underground cable above 11,000 volts, 8-Mines, 9-Lit, 10-Neon sign, 11-Wirings & 12-Only Transformer installation.*

*(Authority: GWB, PWD Notification No.16CRC dated 01.07.2002)*

#### **46.5.7 Enhancement of fixed permanent security for ‘Open Tender’ works under Works Directorate**

There has been abnormal rise in prices of construction materials and labours etc. in the recent time. As such the ceiling of financial limit of works to be executed by the enlisted contractor alongwith the limit of Fixed Security Deposit for ‘Open Tender Works’ was therefore, under consideration of the Govt. for sometime past. On careful consideration of the matter the Governor has been pleased to enhance the Security Deposit for ‘Open Tender Works’ from Rs.50,000/(Rupees fifty thousand) to Rs.1,00,000/-(Rupees one Lakh) only.

*[Authority: Government of WB, PWD, A/cs. Branch No. 7394-A dt. 7.7.88 and endorsement No. 7394/2(70)-A to Superintending Engineers, PWD and Executive Engineers, PWD, page 83 of File Works (R&C)/iii-13B (Manual)/State Govt. Orders]*

#### **46.5.8 Realisation of ‘Security Deposit’ from the contractors’ R.A. Bills-Abolition of restriction**

**46.5.8.1** In terms of GO NO.3007F/FIR-17( 14/65) dated 26.8.67 issued by the Finance Deptt., Govt. of West Bengal, in settling contracts for execution of Works a provision has been allowed in restricting realization of ‘Security Deposit’ to the extent of Rs.1,00,000/- from contractors’ R/A bills subject to fulfillment of other terms and conditions. The Security Deposit to the tune of Rs.1,00,000/- appears to be too meagre with reference to cost of works now being undertaken by the Engineering Departments. It has since been decided to abolish the restriction.

**46.5.8.2** The Governor has been pleased to abolish the restriction on realization of ‘Security Deposit’ up to the limit of Rs. 1,00,000/- (Rupees one Lakh) only from the contractors and to direct that the contracts whose tender(s) may be accepted shall permit at the time of making payment to him for work done under the contract to deduct such sum as along with the sum already deposited as earnest money will amount to 10% (ten) per cent of the estimated cost of the work put to tender, without any maximum limit. The language of the ‘Notice Inviting Tender’ may be modified accordingly where necessary.

*[Authority: Govt. of WB, PWD, A/cs Branch No. 8872A dt.22.8.88, File Works (R&C)/III-13B (Manual)/State Govt. Orders page 79].*

#### **46.5.9 Distribution of work without calling tender**

**46.5.9.1(i)** The original and repair works of Building, Road and Plumbing with prescribed financial limit may, at the discretion of the Executive Engineers and for reasons to be recorded in writing, be distributed to contractors on the approved lists without calling for tenders. But tenders should always be invited whenever there is sufficient time for such procedure. Whenever a work is distributed without calling for tenders and the aggregate value of such works exceeds permissible limit an intimation shall be immediately sent to Government through the Superintending Engineer and the Chief Engineer.

*(Authority: Govt. of WB, PWD, Notification No. 43, CRC dated 31.07.2000)*

**(ii)** Both the original works and repair works up to prescribed financial limit in respect of building works, road works, plumbing works and electrical works may at the discretion of the Executive Engineer, and for reasons to be recorded in writing be distributed to contractors in the approved lists of the appropriate category without calling for tenders. But tenders should always be invited whenever there is sufficient time for such procedure.

*[Authority: PWD Code Vol.I, Rule 216(2)]*

#### **Tender**

**46.5.9.2** In all other cases of a general work up to prescribed financial limit of sanitary, plumbing work and electrical work, competitive tenders shall be called for and tenders shall be confined to the enlisted contractors of the appropriate class shall be accepted by the competent authority. Every case in which a tender higher than lowest is recommended for acceptance shall come up to Govt. for orders.

*[Authority: PWD Code Vol.1, Rule 216 (2)]*

**46.5.9.3** Open and competitive tenders shall be called for from the public whenever the estimated cost of the work of each individual category (General, Sanitary and Plumbing or Electrical) proposed for execution by the Directorate exceeds the financial limit stated in **paragraphs 46.5.9.2 of this chapter** for that category of work. In such cases, for works other than electrical, enlisted class-I contractors shall also be eligible to submit tender within their respective category. In cases of electrical works other than special class, the enlisted contractors in Classes I and II and for special class works the enlisted contractors in the special class shall also be eligible to submit tenders along with the reputed outside contractors having Supervisors possessing requisite certificate of competency.

The lowest tender for such work shall be accepted as a rule by the competent authority. If for any reason, economical or otherwise, the lowest tender is not accepted,

reference shall be made to Government for orders as to which of the contractors the work should be given.

*[Authority: Rule 217(1) & (2) of the PWD Code Vol.I]*

**46.5.9.4** If upon calling for competitive tenders a single tender is received, that tender shall not be accepted ordinarily. Fresh tender shall be called for again without delay. Where on the second call also, a single tender is received, that tender may be accepted. Where on the second call no tender is received, or where by comparison with tender(s) received at the second call, the single tender received at the first call is, in the opinion of the accepting authority, the most acceptable, the single tender received at the first call may be accepted provided consent of the contractor concerned has been obtained prior to such acceptance and issue of work orders to him. Under the circumstances stated, the acceptance of single tender shall not require a reference to Government provided that the total amount arrived at the on the basis of tendered rates does not exceed the total estimated amount by 5 per cent.

*[Authority: Rule 216(3) of PWD Code, Vol.-1]*

#### **46.5.10 Distribution of emergent works**

There shall be no special provision for declaring any work as 'emergent' and for execution of any work as 'emergent'. In cases of exceptional urgency calling for any special treatment, the Chief Engineer shall obtain special orders of Government vide Rule 177(b) of WBFR Vol.I.

#### **46.5.11 Forms of contract**

**a.** The forms of contract shall be as follows:-

- i.** For petty works when executed under 'Work Order' System Bengal Form No.2928.
- ii.** For those original works only, which can be executed on lump sum contracts- Bengal Form No.2912.
- iii.** For original works which cannot be executed on lump sum contracts, and for repair works —Bengal Form No.2911.
- iv.** For supply of materials-Bengal Form No. 2908.

*(Vide PWD Code, Rule 221)*

**b.** Contractors should be charged price for tender paper and schedule at the rate prevailing.

*Note: To ensure continuity of sale of Tender forms from Divisional offices and from Sub-divisional offices attached to Divisional Headquarters during the absence of Executive Engineers or Sub-Divisional officers it has been decided that in cases of Divisions which have Sub-divisions attached to their headquarters, the Executive Engineer, while leaving station, may authorize the SDO of the Headquarters Sub-Division to sell tender forms in his absence, account for their sale proceeds in the books of the Sub-division and issue receipts for cash received. As a safeguard against re-issue of tender forms to the same contractor, the Executive Engineer, while going out, may furnish the SDO, Headquarters with a list of contractors to whom*



tender forms for the particular work or works have already been issued or alternatively the SDO, Hqrs. should refer to the Divisional `Register of Saleable Forms' before issuing tender forms to any particular contractor. As soon as Executive Engineer will return to the headquarters the SDO should furnish to him a list of forms sold from the Sub-division. The same procedure may be followed in the Divisional office when the SDO headquarters, remains absent on tour, the Executive Engineer granting receipts on his behalf.

*(Authority: G.W.B., W&B Deptt. No. 153 A dated 8.1.1955, received with F.D. Memo No. 241 FB dated 21.1.1955, Dy WAI-2896, filed in Bundle WA/39 of 1931-32 Vol. VII)*

#### **46.5.12 Account of saleable forms**

Account of saleable forms of all classes issued from the Divisions under I &W Department should be maintained in the following forms

Opening Balance of forms	Date of receipt	Number of forms received	Total number of forms in hand	Date of sale
(1)	(2)	(3)	(4)	(5)
Name of Contractor to whom sold	Particulars of sale	No. of forms sold	Amount realized	Date and initial of contractor
(6)	(7)	(8)	(9)	(10)
Date and initial of cashier receiving money	Balance of forms in hand	Balance reviewed by Divl. Acctt. And his initial	Date of review by E.E. and his	Remarks
(11)	(12)	(13)	(14)	(15)

Separate folios of the Register of Tender forms should be used for each class of tender forms.

Divisional officers should physically verify the stock of tender forms with reference to the Register maintained in their respective Divisions once a year.

#### **46.5.13 Acceptance of lowest tender**

**46.5.13.1** The lowest tender for all works shall be accepted as a rule. But if the Asstt. Engineer/Executive Engineer/Superintending Engineer (as the case may be) on opening of a tender suspects that a ring was apparently formed among the tenderers and in consequence there was no free and fair competition all the tenders obtained should be rejected outright by the AE/EE/SE as the case may be with written consent of this immediate superior officer and neither the lowest nor any other tender of the lot should be given any consideration by the officer concerned.

**46.5.13.2** If on consideration of urgency or otherwise, time in hand be short, bid may be held by the officer concerned among the contractors who participated in the tender. If on such a bid

the desired result is obtained, the work may be entrusted by the officer concerned with the written consent of his immediate superior officer to the bidder offering the lowest rates for the work.

**46.5.13.3** The course prescribed under **46.5.13.2** proving unsuccessful and also in cases where sufficient time may be available, tender may be reinvited by the officer concerned with the written consent of his immediate superior officer throwing it open to the approved contractors of the next higher and lower classes in addition to those in the classes normally eligible.

**46.5.13.4** In addition to throw open the work to other classes of approved contractors as per **46.5.14.3** above, recourse may also be conveniently taken, if considered expedient by the officer concerned with the written consent of his immediate superior officer to split the work into two or more groups or otherwise constitute the groupings so as to enlarge the field competition by indirectly taking away from the contractors of the class to which the work or group originally belonged. Their exclusive right of tendering for the same at the second or subsequent calls.

It has also been noticed that the lowest tenderness after opening of the tenders withdraw their tenders before formal acceptance thereof without offering any satisfactory explanation for such action. The following course may be alternatively or successively adopted as particular circumstances may warrant.

- i. Bid amongst the participant tenderness excluding the withdrawing lowest tenderer and to accept lowest rate of the bid.
- ii. If no fair rate is obtained on bid or where time permits tender should be re-invited for the work. The lowest tenderer who withdrew his tender on the previous occasion should not be allowed to participate in the re-tender.

*Note-1* When the rates quoted in response to invitation for completion for competitive tenders are considered high and when a fresh invitation for tenders cannot be taken recourse to either for want of time or because of no likelihood of getting more favourable rates, it may be necessary to carry on negotiations with the participating contractors, who submitted tenders on the first occasion, with the than those received in response to the invitation for competitive tenders, negotiations should be made with all the contractors who quoted rates in response to invitation for tenders, and not with the lowest tenderer alone.

*Note-2* Govt. have decided that when lowest valid tender is considered unacceptable and there is/are valid tender/tenders not exceeding the estimated or scheduled rates beyond 5 per cent, the matter should be referred to Govt. for with a report whether re-invitation or negotiation is expected to result in lower rates.

#### **46.5.14 Communication of Contracts / Agreements to Audit**

Authorities who are authorized to enter into contracts on agreements should send copies of all contracts and agreements value over Rs.1 Lakh to the Accountant General (A&E) West Bengal, Principal Accountant General (G&SSA) West Bengal and Accountant General (E&RSA) West Bengal. The Comptroller and Auditor General and under his direction other Audit authorities shall have power to examine contracts and to bring before Public Accounts Committee any cases where competitive tenders have not been sought or high tenders have been accepted or where other irregularities have come to light.

*[Authority: C.S.No. 102-Amendments substituted Rule 47 (13) of WBFR Vol.1 received with FD Memo No. 9600F dt. 4<sup>th</sup> October 1991]*

#### **46.5.15 Sale of extra copy of standard contract forms to contractors**

Only one spare copy of the standard contract forms may on payment of prescribed price be supplied to a contractor or firm of contractors, eligible to tender in a specific work, on receipt of written requisition for the same.

Before such a spare copy is made, the words ‘spare copy-not to be used in tenders’ should be prominently embossed on each page of the form to guard against the same form or any page thereof being improperly used.

*[Authority: Govt. of W.B., W&B Deptt. A/cs, Branch Memo No. 5478A dt. 1.10.58 received with FD Memo No. 22561 FB dt. 10.10.58]*

#### **46.5.16 Principles to be observed by all concerned entrusted with acceptance of tender**

- i.** The tenderers should be asked to be present at the time of opening of tenders and they should be permitted, if they so desire, to put in their initials on the tenders of their competitors at the time tenders are opened and read out by appropriate officer.
- ii.** It will be obligatory for the officers of the Department, Directorate office as the case may be, to disclose their relationship, if any, with the partners or directors of the firm who have been given contract by the Department, Directorate office as the case may be and no officer who has any relation with the selected firm should be entrusted with the supervisory charge of its work.

#### **46.5.17 Supplementary agreement**

**46.5.17.1** Under Rule 192 of the WBFR Vol.1, no supplementary agreement is necessary when additional items of work do not exceed 5 per cent of the sanctioned estimate. It is thus within the power of Divisional officer to fix the rates in such cases, and no intimation regarding the rates need be made to Audit office. If, however, a supplementary agreement is necessary and such supplementary agreement is accepted by an authority higher than the Divisional Officer, then a copy of the supplementary agreement must be furnished to Audit office so that the payment for work done can be audited on the basis of sanctioned rates.

**46.5.17.2** In the cases involving mere quantitative increase in items already tendered for, the supplementary work may be distributed to the working contractors by the Executive Engineer

under the same tender up to the limit of 10 per cent of the tendered value of the items concerned. The distribution of the quantitatively increased work beyond this limit of 10 per cent must be referred to the SE in charge in writing for decision. The SE may, at his discretion, sanction distribution of such additional work to the working contractors up to the desired extent subject to the restriction that such quantitative increase in tendered items does not result in exceeding the sanctioned estimate beyond 5 per cent.

**46.5.17.3** Supplementary tender will, however, be necessary in cases of additional items of work not covered by original tender. Such items of works may nevertheless be executed through the working contractors after obtaining from him a supplementary tender up to 10 per cent of the value of tender originally accepted, but subject to the overall limit indicated in **paragraph 46.5.17.5** below.

**46.5.17.4** The works arising out of substitution of the tender items by alternative items will also require obtaining supplementary tender. When such items of work can be executed out of the savings in the original tender due to elimination of the corresponding items from the original tender, these may always be executed through the working contractor on obtaining a supplementary tender from him. In cases, however, where the majority of the items of any original tender are substituted due to change of specification of the work, reference should be made to Govt, for order as to whether new items should be executed through the original contractor on a supplementary tender or fresh tender should be invited for selection of another contractor.

**46.5.17.5** It must again be emphasized that in no case of distribution of supplementary items of works as enumerated above, should the extra expenditure, where involved, be allowed to exceed the sanctioned estimate beyond 5 per cent.

**46.5.17.6** All distribution of supplementary item of work beyond the limit prescribed above shall require the approval of Govt.

*[Authority: Govt. of WB, W&B Deptt. Order No. 1323-A dt. 30.3.53]*

*Note: The estimates of projects are usually sanctioned in consolidated fashion but component works thereof are occasionally put to tender separately as is considered expedient. The amount of split estimate indicated at the time of inviting individual tenders for such component works should accordingly constitute the sanctioned estimate.*

*[Authority: Govt. of WB, W&B Deptt. A/cs (Adt) Branch No. 931-A(A) dated 24<sup>th</sup> June 1958]*

**46.5.17.7** A supplementary tender should be accepted by the same authority who accepts the original tender. So all supplementary tenders for works for which the original tenders were accepted by the SE, should invariably be accepted by him. 9.18.8 It has been decided by Govt. that a contractor who may be called upon to do any supplementary items

of work not provided in the original tender, should agree before his tender is accepted to carry out those supplementary items at the same percentage below the current schedule of rates as per items in his original tenders.

*[B.G. PWD No. I 19TA-120TA dt 5<sup>th</sup> June 1936]*

**46.5.17.8** It has been decided by Govt. that a contractor who may be called upon to do any supplementary items of work not provided in the original tender, should agree before his tender is accepted to carry out those supplementary items at the same percentage below the current schedule of rates as per items in his original tenders.

**46.5.17.9** According to practice followed in W&B Directorate (since renamed as PW Directorate), no schedule of quantities of work is normally incorporated in the repair tenders and the contractors are required to quote only the percentage above or below the current schedule of rates at which they are agreeable to execute the work. The analysis of additional or substituted items of work, if any, should if there are no specific rate in the schedule, be worked out on the basis of-

- i.the rates of materials and labour listed in the current schedule of rates or
- ii.the market rates of materials and labour, when their rates do not find a mention in the schedule.

In the case of (i) above, the contractor's abatement (i.e. the stipulated percentage plus or minus) should be applied; and in the case of analysis of rates as per (ii) above, payment should be allowed at the rates worked out without application of the contractor's abatement.

This order will have strict application and will cover both original and repairs.

*[GWB W&B Deptt. Order No. Accts Branch Memo No. 2930A dated 27.6.1955]*

*Note: The above procedure also applies to the I&W Deptt. [I&W Deptt. Order No. 69(40)-IA dt.10.2.1957]*

#### **46.5.18 Splitting up of Big Works (PW Deptt.)**

1. In splitting up any work into component parts the following conditions should be followed:-
  - a. The primary consideration governing splitting up shall be expedition consistent with economy and efficiency.
  - b. When splitting up is not justified on condition (a) above, such a course shall not be resorted to for the purpose of evading the financial powers of the officer distributing the work.
  - c. Care should be taken to see that splitting up does not technically damage the value of the work as a whole, and where such a possibility exists, the work shall not be split up into smaller segments.

2. When a big work worth above Rs. 10 lakhs in value has to be divided into component parts each below Rs. 10 lakhs in value for the sake of expedition in execution of the work and for other administrative reasons, the tender for each section should be treated as part of the tender for the whole work and should, accordingly, be invited from the open market and accepted a such according to the rules governing open tenders provided that in such cases individual contractors in Class II or in Class III or in Class IV shall also be eligible to tender for the component parts of such works if the value of the same falls within their respective financial limits.
  
3. Similarly, when contractors are invited to tender for the whole length of a road, the estimated cost of which exceed Rs. 10 lakhs, or for convenient sections of the entire length of that road, the character of the tenders should be evaluated with reference to the estimated cost for the whole length and the tenders should be regarded as open tenders and dealt with accordingly subject to the same proviso as provided in sub-para (2)  
*(Vide PWD Code, Vol. I, rule 218/PWD A/cs. Br. Memo No. 45-99-A dated 27.10.64 read with GWB, PWD Notification No. 865A dated 23.12.1999)*
  
4. Works failing within financial limits of Class 1 contractors may, if considered expedient for the sake of their expeditions and proper execution, be likewise split up into component parts following the same principles laid down sub-para(2) above. In such cases, tenders for each component part shall be invited from the enlisted Class 1 contractors as also from those enlisted lower class contractors within whose financial limits the value of the individual component part may fall.

*(Vide PWD Code, Rule 219)*

#### **46.5.19 Holding of bid**

Once the tenders are opened, no tenderer should be allowed to offer fresh quotations unless each of the tenderers are given equal opportunity. In such a case to give equal opportunity to all tenderers, where time permits fresh tenders may be invited so as to leave no room for any complaint or grievance whatsoever. If, however, there is no time for re-tendering, a bid on the spot among all the tenderers will be the best method to distribute the work without loss of time and on a really competitive basis; it will be within the competence of the competent engineer officer of the Directorate to accept the lowest bid in such cases without any further reference to Government, provided that the lowest bid remains within the estimated amount of the work or within an excess of 5 per cent of the estimated amount.

*(Vide PWD Code Vol. I, Rule 220)*

#### **46.5.20 Rules regarding deposit of earnest money and security deposit of contractors in PHE Directorate**

The following rules regarding deposit of earnest money and security deposit of contractors in PHE Directorate shall be followed :-

Each enlisted contractor may deposit a fixed permanent security as detailed in paragraphs **46.5.25** of this manual against which he will be eligible to submit tenders in all case, other than open tender cases, for any number of works within his class without having deposited the earnest money as before along with each individual tender.

The fixed securities shall be deposited by the contractors in the Reserve Bank of India or in Govt. Treasuries in favour of the Chief Engineer, Public Health Engineering, West Bengal and corresponding challans furnished to him. A list of contractors who have deposited the fixed security deposit shall be forwarded to the Executive Engineer under him. The Chief Engineer shall keep an account of all fixed deposits and make periodical verification of such account.

**N.B.:** For the purpose of these rules ‘Supply Contractors’ will be treated as Class III.

Other relevant rules made in this connection by Works Deptt. will also apply mutatis mutandis.

#### **46.5.21 Notice inviting tender**

The notice inviting tenders and conditions of tender accompanying it are very important documents and it is essential that they should be very carefully drawn and typed so that they may contain the minimum number of corrections and that all such corrections are always initialed by the authority inviting the tender.

*[C.E., C & B Deptt. Accts. Branch No.84 (5) A dt. 9.1.50 to S.E.’s]*

**Note:** While paragraph 225 of the PWD Code, Vol.I (1963) enjoins that in case of large contracts the time gap between the date of first notice inviting tenders and the date of opening the tenders should be at least one month, there is no uniform time interval prescribe for smaller and urgent works or invitation of bid. The following time intervals are, therefore, laid down for compliance: -

- a.** For all works valued up to Rs. 1 Lakh, the time gap between the date of first notice inviting tenders and the date of opening of the tenders should not normally be less than two weeks.
- b.** In case where the officer empowered to accept the tender considers it urgent, short notice tender may be invited, but in no case it should be less than a week. The reasons for considering the work as urgent should be duly recorded and be available to audit if called for.
- c.** In very special cases where a particular work declared emergent by Government, bids may be held or tenders called for from the contractors readily available in as short a time as possible. If in any urgency it becomes necessary to adopt such steps without prior sanction of Govt. the circumstances calling for such action should be reported to Govt. immediately.

*[Govt of W.B., W&B Deptt. No 4424 A dated the 24<sup>th</sup> Nov. 1954 Dy WA-II-2213, filed in bundle WA/39 of 31-32 Vol. VII]*

#### **46.5.22 Preparation of comparative statement of tenders**

In each case where comparative tenders are invited for a work, it should be seen that the sanctioning authority prepares a comparative statement of tenders showing the quantity of each item of work as per estimate, the rates tendered by different contractors, the amount for the item of work tendered for according to the rates tendered by each contractor in order to decide which of the tenders is the lowest.

**Note:** The comparative statements of tenders for any one year should be kept together in a separate file in the Divisional Office so that they may be readily available to the Inspecting Officer for scrutiny.

#### **46.5.23 Responsibility of Divisional Accountant/Accounts Officer for checking of comparative statement**

A Divisional Accountant is responsible for the arrangements for checking the computed tender, i.e. for seeing that satisfactory and efficient arrangements are made for checking. He should conduct personally a test check of the computed and checked tenders sufficient to satisfy himself reasonably that the checking work has been properly done and he should see that the comparative statements correctly incorporate the totals checked on the individual tenders. An Executive Engineer would be quite competent to ask the Accountant to note on the comparative statement that as far as he could ascertain from such test check as he had been able to carry out, the statement was accurate.

There should be no hurrying of the work checking the computed tenders and the Accountant is entitled to claiming reasonable time.

*(Auditor General of India letter no. T-215 Admn.II/209-36 dated the 25<sup>th</sup> May 1937)*

The Govt. of West Bengal accepts the above procedure approved by the CAG subject to the following provisos:-

- i. That it will not necessitate the appointment of extra staff ; and
- ii. That the Accountant will be allowed 10 days only for finishing his test check.

*(G.B. C &WD letter No. 2285-A dt. the 24<sup>th</sup> March 1938)*

**Note:** Before the supplementary tenders are put up to Divisional Officer for acceptance or recommendation these will pass through the Divisional Accountant for scrutiny, so far as other aspects of the tenders, excepting fixation of rates, are concerned.

*(CE W&B Dte No. 4701 A dated 31<sup>st</sup> July 1959)*

#### **46.5.24 Deposit of earnest money by contractor**

Earnest money may be taken from the contractors in any of the following ways:-

- i. Treasury challan
- ii. Pledged Government securities or National Saving Certificates or Post Office Savings Bank Account



**[Govt. of WB, W&B Deptt. Resource Branch memo No. 2118(2) /RS dated 24<sup>th</sup> September 1951 to CE W&W Deptt. as modified in Govt. of WB Dev (Roads) Deptt. Memo No. 192 D/A dated 27<sup>th</sup> February 1958 Dy. GB 3986 WM/5056 Filed in Bundle WA/34 of 1953-54]**

*Note: Stamped receipts are required to be taken in all cases of refunds (including security deposit in the form of Govt. Promissory Notes; Post Office Savings Bank Pass Books, Post Office Cash Certificates, National Savings Certificates, Treasury Certificates etc.) exceeding Rs.5000/- in value.*

Crossed Bank Drafts issued in favour of the Executive Engineer concerned may be accepted as earnest money deposit, provided that the bank draft must be an irrecoverable instrument and that under no circumstances should the tenderer be in a position to stop payment thereof. It has also been decided that the system of accepting bank drafts as earnest money deposits should be in addition to and not in substitution of the existing system as there might still be many tenderers particularly in the outlandish parts of the country who would prefer to give their earnest money deposits in cash rather than in the form of bank drafts, the former system being used in as few cases as possible and till such time as the tenderers get themselves accustomed to the use of bank drafts.

**[Finance Deptt. Memo No 4127/2(1) F dated 3<sup>rd</sup> December 1959-Dy. WM 1/3313 filed in WM I/WA/35 Vol. III]**

#### **46.5.25 Payment to contractors through financing banks**

Payments due to contractors may, if so desired by him, be made to his bank instead of direct to him, if the contractor furnishes to the Engineer-in-charge:

- i.**an authorization in the form of legally valid documents e.g. irrecoverable power of attorney conferring authority on the bank of receive payment; and
- ii.**his own acceptance of the correctness of the account made out as being due to him by Government or his signature on the bill or other claim preferred against Government by settlement by the Engineer-in-Chief of the account or claim by payment to the bank.

While the receipt given by the bank shall constitute a full and sufficient discharge for the payment, the contractor should, whenever possible present his bill duly receipted and discharged through his bankers.

In the case of bills, which the contractor presents for payment direct and which are not endorsed in favour of the bank, while efforts will be made to secure payment to the financing bank, payment made to the contractor should be accepted as full acquittance so far as Government is concerned.

As part of the arrangement, the financing bank should give Government a letter to this effect.

**Note1:** *The procedure will not affect the usual rights of Government to deduct from contractor's bills (whether endorsed in favour of bank or not) any sum due to Govt. on a/c of penalties, over payments, etc. on this or any other contract with the Govt.*

**Note2:** Nothing herein contained shall operate to create in favour of the Bank any rights or equities vis-à-vis Governor.

*(G.B. W&B Memo No. 3006A dated the 24<sup>th</sup> May 1946-Dy.GB 7079-WM-786 filed in Bundle 39 of 31-32 Vol. III)*

#### **46.5.26 Rules for enlistment of contractors**

Applications from all intending contractors shall be invited by means of advertisement with the widest publicity so as to reach Government before a specified date.

#### **46.5.27 Enlistment of contractors under PHE Directorate**

Tentative number of contractors for civil and electrical/mechanical works under PHE Directorate in each category, financial limit for works value, and amount of fixed security deposit to be deposited and their area of operation need be seen by the Audit party.

The accepting authority reserves the right to reject any application for enlistment without assigning any reason thereof whatsoever.

*(Authority: Govt. of WB, Director of Public Health Engineering Memo No. 3105 dated 08.02.2001)*

### **APPENDIX-I**

#### **(Referred to in paragraphs 46.5.2)**

Amended rule 47 of WBFR Volume I regarding principles to be followed by officers who have to enter into contracts/agreements for work or supplies.

**47(1)** No contract shall be made by a subordinate authority which has not been directed or authorized to do so by or under the orders of the Governor in terms of clause (1) of Article 299 of the constitution. The Governor shall be made a party to every contract of the Government and the words “for and on behalf of the Governor of West Bengal” should follow the designation of the officer authorized in this behalf under Article 299 of the Constitution and executing the contract appended below his signature.

**Note 1:** The various classes of contracts and assurances of property, authorized by the Governor in exercise of the power conferred by clause (1) of article 299 of the Constitution which may be executed by different subordinate authority of the Government are specified in the notification issued by the Judicial Department from time to time.

**Note 2:** The limitations upon the powers of subordinate authorities, the condition under which such power should be exercised and the general procedure prescribed with regard to various classes of contracts and assurances of property, such as calling for and acceptance of tenders

etc. are laid down in Delegation of Financial Power Rules, 1977 and the appropriate Department regulations and orders.

- (2) The following general principles shall be observed by all offices empowered to enter into contracts or agreements for obtaining supply and execution of works and services on behalf of the Government and involving expenditure from Public fund:-
- a. The terms of contract must be precise and definite and there must be no room for ambiguity or misconstruction therein.
  - b. The terms of the contract once entered into shall not be materially varied without the previous consent of the authority competent to enter into the contract and the reasons for the variation should be recorded. No payments to contractors, by way of compensation or otherwise, outside the strict terms of the contract or in excess of the contract rates shall be authorized without the previous approval of the Finance Department.
  - c. No contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the Finance Department.

Where escalation in respect of labour overheads, customs duties, freight charges etc. is provided for in a contract, the basis for the calculation of the same should be clearly indicated.

(3) **Liquidated Damage:**

All contracts should have a provision for recovery of liquidated damages for default on the part of the contract or unless any special instructions are issued by the 'Competent Authority'.

**Explanation:** "Liquidated damage" shall mean losses or damage sustained by Govt. for default on the part of the contractor either because of delayed supply or execution of works within the stipulated date or otherwise. It should be provided for in terms of a specific percentage of the total contract value of the supply or works for a day of week or month as the case may be.

(4) "Cost Plus" contracts should be avoided except where these are unavoidable.

**Explanation:** "Cost Plus" contract shall mean a contract wherein the price payable for supplies or services under the contract is determined on the basis of the actual cost of production of the supplies or services concerned plus profit either at a fixed rate per unit or at a fixed percentage on the actual cost of production.

- (5)(a) In the agreements for the execution of a work as a contract work, which should invariably be in writing, there should be a stipulation as to the quantity of work to be done and the time within which it is to be completed.
- (b) These provisions shall apply, mutatis mutandis, for supplies also.
- (6) In case of high value of works, the contract deeds should be specially prepared in consultation with the Govt. laws officers and as far as possible, the standard form of contract shall be used.
- (7) Unless otherwise exempted by any special rules or order of the Govt. security in the form as prescribed in rule 25 of these rules, shall, in all cases, be taken for due fulfillment of a contract.
- (8) **Subject to Note-1 to 5 below**, orders should be placed only after open tenders or quotations have been invited and in the cases where the lowest tender or quotation is not accepted, reasons should be recorded under signature of the officer in charge of purchase.

**Note(1):** Subject to the special rules or order or procedure that may be prescribed by the Government in respect of a particular department, open tender shall invariably be invited for the supply of articles of stores or for execution of works and services worth Rs.1,00,000/- or more. For high-value purchase exceeding Rs.10 Lakh or for purchasing plant, machinery etc, of complex and technical nature, bids may be invited in two parts under two-bid system laid down in 47C below. Selection of agency should be made on the basis of at least three tenders, which shall be opened in presence of willing agents. If the number of tenders received is less than three, tender should be invited afresh. In case of invitation of tenders under two-bid system, if the number of tenderers/bidders qualified in the technical bid is less than three, tender should be invited afresh. Purchase upto Rs. 10,000/- may be made without any tender or quotation. The purchasing authority shall certify that the purchase has been made at reasonable market price in cases of purchase from the open market without tender/quotation. Purchase above Rs. 10,000/- and upto Rs1,00,000/- shall be made after inviting quotations from at least four reliable firms which shall be opened in presence of willing agents. In such cases of purchase by invitation of quotation, procurement shall be finalized on recommendation of Local Purchase Committee to be constituted in each office. In respect of offices outside Kolkata, the notice for quotation shall be issued through notice board of the office, the offices of the sub-division officer and the District Magistrate and the Panchayats, Municipalities of that locality. In Kolkata, such notice shall be displayed in the notice board of Local Offices sending the same to suppliers etc.

**Note-2:** Tender notice shall always be given due publication through the leading dailies in English, Hindi and Bengali. The use of intermediate general suppliers should be discouraged.

Open tender for supply of articles or stores or for execution of works worth Rs.1,00,000/- or more shall be invited in the following manner:

Sl. No.	Item	Manner of Tender
i	For supply of articles or stores or for execution of works and services with estimated value exceeding Rs.10,000/- upto Rs.1 Lakh	Publication of the work on the notice board and on the official website of the administrative department, if maintained.
ii	For supply of articles or stores or for execution of works and services with estimated value exceeding Rs. 1 Lakh upto Rs. 5 Lakh.	Publication of the work on the notice board and on the website of the administrative department, if maintained and also brief referral advertisement in one daily Bengali newspaper [in case of hill areas of Darjeeling District in Nepali newspaper].
iii	For supply of articles or stores or for execution of works and services with estimated value exceeding Rs. 5 Lakh up to Rs. 10 Lakh.	Publication of the work on the notice board and on the website of the administrative department, if maintained and also brief referral advertisement in two daily newspapers, one in Bengali [in case of hill areas of Darjeeling District in Nepali newspaper and the other in English].
iv	For supply of articles or stores or for execution of works and services with estimated value exceeding Rs.10 Lakh.	Publication of the work on the notice board and on the website of the administrative department, if maintained, and also in the official website of Government of West Bengal, and also brief referral advertisement in three daily newspapers, one each in Bengali [in ease of hill areas of Darjeeling District in Nepali newspaper], in English and in Hindi.

**Explanation:** Brief referral advertisement will contain only certain title information such as name and location of the scheme, last date for submission of tender, names of the websites where details are available.

The administrative departments are permitted to issue advertisements directly to the newspapers having sufficient circulation for the said purpose of procurements, wherever necessary, at the rates approved by the Information & Cultural Affairs Department, Government of West Bengal.

For Tender value of Rs.5 Lakh and above, e-tendering through the centralized e-Tender Portal [<http://wbtenders.gov.in>] is mandatory, in addition to publication in print media.

**Note 3:** A minimum period, as stated below, shall be allowed for submission of the tenders from the final publication date.

Sl. No	Item	Minimum period for submission of tender from the last date of publication
a	For supply of articles or stores or for execution of works and services with estimated value not exceeding Rs.10 Lakh.	7 days
b	For supply of articles or stores or for execution of works and services with estimated value exceeding Rs.10 Lakh upto Rs.1 Crore.	14 days
c	For supply of articles or stores or for execution of works and services with estimated value exceeding Rs.1 Crore	21 days

**Note-4:** The Head of the office is authorized to purchase the supply fittings, sanitation and sewage plant fittings and parts for pumps, compressors, engines and motors in use in the water supply and conservancy work in the establishment, only in cases of emergencies such as sudden failure of machines etc, when it is not possible to make the purchases after calling tenders or quotations. A certificate should always be recorded in each such occasion over the signature of the head of the office.

**Note-5:** Foodstuffs for the hostels attached to Government schools and colleges may be purchased from the open market, if it proves advantageous having regard to the price and quality of the articles and if the supplier fails to supply the essential items for hostels.

(9)(a) In selecting the tender to be accepted the financial status of the individuals and firms tendering shall be taken into consideration in addition to all other relevant factors. Subject to the provisions of rule 47C below where tender is invited in two-bid system, financial bid should not be opened until the technical bid is opened and assessed for selection of the qualified bidder.

(b) Sales Tax and Income Tax Clearance Certificate should be furnished by the contractors for contract value above Rs.50,000/-

(c) In the case of private individuals and firms tendering in foreign countries for

contracts of large value, that is, contracts of over Rs.25 Lakh, the head of the Indian Mission post concerned should be consulted.

- (10) The Comptroller and Auditor General and under his direction other Audit authorities shall have power to examine contracts and to bring before the Public Accounts Committee any case where competitive tenders have not been sought or tenders other than L-1 or L-2, as applicable, have been accepted or where other irregularities have come to light. Authorities who are authorized to enter into contracts or agreements should send copies of all contracts and agreements valued over Rs.5 Lakh to the Principal Accountant General (A&E), West Bengal, Principal Accountant General (G&SSA), West Bengal and Accountant General (E&RSA), West Bengal.
- (11)(a) The terms of contract for the purchase of perishable stores should invariably include a separate warranty clause a model of which is given in the Form appended hereunder. This form may, however, be modified to suit local conditions.
- (b) It should be ensured that in all contracts where a warranty clause is included, the position regarding delivery of goods in replacement of rejected ones is made clear beyond doubt by adding the words “free of cost at the ultimate destination” after the words “by the purchaser” in the penultimate sentence of the said clause, where the incorporation of such a clause is not inconsistent with the other conditions of the contract.
- (12) The question whether any sales tax, purchase tax, octroi and terminal taxes and other local taxes and duties are to be paid and if so, by which party, should be settled before entering into any contract involving transfer of movable property of any nature.
- (13) No work should be done under an agreement/contract beyond the date of expiry of its tenure. Wherever it is considered that the work has to be continued beyond the date of expiry of the tenure, timely action should be taken for renewing the contract/agreement for the further period required, after a suitable review of the provisions of the old agreement/contract to see whether any modification therein are required.
- (14) Subject to provision of these rules and any other special rules, where open tenders are not invited and purchase is effected by negotiation of limited/short notice tenders the specific reasons for doing so should be recorded and the approval of the competent authority should be taken in writing, unless such action is taken in accordance with any instructions issued by the Government.

**47.A** Subject to the State Government Department / Directorates / Offices / Undertakings/ Corporations/ Organizations / Government Companies/Panchayats / Local Bodies shall adopt the following measures in the matter of making all purchases and executing all works.

1. All registered SSI Units of the State are to be given 15% price preference vis-a-vis large and medium scale industrial units and other SSI Units located outside the state.

However, the Government shall have the power to exempt specific establishments which are required to run on commercial lines from the operation of price preference policy for all or specified purposes and also subject to such condition as may be specified. Registered SSI units of the State shall be exempted from payment of earnest money for tenders and such units, if selected, as per principle mentioned hereinbefore shall be exempted from payment of security deposits.

2. Subject to provisions of Clause (c) of this sub-rule,
  - a) All industrial undertakings/organizations in the large/medium sector owned/managed by the State Govt. will be given 10% price preference over medium and large scale Units within the State and outside and also SSI units located in other States.
  - b) State-based medium and large scale units will be given 10% price preference over large and medium units and SSI units of other States.
  - c) The price preference allowed under Clauses (a) and (b) are only for the purpose of selection, but once a unit is selected on the basis of such preferences it has to agree to execute the work or make supplies at the lowest valid price bid failing which orders will be placed with organization/firm offering the lowest valid price.

**Explanation:** The term “State-based units” means and includes the unit whose major manufacturing unit (if it has got more than one unit) is situated within the State or which has its manufacturing unit within this State. In the Notices of the tenders/quotations in respect of purchases by all organisations directly or indirectly controlled by an administrative department of the Govt. (e.g. W.B.S.E.B., Zilla Parishad, Panchayet Samity, Municipality, Corporations, Undertakings, Statutory Bodies, D.G.H.C. etc) the preferential purchase policy of the State should be incorporated, so that there may not be any difficulty in finalizing purchase allowing the preference as desired by the Government.

3. While accepting the products of the State-based institutes it should be clearly examined that the same are of ISI standard (where such specification is required)

**Note-1:** The following concessions may be allowed to M/s. Mackintosh Burn Ltd:-

- i. M/s Mackintosh Burn Ltd. may be allowed 10% preference in rate vis-à-vis other organization engaged in similar activities. Such preference shall, however, be given only for the purpose of selection, but once selected on the basis of such preference, M/s Mackintosh Burn Ltd. shall



have to execute the work at the lowest valid price bid received in the said process of selection, failing which orders will be placed with the organization/firm offering the lowest valid rate.

- ii. The Company may be exempted from submitting earnest money for all tenders from the Government of West Bengal, State Government Undertakings and Statutory Bodies, directly controlled by State Government.
- iii. Security deposit for all works controlled directly or indirectly by the State Government and executed by the Company may be limited to Rs.1Lakh.

**Note-2:** The State Government Offices may, instead of going through tender of quotation purchase the products of the three production centers of the Refugee Relief and Rehabilitation Directorate, Government of West Bengal (viz. Uttarpara, Titagarh and Habra), provided their rates are comparable to the rates of similar articles of the West Bengal State Handloom Weavers' Cooperative Society Ltd. and the West Bengal Handloom and Power loom Development Corporation Ltd.

**Note-3(a):** Where the Government Stationery offices will fail to supply the Stationery articles to the State Government offices as per their indents, such articles may be purchased from the co-operative societies without obtaining quotation or inviting tenders. In Calcutta, Stationery articles can be purchased from Calcutta Wholesale Consumers' Co-operative Society Limited, the CONFED and all the subsidiary Samities and from the Samabayika run by that organization. In the districts and sub-divisions cash purchase of Stationery articles may also be made from the wholesale consumers' co-operative societies and their subsidiary organization. Such purchase will be made within the delegated power of the respective heads of offices, heads of departments and other authorities as per provisions of the Delegation of Financial Power Rules, 1977.

**3(b)** The requisitioning departments/office should reject any supply which is not in accordance with specification maintaining quality.

**Note-4:** The State Government Policy on price preference to SSI Units registered with the Director, Cottage and Small Scale Industries, Industrial Undertakings/ Statutory Organisations owned/ managed directly or indirectly by the State Govt. as laid down herein shall not be applicable to procurement of goods and services required in connection for implementation of West Bengal Minor Irrigation Project with the assistance of the International Development Agency of the World Bank (Credit No. 1617/N) which shall be required to be made in accordance with the guidelines laid down by the World Bank under the International Competitive Bidding (ICB) and Local Competitive Bidding (LCB).

**47B(1)**Notwithstanding anything contained anywhere in these rules, Purchases of the articles shown in the lists marked A-I, A-II, A-III, A-IV and A-V (vide Annexure-A) appended hereunder may be made by all State Government Departments/Directorates/Offices/Organizations from West Bengal Small Industries Corporation, West Bengal Khadi and Village Industries Board, West Bengal Handloom and Power loom Development Corporation Limited, West Bengal State Leather Development Corporation, West Bengal Handicrafts Development Corporation, West Bengal State Handloom Weavers' Co-operative Society Limited, West Bengal Comprehensive Area Development Corporation and Central Engineering Organization, Dasnagar, Howrah respectively only and from no other source at a price fixed by these agencies which will formulate their own pricing policy keeping normal margin on account of profit and overhead expenses which should not exceed generally 10%. In order to ensure that the prices of various articles are fixed in accordance with these principles, the prices should be scrutinized by the respective administrative department of the organization. The relevant provision of Rule 47(A) would be subject to the provision of Rule 47(B). The requisitioning Departments/Directorates/Offices/Organization should not insist that deliveries should be made by the agencies as mentioned above at places indicated by the departments etc. The Departments etc. should be prepared to lift them from such places mutually agreed upon between the requisitioning Department etc. and the supplying agencies.

(2)All Government Departments/Directorates/Offices/Organisations shall be required to purchase the articles (45 in numbers) mentioned in Annexure-B (of the **Order No. 10500-F dt. 19.11.2004**) from registered Small Scale Units only by inviting tenders/quotations in respect of these items. These Units will, however, have to compete amongst themselves. The Government, however, shall have the power to grant exemption from the above Rule in specific cases for good and sufficient reasons. The Government may include/ exclude any item under Annexures-'A' & 'B' (of the **Order No. 10500-F dt. 19.11.2004**) on recommendation from C & S.S.I Department and on the basis of such decision, these Annexures will be amended.

(3)(a)Indenting Offices should intimate the supply schedule of articles in a financial year to the supplying agencies as per Annexures-'A' (of the **Order No. 10500-F dt. 19.11.2004**) within one month from the commencement of the financial year indicating the specifications, if any, desired with an intimation to C & S.S.I Department.

(b)Supplying agencies shall, on receipt of such indents with specifications, if any, confirm to the indenting offices adherence to the supply schedule within 15 days from the date of receipt of such indents.

- (4) In case of failure of the Small Scale Units to supply articles within the stipulated period, the defaulting units may be black-listed by the concerned Department, after due consideration of the reasons of the delay.
- (5) Supplying agencies in Annexures-‘A’ of the aforesaid Order shall update price list of articles earmarked for supply by them whenever any change therein is unavoidably necessitated and intimate the same to the concerned indenting offices and to C & S.S.I Department.
- (6) Supplying agencies in Annexures-‘A’ of the aforesaid Order and SSI Units supplying articles in Annexures -‘B’ of the aforesaid Order shall ensure maintenance of quality of their articles through periodical tests and maintain such test reports for inspection by indenting offices, if desired.
- (7) Materials for which the Director General of Supplies and Disposals (DGS&D) and National Informatics Centre Services Incorporated (NICSI) rate contracts are available can be purchased directly from the enlisted agencies of DGS&D and NICSI at approved rate contracts.
- (8) D.D.O, while preferring bills on purchases of articles to Kolkata Pay & Accounts Offices/Treasuries in Districts, shall furnish a certificate on the body of bills that purchases have been made in strict compliance of the stores purchase policy of the State Government and Pay & Accounts Officers/Treasury Officers shall, while scrutinizing the bills, ensure that such certificates are furnished.

Purchase of Duplicating machine, Computer and peripherals, printers, photocopiers and other office equipment for use in Government Offices and liveries for use of the Government employees shall continue to be governed by the Finance Department orders issued from time to time.

**Rule 47C – Two-bid System** – For high value purchase exceeding Rs. 10 Lakh or for purchasing plant, machinery, equipment etc. of complex and technical nature, bids shall be invited in two parts as under:

- (a) The technical bid consisting of all technical details along with commercial terms and conditions;
- (b) Financial bid indicating item-wise price for the items mentioned in the technical bid.

The technical bid and the financial bid should be sealed by the bidder in separate cover duly superscribed and both the sealed covers are to be put in a bigger cover which should also be sealed and duly superscribed. The technical bids shall be opened by the purchasing department/office at the first instance and evaluated by a competent committee or authority. At the second stage, financial bids of only the technically acceptable offers shall be opened for furnishing value and

ranking before finalization and awarding of the contract. After evaluation the lowest rate (L1) financial bid from among the technically qualified bidders shall be accepted.

**Rule 47D - (1)**

(a) State Government Corporations and Autonomous Bodies, listed in Annexure – ‘C’ (of the **Order No. 5400-F(Y) dt. 25.6.12**) may be nominated for execution of Government works as agency of the Government.

(b) Central organizations / Public Sector Enterprises / Companies / Undertakings specialized in construction of roads, bridges, buildings etc., and listed in Annexure – ‘D’ (of the **Order No. 5400-F(Y) dt. 25.6.12**) may also be engaged as agency for the purpose of State Government works.

(2) Action to engage these organizations by the Departments should be to supplement the function of Works Department of the Government and resorted to in cases where the departments consider that the work is of urgent nature. The Department should satisfy itself that it will be economical and in public interest to engage such Organization for Agency function.

(3) The various procedural matters as laid down in Works Department codes, manuals etc. as well as the rules prescribed herein shall be equally applicable for the purpose of execution of works through the State and Central Organizations as mentioned at clause (1) above. The organizations nominated as the State Government agency shall execute the entrusted works after engagement of contractors to be selected observing the normal tendering procedure and accepting the L1 rate when the job involves making payment for jobs done and H1 rate when the tender is for sale of materials connected with execution of the entrusted works.

(4) The agency fees to be allowed and terms and conditions of the Contract/Memorandum of Undertaking (MOU) to be entered into with the agency are as follows.

(a) The Contract/MOU may be for composite works and may be a combination of “Lump Sum Contract” and “Percentage Rate Contract” / “Item Rate Contract”. Estimated cost shall be based on Works Department Schedule of Rates for the scheduled items of work and market rate as approved by the head of the Engineering wing of the Agency organization for the non-scheduled items of work. Component-wise break-up of the agency fee is given at clause (6) below.

(b)(i) The nominated agency organization will first prepare a forecast estimate of cost of the work on the basis of standard unit cost as per the State Works Department Schedule of Rates in case of works within the state and Central Works Department Schedule of Rates in case of works outside the State on the basis of preliminary drawings of the work supplied by the concerned department of the state Government or prepared by the agency, if asked to do so, and submit it to the employing department of the Government to enable it to obtain Administrative Approval for the work at appropriate level. On receipt of the Administrative Approval for the concerned work indicating scope of the work and approximate cost, the concerned agency

organization will prepare the detailed cost estimate of the work on the basis of drawings received from the employing department of the Government or prepared by the organization itself, as the case may be, and send it to the employing department of the Government for acceptance.

**(ii)** All projects with the estimated cost of Rs.5 crore and above shall be vetted by a duly constituted Technical Committee in the Finance Department.

**(c)** Drawing and design by the Department –

**i.** In cases where work is to be executed as per design and drawing of the department, all the detailed working drawings, both architectural and structural must be prepared beforehand, and should form part of the preliminary documents to be given to the selected organization. It should also contain complete and detailed specifications of the work. The preliminary documents must set out complete scope of the work. Only the drawings and the detailed specifications as contained and/or referred to in the preliminary documents shall form the basis of execution and payment.

**ii.** The extra payment or recovery over and above the accepted rate shall be called for only in the event of authorized deviations from the drawings and specifications (as given and/or referred to in the preliminary documents) in course of execution and not otherwise.

**(d)** Drawing and design by the agency –

**i.** In cases where the detailed architectural and structural drawings are to be provided by the agency, all information regarding the work to be executed through the Agency Organisation such as the architectural and structural parameters, details of the functional requirement and complete specification thereof, as available, must be passed on by the concerned Department to the Agency Organisation. The Agency Organisation shall prepare the preliminary documents of the work to be executed through Agency Organisation. The preliminary documents must contain complete and detailed specifications of the work, working drawings, both architectural and structural and should set out complete scope of the work. Only the drawings and the detailed specifications as contained and/or referred to in the preliminary documents shall form the basis of execution and payment.

**ii.** A condition should be stipulated in the preliminary documents that the work shall be executed through the Agency Organisation as per detailed design and architectural drawings to be prepared by the agency conforming to the given parameters and functional requirements as mentioned in the preliminary documents, and submitted to the employing department within specified time after the award of work. The agency shall accordingly get the design/drawings approved by the employing department before taking up the execution of the work.

**iii.** In case any modification for any reason is ordered in course of execution, suitable

adjustment for extra payment or recovery shall be effected only if such modification results in change in the scope of work as given in the preliminary documents, or any change from the specified parameters.

- (e) **I.** The composite works offer documents shall contain:
- i.** the detailed architectural and structural drawings.
  - ii.** detailed specifications for the various items and components of the work.
  - iii.** the schedule of quantities for the various items and components of the work.
  - iv.** the inclusions in and exclusions from the scope of the contract, if required, for better clarity, and,
  - v.** monitoring and supervision of the various stages of work, the percentage of work done on the contract value and release of intermediate and final payments.
- II.** The schedule of quantities referred to above is only limited for the purpose of assessing the quantum of work involved. It is not meant for subsequent measurement and payment in the course of execution of the work. Deficiencies noticed, if any, by the agency should be immediately brought to the notice of the employing department, who shall examine the same, and make necessary collections, if required, to the offer documents before assignment of the work.
- III.** The agency organization shall arrange for execution of the work through the contractor as per the drawings and specifications as given in the documents. No claim for any payment on account of deviations and variations in quantity of any item(s) or component(s) of the work, unless they are authorized deviations from the parameters drawings and specifications contained in the documents.
- IV.** The rate of deviated items shall be determined as per terms and conditions of Contract/MOU between the agency organization and the employing Government department.
- V.** The concerned Agency Organization shall monitor, supervise and physically verify that the work has been done in each stage in conformity with the drawings and specifications contained in the offer/preliminary documents, and certify the same before recommending release of the stage payment.
- (5) The agency job will be broken into following components: -
- i.** preparation of estimate, design and detailed drawing
  - ii.** invitation of tender, evaluation of bids and award of work
  - iii.** supervision of work, checking of bills, payment and submission of utilization certificate, completion certificate.
- (6) Agency Fee
- Component-wise agency fee will be as follows:
- A.** For buildings above G+3, buildings with basements and roads and bridges,
- i.** For preparation of estimate, design and detailed

**ii.** invitation of tender, evaluation of bids and award of work

\* 2% of estimated cost of the works

**iii.** supervision, monitoring, checking of bills, payment and submission of utilization certificate/ completion certificate

\* 3.5% of estimated cost of the works.

Thus the agency fee comes to 8.5% of sanctioned cost estimate in case of works involving exclusive and customized drawing and design and 7.5% of sanctioned, cost estimate in case of works involving standard drawing and design.

**B.** for buildings upto G+3 (without basement) for (i) exclusive and customized design and drawings and (ii) standard design and drawings.

5% of estimated cost for all the components taken together.

The rate of deviated items shall be determined as per terms and conditions of Contract/MOU between the agency organization and the employing Government department. No contingency overhead charge shall be payable other than the 8.5 % / 7.5 % / 5 % as mentioned hereinabove.

**(7) Qualified Staff** – In case project cost exceeds Rs.1 crore but within Rs.5 crore at least one qualified Graduate Engineer along with two Diploma Engineers should be engaged in supervision and monitoring of the job. In ease of project cost exceeding Rs.5 crore, requisite number of qualified and experienced Graduate Engineers along with Diploma Engineers should be engaged according to the value of the project for proper supervision and monitoring of the work.

**(8) Specifications** – In case of absence of specifications for any job in the State Works Department Code / Manual, the Central Works Department specifications should be followed.

**(9) Mobilization Advance-** Mobilization advance not exceeding 10% of the sanctioned estimated cost may be given, if requested by the agency organization in writing within one month of the order to commence the work. Such advance shall be in two or more installments to be determined by the competent authority of the employing department at his/her sole discretion.

*[Authority: Order No. 10500-F dt. 19.11.2004; Order No. 5400-F(Y) dt. 25.6.12 & Order No. 6932-F(Y) dt. 29.8.13 of Finance Deptt., Audit Branch, Govt. of W.B.]*

## **46.6 SUBSIDIARY RULES AND ORDERS REGARDING WORKS AND ACCOUNTS**

### **46.6.1 Execution of Central Works by the Works Department of the State Government**

The Central Works Department Code, as explained in its first paragraph is intended primarily to define the scope of functions of the Ministry of Urban Development in respect of Central Works executed through the agency of Central PWD as also of the officers of the department. The general rules contained in paragraphs 60 to 84 which govern the accord of approval and

sanctions to Central Works, are applicable also, mutatis mutandis, when the work is executed by the Works Department of a State Government on behalf of Central Government. But officers employed on such works will exercise in respect of them same powers of technical sanction as they exercise in respect of State Govt. Works and not those specified in paragraph 74.

*[Paragraph 1 of the Central PWD Code revised Edition (1959) and with G.I. Deptt. of I&L P W Branch letter No. G.I. 63 dt. 28<sup>th</sup> January 1929]*

*Note: Matters other than those covered by paragraph 60-84 of the Central PWD Code (Revised Edition) are not applicable to works executed by the State Government as agent of the Central Government.*

*(Vide AG's order dt. 24<sup>th</sup> March 1993 on u/o No. 3041 of 32-33)*

#### **46.6.2 Maintenance of electric installations in the buildings in occupation of the various civil departments which are not borne in the books of Works Department**

In case of works connected with the maintenance of electric installations which are done annually by the PW Directorate on behalf of various departments, the Civil Departments concerned will accord administrative approval to a recurring expenditure per year on each maintenance work. Against this administrative approval necessary estimates will be framed and sanctioned by the Executive Engineers of the Electrical Circle in due course.

The Executive Engineer have been instructed to furnish in the beginning of each financial year to respective departments a list of such buildings with the amount of probable expenditure in respect of each building for their information and necessary action.

*[Govt. of W.B., W&B Deptt. No. 1879(40) A dated 28<sup>th</sup> April, 1954-Dy, WA II/331 dated 12<sup>th</sup> May 1954 filed in Bundle WA/39 of 31-32 Vol-I]*

#### **46.6.3 Major Estimate**

Major Estimate is a term applies to the estimate for a work when sanctioned amount of the work exceed Rs. 50,00,000/-.

In the case of Major Estimates, a separate account should be maintained for each sub-head estimated to cost not less than Rs.7,500/- (subject to modification vide G.O from time to time to be verified by the audit party) and remaining sub-heads should be lumped together. For such works the detailed form of Works Abstract-A, Form 33 should be used.

*Note: In the case of major works executed through contractors with whom agreements for completed items of works have been entered into, all necessary details, i.e. up to date quantities, rates and amount paid for each item of work as well as totals pertaining to each sub-head are available in the contractors bills. The maintenance of amounts by sub-heads is, therefore, not necessary in such cases.*

*[Vide paras 2.1.1(33) & 46.6.5.1 and notes thereunder of CPWA Code]*

#### **46.6.4 Minor Estimate**

Minor estimate is a term applied to the estimate for a work when the sanctioned amount of the work expenditure does not exceed Rs.50,00,000.

For Minor Estimates, the simpler form of work Abstract B Form 34 should be used in which the account of the final outlay is kept in a single column, headed 'Final Charges'.

*[Para 2.1.1 (36) & 46.6.5.12 of CPWA Code]*



#### **46.6.5 Technical sanctions of component parts of big project**

In connection with the execution of certain big engineering projects a question arose whether an overall technical sanction to a detailed estimate for a project as a whole is necessary for the purpose of auditing the several technical sanctions accorded to component parts with reference specific provisions (indicating with sufficient details the individual works with estimated costs) made therefore in the overall administrative approval.

It is clarified that in such cases the audit of technical sanctions of component parts may be conducted against the overall administrative approval and overall technical sanction may not be insisted upon.

Where the project estimate is administratively approved does not contain sufficient details of the individual works with estimated cost, the normal procedure would apply, namely in addition to administrative approval, an overall technical sanction would be necessary and till such technical sanction is accorded, the technical sanctions for component parts of project will have to be accorded by the authority competent to sanction overall technical sanction.

*(CAG's letter no. 1 130-Admn-1/115-59 dt. 11.7.61 Dy CAG/551-TM/CAG 178 filed in W/65, Vol-11)*

#### **46.6.6 Project substitution of one for another**

The Government of India have ordered that executive will not be allowed to substitute for a project approved by the Legislature, another project, the full cost of which will be considerably more, and also that, in such cases, the control of the Finance Member should be rigidly exercised.

*(GIFD No. Res. D/1200B dated the 13<sup>th</sup> June 1930, Dy. GI 171)*

#### **46.6.7 Security withheld from contractors' bills**

Percentage deductions from contractors' bills on account of security, should, in all cases be credited to the head 'PW Deposit'.

*[BG C&W Department (C&B) Accounts Branch No. 6471-Adt. 20.46.6.1938 Dy. GB 11070/WM 1738, Bundle WA/39 of 1931-32 Vol-III]*

**Note:** The above orders also apply to the Irrigation Branch of the Communication and Works Department.

*[BG C&W Deptt. (Irrigation Branch) No. 1669/9.1A dated 4<sup>th</sup> July 1939, Dy WA III/428 dt. 6<sup>th</sup> July 1939, Bundle WA/39 of 1931-32 Vol-III]*

#### **46.6.8 Appropriation**

In cases where minus expenditure is anticipated in a year on any work or group of works, minus allotments should be obtained therefore, and such appropriations should be taken into account in assessing the financial needs of various works of the Divisions.

*(Vide AG's orders dated 5<sup>th</sup> April, 1933 on Dy GB 13219 WA-III-1963 of 1932-33. Bdle. 6 of 1927-28)*

#### **46.6.9 Appropriation for repair works**

In order to simplify work it has been decided that a lump appropriation should be made by Superintending Engineer for

- i. all repairs to civil buildings in a Division; and
- ii. all repairs to roads in a Division.

Audit will then be conducted only against these lump sum appropriations. An Executive Engineer may distribute these appropriations by individual works, if necessary, purely as an internal arrangement within his Division with which the audit, will not be concerned.

*(BG PWD letter No. 45/49-T/A, dated 15<sup>th</sup> September 1924 Dy. GB 4376)*

#### **46.6.10 Utilization and disposal of stones received from cutting and blasting of hard rocks**

While road works, particularly in North Bengal, often include such items of works as cutting and blasting of hard rocks and taking out of old soling etc, no effective records are maintained by Works Directorate as regards utilization and disposal of stones thus obtained or salvaged. It is not, therefore, possible to guess whether or not these stones were found to be of good quality fit for utilization in works and that attempts were made for their utilization as far as possible.

Of course, it may be true that utilization of these stones in works would depend on their quality and no fixed proportion for use of such stones can be laid down. Nevertheless, if the contracts involving blasting operations, etc, include provisions for proper screening, grading, stacking and measurement of useful stones salvaged by blasting, cutting and removal of old soling etc, systematic procedure may be evolved for utilization of the same in the works taken up by paying the contractors only the labour rates for their use, instead of at rates inclusive of the cost of stones supplied by contractors. There would thus be saving in works expenditure to the extent these stones can be utilized.

With this objective in view, and also to remove scope for any improper use of such spoils, it has been decided by Government that in respect of such contracts for road works all bills for cutting and blasting of stones or taking out of old slings should in future be supported by certificates of the sub-divisional officers concerned to the effect that useful stones have/have not been found by those operations, and where found they have been screened, conserved and/or utilized in works as far as possible. In cases where good quality stones have been found, these certificates should also include particulars of measurements taken of these stones in stacks.

*[W&B, Deptt. Letter no. 639/2(5)-A (Adt.), dated the 4<sup>th</sup> April 1960 Dy WMI 193, filed in WMUT/1, Vol-III]*

#### **46.6.11 Preparation of bills (PWA Forms 24 to 28) by Carbon Process**

Copies of Works Bills Forms No. 24 to 28 should be prepared by Carbon Process invariably by means of an indelible pencil, subject to the condition that the Divisional or sub-divisional officer who draws the bills records thereon in his own handwriting the net amount payable to the contractor in words, in ink.

**Note:** As regard PWA Form No. 24 the carbon process should not be adopted in cases of payments to suppliers and in cases of works, the account of which are kept by subheads when entries have to be made in red ink which it is not possible to reproduce by carbon process.

*[Ar. Gen's No. 859-Admn 22-24 dated 15<sup>th</sup> June 1927, Dy. Adj. 327 and BG PWD No. 2429-33G/2434 G dated 9<sup>th</sup> August 1927, Dy. GB 4802]*

#### **46.6.12 Payment of bills through messenger or agent**

**46.6.12.1** When a party desires the payment of bills through a messenger or agent, the stamped receipt where necessary should be given by the party and not by the messenger or agent. The latter, i.e. the person who actually receives payment on behalf of the payee, should simply put his signature or thumb impression, if illiterate, on the bill as a proof of such payment.

The authority of the party permitting the messenger or agent to receive a payment may be submitted to audit with the voucher.

*[Notes and orders on item IX of the Appendix to the Audit Notes for May 1938 on the accounts of the Chief Engineer, Public Health Division and circular letter No. WM/164, dated the 16<sup>th</sup> May 1939, filed in bundle WA/39 of 1931-32 Vol-III]*

**46.6.12.2** The following procedure should be adopted by the officers concerned in the matter of making payments to the contractors of firms who are not in a position to come to the Divisional office for getting the payments personally :-

1. The passed bills should on no account be sent to the contractors and/or suppliers for the purpose of obtaining their acknowledgements before delivery of the cheques. When the bills are ready, an intimation should be sent to the contractors and /or suppliers stating that bills amounting to rupees such and such are lying ready for payment, and they should be requested to send the acknowledgement in the form of a letter or in their acknowledgement form.
2. The contractors and/or suppliers should furnish certificates in separate letters in token of their acceptance of the measurements of the works or supplies billed for as required under the rules.
3. The cheques should be drawn after receipt of acknowledgement of bills from the contractors, and /or suppliers and these, on being crossed as 'Account Payee', should be made over to the party by registered post.
4. The documents mentioned in items (2) and (3) above should be pasted with necessary remarks of the officers concerned on the body of the bills before drawal of cheques.

*[Finance Deptt. Memo No. 2315(1)F dated 17<sup>th</sup> June 1959 Dy WMI/1126 filed in WMI/WA-26 Vol-III]*

#### **46.6.13 Postponement of payment of liabilities to avoid audit objection**

The procedure of making part payments of bills to avoid excess over allotment is irregular and should not be repeated. If work in excess of a grant is carried out under the authority of an officer of the department, it should be paid for on his authority and further funds should be applied for to remove the irregularity.

*(BG PWD No. 1585-A dated 8<sup>th</sup> April 1920 to the Superintending Engineer, Presidency Circle)*

#### **46.6.14 Limit for preparation of detailed estimate for Deposit Works in connection with disturbance of road surface**

**46.6.14.1** In respect of Deposit Works for restoration of damaged surface of Government roads disturbed by private parties costing less than Rs. 1000 the work of framing detailed estimates may be dispensed with and adjustment of departmental charges may be made once a year in terms of paragraph 16.2.4 of CPWA Code.

**46.6.14.2** The Kolkata Municipal Corporation and the Kolkata Improvement Trust are exempted as a special case from the deposit of the cost of restoration in advance and they may be allowed to follow the long standing practice in the matter of making payment to Government for restoration of a road disturbed by them, after completion of work.

*(BG CW Deptt. (C&B) No. 6443A dt. 21<sup>st</sup> October 1938)*

**46.6.14.3** Howrah Municipal Corporation and Howrah Improvement Trust are exempted from the deposit of the cost of restoration in advance and are allowed to follow the practice in making payment to Government for restoration of road disturbed by them after completion of the work.

*(W&B Deptt. Memo No. 2920-A dt. 14<sup>th</sup> May 1959-Dy WMI/1006 filed in WMI/T/I, Vol-II)*

#### **46.6.15 Accounting of restoration charges realised from private parties or other Departments**

In case any work of restoration of road surfaces disturbed by private parties or other Departments is carried out by Works Department, the amount of Deposit should be sufficient to cover the cost of restoration work plus departmental charges for supervision and Tools and Plant.

*(CE Bengal, Deptt. Of C&W letter No: 2 I 67-A dated 12<sup>th</sup> April 1937 to the address of SE Northern Circle)*

#### **46.6.16 Measurement Books re-issue thereof**

Measurement books outstanding in sub-divisional offices for over two years should be called in and only the completed measurement books should be recorded finally, but partially used up books should be re-issued to the sub-divisional offices every two years.

*(BG PWD letter No. 1127-31A/1140-A dated 7<sup>th</sup> February 1928 to the SE/Accountant General, Bengal, Dy GB 11811 and BG, 1 Deptt. No. 3683-1/3684-1 dated 10<sup>th</sup> July 1929 to the CE Bengal, Irrign. Deptt./ AG Bengal Dy. GB 5849)*

#### **46.6.17 Recording of actual measurement of extras for leads and lifts in connection with earthwork**

**46.6.17.1** The actual lead of earthwork from the Centre of the borrow pit to the Centre of the bank and/or the actual lift from the bottom of the pit from which the earth was excavated to the level of bank where the earth was thrown should be recorded in the measurement books in order to determine the number of extra leads and/or lifts and the extra lead and/or lifts must always be recorded in feet by actual measurement instead of by numbers.

*[Bengal Government, C&W Department No. 991/1(2)/A, dated the 24<sup>th</sup> April 1941, Dy. WA-II/156 dated the 1<sup>st</sup> May 1941 filed in Bundle WI/7 of 1940-41]*

**Note-1:** In the notice calling for tenders for earth work a rate should be invited for additional lead over the initial lead, so that the rates for more than one additional lead be worked out by multiplying the rate for one additional lead by the number of additional leads actually carried over.

**Note-2:** The same procedure should be followed in the case of additional lifts.

*[Govt. of West Bengal, Irrigation and Waterways Department Memo No. 787(33)-IA, dated 14<sup>th</sup> March 1956, Dy. WAIII/916, filed in Bundle WA/39 of 1931-32, Vol.III]*

**46.6.17.2** The measurement of successive items of works like earthwork in excavation in foundation trenches, laying of brick soling including preparation of the bed of foundation trenches, sand filling in joints and the cement concrete work thereon should invariably be taken before they are covered up or hidden under surface-instead of on the basis of sanctioned drawing of the project after the items of work had been covered up.

*[Government of West Bengal, W&B Department Memo No. 1869/IA, dated 5<sup>th</sup> April 1955, Dy. WM/220, dated 19<sup>th</sup> April 1955, filed in bundle WA/39 of 31-32, vol.VII]*

**46.6.17.3** Payment of any extra lift detected on re-measurement should not be made without obtaining orders of the Superintending Engineer.

#### **46.6.18 Method of measurement of painting works**

Method of measurement in respect of painting, white washing colour-washing and distempering etc. as approved by the Manual Committee of the Works and Buildings Department, is as under:

- i.** Roundings and sprays shall be taken as square.
- ii.** No deduction shall be made for door and window openings, as extra labour is involved in finishing the work at the openings.
- iii.** In case of openings other than doors and window, the area of the openings shall be deducted. But in case of arch openings, deduction shall be made up to the springing

level.

iv. Areas at the sides of the openings, (Jambs soffits, etc.) shall not be taken in the measurement and no separate measurement will be allowed for the same.

*[Auth: Superintending Engineer, Presidency Circle's memo No. 1422/52A/50-II, dated 31<sup>st</sup> January 1955, Dy. Ramp/2247 & WM/5354, dated 11<sup>th</sup> March 1955 and Chief Engineer, W.B, W&B, Deptt. Letter No. 3878-(WB), dated 1<sup>st</sup> October 1955, Dy. WM/3071, dated 7<sup>th</sup> October 1955, filed in Bundle WA/39 of 31-32 Vol-VII]*

#### **46.6.19 Removal of witnesses of earth work**

In all cases of earth work, a minimum of 10 per cent should invariably be deducted from the bills payable to the contractor and the payment of the amount, so deducted, should not be made until it is explicitly certified that the witnesses have actually been removed and duly utilized and the Divisional Engineer is satisfied about the soundness of such certificate. The percentage of deduction may be raised more than even 10per cent, if thought necessary, according to the volume of work remaining to be done.

*[Govt. of W.B, Development (Roads) Deptt. Accounts, Branch No. 1690(3)-D/A, dated 11<sup>th</sup> May 1957-Dy WAI/737-filed in WA/39, VolIII and also Development Department No. 9301/2M-I/57 dated 16<sup>th</sup> November 1957 Dy. WMI/3362 filed in WMI/T/I of 57-58]*

**Note-1:** The above rule is also applicable to the Works and Buildings Department in so far as earthworks in road construction are concerned.

*[CE Works & Buildings Department's No. 5455(5) A, dated the 13<sup>th</sup> December 1957, received with CE's No. 1315-A, dated 7<sup>th</sup> March 1958 Dy. WMI/4989 filed in WM I/T/I]*

**Note2:** The above orders are applicable to the Irrigation and Waterways Department as well.

*[Govt. of W.B, C.E I&W Department's No. 6273 (36) —CI dated 5<sup>th</sup> August 1957]*

**Note3:** The above orders are applicable to the Department of Health as well.

*(Department of Health letter No. PH/304/IC-20/58, dated 27<sup>th</sup> January 1959, Dy. WMI/3606 filed in WMI/T/I, Vol-II)*

#### **46.6.20 Recording of materials issued direct to work in measurement book for use by departmental labour**

It has been decided that henceforward the issues of materials direct to work for being utilized by departmental labour as and when actually made shall be entered in the Measurement Books showing therein the following details :-

- a. Date of issue of the materials;
- b. Details of work in which the materials are actually utilized giving correct location, viz, miles, furlongs, etc. in case of road and particular rooms of particular buildings, etc, in case of building work; and
- c. Each such entry in Measurement Book must bear the signature of the officer

concerned and must be entered in the Measurement Book with actual date of issue.

Such entries should be occasionally checked and signed by the sub-divisional officer concerned also during his inspections.

The total issue of different materials utilized by departmental labours in a particular month (which can be easily totaled from the different entries in the Measurement Books during the said month) should be entered in the site account (materials at site account) as issued direct to work giving reference to page and number of the related Measurement Book which should in due course be checked in the Divisional Office as well as by Audit during local inspection.

*[Govt. of WB, FD Audit Branch No. 334/1(1) F dated 1<sup>st</sup> February 1961. Dy. WMI/4452 filed in W/46]*

#### **46.6.21 Premature collection of materials at site**

Stores which are not actually required at the site of a work should not ordinarily be shown as materials at site, unless it is certain that they will use on it in a reasonable time say within a period of six months.

*(G.I.PWD No. 714 AG dated 12<sup>th</sup> may 1913 to the Govt. Bengal PWD BG PWD No. 484 T/A dated 23<sup>rd</sup> May 1913 to the SE, Presidency Circle)*

#### **46.6.22 Irregular Debit of stores to works**

Executive Engineers have been warned against the irregular practice of debiting the value of stores to works before they were actually conveyed to the site of the works.

*[BG PWD No. 2755-59A-2760A dated 7<sup>th</sup> April 1914 to SEs/Accountant General, Bengal Dy. GB 382]*

#### **46.6.23 Recovery of hire charges on account of Miller Mixers**

When special equipment like Mixers are hired from commercial firms for any particular project, hire charges both for working and non-working days as are payable to the owners under terms, including the incidental cost of transport, etc. are to be recovered in full from the contractor to whom the same as issued. Expressed stipulation in this regard should be made in the tender to avoid any possible dispute. When such equipment are hired for continuous use in several works, the stipulation in each contract should be the same as above. The hire charges for idle days intervening between the return of the equipment by the contractors on completion of work and issue to another contractor should be debited to the work to which the particular equipment are proceeding. It will be the primary duty of the Executive Engineers to plan their works so that the idle days between two works are reduced to the minimum.

In such cases, the owners of the equipment usually bear the maintenance charges throughout and no hire charge is payable to them during the periods of break-down.

*(Govt. of W.B. W&B Deptt. No. 4868 A dated 27<sup>th</sup> December 1954)*

#### **46.6.24 Recovery of hire charges from PW (Roads) Deptt. By PW Deptt.**

- i. No hire charges should be recovered from the PW (Roads) Deptt. for any temporary loan of equipment made by the PW Directorate.

(W&B Deptt. No. 5223 A dated 29<sup>th</sup> August 1959)

- ii. No hire charges should be recovered from the PW Deptt. for any temporary loan of equipment made by the PW (Roads) Department.

[Govt. of WB Dev. (Roads) Deptt. Memo No. 3134-DA dated 23<sup>rd</sup> August 1961 copy received with FD Memo No. 3500/FA/04/61 dated 22<sup>nd</sup> September 1961]

#### **46.6.25 Assessment of Municipal taxes on all public buildings in Kolkata**

**46.6.25.1** The Executive Engineer (City Division), has been appointed to act on behalf of the Government in all matters affecting the assessment of public buildings in Kolkata.

(Vide BG PWD No. 508-G dated 31<sup>st</sup> January 1899, copy received with Executive Engineer, City Division's No. 2876, dated 3<sup>rd</sup> May 1933 Dy. Cal-2080-WAI-145 of 1933- 34)

**46.6.25.2** For the purpose of assessment of municipal taxes the rate of depreciation for electric installation in 1<sup>st</sup> class Government buildings may be calculated at the same rate as is allowed for buildings, viz. at 1/2 per cent per annum on the value of the buildings. The above orders will be applicable only to Govt. Buildings falling under the Kolkata Municipal Corporation Act.

[BG PWD No. 4293 B dated 29<sup>th</sup> November 1934 and BG CWD (C & B) No. 11(I)B dated 3<sup>rd</sup> January 1939]

### **47. CODE OF ETHICS**

**47.1.** The INTOSAI (International Organisation of Supreme Audit Institutions) has adopted a Code of Ethics for auditors in the public sector and restructured Auditing Standards in its XVIIth Congress in Seoul in 2001. These auditing standards have been suitably adapted with due consideration of the Constitution of India, relevant statutes and rules for the auditing standards for the Supreme Audit Institution (SAI) of India i.e. CAG.

**47.2** A Code of Ethics is comprehensive statement of values and principles which should guide the daily work of auditors. The independence, powers and responsibilities of the public sector auditor places high ethical demands on the SAI and the staff they employ or engage for audit work. A Code of Ethics for auditors in the public sector should consider the ethical requirement of civil servants in general and the particular requirements of auditors including latter's professional obligation.

The Code requires that:-

- i. The conduct of auditors should be beyond reproach at all times and in all circumstances.
- ii. The auditors should adopt and apply the ethical requirements of integrity, independence, objectivity, confidentiality and competence so that the SAI is looked upon with trust, confidence and credibility.



- iii. It is important to maintain both actual and perceived political neutrality. The auditors should maintain their independence from political influence in order to discharge the audit responsibility in an impartial way.
- iv. Auditors should protect their independence and avoid any possible conflict of interest by refusing gifts or gratuity which could influence or be perceived as influencing their independence and integrity.
- v. Auditors should not use information received in the performance of their duties as a means of securing personal benefit for themselves or for others. Neither should they divulge information which would provide unfair or unmeasurable advantage to other individuals or organisations nor should they use such information as a means for harming others.
- vi. Auditors should not disclose information obtained in the auditing process to third parties either orally or in writing except for the purpose of meeting the SAI's statutory or other identified responsibilities as part of the SAI's normal procedure or in accordance with relevant laws.
- vii. Auditors should conduct themselves in a professional manner at all time and to apply high professional standards in carrying out their work.

### **47.3 Code of Ethics - Para 3.24 (Annexure-I)**

Declaration regarding adherence to the Code of Ethics of the CAG of India (this declaration is required to be signed by each member of the audit team prior to the commencement of the audit. A copy of the declaration should be given to Head of the audited entity as soon as audit commences. Each declaration should be enclosed in original with the IR.)

I, Shri/Smt/Kum \_\_\_\_\_ (name), \_\_\_\_\_  
(designation) hereby declare that:

- I have read and understood the SAI India's Code of Ethics.
- I will uphold and abide by the SAI India's Code of Ethics and the CCS (Conduct) Rules.
- I do not have any personal or professional interest in the audited entity.

As a representative of the SAI India, I undertake to adhere to the following:

- I will conduct the audit assigned to me in a fair, honest, timely and competent manner.
- I will maintain strict confidentiality of all information gathered in the course of audit.
- I will not behave or conduct myself in an inappropriate manner with any official of the audited entity.
- I will not accept any kind of inducement prohibited under the Central Civil Services (Conduct) Rules, 1964, directly or indirectly from the audited entity.

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

#### **47.4 Code of Ethics - Para 3.24 (Annexure-II)**

Declaration regarding adherence to the Code of Ethics of the CAG of India (this declaration is required to be signed separately by each individual who has been engaged as an expert, consultant, statutory auditor, etc by the SAI India to assist him in his auditing and accounting functions. A copy of the declaration should be given to the head other audited entity as soon as the audit commences. Each declaration should be enclosed in original with the Report required to be submitted to SAI India).

I, Shri/Smt/Kum \_\_\_\_\_ (name), \_\_\_\_\_  
(designation) hereby declare that:

- I have read and understood the SAI India's Code of Ethics.
- I will uphold and abide by the SAI India's Code of Ethics.
- I do not have any personal or professional interest in the audited entity.

As a representative of the SAI India, I undertake to adhere to the following:

- I will conduct the audit assigned to me in a fair, honest, timely and competent manner.
- I will maintain strict confidentiality of all information gathered in the course of audit.
- I will not behave or conduct myself in an inappropriate manner with any official of the audited entity.
- I will not accept any kind of inducements, including gifts and hospitality, directly or indirectly from the audited entity.

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_