



Government of India
Department of Atomic Energy

**MANUAL
OF
INTERNAL
INSPECTION**



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Department of Atomic Energy

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OF
INTERNAL
INSPECTION**

(THIRD EDITION 2010)



ॐ अहिंसा अस्तेय
असतो मा सद्गमय

DR. ANIL KAPOOR
Director, Atomic Energy Commission
Secretary, Department of Atomic Energy

July 22, 2009

FOREWORD

Effective Internal Inspection is crucial to sustained quality of output and supports decision making and performance tracking in Units and Autonomous Institutions of the Department of Atomic Energy. The Manual of Internal Inspection is a useful reference document not only for the Accounts and Inspection wing; but also for the executive and monitoring groups in the Department.

I am glad to note that the Manual of Internal Inspection has been revised and brought upto date; incorporating the amendments to the prescribed rules and procedures. I take this opportunity to compliment the Chief Controller of Accounts and his team of officers for their special efforts in bringing out the third edition of the Manual.


(Anil Kapoor)



प्राकशी, एन.टी. रोड, कोलकाता - 700 016, ई. बंगाल
प्राकशी ग्रुप लिमिटेड, कोलकाता - 700 016, ई. बंगाल
फोन: 98301 2222, 98301 2223 • फ़ैक्स: 98301 2224
वेबसाइट: www.praakashi.com



C.R. SUNDARAMURTI
Controller General of Accounts

सर्वोच्च
निदेशक प्रमुख अकाउंट्स
भारत सरकार
दिल्ली 110011
GOVERNMENT OF INDIA
OFFICE OF CONTROLLER GENERAL OF ACCOUNTS
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
LOK KAYAK BHAVAN, NEW DELHI-110 011
TEL. : (011) 23417734 Fax : (011) 23422096

Foreword

Internal audit is an extremely important instrument in any organization for maintaining efficiency in operations. It is through a properly structured system of internal audit/internal inspection that organizations are able to assess the observance of the internal control mechanisms and mitigate the possible effect of risks facing the organization.

Internal audit in Government of India is on the threshold of a paradigm shift in its structure and approach. The processes and techniques are being revamped in keeping with the latest international trends of risk based audit. The qualitative shift in the approach requires any internal audit organization to be abreast with the latest changes and developments impinging on the organization. The issue of a fresh edition of the manual of Internal Inspection by the Department of Atomic Energy is a timely step in the right direction.

I am indeed very happy that this edition incorporates a number of new areas like Risk Based Performance Audit, apart from updating the other subject areas for inspection.

I congratulate Shri M. Pran Konchady, Chief Controller of Accounts, Department of Atomic Energy and his team of officials for their quest for excellence and perfection in bringing out this updated 3rd edition of the Manual. I am sure that the Manual will add value to the audit processes and go to strengthen the attainment of the objectives of the Department.

(C.R. Sundaramurti)
Controller General of Accounts

New Delhi
13th August 2009



☎ 022 - 2222244
☎ 022 - 2222233
☎ 022 - 2222222
www.pafic.gov.in

M. Pran Konchady
Chief, Committee of Accounts



विद्यया ऽ मृतमश्नुते
Department of Atomic Energy

Department of Atomic Energy
Government of India

PREFACE

Internal Audit is an essential instrument in effecting controls and enabling operational effectiveness in an Organization.

2. *The Manual of Internal Inspection of Department of Atomic Energy (DAE) was initially brought out in 1982 and the 2nd edition was published in 1996. There have been significant changes in the rules and orders in force, which have been updated in this edition of the Manual. The Manual also incorporates chapters on Risk based Performance Audit and E-governance. Steps have been taken to strengthen the Internal Inspection Wing.*

3. *The contents of the Manual are supplementary to the rules and orders contained in the Codes and Manuals issued by Ministry of Finance and other authorities and do not supersede or replace them. The special efforts of Shri N.K.V. Sharma, Dy. Controller of Accounts and Smt. Lalitha Rahulan, Stenographer ; in bringing out the Manual are noteworthy. I hope that the Manual will be a useful reference document to all concerned.*


(M. Pran Konchady)

Mumbai
Dated 01.09.2009

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Chapter 1

ORGANISATION

1.1 Introduction

1.1.1 The major restructuring of the Accounting formations in Department of Atomic Energy was implemented under the Scheme of Departmentalisation of Accounts w.e.f October 1, 1976 vide Ministry of Finance, Department of Economic Affairs Order No. F.1(15)-B(A/cs) 76 dated August 26, 1976. Thereafter, corporatisation of Nuclear Power Board as Nuclear Power Corporation of India Ltd with effect from 1.10.1987, separation of P&AO functions in respects of VECC, Kolkotta, GSO, Tarapur from BARC and introduction of DDO functions at RMP, Mysore and NZSP at Pazhayakayal have also significantly influenced the working of the accounting formations. The comparison of strength of Accounting formations at the stage of departmentalisation and as of today reflects that as against 26 Pay and Accounting Units including the Principal Accounts Office and 5 Units with Cheque Drawing and Disbursing Officers, the accounting activities are now being managed by twenty two Pay & Accounts Offices and eight cheque Drawing & Disbursing Offices /Sub Pay offices.

1.1.2 The Internal Inspection Wing was organised as an integral part of the Scheme with a mandate to ensure that initial records are maintained properly, uniform procedures are adopted in the matter of payment and accounting, corrective measures wherever necessary are initiated promptly and qualitative improvements are brought out in accounting. Further, the Internal Inspection was expected to investigate areas of economy for appropriate action and also provide feed-back information on the Accounting formations of the Department as an aid to management functions.

1.1.3 With the multifold increase in outlays on social sector schemes for development of infrastructure at desired pace, Projects of considerable value have been taken up in the recent past for implementation. To facilitate the execution of the Project, enhanced powers have been delegated to the Ministries. In the emerging scenario where the volumes of activities involving multiple agencies are consistently rising, the Internal Inspection Wing has a role of Identifying the risk prone schemes / programmes and planning Audit of the Units/Divisions which have lesser controls and are prone to systemic failure. The exercise would involve the use multiple or a mix of techniques of physical inspection, performance evaluation, statistical analysis, process review, risk analysis etc.

1.2 Organization

1.2.1 In accordance with the provisions contained in para 1.3.1 of the Civil Accounts Manual, the Secretary, Department of Atomic Energy is the Chief Accounting Authority. This responsibility is discharged by him through and with the assistance of the Additional Secretary, who in turn is assisted by the Chief Controller of Accounts with Jt. Controller (F&A) / Deputy Controller of Accounts in charge of the Inspection Wing. A chart reflecting the organisational set-up is given in Annexure I. The sanctioned strength of the Internal Inspection Wing is given in Annexure II. The Flow Chart of Accounts in the Department is shown in Annexure-III.

1.2.2 Each inspection party shall generally consist of one or two Accounts Officer/ Assistant Accounts Officers, one Assistant Accountant and one UDC. The risk based

Performance Audit would be conducted by the Sr. Accounts Officer/Accounts Officer assisted by two Assistant Accounts Officers.

1.2.3 Jt. Controller (F&A)/ Deputy Controller of Accounts / Accounts Officer shall supervise the working of the inspection parties and for this the percentage of supervision is to be fixed with due regard to the nature of the Unit inspected and quantum of work involved.

1.2.4 The internal inspection shall normally be conducted by locally inspecting various units and offices and by 'on-the-spot' verification of accounts records. The work of local inspection parties shall be co-ordinated by a Headquarters Section.

1.2.5 The Headquarters Section constituted with one Accounts Officer and one Assistant Accounts Officer with necessary supporting staff is primarily responsible for co-ordinating the work of the various inspection parties. Similarly, the Accounts Officer , IIW Branch Office, Hyderabad would also carry out similar duties with regard units covered by the Branch Office. The other functions of the Headquarters section are to:

- (a) Preparation of tour programme of the inspection parties; revision thereof if any, and sending intimations to units.
- (b) Assistance to the Jt. Controller (F&A)/ Deputy Controller of Accounts in vetting and issuing the reports within the stipulated period.
- (c) Preparation and submission of draft report for approval of DCA /Jt. Controller (F&A) // CCA, DAE before issue.
- (d) Pursuing the inspection reports until all points are settled.
- (e) Submission of monthly status report to the Chief Controller of Accounts regarding outstanding inspection reports/paras.
- (f) Preparation of annual performance appraisal of the internal inspection for submission to the Controller General of Accounts / Compendium of Important Observations made by IIW during the course of the year for circulation amongst Unit Heads/Autonomous Bodies.
- (g) Keeping the code books up-to-date.
- (h) Keeping the Manual of internal inspection up-to-date.
- (i) Supplying copies of all office orders and general circulars issued by the Government of India and the Controller General of Accounts to the inspection parties on field work.
- (j) Compiling and rendering data regarding the budgetary requirements of Internal Inspection Wing.
- (k) Examination of cases specifically marked to Internal Inspection Wing for comments.
- (l) Maintenance of all files and file index register.
- (m) Handling establishment matters connected with the staff of the Internal Inspection Wing.
- (n) Maintenance of Calendar of Returns.

1.2.6 The Assistant Accounts Officer/Accounts Officer in charge of the inspection party shall maintain an attendance register wherein all staff members of the inspection party shall mark daily attendance. The inspection party shall observe the working hours and holidays of the respective field Unit under inspection. The attendance register shall be placed before the Accounts Officer/Deputy Controller of Accounts/ Jt. Controller (F&A)/ Chief Controller of Accounts during supervision.

1.2.7 No member of the inspection party shall remain absent from duty without prior permission from Headquarters. In case such prior permission can not be obtained due to unavoidable circumstances, a report of the same shall be made to the Headquarters as soon as possible for taking necessary action. All applications for regular or casual leave shall be sent to the Headquarters for sanction.

1.3 Jurisdiction

1.3.1 The Offices of the Principal Accounts Office, all Pay and Accounts Offices, the Sub Pay Offices as well as the offices of the Drawing and Disbursing Officers of the Department shall come within the jurisdiction of the Internal Inspection Wing besides institutions under the DAE receiving grants or loans less than Rs.25 lakhs and the grants or loans are less than 75% of the total expenditure of the institutions. The list of Pay and Accounts Offices and Sub-Pay Offices, etc. is furnished as Annexure-IV.

Chapter 2

OBJECTIVES AND FUNCTIONS

2.1 General

The objective of the internal inspection is not merely to point out omissions and defects in accounting system, but also to extend all possible assistance to various Units of the Department to ensure uniform financial and accounting procedures in the matter of payment and maintenance of various accounts. The success of the scheme would lie in its ability to ensure the adoption of sound procedures, regularity and accuracy of accounts, and offering suggestions in the areas of economy in Government expenditure to ensure better financial discipline in the conduct of Government transactions. In terms of recent Ministry of Finance Orders, the Internal Inspection Wing shall also carry out risk based performance review of the identified schemes / projects with a view to ensure that the intended schemes are executed to achieve the objectives set out in the proposals with utmost economy and without time over-run.

2.2 Scope of internal inspection

- 2.2.1 a) The Internal Inspection Wing shall be responsible for test checking the initial accounts records, subsidiary register maintained in the accounting formation of the Department as also of the executive offices with a view to ensure that the rules and regulations are followed correctly, and systems and procedures regarding accounting and financial matters are adequate. The internal inspection shall, inter-alia, cover checking of all accounts records including those relating to fund accounts, loans and advances and records pertaining to purchases, civil works, review of the installation and operating efficiency of expensive equipments and machinery, and examination of records pertaining to physical verification of stores equipment, tools and plant. In addition, all the relevant records maintained by the Administration will also be inspected. Independent physical verification of stores/cash shall not be undertaken by the inspection party.
- b) The scope of work of Internal Inspection Wing stands widened to include performance review of the identified scheme/project, based on criteria of budgetary allocation, existing internal controls of monitoring and evaluation, release of funds and their utilization. Detailed instructions in this regard are incorporated in Chapter 8.
- 2.2.2 No inspection party shall undertake any investigation which is not strictly within the scope of internal inspection. In no case, special investigation of any kind shall be undertaken at the instance of administrative authorities, even though no extra time is required, without the prior approval of the Headquarters. Similarly, the inspection party shall not undertake any enquiry or investigation on its own or on a complaint received from the public. All such cases shall be referred to the Head quarters for instructions. When any enquiry or investigation is conducted on the specific instructions of the Headquarters, such enquiry or investigation shall strictly be confined to the recorded facts only. It shall however, be appropriate in such cases not to confine the examination to the particular case only but to scrutinise a few more cases of that kind to ensure that the irregularity is not of a general nature. The results of the enquiry or investigation shall be included in the inspection report and the attention of the Head of the Unit shall be invited to the relevant para thereof separately.

2.2.3 The inspection work should be entrusted to trained and competent staff who should be able to examine the accounts intelligently and in proper perspective in addition to exercising prescribed checks. Special attention is, therefore, necessary in selecting and training staff deputed for inspection work. Internal audit is perhaps the only area in which one wing of the Department is in touch with the various wings and executive offices functioning under the Department at various places and at different levels. From this point of view, the image presented by the internal audit wing should be wholesome and purposive.

2.3 Duties of internal inspection

2.3.1 An inspection party should conduct a general review of all the accounts records maintained by an office since the last inspection or in case of new unit, since the formation of the office. Apart from the general review, it shall also conduct a detailed check of accounts records of one month in a year to be selected by the Chief Controller/Deputy Controller in charge of internal inspection. The percentage of bills/vouchers/ cases etc. other than those pertaining to the accounts records of the selected month to be checked in detail in internal inspection as part of the general review of the accounts of an office, will be left to the discretion of the Head of the Internal Inspection Wing. The duties of the Internal Inspection Wing shall inter-alia include the following :

- (a) Study of the accounting procedures prescribed for the Department with a view to ensure that they are correct, adequate and free from any defects or lacunae.
- (b) Watch over the implementation of the prescribed procedures and the orders issued from time to time.
- (c) Scrutiny and check of payments and accounting work of the accounting units.
- (d) Investigation of important areas in accounting and other connected records.
- (e) Co-ordination with other Ministries and Controller General of Accounts regarding internal audit procedures.
- (f) Periodical review of all accounts records.
- (g) Pursuance/settlement of objections taken in test audit notes issued by Statutory Audit and other matters relating to Statutory Audit.
- (h) To examine and report on points of irregularities brought to its notice by the Principal Accounts Office, Pay & Accounts Offices.
- (i) Scrutiny of purchase , stores and works procedures in the office inspected, so as to ensure that they are free from any defects or lacunae.
- (j) Checking of procedures in regard to disposal of assets / write off cases to ensure that adequate procedure exists for scrapping/condemning and the same is followed.
- (k) Checking the procedure for allotment of flats/premises to the officials/ private parties for residential/commercial purposes and ensuring adequacy of arrangements for recovery of rents/dues as per Government orders issued from time to time.

- (l) Scrutiny of general office management procedures adopted by the Heads of Office locally where they have financial and accounting implications so as to suggest tightening up of administrative and financial control, savings in expenditure or streamlining of accounting.
- (m) Examine the items of receipts, correctness of costing/frequency of revision/ method of valuation.

2.4 Special features in the department

- 2.4.1 Financial powers of the Government of India, are exercised in matters concerning the Department (except in so far as they have been delegated in the Department) by the Member for Finance, Atomic Energy Commission who is ex-officio Secretary to the Government of India in the Department of Atomic Energy in financial matters. The scheme of “Associate Financial Adviser” or “Integrated Financial Adviser” referred in Government of India, Ministry of Finance, Department of Expenditure O.M.No. F. 10(29). E(Coord)/73 dated 6.10.1975 is not applicable to this Department. Internal Financial Advisers attached to Units are responsible for initial financial clearance of proposals, preparation and allocation of the budget and budgetary control of expenditure on projects. Orders on the subject are contained in Annexure-V, V-A, and V-B.
- 2.4.2 Details of the payment and accounting arrangements with the additions and alterations under the Scheme are shown in Annexure-VI
- 2.4.3 All Pay and Accounts Officers who are rendering monthly accounts are placed in account with the respective branches of the State Bank of India. As per para 1.4.1. of Civil Accounts Manual, Receipts and Payments of the Govt of India are handled by the Reserve Bank of India or the Public/Private sector Banks nominated for the particular Ministry/Department by RBI on the advise of Controller General of Accounts, while in respect of the Sub Pay Officers who are cheque drawing Drawing & Disbursing Officers, the Pay & Accounts Officer under whom they are working shall authorise letters of credit periodically on the banks to which these Sub-Pay Officers are accredited. The Pay & Accounts Officers and Sub-Pay Officers shall make payments, after pre-check against bills presented to them by drawing cheques on the respective branches of the State Bank of India/ nominated Banks. In regard to personal claims of staff, the Pay & Accounts Officers and Sub-Pay Officers shall also function as drawing officers. However, the functions relating to preparation, pre-check and passing of bills on the one hand and drawal of cheques and disbursement on the other, are to be done by different officers. Payment towards share capital, loans and grants-in-aid to Public Sector Undertakings, autonomous bodies and educational institutions shall be made by the Pay & Accounts Office, DAE.
- 2.4.4 Settlement of claims from the Department of Supply in respect of payments made by them against DGS & D contracts on behalf of the Department shall be effected by the Pay and Accounting Units attached to the Directorate of Purchase & Stores, Department of Atomic Energy by cheque/demand draft.
- 2.4.4.A Payments on account of advertisements published on behalf of the Department are adjusted by Directorate of Audio Visual Publicity (DAVP) against the final expenditure head for which provisions are placed at their disposal.
- 2.4.5 Settlement of claims towards customs duty relating to materials and equipment procured through the Directorate of Purchase & Stores of the Department

shall be made by issue of cheques by the Pay and Accounting Units of the Directorate of Purchase & Stores. For this purpose, Personal Deposit Accounts shall be opened with the Customs Department at Bombay and Madras against which these dues shall be charged and recoupment arranged on monthly basis.

- 2.4.6 It has been decided that the Department of Atomic Energy should be treated on the same footing as a statutory authority vide Government of India, Ministry of Works, Housing & Supply Office Memorandum No. Pur-1(63) dated March 19, 1956 which is reproduced as Annexure VII. Consequently it is not obligatory for the Department to utilise the services of the Directorate General of Supplies and Disposals for making purchases. For effecting the purchases of the Department in a well-regulated manner the Directorate of Purchase & Stores has been organised.
- 2.4.7 The powers vested in the Ministry of Works, Housing and Supply in the matter of execution of works are deemed to have been vested with the Department of Atomic Energy in relation to the works of the Department of Atomic Energy. For execution of works detailed procedures have been drawn and revised from time to time. The latest revision issued vide DAE OM No.7/4(1)/98-SUS/Vol.III/4212 May 31, 2006 is reproduced as Annexure VIII with all its amendments. However, subject to the observance of the special procedure detailed in the said O.M. the rules contained in the Central Public Works Department Code, Central Public Works Department Manual, the Central Public Works Account Code and other relevant codes shall be followed mutatis mutandis.

2.5 General checks to be exercised

- 2.5.1 The Internal inspection parties shall inter-alia exercise the following checks during inspection of accounts record of various accounting units :
- (i) All accounts records required to be maintained are maintained in the prescribed forms, and the accounts are compiled accurately and in correct manner.
 - (ii) Payments are made in accordance with the rules and orders governing them and the arithmetical calculations are correct. The Govt. of India vide order placed in Annexure IX has authorized payments of claims and receipts to be remitted by ECS / RTGS in select Cities to begin with. The inspection teams besides reviewing the progress made by the units in the direction shall also observe deficiencies, if any, in reconciliation of the receipts / payments.
 - (iii) Final claims of Government servants are correctly paid in time and overpayments if any, are dealt with promptly to regularise the same.
 - (iv) Recoveries/deductions made from the bills are in order.
 - (v) Pay fixations are correct.
 - (vi) All payments and receipts are fully accounted for.
 - (vii) All transactions are accounted for under the correct heads of account and the classification is checked by the AAO/AO to the extent prescribed. No unauthorised head of account is operated in the Classified Abstract/ Consolidated Abstract.

- (viii) Various broadsheets, objection books and calendar of returns are maintained properly the broadsheets are closed regularly every month, and the differences between broadsheet and ledger figures analysed and steps taken to clear them expeditiously.
- (ix) The balances outstanding under various debt, deposit, suspense and remittance heads are reviewed at periodical intervals and steps taken to clear the same as expeditiously as possible.
- (x) Interest wherever required has been correctly calculated and accounted for.
- (xi) GPF/CPF accounts are maintained properly and reconciled with the prescribed broadsheets; no missing debits/credits and unposted items are kept outstanding for unduly long periods and the annual accounts are closed and statement of accounts issued to the accounts holders by the due dates.
- (xii) Separate PBRs are maintained in respect of officials covered by the New Pension Scheme introduced w.e.f 1.1.2004 and their contributions at appropriate rates under tier I and optional contributions under tier II against appropriate orders as and when issued by the Government along with the Matching Govt contribution (@ 10% of tier I) are duly remitted to the Trustee Bank by the Pay & Accounts Officer /DDO/CDDO quoting Permanent Pension Account Number (PPAN) till the Permanent Retirement Account Number is allotted by NSDL. In respect of subscribers whose details were included in the legacy data pertaining to the transfer of balances on 31.3.2008, NSDL will allot PRAN based on the legacy data sent to them. After passing the bills P&AO/DDO/CDDO will upload the data relating to the contributions (Employees/govt.) into NPSCAN and tally the figures with that booked under Receipts Awaiting Transfer (RAT) . After completing the upload Transaction ID would get generated to facilitate entries of minus credit under RAT.
- (xiii) Foreign service contributions, wherever necessary are recovered correctly and monitored by the P&AOs.
- (xiv) Loans and advances and grant-in-aid are correctly paid and overpayments, if any, brought to the notice of authorities concerned for appropriate action. Utilisation Certificates are received for the grants in due time and in case of default further grant payments are restricted.
- (xv) Receipt scrolls/payment scrolls with challans and paid cheques are received in time from the primary bank branches, checked properly as per instructions and the discrepancies, if any, pointed out promptly.
- (xvi) Payments made by the cheque drawing DDOs are in accordance with the rules and orders governing them, their arithmetical calculations are correct and the recoveries/ deductions made from bills are in order. The lists of payments are sent every week to the PAO concerned and properly accounted for by the PAO. The vouchers are to be preserved by the DDO.
- (xvii) The weekly accounts of receipts realised and remitted by the DDOs with duplicate copies of challans, are received from them and checked properly with the bank scrolls.
- (xviii) The instructions regarding reconciliation of figures under the heads Public Sector Bank Suspense and RB Deposits are duly followed by P&AO/ Pr.AO.
- (xix) The instructions regarding reconciliation of expenditure and revenue receipt figures are followed.

- (xx) There is no undue delay in the finalisation of pension cases.
- (xxi) The instructions for the maintenance and review/ closure of cash book, contingent register, stock and stores accounts, log books Register of Valuables / Challans and other accounts records are duly observed.
- (xxii) Purchases are made as per rules and orders governing them, where lowest quotations are not accepted, the reasons therefore are recorded.
- (xxiii) Surplus / obsolete and scrap materials are periodically identified and action for disposal is initiated following the prescribed stores procedure and Exercise of Financial Power (DAE) Rules.
- (xxiv) Advance payments to the Suppliers are accounted for and adjusted promptly. Discrepancies/shortcomings in the supplies are reported promptly for rectification and claims of Insurance etc. are lodged in due time.
- (xxv) Temporary Advances drawn for contingent payments are settled promptly observing the guidelines issued vide O.M No. DAE/IIW/103:01/Vol.II/707, dated 23.3.83 reproduced as Annexure-X
- (xxvi) Works procedure, CPWD manual and codes,CVC guidelines and other relevant provisions are duly observed while awarding and executing works contracts/ consultancy contracts.
- (xxvii) Check of sanctions and verification of Service Books forming part of administration is ensured. Duplicate service books are issued to the employees and periodical updation is done as per Govt. orders.
- (xxviii) Recovery of long term advances and interest thereon is made in due time following the prescribed procedure.
- (xxix) Separate accounts of Fixed Assets,consumables, library books and assets of artistic / historic value of the Government are kept in form GFR-40,41,35 and 42 in terms of GFR 190(2).
- (xxx) Physical verification of fixed assets and consumables is done at least once in a year and the result thereof/discrepancies is recorded for investigation/ appropriate action by competent authority in terms of GFR 192 (1) and (2) following the procedure laid down in GFR 192(3).
- (xxxi) Documents crucial for claiming refunds of deposits (made by the Department) from Electricity Boards/Govt. Agencies and also records relating to allotment of land / licences for various purposes in original are retained and verified regularly by the Unit heads or their authorised representative periodically and records of verification are produced for verification to Internal Inspection Wing.

2.6 Checking of receipts

- 2.6.1. While the departmental authorities are primarily responsible to see that all revenue or other debts due to Government are correctly and properly assessed, realised through authorized means and credited to Government account, it would be necessary for internal inspection to see that adequate regulations and procedures have been prescribed in the Department to secure an effective check on collection and accounting of all revenue receipts and refunds and that such regulations and procedures are being followed correctly. It would also be necessary to ascertain the nature of checks exercised by the departmental authorities to ensure prompt detection and investigation of

irregularities, leakage or loss of revenue due to double refunds, refunds with reference to fraudulent and forged vouchers/challans or other types of omissions or commissions in the process of collection of revenues or in ordering refunds.

2.6.2 In the internal audit of revenue receipts, the internal inspection party should inter-alia ensure the following by such test checks as may be considered necessary.

- (a) That the demands are raised promptly in the manner required by the Law or Act of Parliament and that no amount due to Government is left outstanding in its books without sufficient reasons.
- (b) That the collections and refunds are accounted for regularly and properly under the appropriate heads of accounts and that no sums are credited to Government by debit to a suspense head; credit must follow and not precede realisation.
- (c) That proper safeguards exist to ensure that there is no wilful omission or negligence to collect revenues or to arrange for refunds, wherever due.
- (d) That double refunds, fraudulent or forged refund orders or other losses of revenue through fraud, default or mistake are promptly brought to light and investigated.
- (e) That all revenue receipts collected are promptly remitted to the bank and that the receipts as per the records are reconciled with those booked in Government accounts on the basis of receipted challans, in accordance with the procedure laid down in Chapter I of the Civil Accounts Manual.
- (f) Receipts in printed form GAR-6 are issued in a consecutive order for all moneys received.
- (g) Receipts are not appropriated for departmental expenditure unless specifically permitted by the competent authority.
- (h) That stock account of receipt books is being maintained.
- (i) That the number of receipt books shown as received agrees with the indent/ actual supply.
- (j) That the closing balance as per stock account is physically verified periodically as prescribed and a certificate to that effect is recorded under dated signature of the officer concerned.

2.7 Quantum of check:

2.7.1 The records to be scrutinised in internal inspection and the quantum of check to be exercised shall be as decided by the Chief Controller of Accounts from time to time.

2.8 Period and periodicity of Internal Inspection.

Depending upon the size of the organisation, i.e. its financial and other activities, internal inspection is being carried out for 10 to 30 working days in respect of the Accounts of PAO/Cheque Drawing Drawing & Disbursing offices annually, in respect of Sub-Pay offices the duration ranges from 5 to 7 working days.

PROCEDURE FOR INTERNAL INSPECTION

3.1 General

- 3.1.1 The internal inspection staff should generally be conversant with the rules, regulations, norms, standards, delegation/ re-delegation of financial powers to the subordinate authorities, issued from time to time, in terms of various Government of India/ Departmental orders. The Internal Inspection Wing of the Department of Atomic Energy by and large conducts the post-audit of records, and reports to the Chief Controller of Accounts.

3.2 Guidelines for Internal Inspection

- 3.2.1 The internal inspection of accounts of all the accounting formations of the Department shall be carried out keeping in view the guidelines prescribed in the DO letter No. CCA/DAE/IIW/74/82 dt. May 26, 1982 addressed to all the heads of Units by the Additional Secretary reproduced as Annexure XI.
- 3.2.2 The Headquarters section shall maintain financial year wise records of the inspection carried out. Every year, before the end of January the particulars of all Units due for inspection during the ensuing financial year, are to be identified and annual plan for internal inspection of all the Units for the ensuing financial year is to be drawn in form IIM -1 to ensure that each unit is inspected at least once in a period of 12 months. The approval of the Chief Controller of Accounts shall be obtained for the annual plan before the end of January.
- 3.2.3 The Headquarters section shall, based upon the approved annual plan, prepare a detailed quarterly programme IIM -2 for the Units to be inspected during the following quarter, two months in advance. This quarterly programme shall also be got approved by the Chief Controller of Accounts. A copy of the programme shall be sent to Director of Audit so as to facilitate drawal of programme at their end without the dates clashing with the programme of IIW.
- 3.2.4 The Units to be inspected as per the quarterly programme shall be intimated at least one month in advance, so that all the accounts books and other relevant records are kept ready to facilitate smooth working of the inspection party. The list of records shall be sent to the Units along with the intimation letter.
- 3.2.5 Requests for postponement of inspection shall be considered only in exceptional circumstances. All such requests are to be agreed to only with the approval of Chief Controller of Accounts. In cases where requests for postponement are not received from Head of the Unit and the departmental officials fail to produce the records on the scheduled date of inspection, the Accounts Officer/ Assistant Accounts Officer in-charge of the inspection party shall ascertain the reasons for non-production of records in writing from the Pay & Accounts Officer/Sub Pay Officer concerned and the position shall be brought to the notice of the Headquarters.
- 3.2.6 The programme, as approved, shall not be altered by the Accounts Officer / Assistant Accounts Officer in-charge of the inspection party without prior approval of the Headquarters. If any change is considered inevitable and there is not enough time for getting the approval from Headquarters, the

change may be carried out and the Headquarters informed of the same promptly.

- 3.2.7 The members of the inspection party shall conduct themselves in such a way which enables them to achieve the twin objectives of maintaining healthy cordial relations with the staff and officers of the unit as well as obtaining their full co-operation for the smooth and efficient working of the party. The Accounts Officer/Assistant Accounts Officer who heads the inspection party on arrival at the Unit should introduce himself and also his staff to the Pay & Accounts Officer concerned. If any difficulty is felt by the staff in obtaining the records information etc. the matter should be reported to the Accounts Officer/Assistant Accounts Officer in charge of the inspection party who will take up the matter with the Pay & Accounts Officer or any other officer as may be considered necessary.
- 3.2.8 Headquarters Section shall maintain a register for selection of months for detailed audit separately for each financial year. Where the programme and the selected month of internal inspection has been approved by the Chief Controller of Accounts, the Accounts Officer/ Assistant Accounts Officer-in-charge of the Inspection party shall conduct the detailed audit of the selected month in addition to the other items of programme approved.
- 3.2.9 **Guidelines for reporting of losses.**

Any loss or shortage of public moneys, departmental revenue or receipts, stamps, stores etc., held by, or on behalf of Government which is discovered in an office shall be immediately reported by the subordinate authority to the next higher authority and Accounts Officer. All cases involving loss of Govt. money arising from erroneous or irregular issue of cheques or irregular accounting of receipts and circumstances leading to the loss will also be reported to the Department of Atomic Energy/Controller General of Accounts so that they could take steps to remedy defects in rules and procedures, if any, connected therewith, which might have facilitated the occurrence of the act/ event.

3.2.10 **Guidelines for internal audit of Grantee Institutions.**

The following checks shall be exercised while inspecting the Grantee Institutions :-

1. The conditions attached to the utilisation of grant have been or being fulfilled.
2. If no time limit has been fixed by the sanctioning authority, the grant is spent upon the objects specified in the sanction within a reasonable time (normally within one year from the date of issue of the sanction).
3. Any portion of the amount which is not ultimately required for expenditure upon the specified objects is surrendered promptly.
4. Unspent balance of one year is not utilised in the subsequent year without obtaining the sanction of the competent authority.
5. Whether the grant meant for execution of a particular work or scheme has actually been executed.
6. The unspent balance of the grant or the unutilised grant, not refunded have remained unspent or unutilised for satisfactory and valid reasons and the unspent balance left over is commensurate with the part of work or scheme yet to be executed.

7. The objectives of the scheme for which grants-in-aid was disbursed by the Government have been attained and that there was no wasteful expenditure.
8. That the system of receipt and payment of amount, cheques and bills, banking and custody of each, verification of cash balances, and recording of cash transactions are adequate.
9. That there is satisfactory system for calling for tenders and that there is no defect in the execution of the contract agreement.
10. The system of receipt and issue of stores is satisfactory and necessary records are properly maintained.
11. There is no wasteful, extravagant or unnecessary expenditure or loss of cash or stores due to inadequate safeguards.
12. Scrutiny of agenda and minutes of the meetings of Executive Committee or Board of Management and reports of the reviewing committee do not indicate any irregular feature.
13. That the accounts of the grantee are complete, and duly supported by the relevant vouchers and payees receipt.
14. There is no undue delay in submission of the accounts by the grantee.
15. To see that a register in form GFR 19 is maintained by the grantee units for permanent and semi-permanent assets and the same are physically verified, reconciled with the book value and depreciation is proposed as per Government Orders.
16. Assets acquired wholly or substantively out of Govt. grant, would not without the prior approval of the government be disposed or encumbered or utilised for the purpose other than those for which grant is sanctioned.
17. Progress reports at necessary intervals have been furnished to the Govt. and to see that they do not contained any unusual feature.
18. Audited statement of Accounts have been submitted to the Government. Accounts are maintained on accrual basis.
19. Machinery or equipment purchased from grant is not lying idle and if so it may be commented upon. It should be ensured that the equipment is fully utilised.
20. Certificate of utilisation of grants has been furnished to the Govt.
21. Whether any interest on the grants has been earned, if so, whether it has been adjusted towards further installment of the grant.

In addition to the normal expenditure audit, including checking of individual transactions with a view to detect cases of improper, extravagant, wasteful or uneconomical expenditure, audit should also be conducted with a view to examine how far the agency is adequately discharging the financial responsibility in regard to various schemes undertaken by it.

IT IS TO BE SEEN THAT :

- (a) whether the schemes on which expenditure is incurred are really being executed and are economically viable.

- (b) Test check of the accounts or the returns submitted by the grantee to see that the conditions were actually fulfilled.

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

- (c) Amount has not been unnecessarily drawn in advance of the requirement to avoid lapse of funds.
- (d) Whether there is any serious avoidable delay due to inefficient handling, planning and coordination of the work in the process of expenditure of scheme resulting in increase in the total cost of the scheme or any loss of revenue due to delayed execution or holding up the scheme.
- (e) Whether there is any wasteful expenditure including that resulting from lack of coordination amongst the several aspects of the scheme such as staff having been engaged long time before the procurement of the machinery etc.
- (f) Whether there has been any waste due to some of the facilities e.g. building, equipment, staff etc. on which expenditure has been incurred under the scheme proving unnecessary or going unutilised.
- (g) How far the physical targets have been achieved within the estimated time.
- (h) How far the final purpose or projects of the expenditure have been achieved.

3.3 Supervision by DCA/JC(F&A)/CCA

- 3.3.1 Jt. Controller (F&A)/ Deputy Controller of Accounts/Accounts Officer shall directly supervise the working of the inspection party. For this purpose the percentage of supervision, subject to a minimum of 30% be determined with due regard to the nature of the Unit inspected and the volume of work involved. Where necessary, the Chief Controller of Accounts may himself supervise the working of an inspection party.

3.4 Documents needed for internal inspection

- 3.4.1 A list of records to be examined during internal inspection shall be prepared and sent to the concerned Pay & Accounts Office/Sub Pay Office/Office of the DDOs to be inspected along with the notice of inspection vide para 3.2.4 so that these are kept ready before the arrival of the inspection party. The accounts records generally maintained in the Pay & Accounts Offices/Sub-Pay Offices and Departmental Heads of Offices are listed in Annexure XII. These accounts records shall be made available by the Pay & Accounts Officer/Sub-Pay Officer/ DDO promptly to the inspection party on the day of their arrival.
- 3.4.2 The following records shall be made available to their field inspection parties by the Headquarters Section before commencement of internal inspection of the office concerned:
 - (a) Files containing inspection reports of previous year in respect of which objections are still outstanding.

- (b) List of objections treated as settled at the Headquarters subject to verification during next inspection.
- (c) Any other important points requiring investigation on the spot by inspection parties.

3.5. Drill for internal inspection

- 3.5.1 As soon as the inspection party visits the Units, it shall acquaint itself with the working and activities of the Unit. The Accounts/Assistant Accounts Officer in-charge of the inspection party shall obtain all auditable accounts records listed in the annexure to the notice of inspection vide para 3.4.1 and also send a requisition for all the paid vouchers pertaining to the month selected for detailed check / auditable accounts records other than those included in the Annexure to the notice of inspection. If the records are not made available in reasonable time or there are other difficulties in obtaining the records, the matter shall be brought to the notice of the / Deputy Controller of Accounts/ Jt. Controller (F&A)/Chief Controller of Accounts telephonically.
- 3.5.2 Before commencement of inspection the inspecting Accounts/Assistant Accounts Officer shall allocate duties to the members of the inspection party including himself in form IIM- 4 . This allocation shall be noted by each member of the party. After the completion of the inspection, each member of the party (including the inspecting Accounts/Assistant Accounts Officer) shall certify that the work allocated has been duly completed by him.
- 3.5.3 As inspection progresses, objections shall be communicated on daily basis to the Pay & Accounts Officer/Sub-Pay Officer/ DDO as the case may be, through preliminary memos which should be numbered serially. These objections should be brief, precise and to the point. They shall only seek confirmation/information and not suggest any conclusion or pre-disposition on the part of the inspection party. As far as possible, the inspecting Accounts/ Assistant Accounts Officer and the party shall try to get all information through accounts and other connected records and obtain explanation on the spot by personal discussions so that objection memos are minimal and normally returned to the party duly replied within three days. The replies to the objections shall be carefully examined and if they are to the satisfaction of the Accounts/Assistant Accounts Officer, objections shall be dropped, otherwise they shall be included in the inspection report.
- 3.5.4 Soon after the inspection commences, the Accounts/Assistant Accounts Officer shall review objections in the old inspection reports which are still outstanding and verify compliance, where promised. The old objections not settled shall receive his personal attention, as it is most important to ensure speedy settlement of all outstanding objections.
- 3.5.5 Where on receipt of satisfactory reply from the Unit, objections were treated as settled by Headquarters subject to verification of compliance at the time of next inspection, the inspecting Accounts/Assistant Accounts Officer shall verify compliance and record his remarks against each item in the list of such objections brought from the Headquarters vide para 3.4.2. In case compliance with the objections stated to have been made is not in order, the objection shall be included in Part I of the current inspection report vide para 3.7.5.
- 3.5.6 The inspecting Accounts/Assistant Accounts Officer before treating objections in the previous inspection reports as settled shall obtain written reply/

explanation for each objection from the Unit and place the same on record. If any objections from the previous inspection reports are treated as settled by the inspecting Accounts/Assistant Accounts Officer based on the replies/discussions with the Head of the Unit, he shall record brief reasons for dropping these objections. In no case an outstanding objection shall be treated as settled merely by recording “discussed and dropped”.

- 3.5.7 When an objection of a procedural nature (such as non-maintenance of a record, non-obtaining of a certificate relating to a personal claim) is outstanding in one or more previous inspection reports and the irregularity has continued during the period covered by current inspection, the outstanding objection in the previous report(s) may be removed and a para included in the current inspection report mentioning that the irregularity was pointed out in the earlier inspection report.
- 3.5.8 All registers, accounts books and other records checked during the inspection of an unit shall be stamped and initialed with date by the inspecting officer concerned after the last entry in token of examination.
- 3.5.9 Finalisation of material on each objection shall not be postponed till the final stage of internal inspection, as this is likely to lead to accumulation of unverified data and it may not be possible to include all the objections in the inspection report due to shortage of time towards the close of inspection.

3.6 Guidelines for detection of defalcations and fraud.

- 3.6.1 The process of audit detailed in this manual should be taken only as **a guide** to intelligent audit and in no case is to be considered as limiting the scope of the auditor’s duties. In fact, the efficiency of internal audit depends, largely on thoroughness and resourcefulness of the auditor. Even an apparently minor defect or irregularity might conceal a potential fraud or misappropriation which may come out through intelligent probe. An illustrative list of irregularities which are likely to conceal potential frauds is given below for guidance.
- i) Erasures, over writings, interpolations, alterations, tampering of figures and unattested correctness in figures, pass orders etc., in account books and registers, bills presented for payment, invoices, bills, receipts, cash books, stock books, challans.
 - ii) Removal of pages from account books and registers.
 - iii) Error in totaling in bills.
 - iv) Delay in disbursement of money drawn from bank to payees (including money recovered against court attachment, undisbursed salaries etc.).
 - v) Non-availability of challans in support of remittance of entries in cash book.
 - vi) Persistent delay in submission of payees stamped receipts, suppliers invoices and countersigned detailed bills to audit.
 - vii) Signing office copies of bills in full, difference between the entries in the office copies and fair copies of bills in regard to name of payee, endorsement etc. or absence of office copies.
 - viii) Failure to cancel sub-vouchers or paid invoices.
 - ix) Non-reconciliation of departmental figures with those of PAO.

- x) Entries in important records like cash book, stock accounts etc. not being attested.
- xi) Absence of proper periodical scrutiny of cash book, stock book, contingent register, surprise checks of cash by the Head of office or the authorised gazetted officer.
- xii) Payments made on duplicate invoice, absence of proper reference in invoices to entry in stock book.
- xiii) Tamperings in totals and carry-forward of totals, especially in Cash Book and Stock Books.
- xiv) Tampering of figures in Challans.

Note: Fictitious entries of remittances in cash book will be brought to light during the verification of credits for remittances for the selected month with corresponding month's bank scroll.

3.7 Results of internal inspection

- 3.7.1 As a general rule, trivial matters and routine errors of omissions and commissions which can be and have been set right on the spot need not be mentioned in the report. Irregularities which have been settled but which are important enough to be brought to the notice of higher authorities shall, however find a place in the report,

The money value of an objection or the approximate value calculated from the data on hand shall duly be taken into account in considering their importance for inclusion in the inspection report. Such money value of an objection shall always be mentioned in the report in order to bring out the significance of an objection.

- 3.7.2 A Test Audit Note containing minor irregularities duly signed by the inspecting Accounts Officer or the Assistant Accounts Officer shall be issued on the spot to the Pay & Accounts Officer/Sub-Pay Officer/ DDO whose office is inspected, after obtaining necessary acknowledgement. A test audit note does not require a reply in detail, but it shall be verified at the time of next inspection that adequate notice was taken of it.
- 3.7.3 Objections shall be based on clear documentary evidence. It is not sufficient to quote the rule or order violated but actual or possible effect of such deviation on the finances of Government shall be explained clearly.
- 3.7.4 The results of inspection shall be compiled and handed over to the Sr. Accounts/Accounts Officer for finalization of inspection report in form IIM -6 .
- 3.7.5 The inspection report shall be divided into two parts; Part I containing a list of objections from the previous inspection reports still outstanding and Part II containing the results of current inspection. Part II of the inspection report (i.e. results of current inspection) shall first deal with accounts, such as cash book irregularities, advances outstanding, non- realisation of revenues, defects in the maintenance of stores accounts, physical verification of stores, machinery and equipment lying idle etc., then shall follow paras on financial matters, such as irregular purchases of stores, faulty implementation of schemes etc. The concluding portions of the report shall consist of paras relating to personal claims such as pay fixation, reimbursement of medical

charges, travelling allowance, house rent allowance, verification of service books and leave accounts and non-production of records. There shall not be any mixing up of comments and the observations shall be so arranged as to avoid confusion and to present a clear picture of the accounts of the Unit inspected.

When important initial records such as cash books, challans, folios, registers of stationery and dead stock, stores ledgers, equipment register etc. are not maintained properly, the inspection party, besides mentioning technical deficiencies and shortcomings in the maintenance of these records shall make a probe to see if the defective maintenance or the non-maintenance indicates any misappropriation or embezzlement of Government money/stores.

3.7.6 The inspection report of a Pay & Accounts Office shall not be a mere recital of defects noticed here and there but shall depict the state of health of the office with particular reference to the following aspects:

- (a) Timely submission of accounts.
- (b) Completeness of accounts.
- (c) Keeping the balances under Suspense heads low with full analysis thereof.
- (d) Reconciliation with bank scrolls and monthly/ weekly statements.
- (e) Completion of the ledger accounts and broadsheets maintained for provident fund, loans and advances and other debt, deposit and remittance heads and agreeing the same with the figures in the compiled accounts.
- (f) Prompt finalisation of pension cases and provident fund final payment cases.
- (g) Quality of pre-check.
- (h) Post-check of vouchers of cheque drawing DDOs.

3.8 Draft of inspection report

3.8.1 The report shall be brief. A lengthy report as compared to the material it contains, throws unnecessary burden in vetting besides creating difficulties for the administrative authority in examining and furnishing replies. Brevity shall be achieved by economy of words and avoidance of repetitions, though every point of importance shall be included. Individual irregularities of small monetary value or of little significance or objections not involving financial points shall be included in the Test Audit Note vide para

3.8.2 The language used shall invariably be polite and inoffensive. The bonafides of the officers concerned shall not be questioned even by inference. The effectiveness of an audit objection is very likely to be reduced rather than enhanced by the use of strong words. Mention of the names of the individual officers shall also be avoided except in the case of personal claims. The facts and conclusions, if properly stated, shall speak for themselves. There shall be no reference to responsibility being fixed for any irregularity; it is for the administrative authority to take action in the matter.

3.8.3 Every paragraph shall bear a distinct heading and deal with a specific point. It shall first give statement of facts, next the rules or orders infringed and the nature of irregularity or omission and lastly action necessary for regularisation. The main paragraphs may be divided into convenient sub-paras but a uniform system of numbering shall be adopted throughout the report.

- 3.8.4 The amounts of overpayments or other irregular payments shall be worked out to the extent feasible during the inspection itself and not left out to be calculated by the office inspected and intimated to Headquarters, later on. The full financial implication of each objection or approximate value thereof calculated from the data on hand, shall be brought out in the inspection report to stress the significance and gravity of the objections.
- 3.8.5 Abbreviations shall on no account be used and particular care shall be taken to give the correct quotation of the rules and orders. Dates shall be given in full. If the inspection report contains references to letters and orders of the Heads of the Department or other authorities which are not available in the Headquarters, all such references shall invariably be supported by copies of or relevant extracts from the letters or orders taken from the departmental offices.
- 3.8.6 The objections outstanding in the previous reports shall not be repeated in the current report. In such a case the present position of the objection may be given in the Part I of the report. If it becomes necessary to mention in the current report, an objection similar to the one already mentioned in a previous report, specific reference shall be given to the relevant para of the previous report.
- 3.8.7 The observations raised by the Inspection team shall be discussed personally by the inspecting Deputy Controller of Accounts/Accounts Officer with the Head of the Unit inspected on the last day of the inspection. In cases where no supervision by Deputy Controller of Accounts/ Accounts Officer has been provided, the inspection report shall be discussed and finalised by the Assistant Accounts Officer himself. Also, the comments of the Head of the Unit, if any, shall be suitably incorporated in the report with further remarks wherever necessary.

3.9 Despatch of draft inspection report to the Headquarters

- 3.9.1 A copy of the draft inspection report together with the documents listed in para 3.9.2 below and other working papers shall handed over by the Assistant Accounts Officer in-charge of the inspection to the Sr. Accounts/Accounts Officer. The Accounts Officer shall invite the attention of the important paragraphs included in the draft inspection report, which with advantage, may be brought to the notice of Chief Controller of Accounts or taken up with the Head of the Unit concerned in advance before the issue of the inspection report.
- 3.9.2 The following documents shall invariably accompany the draft inspection report:
- (a) Distribution of work amongst the members of inspection party in IIM -4 vide para 3.5.2.
 - (b) Information sheet in form IIM-5 duly completed in all respects and signed by the Inspecting Assistant Accounts Officer/Accounts Officer.
 - (c) List of service books checked along with the list of service books of persons who are due to retire during the next five years.
 - (d) A statement showing inter alia details of sanction, files in respect of grant-in-aid checked during the course of internal audit.

- (e) A copy of the Test Audit Note, if any, delivered to the office inspected vide para 3.7.2.

3.10 Processing of inspection reports at the Headquarters.

3.10.1 The Headquarters section shall maintain a Control Register of inspection Reports for receipt and issue of inspection reports. On receipt of draft inspection report, initial entries in the register shall be completed. Simultaneously the actual dates of inspection shall also be noted and attested by the Assistant Accounts Officer (Headquarters).

Where an inspection party has suggested increase/decrease in the number of working days for the future inspection of any Unit, the case shall submitted to the Chief Controller of Accounts for his orders. If any increase/decrease is agreed to, the fact shall be noted in the Control Register of Internal Inspection in the remarks column. The Control Register of Inspection Reports shall be reviewed from time to time to ensure that all the inspection reports are received within three days from the last day of inspection. Where the inspection reports are not so received, reasons therefore shall be ascertained from the inspection party. The cases of delay in submission of inspection reports shall be brought to the notice of the Chief Controller of Accounts on 5th of each month.

3.10.2 Sr Accounts/ Accounts Officer shall see that :

- (a) all the documents listed in para 3.9.2 have been duly received and the report is complete in all respect.
- (b) there are no blanks and omissions of any data, adequate reference or date.
- (c) the captions of various paras are correct.
- (d) Part I of the inspection report (list of objections outstanding from the previous inspection reports) has been correctly drawn up.
- (e) adequate reasons have been recorded for each objection treated as settled.
- (f) vouchers received from the Pay & Accounts Officers have been duly returned and the dates of their return indicated.
- (g) there are no anomalies, ambiguities or misconstruction of sentences and financial implications of objections have been correctly brought out, where necessary.
- (h) the objections are based on facts and not merely on presumptions and apprehensions and relevant rules or orders infringed have been quoted, where necessary.
- (i) the inspection report has been discussed with the Head of the Unit;
- (j) all files relating to the inspection reports of previous years have been received back.

3.10.3 The draft inspection report shall be finalised after allowing a month's time to the Unit to respond to the observations. Clarifications/replies, if any, furnished by the units, shall be taken into account and the report shall be couched in polite language covering all points of financial significance. The inspection reports as cleared by the Deputy Controller of Accounts shall be submitted to the Chief Controller of Accounts for his approval. After approval, the report shall be forwarded to the Head of Unit under a covering letter addressed by the Chief Controller of Accounts/ / Jt. Controller (F&A)/ Deputy

Controller of Accounts wherein the points of importance contained in the report are highlighted. Copies of the inspection reports are also to be endorsed to the Internal Financial Adviser/ Finance & Accounts Officer and the Pay & Accounts Officer/Sub-Pay Officer/ DDO concerned.

- 3.10.4 The Control Register of Inspection Reports shall be submitted to the Deputy Controller of Accounts on the 15th of each month with a report indicating the number of inspection reports outstanding at the beginning of the previous month, the number of draft inspection reports received during the month, the number of inspection reports issued during the month and the number of inspection reports outstanding at the end of the previous month.

3.11 Pursuance of inspection reports at the Headquarters

- 3.11.1 The Pay & Accounts Officer or the Sub-Pay Officer or DDO whose Office is inspected is expected to furnish para-wise replies to the inspection report through his controlling officer, where necessary within 6 weeks from the date of issue of the inspection report. Unusual delays shall be brought to the notice of the next higher administrative authority. The progress of settlement of objections shall be watched through regular reviews and reminders for para-wise replies to an inspection report shall be issued at periodical intervals. Complete review of the Outstanding paras shall be carried out on half yearly basis and suitable letters shall be issued by the Sr. Accounts/ Accounts Officers, to the concerned Head of Accounts of the Unit and a copy thereof shall be marked to Head of the Unit. where necessary, demi-official letters at appropriate levels shall also be issued. Normally a report shall be settled within six months from the date of issue.
- 3.11.2 An Objection Book in prescribed Form shall be maintained at the Headquarters for entering therein objections having money value. The progress of recovery or sanction to the write-off of the loss shall be watched through the Objections Book. It shall be the personal responsibility of the Sr. Accounts/ Accounts Officer to ensure that no objection required to be noted in the objection Book is omitted and the prompt and vigorous action is taken to settle finally the outstanding objections at the appropriate level.

3.12 Settlement of Objections at the Headquarters

- 3.12.1 Objections of routine nature relating to initial records i.e. cash book, stock register, log books, overtime allowance register, service books etc., where the office has accepted the point of view of Internal Inspection and has intimated that necessary compliance can be verified during the course of checking all such records at the time of next inspection, may be treated as finally settled.
- 3.12.2 Specific objections pointing out overpayments, short and non-realisation of Government dues, irregular payment of grants, non-utilisation of costly stores, equipment and machinery, irregular purchases and other serious irregularities where the office concerned has furnished satisfactory reply, may be treated as settled subject to verification at the time of next inspection. All such objections should be abstracted by the dealing assistant of the Headquarters/ Branch Office on a separate sheet of paper with the last column "Remarks of Inspecting Officer". This abstract shall be given to the inspection party along with other records at the time of next inspection for on the spot verification vide para 3.4.2. Such objections shall also be treated as settled for the purpose

of Control Register of Outstanding Inspection Reports /paras and Objection Book.

3.13 Review of progress of internal inspection.

3.13.1 The Headquarters section shall submit the following reports to the Chief Controller of Accounts:

Monthly : On 15th of each month to the Chief Controller of Accounts.

Report I : will show the progress of inspection programmes completed and inspection reports issued and pending.

Report II : This Report will show the position of outstanding inspection reports/paras pending with P&AO/ Sub-Pay Officer and DDOs.

Annual : Annual Appraisal report on the performance of Internal Inspection Wing highlighting the important points noticed and action taken thereon shall be submitted to the Secretary on 15th May through Chief Controller of Accounts and also to the Controller General of Accounts.

3.14 Preservation of Inspection Reports.

The Controller General of Accounts vide letter No. G.2501 **4/1** 03/82-MF.CGA/ inspection 137-1412 dt. 29.7.1985 has fixed the preservation period of the inspection reports of the internal audit as Five Years from the date of completion of inspection subject to the following conditions:

- (1) All paras of inspection reports have been settled.
- (2) Statutory audit for the period covered by Inspection Report has been done.
- (3) One year has lapsed after settlement of the paras of the inspection report.
- (4) Next internal audit has taken place.

3.13.2 A compendium of important observations shall also be compiled and circulated to Heads of Accounts of the Units annually.

Chapter 4

DETAILED AUDIT OF INITIAL AND SUBSIDIARY ACCOUNTS RECORDS

4.1 General

- 4.1.1 The procedure for detailed audit of the initial and subsidiary accounts records of the departmental offices is set forth in the following paragraphs. The most common records and procedure which have to be scrutinised in internal inspection are indicated in this chapter. The checks envisaged in this Chapter are only illustrative and not exhaustive. These instructions should, therefore be read in conjunction with the special instructions for the local inspection of the offices that may be issued in this behalf by the Chief Controller of Accounts.

4.2 Registers

In examining the various registers, it shall be seen in general that :

1. The register under scrutiny is maintained in the prescribed form.
2. The registers are page numbered and a certificate of page counting is recorded by a responsible officer on the first page.
3. All the columns provided therein are correctly filled in.
4. The transactions recorded therein are entered in chronological order.
5. There is no evidence of tampering with the entries of pages of the registers.
6. There are no over writings, erasures, etc., and all corrections are neatly made by drawing a line through the erroneous entry and inserting a fresh entry under proper attestation.
7. Each register is kept upto-date and is reviewed / closed by the appropriate authority at regular intervals as provided in the rules.

4.3 Register of cheques drawn

It shall be seen that

1. The register is maintained in proper Form viz. CAM-10 (Para 2.3.5 of CAM)
2. All the cheques drawn are serially entered in their chronological order.
3. All entries are attested by cheque drawing officer.
4. The totals of the amounts of cheques drawn are correctly struck and agree with those shown in the compiled accounts rendered to the Principal Accounts Office.
5. The date of encashment of the cheques are noted against the relevant entries and an abstract of uncashed cheques to the end of the month is prepared.
6. All self cheques shown to have been drawn are taken promptly to the receipt side of the cash book.

4.4 Accounts Officer's Check Register:

It shall be seen that:

1. it is maintained in Form CAM-15.
2. it is maintained personally by the Accounts Officer.

3. the total daily issues and encashments of cheques and the balance of unpaid cheques at the end of each month as shown in it are compared with the total of cheques outstanding as per the list of outstanding cheques.
4. it is also seen that the balance at the end of the each month is independently tallied with the amount outstanding under the Suspense Head "PAO Cheques".

4.5 Stock register of cheque books

It shall be seen that :

1. a stock register of cheque books/forms in Form CAM-1 is maintained to keep an account of receipts, issues and balance of cheque books/ forms.
2. the cheque books are kept in the personal custody of the Pay & Accounts Officer/Sub-Pay Officer/ Drawing & Disbursing Officer.
3. every six months, in April and October, stock taking of the cheque books is done by an officer other than the officer in-charge (cheques) and a certificate of physical count is recorded by him in the stock register.
4. similar stock taking is to be done whenever there is a change of the officer in-charge of the cheque books.
5. the information about cheque book to be used is being sent to the bank in the prescribed form attached with the cheque book before the cheque book is brought into use.
6. the correct type of cheque forms are used by cheque drawing DDOs as laid down in para 1.5 of CAM.
7. in case of loss of any cheque, the bank has been informed in time so as to avoid any payment.
8. time-barred cheques are cancelled and fresh cheques issued in lieu thereof, wherever necessary.

4.6 Safe custody of Cheque Books verification etc.:

Internal Inspection team should see that the procedure prescribed in Civil Accounts Manual (Appendix 3 to Chapter 1 of Para 1.4.3) for safe custody of cheque books is followed by the cheque drawing PAOs/DDOs. It should be specifically seen :-

1. that cheque books on receipt have been carefully examined by the DDO and a certificate of count of number of forms contained in each book has been recorded.
2. that all the cheques in the cheque book are being affixed with the code number of the bank on which the cheques are to be drawn, before the book is brought into use.
3. that the cheques are not signed unless required for immediate encashment or delivering to the persons concerned.
4. that amounts of cheques are written both in words as well as in figures.
5. that the cheque books have been kept in the safe custody of DDO under lock and key.
6. that the stock register of cheque books in the prescribed form is maintained by the DDO.

7. that the periodical verification of cheque books has been conducted by an officer other than the officer-in-charge (cheques) and a certificate of physical count is recorded by him in the stock register.
8. that time-barred cheques are cancelled and fresh cheques issued in lieu thereof, wherever necessary.
9. that the register of daily account of cheque forms used during the day is maintained properly and all columns have been completely filled in and attested by the DDO.

4.7 Stock register of receipt books

Checks similar to those given vide para 4.5 for checking the stock account of cheque books are to be exercised.

4.8 Register of valuables

In the case of offices which receive a sufficient number of valuables such as bank drafts/cheques/postal orders etc. it shall be seen that these valuables are noted in a register of valuables maintained for the purpose. The register shall be examined to see that:

1. the register is maintained in Form CAM-16.
2. each valuable received is entered in the register on the day of its actual receipt and its daily total is entered in the cash book as a single entry.
3. full particulars of each valuable are recorded in the register.
4. proper and complete reference of remittance into bank is shown against each valuable.
5. there has been no undue delay in the remittance of valuables into the bank for credit to Government account.
6. the register is closed every fortnight and the bank drafts/cheques for which the corresponding challans are not forthcoming are investigated.

4.9 Register of requisition of bank drafts

it shall be seen that:

1. the register is maintained in Form CAM-12 as prescribed.
2. all the requisitions for obtaining the demand drafts are entered in the register serially and chronologically.
3. the receipt of the draft from the bank and their despatch to the payee is promptly noted in the register.
4. there is no undue delay either in respect of the draft from the bank or their despatch to the payees.
5. the acknowledgements of the payee are watched regularly and necessary action taken to obtain the acknowledgements wherever required.
6. whenever the demand drafts are received back, being time barred, for issue of fresh demand draft, the full particulars thereof are noted against the original entry.
7. the entries in the register are authenticated by a responsible officer.

4.10 Register of PSB - Suspense

It shall be seen that:

1. the register in Form CAM-17 is maintained by each Pay & Accounts Officer/ Sub-Pay Officer who is placed in account/holds a letter of credit with a Public Sector Bank as prescribed.
2. the total of the days payments/receipts scrolls (excluding discrepant items, if any) are posted in the register.
3. the monthly net-payments/receipts worked out in the register are tallied with the net payment /receipt derived from the monthly statements of disbursements and receipts received from the concerned bank.
4. the clearance made from PSB suspense by the Principal Accounts Office with reference to the figures reported monthly by the RBI/CAS Nagpur should also be noted in the register and balance outstanding under PSB suspense worked out. The balance outstanding under PSB suspense should be analysed in to item wise details (instruction circulated under CGA' s OM N o.G25014/19/79/ inspection/680 dt. 8.12.82.)

Payment Scrolls - P.A.O. Cheque Register

It may be verified whether -

- (i) main scrolls in duplicate along with paid cheques/challans were received in P.A.O. from the Focal Point Bank daily; the scrolls were numbered serially and none of the scrolls were missing;
- (ii) that the daily payment scrolls were checked in accordance with para 1.9.2 of Civil Accounts Manual. The duplicate copy of the scrolls were returned to the Focal Point Bank by P.A. O. within 24 hours after verification and getting the errors amended by way of error scroll, wherever necessary in terms of para 1.9.3 ibid.
- (iii) that all the paid cheques were obtained from the F.P. Bank by personal contact if necessary , credit certificates were obtained from the F.P .Bank in lieu of missing challans;
- (iv) the entries in the register of daily memo of cheques delivered tally with payment scrolls /paid cheques, and date of encashment has been noted in relevant columns of the register and a list of outstanding cheques prepared;
- (v) that total amount of outstanding cheques at the end of each month tallies with the balance outstanding under '8670-Cheques and bills';
- (vi) that a check register in form CAM - 15 was maintained by the P.A.O. separately for cheques drawn and, creditable to minor heads; ' PAO cheques' and 'Departmental Cheques ' as laid down in para 2.6.4 and para 3 . 5.2 of the Civil Accounts Manual . In this register, totals of daily issues and encashment of cheques and the balance arrived at should be compared with the total of the cheques outstanding as per list of outstanding cheques. It should also be seen whether the P.A.O. has independently tallied the balance so arrived at with the amounts shown as outstanding , under the Suspense head 'PAO Cheques' and 'Departmental Cheques' exhibited in the accounts . If any difference existed whether action was taken to analyse it for ensuring prompt clearance.

- (vii) that bank scrolls in respect of receipts and disbursements are posted in the cheque/Challan register. daily/Receipt scrolls should be reconciled with the weekly account of challans received from the D.D.O.
- (viii) that the procedure for reconciliation of bank scrolls (as laid down vide para 2 . 1 to 2.9 of chapter 2 of Manual of Bank Reconciliation) is being followed;
- (ix) that a list of time barred cheques is prepared at the end of each month. Where a payment occurs against a time barred cheques , the matter may be investigated to ensure that no double payment takes place by issue of a fresh cheque;
- (x) that following checks are exercised by P.A.O. in respect of payment Main Scrolls/Date-wise Monthly statements received from the Focal point Bank:-
 - (a) cheques received in support of Main scrolls are linked with entries in form CAM-19;
 - (b) paid cheques included in the main scroll correspond to cheques issued by the PAO/SPO/ DDO and are not time- barred;
 - (c) amount of paid cheques tally with the amount shown in the main scrolls.
 - (d) in respect of receipts , the scroll correctly relates to PAO/SPO/DDOs;
 - (e) Amount of challan correctly relates to PAO/ SPO/DDO.
 - (f) arithmetical accuracy of totals of payments / receipt, scrolls is verified;
 - (g) each discrepant item is noted in the register and action initiated to rectify the discrepancy . The discrepancies may be got amended within 24 hours by personal contact with the Focal Point Bank;
 - (h) on receipt of the date - wise monthly statement, daily totals are checked with reference to main scrolls and entered in the register . If amounts in the monthly statements differ from the amount of the scrolls or for any day main scroll has not been received or items of main scrolls has not been included in the monthly statement or totals have been incorrectly struck, those were settled by personal contact with the Focal Point Bank;
 - (b) a register of discrepancies noticed in the monthly bank statement was maintained;
 - (j) it may be verified whether amount credit/ debit to the head '8658 –PSB Suspense' reconciles with the amount of payments/ receipts as shown in the date wise monthly statement after taking the discrepant items into account;
 - (k) it may be verified whether the P.A .O. was receiving date wise monthly statements from the Focal Point Bank on scheduled dates i.e. by the third of the following month and whether the discrepancies are got settled by the 7th of the following month;
 - (i) that the P.A.O. received 4 copies of Date wise Monthly Statement (DMS) from the F.P. Bank by the third of the following month ; that he verified DMS obtained from the Focal Point Bank ; that thereafter verification was recorded on it b y the P . A.O.; that the DMS was verified for part of amount; that the duplicate and quadruplicate copies of DMS duly verified were returned to the Focal Point Bank within three days of their receipt; that the duplicate copies were forwarded to the Principal Accounts Office so as to reach that

office by the 8th of the following month while the original copies were retained by him;

4.11 Reconciliation of amounts ‘put through’ and clearance of P.S.B. Suspense.

It may be verified:

- (i) whether in terms of para 3.8.1 of the CGA’s Suspense Accounts Manual the monthly statement of amounts put through are being received by P& AO and whether the entries therein are checked with reference to the figures in D.M.S. already verified;
- (ii) whether after verification of the figures of computerized statement of credit/debit settled with the RBI, CAS, Nagpur by the SBI GAD or link cell of other Public Banks with the Date-wise Monthly Statement received earlier from the Focal Point Bank, the Pay and Accounts Office has reconciled the figures as in its books with the figures appearing in the put-through statement. Whether a ‘Monthly Reconciliation Analysis’ has been prepared in the form as per ‘Annexure I’ ibid and whether any difference appears in Part ‘A’ of the Analysis. Whether the Focal Point Branch has been asked to ensure the rectification of the discrepant item appearing in serial (vi) (b) of Part ‘C’ and transactions other than those appearing in Serial (vi)(a) of Part ‘C’ in the put through statement of the subsequent month positively and whether the grand total of Serial (vi)(a) and (vi)(b) is tallied with the closing balance shown against serial (v) of Part ‘C’.
- (iii) whether the PAO maintains a “ Register of amounts put through “ Part I & Part II as laid down in para 3.9.2 of CGA’s Suspense Accounts Manual.
- (iv) whether the PAO prepares every month a statement of monthly reconciliation between the amounts as per DMS and those booked under “8658- Suspense Accounts P.S.B. suspense “ in the prescribed form and whether those are submitted along with the monthly account format to the Principal Accounts Office;
- (v) it may be seen whether the P.A.O. maintains a broadsheet of ‘PSB-Suspense’ in the prescribed form separately for “Receipts”(Debit) and payments (Credit): and watches the clearance of the balances under this head.
- (vi) whether in order to have page wise analysis, of the balance under ‘PSB Suspense’ a record in form CAM 26 (Abstract of objections) was maintained;
- (vii) whether DMS and statement of excess re-imburements in the prescribed form are submitted to Principal Accounts Office every month.
- (viii) whether recovery of interest from Banks on delayed remittance of Govt. receipts into Govt. Account and excess/double reimbursement claims wherever applicable has been made by P&AO.

4.12 Cash Book

The cash book is the most important record for internal audit. There shall be only one cash book for an office and also one disbursing officer who shall be responsible for the cash of the office and up-keep of the accounts. Cash book shall be checked in detail for the month selected for detailed audit and subjected to intelligent scrutiny. Casting and carry overs of monthly balances shall be checked cent percent. All receipts of cash as shown in the counterfoils of receipts books, self-cheques drawn in payment of establishment bills and

receipts from other sources and all payments shall be carefully traced into the cash book. It shall further be seen that :

- (1) The Cash Book is maintained in the form GAR-3.
- (2) The pages of the Cash Book are machine-numbered and a certificate of count has been recorded on the first page before Cash Book is brought into use.
- (3) All entries of receipts and payments are made immediately as they occur and attested by the drawing and disbursing officer.
- (4) The cash book is closed regularly and checked completely.
- (5) The physical verification of the cash balance is done by the drawing and disbursing officer at the close of each month and a certificate to that effect is recorded in the cash book. If the monthly verification has not been done during the preceding month of inspection, the inspecting Assistant Accounts Officer shall have it physically verified by the drawing and disbursing officer in his presence. Such cases shall, however, be rare.
- (6) The surprise physical verification of Cash has been conducted at periodical intervals by an officer other than AAO(Cash).
- (7) No money is drawn in anticipation of demands and the permanent advance is not in excess of the normal monthly requirements.
- (8) Moneys received as revenue are remitted in full on the same day or the next day into the bank for credit to Government account and the expenditure is not incurred by diverting departmental receipts or the undisbursed pay and allowances etc.
- (9) The official handling cash has furnished security of appropriate amount and executed a security bond in accordance with the provisions of Rule 275 of the General Financial Rules.
- (10) The analysis of closing balance lying in the cash chest is given at the close of cash book for each month and does not include undisbursed balances which are more than three months old.
- (11) There is a proper and legally valid acquittance for cash amount disbursed. All payments are supported by proper vouchers and acquittance for sums exceeding Rs.5000/- are stamped , where necessary, and the amounts are disbursed to the persons entitled to receive them.
- (12) Irregular advances are not made to staff and suppliers from the cash in hand.
- (13) Advances drawn for departmental purposes do not remain unadjusted for unduly long periods, for want of accounts supported by vouchers or refund, as may be necessary.
- (14) Remittances into the bank are supported by proper challans duly receipted by the bank. (The challans for the related month should be carefully examined to see whether there is anything prima facie to doubt their bonafides). The verification of credits of the selected month's receipts shall be made with reference to the bank reconciliation statement.
- (15) Adequate arrangements exist for the safe custody of Government money in accordance with the provisions of note 4 below rule 13 of the R & P Rules.
- (16) Government and private moneys are not mixed up and that transactions relating to non - Government money , if any, handled by the Cashier under any special

orders , are accounted for in a separate set of books and kept entirely out of Government A/c.

- (17) The totals of the cash books, if not checked by the officer-in-charge of the cash book, are verified by a responsible subordinate other than the writer of the cash book who initials it as correct.
- (18) “Accounts Payee” cheques in favour of Government servants and third parties (being payable only to the payees concerned) issued by Pay & Accounts Officer after pre-check to drawing & disbursement officers are not being entered in the cash book and that the delivery and acknowledgement of such cheques is being watched through a separate register.
- (19) Advances paid to the subordinate staff out of office imprest do not remain unadjusted for unduly long periods.
- (20) The subsidiary cash book maintained by the imprest holder also shall be checked on the lines indicated for the Cash Book.

4.13 Register of undisbursed pay and allowances

It shall be checked to ensure that.:

1. An account of un-disbursed pay and allowances is kept in a register in form GAR-25 as per Rule 92 of R & P Rules.
2. Entries of the total and particular amount of undisbursed pay and allowances is made bill wise, serially and subsequent payments thereof entered in the appropriate columns of the register and the cash book, under proper attestation.
3. An abstract of amounts remaining undisbursed for 3 months is prepared and the amounts are refunded either by cash or by short drawal from the next bill.

4.14 Special Pay to Cashiers

It shall be seen that :-

- (1) Special Pay is granted only by the Head of the Department.
- (2) The amount of special pay will depend on the average amount of monthly Cash disbursements during the previous financial year (Ref. G. I.O. 9 of FR 9)
- (3) That there exists a valid fidelity guarantee for the required amount and the period for which the special pay has been drawn.
- (4) That the Special Pay has been granted from the date of appointment as Cashier or from the date risk is covered whichever is later.

4.15 Establishment check register

It shall be seen that:

1. Pay & Accounts Officer maintains DDO wise register in Form CAM-24 as prescribed.
2. All sanctions for creation of posts are noted in the register in the relevant columns.
3. The total No. of persons to whom pay and allowances by P&AO and DDO are drawn did not exceed the sanctioned number of posts i.e. the number of persons drawing substantive pay plus number of persons drawing officiating pay (see also para 4.11.4 to 4.11.7 of the Civil Accounts Manual)

4. where the sanctioned cadre contains its own leave reserve, no officiating arrangement is permitted and in such cases the total number of persons for whom substantive pay or officiating pay or leave salary is drawn does not exceed the total number of sanctioned posts.

4.16 Service books

The service books shall be examined generally to see that:

1. service book is maintained in duplicate for every Government servant whether gazetted or non-gazetted. First copy is retained and maintained by Head of the Office and the second copy is given to the Govt. servant for safe custody.
2. entries of all events in the official career of a Government servant are made in his service book attested by the competent authority. Entries in the duplicate copy are updated in January every year, when the Government servant hands over the same and the updated SB is returned within 30 days of the submission.
3. where the individual is a member to either General Provident Fund or Contributory Provident Fund, his provident fund account number is noted on the first page of his service book.
4. no alteration is made in the date of birth without the sanction of the competent authority.
5. entries on the first page of the service book are attested after every five years.
6. annual certificates of verification of services are recorded in all service books.
7. entries of pay in the service books are verified w.r.t. the pay bill .(This should be ensured by checking a few entries in the service books with pay bills). The correctness of the pay and increments allowed to Government servants from time to time for the period to which the check of service books relates should also be checked in the service books selected for scrutiny.
8. fixation of pay of Government servant on first appointment, promotion, revision of pay scales etc ., should also be checked.
9. service Books of all Government servants who have put in 25 years of service or who are due to retire within 5 years from the date of audit shall be particularly scrutinised to see that:
 - a) the date of birth is not changed without the sanction of the competent authority.
 - b) continuity of service is clearly exhibited in the service books.
 - c) note of confirmation is taken in the service books citing therein number and date of the office order.
 - d) the pay fixation on the date / dates of revision of scales of pay has been done and note to that effect taken in the service book.
 - e) notes regarding receipt of nomination for DCRG/ CGEIS/ PF etc. are recorded.
 - f) options exercised by the Government servants are attached to the service books duly accepted.
 - g) verification of service from the date of entry to the last date of local inspection is done with reference to relevant records such as pay bills etc. and note to that effect taken in service book.

10. certificate under FR 26(b) for leave periods of officiating Government servants are endorsed in the service book.
11. that the service book has been shown to respective officer concerned and members of the staff every year.
12. it contains the declaration regarding details forms.
13. it contains declaration of Home Town by the Govt. servant.
14. leave account is maintained in prescribed form and the columns therein are filled in correctly and all leave sanctioned to a Govt. servant is recorded in his book.
15. entries regarding confirmation, quasi-permanency, suspension and other forms of interruption of service are made in red ink as per instructions for the maintenance of Service Books.
16. the declaration of details of family members in Form-3 has been obtained from the official and kept in the Service Book.
17. certificate of qualifying service is issued to the Government servant in terms of Rule 32 of CCS Pension Rules.

4.17 Pay Fixation Cases

It shall be seen that:-

- (1) all pay fixation cases are checked in accordance with the Fundamental Rules and orders issued by the Government of India from time to time to ensure that the pay has been fixed correctly.
- (2) there exists a valid option exercised within one month from the date of promotion or the time prescribed in Govt. orders in case of revision of pay etc..
- (3) necessary entries have been made in the Service Book.
- (4) wherever personal pay or special pay has been granted for specific period of time and is absorbable in future increase in pay or where penalties are prescribed, the same are noted.
- (5) on re-employment of retired pensioner the pay has been fixed taking into account the Govt. orders .
- (6) a declaration in the prescribed proforma has been obtained from the re-employed pensioners regarding drawal of pension, relief etc.

4.18 Pay bills

Audit of pay, leave salary and other allowances admissible to various classes of Government servants is mainly conducted with reference to the rules and regulations made by competent authority governing their conditions of service. Some of the essential points to be observed in the audit of pay bills are:

1. no pay is paid to a Government servant beyond the date of attaining the age of superannuation, or on the expiry of a term of extension of service sanctioned by competent authority.
2. the absentee statement duly filled in wherever required is attached to the bill. Otherwise, a no leave certificate is furnished in the bill.

3. enhanced pay of officiating Government servant is in accordance with the rules.
4. pay is drawn against Last Pay Certificate in case of a Government servant transferred from another establishment. Pay in r/o Govt. servant who did not previously hold any post under the Govt. or is re-employed after resignation or forfeiture of past service is drawn against a certificate of DDO to the effect that the medical certificate of fitness in the prescribed form has been obtained in conformity with rules and orders governing the appointment, except where the competent authority has ordered such payment without health certificate for a period not exceeding 2 months (Ref. Rule 80 of R&P Rules)
5. the dates of making over or relieving charge are stated and joining time is correctly admitted.
6. the increment drawn is supported by an increment certificate in each case.
7. the number of persons for whom pay or leave salary has been drawn does not exceed the sanctioned strength of the establishment.
8. when arrears are drawn, a certificate is recorded by the PAO stating that necessary note has been made in original bills in which the claims have been omitted.
9. all sums due to be recovered from the pay of a Government servant, are correctly recovered. These recoveries include subscriptions and re –payment of advances from provident fund and other service funds / advances, taxes on income, profession tax, house rent and service charges, security deposits, deductions in connection with the Postal life Insurance, Central Government Insurance Scheme co-op societies etc.
10. there is proper and legally valid acquittance for each amount disbursed, duly stamped, where necessary and the amounts are disbursed to the persons entitled to receive them.
11. in respect of payments made through acquittance rolls on the pay day, the disbursement certificate at the foot thereof is signed by the disbursing officer in token of the total amount actually paid, the “PAID” stamp is duly affixed against total disbursed amount of the acquittance roll and attested by the drawing and disbursing officer and undisguised amounts paid subsequently are stamped “PAID” individually and attested by the drawing officer.
12. an account of un-disbursed pay and allowances is kept in a register in Form T R-71 and the amounts remaining un-disbursed for 3 months are refunded either in cash or by short drawal from subsequent bills.
13. arrears of pay and allowances are not drawn through regular pay bills but in separate bills as per the provisions of para 13.2 of the Civil Accounts Manual.
14. the disbursements made are traceable in the cash book on the dates on which they are actually made.

4.19 Pay bill register

It shall be seen that:

1. the register is maintained in Form GAR-17.
2. all payments made/released to the individuals by way of salaries and other allowances are entered in.

3. scale of pay, date of increment, date of birth etc. are noted in the column provided for in the register.
4. all the advances paid to the individual and details of recovery thereof is entered in the register.
5. leave taken by the individual and the adjustment thereof is also made.
6. details of recoveries other than the regular nature are clearly stated.
7. the payment of arrear claims in accordance with para 16.2 of CAM are also noted in the month of payment. A cross reference is given against the original entries to guard against double claim/payment.
8. the entries made in the pay bill register are attested by a responsible officer in token of having verified their correctness.
9. the pay and allowances have been drawn correctly with reference to their pay as per Service Book.

4.20 Expenditure Control register

It shall be checked to ensure that:

1. the register is being maintained in the prescribed form (i.e. Form CAM-9) and relevant columns have been duly filled.
2. the budget provisions under each sub-head has been noted.
3. the progressive totals have been struck to ensure that budget is not exceeded under any sub-head.
4. the figures as per Expenditure Control Register tally with compilation section every month and discrepancies , if any, are rectified, and
5. all inward claims received by the SPO/PAO are first noted in the Expenditure Control Register before settling the debits.

4.21 T.A. bills

It shall be checked to ensure that:

1. claims are regulated w.r.t. grade Pay of the official on the date of journey. DA is regulated as per option of the official in terms of OM of 22.01.09.
2. the claim was preferred within one year from the date of completion of the return journey and the unutilised amount of T.A. Advance is refunded immediately after completion of the journey. (GFR 259)
3. the travelling allowance bill was countersigned by the Controlling Officer as required under S.R.192.
4. the claim has been admitted by the shortest or cheapest route as per S.R.30. If not, necessary sanction of the competent authority as required under S. R.31 has been obtained to allow T.A. claim by a longer route in public interest and the reason is other than the non-availability of reserved accommodation in the entitled class.
5. the claim has been restricted to from duty point/residence at Head-quarters to duty point at the tour station in terms of S.R.32.
6. the rail fare has been admitted on the basis of the certificate of class of accommodation actually used, but not exceeding the class to which he is entitled as per S.R.34.

7. between places not connected by rail travel by AC bus in respect of officials entitled to travel by IInd AC and above by train and deluxe/ordinary bus in respect of others is permitted.
8. in case of journey by steamer, whether the steamer fare has been admitted for the class of accommodation actually used, but not exceeding the entitlements as per S.R.40.
9. the fare for steamer journey has been admitted on the basis of the fare exclusive of diet charge as per S.R.41.
10. the road mileage has correctly been admitted in terms of S.R.46 and full road mileage has been admitted only on the strength of a certificate that the conveyance was not shared.
11. road mileage for the places connected by rail has been admitted with the proper sanction of the competent authority under S.R.31.
12. the air tickets have been bought at the cheapest fare in Economy/Business class by getting the information through the internet and the benefit of free mileage points is used for official journeys only. Misuse of mileage points for personal benefit attracts Departmental action.
13. air travel of the non-entitled officer, is approved by the Secretary of the Department.
14. for those opting for TA under the revised rules the reimbursement of food and travel charges per diem are restricted to the actual bill amount not exceeding the entitlements based on grade pay and those opting for DA under the pre-revised rules claims are regulated in accordance with the OM dated 22.01.09.
15. the claim for stay in hotel is reimbursed subject to entitlements based on grade pay. The officials may preferably stay in circuit houses, Govt. Guest housed, inspection bungalows, messes etc. in case available.
16. for journeys performed in Headquarters and the Tour Station, the mileage allowance is regulated as per the approved rates by RTA of the concerned state, where the same has not been prescribed the same shall be restricted to RS. 16/- and Rs. 8/ per kilometer for Own car/Taxi and Auto rickshaws/Own scooter etc. respectively.
17. mileage allowance for journeys on Bi-cycle and on foot shall be paid @ Rs. 1.20 and 5/- per kilo metre respectively.
18. no reimbursement for food and travel is paid for the days of casual leave etc.availed of by the Government servant at the tour station.
19. reimbursement for food and travel is paid for Sundays and holidays on the strength of the certificate that the officer was actually and not merely constructively in camp during those days.
20. the allowance at full rate has been restricted to the first 180 days of continuous halt.
21. the daily allowance was disallowed in case of journey performed for appearing in an obligatory departmental examination.
22. T. A. has not been claimed more than twice for any particular examination.(Proviso to SR 130)

23. If the T.A. claim has been admitted for the journey performed during the leave whether necessary sanction of the competent authority has been obtained as required under S.R. 135.
24. If the claim pertains to compulsory recall from leave, whether the curtailment of leave was of not less than one month –S.R.142.
25. If the period by which the leave is curtailed is less than a month , mileage allowance was allowed at the discretion of the authority recalling the Govt. Servant.
26. The T . A. claim of a Government servant under suspension has been admitted as required under S.R.153 A.
27. The T.A. claim for giving evidence in a case has been allowed only after ensuring that no payment was accepted from the Court or the payment received from the Court was deposited to Government account under S.R.1 54.
28. In case the claim relates to journeys undertaken to obtain appropriate medical attendant or treatment.
 - (i) Whether certificate of the competent medical officer to the effect that the journey was unavoidably necessary, was attached to the claim.
 - (ii) Whether the daily allowance for halt was disallowed in respect of self-claim
 - (iii) Whether only fare has been allowed for rail journey if the claim pertains to dependents.
 - (iv) Whether road mileage has correctly been admitted in terms of S. R.157.
 - (v) Whether the claim for attendant/escort has been admitted on the strength of the certificate of the competent medical officer.
29. No TA is allowed, if the journey has been performed by an official transport provided free of cost as required in terms of S.R.182.
30. Whether the T.A.claim of non-official has been settled in accordance with the grades decided by the competent authority under S.R.190.
31. Penal Interest @ 2% over and above the interest rate on provident fund deposits is recovered from the date of drawal of advance till the date of refund of unutilized portion of TA advance where claims are received / till the date of Lump sum recovery of advance

4.22 Transfer T.A. bills

It shall be seen that:

1. The Government servant has furnished full details of the family on the day of transfer.
2. The claim has been admitted on the basis of the entitlement of the class of accommodation on the day of transfer.
3. The claim for transportation of personal effects was supported by a certificate that the actual expenses incurred were not less than the sum claimed.
4. The weight of personal effects actually carried partly by rail, road, steamer and other craft with details of expenses incurred was given in the claim.

5. The claim for transportation of conveyance by rail or steamer was supported by the railway or steamer receipt. If not, whether the claim was approved by the controlling officer at his discretion on the strength of a certificate of the Government servant to the effect that the amount claimed was not more than the expenses actually incurred.
6. The claim has been admitted from residence at old headquarters to the residence at new Headquarters in terms of S.R.32.
7. The claim for family members has been admitted with due regard to the definition of family as per S.R.2(8).
8. The claim for rail journey has been restricted to entitled class of accommodation.
9. The amount claimed on account of transportation of personal effects has been restricted to his entitlements for transporting the maximum quantity by goods train / road.
10. The claim of Transfer T.A. on retirement or to the family members after death of the Government servant while on duty to his hometown or if the family wishes to settle down permanently at a place other than the normal place of residence (permanent hometown), to such a selected place of residence is admitted.
11. The journey by a retired Government servant has been made within one year from the date of his retirement.
12. The journey by family members has been completed within one year from the date of death of the Government servant in case of T.A. claim to the family members after the death of the Government servant.
13. The payment of such claims when made to any other person on behalf of the minor(s) whether necessary indemnity bond has been obtained.
14. Advance wherever paid have been adjusted/recovered/refunded with penal interest in the prescribed manner and in case of payment of advance to the family members of the deceased Government servant necessary indemnity bond has been obtained.

4.23 L.T .C. bills

The Leave Travel Concession claims should be examined to see that:

1. The Government servant has completed one year of continuous service on the date of the journey.
2. The claim has been preferred within three months of the date of completion of return journey.
3. When advance has been drawn, the claim has been preferred within one month of the date of completion of return journey
4. The claim is for the journey performed within India.
5. The claim has been restricted upto the nearest railway station/Air port / port or bus stop in India in cases where hometown is outside India.
6. The advance drawn is not in excess of 90% of the entitlement.
7. The advance drawn is for the forward journey only where the period of leave or the period of anticipated absence exceeds 3 months or 90 days.

8. The journey has been performed to permanent hometown as recorded in the service records./ Declared place of visit in case of all India LTC
9. The claim has been admitted on the basis of class of accommodation used but restricted to entitled class.In case of Air travel the officials/their families avail the cheapest economy fare notified by the Airlines/ NACIL under the scheme of LTC, if any.
10. The claim has been admitted by shortest route on through ticket basis.
11. Prior intimation was given by the Government servant before commencement of the journey.
12. When family members travel independently in any number of batches, the return of each group is completed within six months from the commencement of the group' s outward journey.
13. Documentary evidence viz., ticket numbers etc. was furnished for the journey upto home town/any place in India and back.
14. Necessary condonation has been given by the Controlling Officer for non-production of evidence , failure to give prior intimation etc.
15. Necessary entry has been made in service records of the Government servant.
16. the concession for-self and family (as defined in S.R.2 (8) read with revised orders) only has been availed of only once during a block of two years or four years as the case may be including grace period and the claim has been correctly debited to the respective block year. Effective from 1st September 2008 Fresh recruits are allowed to travel to their hometown along with their families on three occasions in a block of four years and to any other place on the fourth occasion. The facility shall be available only for the first two blocks of the four years applicable after joining the Government for the first time.
17. Necessary certificates have been furnished by the Government servant.
18. Necessary certificates have been furnished by the Controlling Officer.
19. The entire advance has been adjusted and excess if any, has been recovered/ refunded by the Govt. Servant.
21. Penal interest at two and a half per cent over and above the normal rate of interest has been recovered in case where advances have not been adjusted in accordance with the rules. (Government of India,Decision No.2 below GFR-178(2)).
22. Proper register is maintained for Leave Travel Concession Advance/bills etc.
23. No Government servant undertakes the journey in a chartered bus, Van or other vehicles, which are owned by private operators (effective from 11.7.1985).
24. No Government servant undertakes the journey in private cars (the cost of propulsion being borne by Government servant himself) (effective from 11.7.1985).
25. If an official is under suspension, this concession is admissible only to his family members.
26. LTC has been admitted during regular/casual/ special casual leave and maternity leave and not admitted during holidays alone.

4.24 Reimbursement of medical charges bills

Reimbursement of medical charges to Government employees are governed by Central Services(Medical Attendance) Rules, 1944 as amended from time to time. While checking the bill on this account, it shall be seen that:

1. The bill is prepared in proper form and duly countersigned by the Controlling Officer.(The Officer who is declared as controlling officer for the purpose of T.A. claim is the controlling officer of the Government servant for the purpose of countersigning medical claims also).
2. The cash memos are countersigned by the authorised medical attendant, who prescribed the medicines and attached to the bills.
3. The bill is submitted within 3 months and where this is not done, the reasons for delay and approval condoning the delay is obtained.
4. Where an advance is granted to meet the expenditure initially, the advance is adjusted against the claim submitted.
5. Only cost of reimbursable medicines and injections admissible under Medical Attendance Rules is accepted.
6. The person in respect of whom the medical charges are incurred falls within the definition of family of the Government servant as defined under the Medical Attendance Rules.
7. A register is maintained in the form prescribed vide G.I.,M.H.OM No. 514023/1/74-M.C.dated 23rd March, 1976 and claims of the individual Government servants are watched.

4.25 Children' s Educational Allowance

Consequent to the implementations of orders based on VI CPC recommendations the CEA & RTF, has been replaced by Children Educational Allowance Scheme. The scheme is applicable to all the Central Government servants without any pay limit except persons employed on contract, adhoc, casual and part time employees, persons paid from contingencies and India based staff serving in Missions abroad and receiving educational assistance under the provisions of Indian Foreign Service Rules.

While scrutinising the bills it shall be checked that

1. If both husband and wife are Central Government Servants, the assistance is admissible to only one of them.
2. If the husband or wife is employed outside the Central Government, the assistance is admissible only if the spouse is not entitled to the benefit from his/her employer and a declaration to that effect is furnished by the official.
3. The assistance is admissible upto a maximum of two children towards tuition fee, admission fee, lab. Fee charged for agriculture,electronics,music or any other subject , fee charged for practical work under the programme of work experience, fee paid for the use of any aid or appliance by the child, library fee,games/sportsfee and fee for extra curricular activities. This also includes reimbursement for purchase of one set of text books and notebooks,two sets of uniforms and one set of school shoes per child in a year.
4. Reimbursement is against expenditure on the education of school going children only from nursery to twelfth, including class eleven and twelfth held by junior college or school affiliated to Universities of Boards of Education.

- 5 The assistance shall have no nexus with the performance of the child . In other words even if the child fails in particular class the CEA will not be stopped.
- 6 The annual ceiling for reimbursement is Rs.15,000/- per child. The amount claimed in each quarter could be more or less than Rs.3000/- subject to the annual ceiling of Rs. 15,000/- per child.
- 7 The limits are subject to revision by 25% every time the DA on the revised pay structure goes up by 50%.
- 8 The amount reimbursement is made against self certified original receipt of the Government servant.
- 9 Hostel subsidy is reimbursed upto a maximum limit of Rs. 3750/- per month per child subject to a maximum of 2 children. Hostel subsidy and CEA cannot be availed concurrently. The subsidy is admissible, if on transfer, the Government servant is obliged to keep his children in the hostel of a residential school away from the station at which he is posted and/or resides.
- 10 The register of claims in the prescribed form is being maintained by the Head of office and all columns are properly filled in and payments are recorded correctly under proper attestation.

4.26 Central Government Employees' Group Insurance Scheme, 1980

The original scheme which was introduced w.e.f. 1.7.1977 has since been replaced by a new Group insurance Scheme. This new scheme has come into force w.e.f. 1.1.1982. The following points should be seen by the audit:-

- (1) That the Head of Office is maintaining a Register of members in the prescribed form.
- (2) That nominations have been obtained by the Head of Office from each member and that entries regarding the receipt of nominations have been made in the Service Books.
- (3) That the subscription is being recovered from the salaries of the members through regular pay bills at the following rates:-

<u>OLD RATE</u>	<u>REVISED RATES</u>
w.e.f. 1.1.1982	w.e.f. 1.1.1990
Group 'A' Rs. 80/- p.m.	Rs. 120/-
Group 'B' Rs.40/- p.m.	Rs. 60/-
Group 'C' Rs.20/- p.m.	Rs. 30/-
Group 'D' Rs.10/- p.m.	Rs. 15/-

- (4) That in the case of employees entering government service in a month other than 1st January the subscription for insurance cover has been recovered at 1/3rd of the prescribed rate of subscription till December of that year and thereafter at normal rate as per orders contained in the Central Government Employees Group Insurance Scheme, 1980. In case of promotion from one group to the other after 1st January the subscription continues at the old rate and from 1st January of the subsequent year rate of subscription as applicable to the higher group is recovered.

- (5) That in case of death of a member, the insurance money is paid correctly to the nominee at the following rates :-

<u>AT OLD RATE</u>	<u>REVISED RATES</u>
Group "A" Rs. 80,000/-	Rs. 1,20,000/-
Group "B" Rs.40,000/-	Rs. 60,000/-
Group "C" Rs.20,000/-	Rs. 30,000/-
Group "D" Rs.10,000/-	Rs. 15,000/-

In addition, the family member would be allowed the amount admissible from the savings fund at the prescribed rates.

- (6) While checking these bills, it shall be ensured that :
- (i) The bill is prepared in proper form and contains all the relevant particulars of the claim and signed by the appropriate authority.
 - (ii) The payment under the Scheme on cessation of the employment of a member of the Scheme, due to retirement, resignation etc. is restricted to the accumulation in the savings funds.
 - (iii) The member's accumulation in the savings fund is correctly calculated in accordance with the procedure laid down in the Scheme.
 - (iv) The membership of the individual in the various groups is correctly given and agrees with the register of members maintained in the Unit.
 - (v) The insurance cover paid, if any, on the death of the employee is appropriate to the group in which he is a member at the time of his death.
 - (vi) Proper safeguards are observed when the payments are effected under the scheme to the natural heirs in the absence of any valid nomination.
 - (vii) Recovery has been effected properly from time to time as per the group of the employee on his promotion if not, interest thereon.
 - (viii) Entries have been made in the Service Book whenever Group of the employee is changed.

4.27 (a) Over time bills register

It shall be checked to ensure:

1. Whether overtime claim is covered by sanction of the competent authority.
2. That Overtime Allowance has been allowed to the officials in accordance with orders in force from time to time.
3. That work on overtime basis is not resorted to as a matter of routine.
4. That no overtime allowance is sanctioned to a Govt. employee drawing pay exceeding Rs.2200/- pay scale (Pre-revised), or to a gazetted officer.
5. That the prescribed overtime work register has been maintained.
6. Approval of competent authority has been obtained for payment of Overtime Allowance beyond the restricted hours.
7. Total expenditure on Overtime has not exceeded the fund so allotted on this account.
8. Entries of overtime allowance have been made in the Pay Bill Register to avoid double payment / computing income tax or any further arrears.

b) Night Duty Allowance

It shall be checked to ensure –

1. Approval of competent authority has been obtained for payment of night duty allowance.
2. Night duty allowance has been worked out in accordance with the order in force from time to time.
3. Entries of night duty allowance have been made in the Pay Bill Register to avoid double payment/ computing income tax or any further arrears.
4. Night Duty Allowance is admissible to both gazetted and non-gazetted staff who are drawing the basic pay less than Rs.2200/-(Pre-revised).

4.28 Loans and Advances

General

The General conditions/special conditions to be followed for grant of loans and advances are as laid down in part II of G.F.Rs – COMPENDIUM OF RULES ON ADVANCES.

In the cases of loans and advances to Government Servants, it is to be seen that :

- (a) Basic records i.e. application of loans, valuation reports of properties offered as Security, enquiry reports sanction for loans, payment vouchers along with acknowledgment of loanee concerned, Security bonds, loans ledger etc. in connection with the payment and recovery of loans and advances are properly maintained.
- (b) The applications for loans are obtained in the prescribed form and contains all the required details and documents essential for sanction of loans.
- (c) While sanctioning the loan, the competent authority acted in conformity with the general or special conditions governing grant of different kinds of advances.
- (d) Mortgage bonds are kept in the safe custody by the sanctioning authority.
- (e) The Payment and recoveries of advances and of interest thereon are noted in the pay bill register.
- (f) Whenever a government servant is transferred to another office full, particulars of the advances outstanding against him are correctly shown in his L.P.C. and procedure as reproduced in Annexure-XIII is followed for transfer and obtaining the outstanding amounts Loans & Advances .
- (g) Necessary certificate of utilisation of the advances, execution of mortgage deeds etc., are furnished to the P.& A.O. concerned; and
- (h) Penal interest at the prescribed rates has been charged for all cases of default as per GOI decision (1) and(2) of Rule 178(2) of G.F.Rs.

(i) Advances paid under HBA Rules

1. Eligibility

- (a) Permanent officials,
- (b) Other officials with at least 10 years of continuous services.

2. If the husband and wife are Central Government employees and are eligible for grant of advance, the advance will be admissible to only one of them.

3. **Cost ceiling**

The cost of house to be built/purchased (excluding the cost of land) should not exceed 134 of pay in the pay band of the Government servant subject to a minimum of Rs.7.50 lakhs and a maximum of Rs 30 lakhs. In individual cases, if the Administrative Ministry is satisfied on the merits of the case, the cost-ceiling may be relaxed up to a maximum of 25 % .

4. The official, or the official's wife/husband/ minor child should not already own a house in the town/ urban agglomeration where the house is proposed to be constructed or acquired with the advance from Government.

5. **Purpose:**

- a) Constructing a new house on the plot owned by the official or the official and the official ' s wife/ husband jointly.
- b) Purchasing a plot and constructing a house thereon.
- c) Purchasing a plot under Co-operative Schemes and constructing a house thereon or acquiring house through membership of Co-operative Group Housing Schemes.
- d) Purchasing/construction of house under the Self-Financing Scheme .
- e) Outright purchase of a new ready - built house /flat from Housing Boards, Development Authorities and other statutory or semi-Government bodies and also from registered builders.
- f) Enlarging living accommodation in an existing house owned by the official or jointly with his/her wife /husband. The total cost of the existing structure (excluding cost of land) and the proposed additions should not exceed the prescribed cost ceiling.
- g) Repayment of loan or advance taken from a Government or Hudco or Private source even if the construction has already commenced , subject to certain conditions.
- h) Constructing .the residential portion only of the building on a plot, which is earmarked as a shop-cum-residential plot in a residential colony.

6. **Amount of Advance.**

In case of Construction of house (including/excluding plot) / Purchase of ready built house / flat 34 times of pay in the pay band or cost of house or repaying capacity or Rs. 7.5 Lacs whichever is least. In case of enlargement of house 34 times of pay in the pay band or cost of enlargement or repaying capacity or Rs. 1.8 Lacs whichever is least. In case of Construction/ enlargement of house in rural areas the amount can be restricted to 80% of the cost .

If the official makes a final withdrawal from his GPF/CPF for this purpose the total amount of the advance and final withdrawal should not exceed the above limit . Repaying capacity is calculated in accordance with rule 5 of HBA Rules. Only one advance is admissible during the entire service.

The advance will carry simple interest prescribed by the Government from the date of payment of the first installment.

It shall be ensured that:

- a) The agreements and mortgage bonds have been executed by the Government servant concerned.
- b) That the house purchased or constructed with the Government advance is, immediately on its completion or purchase, insured for a sum not less than the amount of advance and is kept so insured against damage by fire, flood, lightning till the advance and interest thereon is fully repaid to Government. That the insurance policy is deposited with the Head of office and the premium receipts produced for inspection annually.
- c) Mortgage bond , original sale deed and other relevant documents are kept in the safe custody of the sanctioning authority.
- d) All recoveries are made in accordance with the schedule laid down in the sanction and that in case of default , action is taken to recover the installment with penal rate of interest fixed by the authority sanctioning the loan.
- e) Whenever a Government servant is transferred to another office, full particulars of the advance, if any, are correctly noted in his last pay certificate.
- f) Necessary certificates of utilisation . of advances, execution of mortgage deeds, etc., are furnished to Pay and Accounts Office concerned.
- g) the Registers and Broad - Sheets in respect of each kind of advance are correctly maintained.

(ii) Advance for purchase of motor cars

- 1) While checking the advances paid for purchase of motor cars, it shall be seen that:
 - a) Proper sanction exists.
 - b) The advance for the first occasion does not exceed Rs 1,80,000 or eight months pay in the pay band or the anticipated price of the motor car whichever is the least.
 - c) If the actual price of the motor car paid by the Govt. servant is less than the amount of advance , he refunds the balance to Government forthwith.
 - d) Advance granted on the second or subsequent occasion does not exceed RS. 1,60,000/- or eight months pay in the pay band or the anticipated price of the Motor Car whichever is least.
 - e) Such second or subsequent advance is taken only after four years , reckoned from the date of drawal of last advances , except in the case;
 - (i) Where an advance had been allowed earlier for the purchase of motorcycle, but it is desired to draw the advance for the purchase of motor car.
 - (ii) Where a Govt.servant disposes of his motor car in India prior to his posting abroad on deputation / training abroad lasting for more than one year and returns to India without a motor car.
 - (iii) Where a Govt. servant is appointed to a regular post abroad, and does not take his motor car along with him.
 - f) A person under suspension is not paid the advance , and if an advance has already been sanctioned to him before he was placed under suspension, he is not permitted to draw such advance during the period of his suspension.

- g) the amount of advance granted under Rule 21(1) & (2) of Part II of GFRs shall be recovered in such number of equal monthly instalments, as he may elect, not exceeding 200. The Govt . Servant may at his option repay more than one instalment in a month.
- h) The recovery of the amount of advance is commenced with first issue of pay / leave salary or subsistence allowance as the case may be, after the advance is drawn.
- i) The recovery of amount of interest is commenced from the month immediately following that in which repayment of the advance is completed.
- j) Simple interest is charged at such rates as may be fixed by Government from time to time which is calculated on the balance outstanding on the last day of each month.
- k) The amount of interest is recovered in the minimum number of monthly instalments, the amount of each such instalment being not greater than the amount of instalment fixed for recovery of advance itself.
- l) The Government servant does not sell or transfer a motor car for so long as the amount of advance together with interest on such amount is not completely re-paid, except with the permission of the competent authority.
- m) The Govt. servant executes an agreement before the drawal of the advance and a mortgage bond on completing the purchase of the motor car hypothecating the motor car to the President as security for the advance.
- n) The motor car is insured against loss by fire, theft, accident, strike, riot and any disturbance of public peace.

(iii) Advance for purchase of Personal Computer

1. The conditions for eligibility, sanctioning authority, mortgage and interest will be same as applicable for grant of motor car advance. However, the amount of advance that can be granted for purchase of a Personal Computer would be Rs.80,000/- orRs. 75,000/- on second or subsequent occasion or the anticipated price of the Computer (excluding Customs duty, if any), whichever is less;
2. While checking the advances paid for purchase of Personal Computer, it shall be seen that :
 - a) If Govt. servant already obtained advance for personal computer, 3 years have elapsed from the grant of such advance before the second or subsequent advance is sanctioned.
 - b) The advance is recovered in equal installments as the Government Servant may elect but not exceeding 150.
 - c) Advance is not admissible for payment of customs duty on Personal Computer
 - d) Total recoveries including the recovery of computer advance does not exceed 50% of the total emoluments.

(iv) Advance for purchase of motor cycles/scooters

Some of the checks applicable in the case of advances for purchase of motor cars are also applicable to advance for purchase of motor cycles. Further, it shall be seen that:

1. in the case of first advance, the amount is restricted to Rs.30,000 or 4 month's basic pay and dearness pay of the Govt. Servant or anticipated price of the motor cycle, whichever is the least.

in the case of second or subsequent advance, the amount of advance is restricted to Rs.24,000/- or three month's basic pay and Dearness Pay of the Government Servant or anticipated price of the vehicle, whichever is the least.

2. The amount of such advance shall be recovered from Govt. servant in such number of equal monthly instalments as he may elect, but such number shall not be more than 70.

(v) Advance for purchase of bicycles

While scrutinising the advances paid for purchase of bicycles, it shall be seen that:

1. Proper sanction exists
2. The employee's grade pay does not exceed Rs.2800/- p.m.
3. The amount is restricted to Rs.3750 or anticipated price of the cycle, whichever is less.
4. If the actual price is less than the advance amount, the employee refunds the balance forthwith.
5. The interest free advance is recovered in equal monthly instalments not exceeding 30.
6. The subsequent advance will not be admissible within three years of drawal of first advance.
7. If a Govt. servant, without a substantive appointment is granted an advance for the purchase of a bicycle, but ceases to be in Govt. service before the amount of the advance and the interest thereon is completely repaid, the balance is, to the extent possible, adjusted against the pay and allowances due to the Govt. servant. Any amount as then remains unpaid is recovered forthwith from the surety, if any.
8. The rate of advance is increased by 25% with DA revision beyond 50%.

(vi) Advance for purchase of warm clothing

It shall be seen that

1. Proper sanction exists.
2. It is certified that the advance is in respect of a Govt. servant who is likely to stay at the hill station situated at a height of 1,000 mts. or more above the sea level for a period of not less than 12 months including period of stay which has already elapsed.
3. A period of atleast three years has elapsed since the grant of an earlier advance, if any.
4. The amount of advance does not exceed Rs.3750/-.
5. It is paid only to Class III and IV Govt. servant.
6. The interest free advance is recovered in 10 equal monthly instalments.
7. The recovery of the amount of advance is commenced with the first issue of

pay after the advance is drawn:

6. The rate of advance is increased by 25% with DA revision beyond 50%.

(vii) Advance in connection with festivals

It shall be seen that:

1. Proper sanction exists.
2. It is sanctioned to a non - gazetted Govt. servant whose grade pay does not exceed Rs. 4800/-p.m.
3. The person to whom it is granted is on duty or on leave on average pay or any other leave equivalent thereto including maternity leave, but excluding leave preparatory retirement, on the date of which the advance is disbursed.
4. The advance is not granted to a Govt.servant more than once in a financial year even if the festival qualifying for advance falls twice in a year.
5. The advance is not granted to a Govt. servant unless an advance already granted to him either as festival advance or as advance in connection with visit to hill station has been fully recovered.
6. An advance is not granted to a temporary Govt. servant unless he is likely to continue in service for a period of at least six months beyond the month in which the advance is disbursed.
7. The amount of advance is restricted to Rs.3750/- and a Govt. servant who has been granted an advance in connection with visit to hill station is not granted an advance under the Festival Advance Rules in the same financial year.
8. The recovery is effected in not more than ten monthly equal instalments commencing with the issue of pay for the month following that in which such amount is drawn.
9. The procedure for the maintenance of accounts and watching recoveries of festival advances laid down in Rule 12 C & Annexure A of Part II of GFRs is followed.

(viii) Advance in connection with natural calamities.

It shall be seen that:

1. Proper sanction exists.
2. It is sanctioned to a non-gazetted Govt. servant whose property, movable or immovable had been substantially affected or damaged in an area which is declared by concerned State Government to have been affected by a natural calamity.
3. The advance is applied for within three months from the date of Government orders under which an area is declared to be affected by natural calamity.
4. The amount of the first advance does not exceed Rs. 5000/-.
5. A second advance is not normally sanctioned if an earlier advance for the same purpose remains unadjusted. If, however, the grant of a second advance becomes necessary, the quantum of the second advance plus the outstanding balance of first advance does not exceed Rs. 5000/-.
6. The advance is recovered in not more than 25 instalments.

7. The recovery of the amount of advance is commenced from the second issue of pay after the advance is drawn.

(ix) Advance in lieu of leave salary

It shall be seen that :

1. Proper sanction exists.
2. It is paid to a person who proceeds on leave for a period not less than one month / 30 days.
3. The amount of advance is paid in whole rupees and does not exceed the net amount of leave salary, including allowances, for the first thirty days of leave, that is clearly admissible to him after usual deductions on account of income tax, provident fund, house rent, recovery of advances etc.
4. The amount of advance is adjusted in full in the leave salary bill in respect of the leave availed of by the Govt. servant concerned. If the amount of advance cannot be so adjusted, the balance shall be recovered from the next payment of pay or/and leave salary.

(x) Advance in connection with legal proceedings

1. Advance to Govt. Servants involved in legal proceedings shall be regulated by orders issued by the Government from time to time.

(xi) Advance to the families of Govt servants who die while in service

It shall be seen that :

1. Proper sanction exists, for the lump sum advance paid to family.
2. It is paid to family of Govt. servant in permanent or temporary employ (excluding casual and daily rated staff) who dies while in service (whether on duty or on leave with or without pay) in order to enable the family to meet its immediate requirements.
3. That the amount of advance is limited to two months' basic pay and DP as defined in F.R. 9(21)(a)(i) of the deceased Govt. servant, subject to a maximum of Rs.8,000/- in each case.
4. That the advance is adjusted as early as possible and in any case, within a period of six months from the date of sanction, by deduction from the amount that may be payable on account of arrears of salary due, the death gratuity, or the Contributory Provident Fund or the General Provident Fund or any other payments due to the deceased.

(xii) Advance of T.A.

It shall be seen that

1. The claim for advance has been approved by the Head of Office/Controlling Officer.
2. The payment of advance has been made for the period not exceeding 30 days at a time under Rule 48 and for a period not exceeding six weeks under Rule 49 of Part – II of GFR to cover contingent charges and personal traveling expenses.

3. The entry has been made in the Advance Register for watching the adjustment of advance.
4. A second advance has been granted only after an account for the earlier advance has been submitted by the Government servant.
5. A second advance has been granted without submitting an account for an earlier advance, only where the conditions stipulated in GOI's Decision No.1 below Rule 50 of Part II of GFR have been fulfilled.
6. Not more than two advances have been allowed in any case.
7. The adjustment claims have been submitted within 15 days from the completion of return journey or the date on which the Govt. servant resumes duty after completion of tour.

4.29 Register of telephone bills

It shall be seen that:

1. All bills relating to telephones are properly recorded in the register of telephone bills, indicating the number of telephone calls, the amount of the bill and the period to which each bill relates.
2. All residential telephone numbers are noted separately from the telephone numbers operating in the office, so as to facilitate watching the recovery for excess number of calls, made from residential telephones.
3. The officers concerned maintain registers in the prescribed form for recording the particulars of STD calls made by them from residential telephones.
4. Charges for all private calls are paid by the officers concerned and the recoveries are traceable in the cash book.
5. The trunk calls made to party obviously unconnected with the working of the office, are not classified as official without valid reasons.
6. The telephone calls made from residential telephones in excess of prescribed limits (beyond free calls allowed by the MTNL/BSNL) and personal STD calls made are paid by the officers themselves. The prescribed register of the STD calls is maintained. No request for waiver or reduction of the excess calls charges is entertained. The ceilings/limits prescribed in Govt. orders for reimbursement/payments from time to time are duly observed.
7. The mobile phone (cost of cell) and the call charges thereof are paid to eligible officers as per prescribed scales observing the Govt. orders issued from time to time.

4.30 Register of periodical charges

It shall be seen that:

1. The register is maintained in Form CAM-27 as prescribed and all columns therein are properly filled in.
2. All sanctions to recurring contingent charges such as rents in respect of leased buildings, municipal and other taxes, if any, etc., are entered in the register giving separate pages for each charge.
3. All payments are entered in this register and also the rates applicable and the periods covered by such payments so as to guard against double claim for the same period.

4. All entries in the register are attested by a responsible officer in token of verification about their correctness.
5. The register is reviewed to ensure that there was no double claim/payment due to overlapping of a particular period.

4.31 Contingent register

It shall be seen that:

1. The register is maintained in Form GAR-27.
2. The budget allotment is distributed under the authorised sub-heads of contingent charges and noted in the appropriate columns of the register.
3. Entries are made in the register as soon as payments are made and attested by drawing and disbursing officer.
4. Expenditure is kept within the available appropriation and that steps are taken to obtain additional appropriation, if the original amount has either been exceeded or is likely to be exceeded.
5. The monetary and quantitative limits prescribed in respect of certain classes of contingent expenditure, e.g. local purchase of stationery, are duly observed consistently and the certificates furnished on contingent bills.
6. Charges which are inadmissible or in excess of the sanctioned scale, have not been concealed by splitting them into two or more different bills.
7. Monthly and progressive totals have been correctly made and carried forward.
8. All charges adjusted by book transfer are also included.

4.32 Register of rents

It shall be checked to ensure that:

1. The register is maintained in Form 49 as prescribed in para 9 .5.5. of CPWA Code.
2. All the buildings for which rent is recoverable are entered in the register under proper attestation.
3. In respect of Government accommodation the standard rent is correctly worked out and noted in the register.
4. Details like date of occupation, name of the occupant, emolument etc. are correctly noted.
5. The rent and the arrears thereof are realized as per Govt. orders issued from time to time and posted in the register.

4.33 Register of permanent advances

It shall be seen that:

1. The register is maintained in Form CAM-61 as prescribed.
2. All sanctions granting permanent advances are noted serially and chronologically.
3. The advances are granted only to those officers who have to make payments before they can place themselves with funds by drawing regular bills.
4. The amount advanced is prima facie not more than the circumstances demand.

5. The number of such permanent advances are not multiplied unnecessarily.
6. The advances are recouped at least twice in a month so that the amounts sanctioned do not exceed half the amount of average monthly contingent expenditure.
7. In the case of transfer of charge and on 15th April-each year , the officer in whose favour the advance was sanctioned , shall send an acknowledgement for the amount due from and accountable for by him as on 31st March, preceding , to the authority which sanctioned the permanent advance.
8. The aggregate of the permanent advances as worked out from this register tallies with the ledger balance.
9. The register is closed yearly and reviewed by a responsible Officer.

4.34 Register of interest bearing securities

It shall be seen that:

1. all the securities received are entered therein with full particulars like date of receipt, rate of interest, date of maturity etc., giving individual folios to each security received.
2. Realization of interest is watched wherever applicable.
3. Necessary action is promptly initiated either to refund or realize the principal on due dates.
4. The register is reviewed periodically to see that it is properly maintained and necessary action initiated wherever necessary

4.35 Register of deposits

It shall be seen that:

1. The register is maintained in Form CAM-63 and separate folios are allotted for each class of deposits.
2. Each deposit received is entered in the register as a distinct item irrespective of the amount and each entry is attested, by a responsible officer in token of having checked the amount and particulars of the entry.
3. Every item is recorded in the name of the person from whom it is received and is passed through the accounts even though it is repaid on the day of its receipt and is kept distinct, however small it may be until finally disposed of.
4. Every repayment with the date on which it is made is duly recorded under the initials of the responsible officer against the credit entry.
5. In case of deposits adjusted by transfer credit to some other head of account, information as to the head of account to which it is transferred and the item in which it is included in the accounts is invariably recorded in the register.
6. A list of deposits to be treated as lapsed to Government as on 31st March each year is prepared and necessary adjustment carried out in the accounts of the same year.
7. All refunds are effected only in accordance with the procedure laid down and after exercising the required checks as contemplated in R & P Rules of Central Government Account.

8. The register is closed on 31st March every year and the balance outstanding reconciled with the ledger figures and compiled accounts.

4.36 Register of loans to individuals and institutions

It shall be seen that:

1. The register is maintained in Form CAM-29 as prescribed
2. Separate folios are opened for each individual loanee.
3. Full details such as sanction No. and date amount of loan sanctioned, mode of payment, rate of interest, condition attached to the loan, schedule of repayment of loan etc., are noted clearly in the appropriate columns.
4. Recovery of interest, wherever applicable, is recovered promptly and where the interest is not so received prompt action is taken to collect the same.
5. The interest received is correctly worked out.
6. The repayment of loan is received as per the terms and conditions prescribed in the sanctions.
7. The register is reviewed periodically to ensure the receipt of interest and
8. The register is closed at the end of the year after working out the balances and the total of all loans outstanding is tallied with the ledger figures.

4.37 Register of grant-in-aid

It shall be seen that

1. The register is maintained in Form CAM-28 as prescribed.
2. All sanctions for grants-in-aid are noted in the register under proper attestation.
3. All amounts paid are noted against the sanctions with relevant particulars.
4. Any general or special orders for releasing a particular grant in installments are complied with.
5. Whenever conditions are attached to the utilisation of the grants (in the shape specification on the particular objects and the time within which the money must be spent), the receipt of formal utilisation certificate from the sanctioning of authority is watched through the register.
6. Prompt action is taken to obtain the utilisation certificate.
7. The conditions attached to the utilisation of grant have been or being fulfilled.
8. If no time limit has been fixed by the sanctioning authority, the grant is spent upon the objects specified in the sanction within a reasonable time (normally within one year from the date of issue of sanction).
9. Any portion of the amount which is not ultimately required for expenditure upon the specified objects is surrendered promptly.
10. Unspent balance of one year is not utilised in the subsequent year without obtaining the sanction of the competent authority.
11. If the grant is meant for execution of a particular work or scheme, the same has actually been executed.
12. The unspent balance of the grant or the unutilised grant, not refunded have remained unspent or unutilised for satisfactory and valid reasons and the

unspent balance left over is commensurate with the part of work or scheme yet to be executed.

13. The objectives of the scheme for which grants-in-aid was disbursed by the Government have been attained and that there was no wasteful expenditure.
14. That the system of receipt and payment of amount , cheques and bills, banking and custody of each, verification of cash balances, and recording of cash transactions are adequate.
15. That there is satisfactory system for calling for tenders and that there is no defect in the execution of the contract agreement.
16. The system of receipt and issue of stores is satisfactory and necessary records are properly maintained.
17. There is no wasteful, extravagant or unnecessary expenditure or loss of cash or stores due to inadequate safeguards.
18. Scrutiny of agenda and minutes of the meetings of Executive Committee or Board of Management and reports of the reviewing committee , if any, and to see that they do not indicate any irregular feature.
19. That the accounts of the guarantee are complete, and duly supported by the relevant vouchers and payees receipt.
20. There is no undue delay in submission of the accounts by the grantee.
21. To see that a register in form GFR 19 is maintained by the grantee units for permanent and semi-permanent assets.
22. Assets acquired wholly or substantively out of Govt. grant , are not without the prior approval of the government disposed off or encumbered or utilized for the purpose other than those for which grant is sanctioned.
23. Progress reports at necessary intervals have been furnished to the Govt. and to see that they do not contain any unusual feature.
24. Audited statement of Accounts have been submitted to the Government.
25. Machinery or equipment purchased from grant is not lying idle and if so it may be commented upon. It should be ensured that the equipment is fully utilised.
26. Certificate of utilisation of grants has been furnished to the Govt.
27. Whether any interest on the grants has been earned , if so, whether it has been adjusted towards further installment of the grant.

In addition to the normal expenditure audit, including checking of individual transactions with a view to detect cases of improper, extravagant , wasteful or uneconomical expenditure, audit should also be conducted with a view to examine how far the agency is adequately discharging the financial responsibility in regard to various schemes undertaken by it.

IT IS TO BE SEEN THAT :

- (a) Whether the schemes on which expenditure is incurred are really being executed and economically viable.
- (b) Test check of the accounts or the returns submitted by the grantee to see that the conditions were actually fulfilled.

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

- (c) Amount has not been unnecessarily drawn in advance of the requirement to avoid lapse of funds.
- (d) Whether there is any serious avoidable delay due to inefficient handling, planning and coordination of the work in the process of expenditure of scheme resulting in increase in the total cost of the scheme or any loss of revenue due to delayed execution or holding up the scheme.
- (e) Whether there is any wasteful expenditure including that resulting from lack of coordination amongst the several aspects of the scheme such as staff having been engaged long time before the procurement of the machinery etc.
- (f) Whether there has been any waste due to some of the facilities e.g. building, equipment, staff etc. on which expenditure has been incurred under the scheme proving unnecessary or going unutilised.
- (g) How far the physical targets have been achieved within the estimated time.
- (h) How far the final purpose or projects of the expenditure have been achieved.

4.38 General Index Register

It shall be seen that:

1. The register is maintained in Form CAM-44 as prescribed.
2. Entries in the General Index Register were made serially in the order of receipt and acceptance of the application for enrolment to the Provident Fund.
3. When the names are identical, the name of father of the subscriber or in the case of female married subscriber, the name of husband is ascertained and noted in the register.
4. Date of receipt of nomination is noted in the appropriate column.
5. Date of closure of the account is promptly noted in the register.
6. Whenever the balances are transferred to another Accounts Office, reference to letter No. and date through which the balance was so transferred are indicated in the remarks column.
7. The register is generally kept up-to-date and the register is attested by a responsible Officer.

4.39 Register of miscellaneous receipts

It shall be checked to see that:

1. Details of all recoveries to be effected are noted in the register.
2. The recoveries are effected at the earliest possible time.
3. Register is reviewed periodically and follow-up action taken to recover the outstanding amounts.

4. If the person from whom the recovery is to be effected is transferred to other Unit, the Unit should be addressed for the early recovery of Government dues.
5. On receipt of the amount, the particulars such as, receipt No. & date, challan No. etc., are noted in the register.
6. The entries in the register are attested by a responsible officer in token of having verified their correctness.

4.40 Library account register

It shall be seen that :

1. Accession register in Form GFR-35 is maintained in terms of GFR 190 (2) (iii).
2. Prescribed procedure for the purchase of books and periodicals required for the library is followed.
3. Books may be purchased from reputed and standard Book Sellers on the terms and conditions stipulated by the Department, after going through the process of selection of books in various disciplines, by the library committee. Discount at given percentage as admissible for purchase of books by Government Departments should be availed.
4. Periodicals or journals in respect of which advance payments were made to the publishers are being received properly. In case of Journals/ periodicals subscribed annually, but not received partly/ wholly the matter is taken up with the local agent and a report is kept for review by audit.
5. Physical verification of books and other periodicals in the library is conducted annually in case of libraries having not more than 20,000 volumes. For libraries having 20,000 to 50,000 volumes at an intervals of not more than three years. In case of libraries having more than 50,000 volumes sample physical verification is done and in case such verification reveals unusual or unreasonable shortage complete verification is to be done in terms of GFR 194(1).
6. Necessary fines, are recovered from the borrowers of the books in case of any delay in returning the books, and in case of loss of books, cost of books as per current catalogue prices with cost of procurement incurred thereon is recovered.
7. Loss of books of value exceeding Rs. 1000/- and rare books irrespective of value is to be investigated in terms of GFR 194 (ii). Necessary action is taken to write off the shortage of books, if any, by obtaining the orders of the Competent Authority.
8. The old newspapers and journals and magazines are disposed of according to rules and sale proceeds of newspapers etc. have been credited to Government account.

4.41 Register of rest house charges

The Inspection parties should see the following points while checking the records of rest houses:

1. That a register for recovery of lodging charges is maintained in the prescribed form and charges so recovered are credited to Govt. account immediately.

2. That the rates so charged have been fixed with the prior approval of the competent authority.
3. The proper receipts are issued to officials in Form GAR-6.
4. The register is reviewed regularly by a responsible officer.

4.42 Hiring of Office Accommodation and use of portion of Office Building for Residential purposes:

In case of offices housed in hired building, the Audit should see the following:

1. That the accommodation occupied is not in excess of accommodation required according to the prescribed scale.
2. That a certificate of reasonableness of the rent being paid has been obtained from Civil Engineering Division, Department of Atomic Energy.
3. That the lease deed has been drawn up in the standard form prescribed by the Government of India and no clauses detrimental to the interest of Government such as payment of House Tax or other tax have been incorporated in the lease deed.
4. That the sanction of the competent authority for hiring of the accommodation and of rent to be paid has been obtained.
5. Under special circumstances, some of the officers of the Department may be allowed to use a portion of the office premises for residential purposes. In such cases, it should be seen that there exists a proper sanction of the competent authority indicating the rent recoverable from the officer and also the electricity and water charges etc., if no separate meters have been installed in the building. It may also be seen that such officers are not drawing any house rent allowance.

4.43 Electricity Charges

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

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

It shall be seen that wherever the interest has been claimed and allowed, such cases have the specific approval of the competent authority and have been properly examined.

4.44 Staff quarters

It shall be seen that:

1. The register of staff quarters as well as register of capital and revenue expenditure on these quarters are maintained properly.
2. The rent demand register is maintained properly and necessary recoveries are effected from the allottees of the Govt. accommodation.
3. The allotment is made on the basis of allotment rules which are duly approved by the competent authority.
4. no quarter is left unallotted for an unduly long period.

4.45 Foreign service contributions

It shall be checked to ensure that:

1. The register to watch leave salary/pension contribution has been maintained in the form CAM-58 and all columns have been filled.
2. Rates of leave salary and pension contributions have been intimated to the Borrowing Departments. Some calculations may also be test checked to ensure that rates of foreign service contributions have been worked out correctly.
3. Leave salary and pension contributions are recovered in full.
4. Penal interest has been recovered, where foreign service contributions have been delayed.
5. Receipts have been credited to the correct heads of accounts, and
6. Cases of non - receipt/short receipt of foreign service contributions were pursued vigorously by the PAO/SPO.

4.46 Staff Cars (Government Vehicles)

In respect of Offices maintaining staff cars/vehicles, the Internal Audit should see that following records are maintained:-

- (1) Log Book for each staff car in Form S – 263
- (2) A register of repairs and replacement indicating the cost and dates.
- (3) A register showing the cost of petrol, mobil oil etc., consumed and all incidental expenditure.
- (4) An inventory of equipment.
- (5) That the concurrence / approval of the Department of Atomic Energy has been obtained for all cases of replacement of staff cars/Departmental vehicles.
- (6) The cost of repairs and replacement is not on the high side.
- (7) That the replacement of the same parts are not frequent.
- (8) The reasons for frequent repairs/breakdown of the vehicles are not such as to indicate any negligence on the part of the drivers.
- (9) That no extra allowance is paid to staff car drivers for cleaning and washing of the cars as this forms a part of their duty.

4.47 Log books

It shall be seen that:

1. A responsible gazetted officer has been appointed to act as a Controlling Officer in respect of staff cars/office vehicles.
2. A stock account of all the vehicles (together with their spare parts) is maintained and periodically checked.
3. A log book in the form S-263 is maintained for each office vehicle/staff car correctly and scrutinised by the Controlling Officer every month and that entries in log books are made by officers themselves using the staff car.
4. The log books are scrutinised by the Head of office (or senior officer of a rank of Joint Secretary in the Secretariat offices) to ensure that there is no misuse.
5. The log books are closed at the end of each month and summary showing details of duty and non-duty journeys performed during the month is prepared in the prescribed proforma.
6. Staff cars are not used for official journeys outside the headquarters of the office inspected , for which travelling allowance is admissible , except on the written sanction of the competent authority and that staff cars are used only by officers authorised to use them.
7. The staff cars/office vehicles are not used for visiting places of entertainment, public amusements, playgrounds and by officers on leave.
8. In the case of non-official journeys where specially permitted with the approval of the competent authority recoveries from the officer concerned are made promptly and the amounts credited to Government account.
9. The running mileage covered per litre of each vehicle, is not below the authorised limit.
10. Staff cars are not parked at the residences of drivers or of the officials.
11. Proper accounts of petrol, oil and lubricants are maintained and the quantity shown as having been received agrees with the quantity shown in the relevant purchase voucher.

4.48 Liveries account

It shall be checked to ensure that:

1. The register of liveries is maintained in the prescribed form and entries of receipts and issues to entitled officials are made properly (keeping in view the need for accountability);
2. The issues are in accordance with the scales and rates prescribed by the Government from time to time.
3. The washing allowance has been sanctioned as per norms prescribed by the Government.

4.49 Register and broadsheet of advances for house building/motor car / other conveyance

It shall be seen that:

1. The register is maintained in Form CAM-30 as prescribed and separate folio's are earmarked for each type of advance.
2. All payments made and recoveries effected are posted individual-wise

3. The recoveries are promptly effected as contemplated under the relevant rules.
4. Non-recovery/non-posting of the recovery in any month/months is properly explained in the remarks column.
5. The opening balances are correctly carried forward from the previous years register.
6. Interest accrued is correctly calculated and posted.
7. The particulars of original mortgage bond and insurance cover are noted in the remarks column, wherever necessary, and the dates of first insurance and subsequent renewals watched.
8. The fact that the Government servant concerned has accepted the balance is cited in the remarks column.
9. The interest is recovered as contemplated in the rules.
10. The broadsheets are closed by every month and agreed with the ledger figures of the compiled accounts.
11. Discrepancies if any, between the broadsheet figures and the ledger figures are noted and analysed on separate pages set apart for the purpose, at the end of the register and action is taken to resolve the discrepancies expeditiously.

4.50 WORKS

4.50.1 Register of sale of tender forms

Entries made in the register of sale of tender forms to the contractors should be checked with the cash book to ensure that the corresponding amounts realised towards sale of tender forms are properly brought to account in the cash book. It should be seen that the Divisional Officer has conducted the physical count of the balance number of tender forms and a certificate recorded in the register.

As the register of sale of tender forms is considered as a subsidiary cash book, proper scrutiny should be made and all the receipts traced in the cash book. It should also be checked that the price charged from the tender documents is in accordance with the prescribed standard and that in no case are tender documents sold at rates less than the prescribed rate.

4.50.2 Register of opening of tenders

Register of opening of tenders which is again another subsidiary cash book to record the receipts of earnest money deposits from the contractors at the time of tendering of works, should be checked properly to ensure that:

- (a) The earnest money deposits as required under the terms of the tender documents has been realised.
- (b) The amounts which were not returned on the same day through tender register, vide note 3 below para 6.3.1 of CPWA Code, have been duly accounted for in the cash book, and
- (c) Proper acknowledgements exist for the return of the money on the same day.

4.50.3 Scrutiny of Tools and Plant

The Tools and Plant ledger is to be scrutinized from the following view points:

- a) whether all articles received are properly examined, counted and accounted for in Tools & Plants received sheet in Form 13 prescribed in para 7.3 of CPWA Code and that there is no omission in accounting for any receipt.
- b) The issues are made only on proper indent Form 14 and on obtaining acknowledgements.
- c) The receipt and issue are properly entered in the Tools & Plant ledger.
- d) The ledger is maintained upto date as required under para 7.3.7 of CPWA Code.
- e) Tools & Plants issued for use by subordinate of the division or temporarily lent to contractors as well as those articles sent to local bodies and others under the orders of competent authority, are received back by the Divisional Officer and the articles returned are in good condition.
- f) The hire charges for Tool & Plants lent to local bodies are properly worked out and recovered regularly.
- g) the physical verification is carried out by the Divisional Officers in accordance with the rules and discrepancies noticed during verification dealt with as laid down in para 7.3.7 of CPWD Code, and
- h) The articles of T & P are not disposed of by sale or otherwise without the sanction of the competent authority and in the case of sale with prior sanction, the amount is realised from the parties at the earliest opportunity.

4.50.4 Schedule of rates

A schedule of rates of each kind of work commonly executed is required to be kept up in the Divisional office as per para 10.6.13 of CPWA Code. It should be intelligently examined to see that this is maintained properly and revised wherever necessary in conformity with the rates prevailing in each locality. The rates obtained for execution of works by sale of tenders should be compared with the schedule of rates to see whether the rates obtained vary much from the rate as per schedule of rates necessitating the revision of schedule of rates.

4.50.5 Muster rolls

A few muster rolls, paid in the month selected for test audit shall be checked at random to ensure that:

- 1) The muster rolls are maintained in accordance with the instructions contained in para 10.2.3 of CPWD Code.
- 2) The payment is made through muster rolls only to daily labourers and not to permanent or temporary employees whose pay is charged to the head 'establishment' or member of work charged establishment.
- 3) the payment of labour engaged through a contractor is not made or authorized on a muster roll as in such cases the use of the muster roll is not permissible (para 10.2.4 of CPWA Code)
- 4) There are no unusual delays in payment.
- 5) A systematic record is maintained of unpaid items and of their payment and the wages remaining unpaid for 3 months are regularly reported to the divisional officer in terms of para 10.2.3(f) of CPWA Code and are not thereafter paid without his orders.

- 6) Casual labour rolls if any are maintained only in exceptional and urgent cases and payment of them are witnessed by a gazetted officer.
- 7) The duplicate copies of muster rolls are not prepared and that separate roll exists for each period of payment.
- 8) The progress of work done is shown in Part II of the muster roll form in all cases where work is susceptible of measurement.
- 9) There is evidence that these records of attendance are checked at intervals by responsible officers of the sub-division and there is no interpolation in the attendance recorded.
- 10) The cost of labour is not so largely in excess of the value of work done as to indicate either loss to Govt. or need for closer financial control.

4.50.6 Work charged Estt. Pay bills

The scrutiny of the pay bills will be made in the same manner as checking of pay bills of regular establishment. Sanctions to entertainment of work charged establishment are entered in the Register of Fixed Charges (CPWA 58) vide para 22.2.4 of CPWA Code. The pay bills and the register should be examined to see that:

- a) Proper sanction exists for each post.
- b) Provision for the purpose has been made in separate sub-head of the sanctioned estimate.
- c) Pay of no such post exceeds the prescribed rates in cases where such rates have been definitely prescribed by a higher authority for any particular classes of posts.
- d) A proper acquittance is on record in respect of each such payment.
- e) The bills are prepared correctly and in proper form
- f) A register is maintained to record the particulars of unpaid wages and their subsequent payment.
- g) The postings in the register are made with reference to the instructions and are duly attested by Divisional Accountant.
- h) Reference to sanction, scale of pay and the name of the work to which the establishment is charged are noted in the fixed charges register and attested by Divisional Accountant.
- i) Reference to the payment voucher is recorded in the register in the column provided for the purpose.

4.50.7 Measurement Books

Payments for all work done otherwise than by daily labour and for all supplies required for specific work are made on the basis of measurements recorded in measurement books in form CPWA-23. The measurement books should be numbered serially and entered in a register to be maintained in Form CPWA 92. This register should be examined to see whether it is maintained properly as per para 10.2.7 of CPWA Code, entries are correctly noted and whether generally there is no delay in recording of completed Measurement Books.

During local audit, special attention should be paid to the check of recorded measurement as the payments for work done are mainly based on the measurements and any errors in recording of measurements may lead to faulty or double payments. For this purpose, a test audit of selected M.Bs. should be conducted to see that:

- a) The entries in the M.Bs. are made in accordance with the instructions on the fly-leaves of the measurement books and that no entries are made by officers other than those empowered to do so.
- b) The superior Officers have exercised the requisite test check as laid down in the rules.
- c) The works of excavation, foundations etc. which could not be test checked subsequently owing to their being covered up are test checked by the superior officers in time. Entries regarding item carrying high unit rates etc. are made by the sub-divisional officer as laid down in CPWD Manual Vol.11. The extent to which the superior officers are required to test check the measurement has been indicated in CPWD Manual Vol.11 and it should be seen that these provisions have been strictly observed and a register of test check of measurements is maintained in suitable form.
- d) There is generally no delay in payment after the measurements are recorded.
- e) By comparing the date of measurement with date of payment, inevitable payments are not post-poned at the end of the year with a view to avoid the excess over appropriation.
- f) Few payments made during the month selected for the test audit should be checked with the connected measurements books to see:
 - i) The entries in the contents column entered in the measurement book are arithmetically correct.
 - ii) The rates shown in the abstract of cost are correct as per agreement.
 - iii) Totals are correctly worked out;
 - iv) The quantities and amounts have been correctly worked out and entered in the bills from the measurement book;
 - v) An intelligent scrutiny of the measurements will lead to detection of record of wrong measurements by a supervisor or perfunctory test check of measurements by his superior officers. For this purpose, the detailed sheet of measurement attached with the detailed sanctioned estimates should be compared with the actual recorded measurements. It also happens some times that some of the measurements recorded by the supervisors have been test checked after a lapse of considerable time and any corrections in the measurements as a result of local checking might escape notice at the time of preparing bills for subsequent payments. This aspect should be properly checked. It should also be seen that quantities from one page to another are correctly carried over and whenever deductions are shown, the quantities are reduced to that extent.
- vi) Prescribed instructions and checks as stipulated in para 7.12 of CPWD Works Manual are followed in preparation and recording of measurements in the computerized measurement books for works where the cost put to tender exceeds Rs. 15 lacs.

4.50.8 Review of measurement book by the Divisional Accountant/Junior Accounts Officer.

As per para 10.2.11 of CPWA Code, the measurement books in use in the division are required to be reviewed in general annually by the Divisional Accountant/JAO. It should be seen that the Divisional Accountant has discharged his duty properly and that the record of the review of M.Bs. which are required to be recorded should also be reviewed by the Divisional Accountant before they are finally recorded. It should be seen that all the completed M.Bs have been properly received and recorded and there are no arrears in this regard.

4.50.9 Check of contract documents

The payments to contractors and suppliers are made on the basis of rates accepted and entered in the contract agreement, work order and supply orders. The accepted agreement work orders and supply orders should therefore be examined carefully on the following lines:

- a) The agreement accepted by the Divisional and sub-divisional officer since the last inspection to date of present inspection should be scrutinised to see that the rules regarding entering into agreements as laid down in rule 203 & 204 of General Financial Rules are scrupulously adhered to wherever competitive rates have not been sought or where high tenders have been accepted or where other irregularities in procedure have come to light, the same should be brought to the notice of the proper authority. Cases in which there is evidence that an officer of a contracting department has an undue common interest with the contracting party, these should be brought to the notice of higher authorities.
- b) Lump sum contracts should be examined to see that they are in conformity with the procedure envisaged in Chapter-II of CPWA Code, that there is no infringement of rule.

At the end of Inspection of each division, they should send a special report to headquarters along with the draft Inspection Report, indicating clearly whether any lump sum contracts have been executed in the division and if so, whether, they have been examined and checked according to the pre-scribed instructions. Even if there are no lump sum contracts, a nil report should be given.

4.50.10 Tenders and comparative statements

The tenders received including rejected ones should be checked to see that:

- a) Wide publicity- was given for calling tenders and due period of notice allowed consistent with the magnitude of the contracts.
- b) The tenders have been received on the prescribed forms in sealed covers.
- c) All tenders bear the dated initials of the officer opening them.
- d) The rates quoted by the tenders have not been overwritten or changed without attestation by the tenderers.
- e) The tender documents are as per the approved N.I.T. and there are no deviations.
- f) The conditions regarding earnest money deposits have been followed strictly.

- g) The tenders have not been sold after expiry of date up to which tenders were notified to be sold.
- h) The tenders have been issued only to the contractors approved by proper authority.
- i) All other formalities to be observed by the Divisional officers as envisaged in CPWD Manual Vol.11 have been properly observed.
- j) The comparative statements have been correctly prepared, checked and certified by the Divisional Accountant as per provisions of para 4.2.4 of CPWA Code, and
- k) In the case of contract accepted after negotiation, the negotiations have been conducted by the authority competent to do so and have been done in accordance with the procedure laid down.
- l) Instruction regarding E tenders and CVC guidelines are duly followed.

4.50.11 Register of agreement

The Register of agreements should be scrutinized so as to ensure that:

- 1) All the accepted tenders have been properly entered in the register of agreements according to the serial order, a number allotted to each agreement.
- 2) All the columns are filled in and the date of actual completion of the works noted in the respective column on completion of each contract.
- 3) All the agreements entered in the register are physically available in the safe custody of the responsible official concerned.
- 4) The copies of all agreements accepted by officers higher than the Divisional Officers are sent to audit, as required under para 4.4.1 of CPWA Code.

4.50.12 Work order and Register of Work orders

It should be seen that the work orders are not sanctioned as a matter of routine as normally tenders have to be invited for works costing over Rs.50,000. Only in cases of urgent necessity, the officers may award works without call of tenders. The reasons specifying the urgency for dispensing with the call of tenders should be examined. It should also be seen that work orders are not issued for an amount in excess of the amount up to which an officer is competent to issue them as per the powers delegated to him, that the rates allowed in the work order are not in excess of the estimated rates and that the reasons justifying the acceptance of rates higher than the estimated schedule rates are on record. It should also be borne in mind during scrutiny that the rates allowed in the work orders are not in excess of those which might have been obtained if tenders had been called for the same or similar nature of work, for which the JAO should make a comparable study of rates obtained in contracts entered into by Division.

It should be seen that all the work orders sanctioned during a year by the Divisional Officer and other supervisory officers are entered in a register and the annual limit as provided for in section 16 of CPWD Manual Vol.11 is not exceeded.

4.50.13 Contractor's ledger

The contractor's ledgers should be examined to see that:

1. It is properly maintained as per instructions contained in Chapter 10.7 of CPWA Code and is up-to-date.
2. The postings are made as and when payments are made for works or supplies made and closing balance worked out at the end of each month and the work wise details of closing balance given and signed by the Divisional Accountant;
3. There is no delay in adjustment of secured advances outstanding for over 6 months.
4. The Divisional Accountant should ensure correctness of the entries in the ledger and that no transaction is settled in the form of bill not permitted to be used for the purpose (10.7.7 of CPWA Code).
5. Adequate action has been taken in the case of old outstanding accounts for the submission of a subsequent running bill or the final bill in the case of entries relating to running bills in Col.10 of the register are not bearing the initial of the Divisional Accountant.
6. Debits for value of stock supplied during the selected month are made from the original receipts given by the contractors which should agree with the entries in the monthly abstract of stock issues and with the rates stipulated in the agreement.
7. The unstamped receipts for issue of materials are duly acknowledged by the contractors and are properly filled.
8. There are no balances outstanding for a long period even after finalisation of contractors bill, minus balances if any outstanding should be examined carefully, and the divisional officers advised to clear the same expeditiously.
9. The debits for the cost of materials issued to the contractor have been regularly posted in the ledger.
10. Ledger balances are cleared at the time of payment of final bill.

4.50.14 Works abstracts

The work abstracts and connected accounts relating to one or two selected works should be examined in detail from the commencement and all transactions recorded in them should be analysed and compared with the details of the sanctioned estimates and contract agreements.

It should be seen that:

- a) The work abstracts for major and minor works are kept separately as per para 10.5.1 of CPWA Code.
- b) The account of major works is kept by sub-heads wherever necessary.
- c) The charges are correctly allocated to the sub-heads concerned and transfers from one sub-head to another are supported by a formal transfer entry order approved by the divisional officer (para 8.1.7 of CPWA Code).
- d) The balances under the suspense accounts ' Contractors ' and 'Labourers' have been verified by the JAO/DA and sub - divisional officer respectively and they agree with the balance shown in contractors ledger and in the unpaid wages register respectively;
- e) The works abstracts of the selected month should be compared with the postings in the register of works in order to see that they tally in all respects and with schedule of works expenditure for the month.

4.50.15 Register of works

The register of major and minor works should be examined to see that they are maintained properly and up to date in accordance with the instructions given in para 10.6 of CPWA Code.

It should be seen that:

- a) The progress of rate of cost is struck under each sub-head vide paragraph 10.5.6 of CPWD Code.
- b) Monthly postings are examined and attested under the dated initials of the Divisional Officers.
- c) There is evidence to show that delays in closing the accounts in measuring work done or in setting bills are enquired into:
- d) The works abstracts are returned to the sub-divisional officers promptly after entering in the register of works,
- e) All liabilities and assets are settled and suspense accounts cleared before the accounts of a work are closed;
- f) A note of completion of work is recorded in the register under the signature of Divisional Officer and that completion reports are submitted in all cases where required under para 10.6.11 of CPWA Code and a note of sanction to the excess over estimates is kept in the folio concerned.
- g) Action under para 10.6.12 for correction of errors have been taken whenever necessary.
- h) The sub - head 'Additional Charges' for materials issued to contractors has been opened in the accounts of major works , a few charges falling under this category should be examined to see that they are correctly debitible to government and not to the contractors account.
- i) Suspense items as shown in the register of works are traceable:
 - (i) In the contractors ledger as regards amount due to or from contractors, and
 - (ii) The register of arrears of wages maintained by the DDOs.
- j) The postings in the register are readily traceable in the works abstracts; and It should be seen that in case of accounts of annual maintenance estimates, necessary actions as required under para 10.6.8 of CPWD Code has been taken and that the instructions vide para 10.6.4 to 10.6.7 *ibid*, regarding clearance of suspense accounts on the completion of work are followed properly.

4.50.16 Materials at site accounts

While scrutinising the materials at site accounts it should be seen that the accounts of materials issued to the work are maintained in accordance with the instructions contained vide paras 10.3.4 to 10.3.18 of CPWA Code. In general it should be examined that:

- 1) The values of materials at site of each major works as shown in the register of works agrees with the balances shown in the Form 35.
- 2) The issue of materials to works are correctly classified under issues to contractors and issues direct to works, the issues to contractors being debited to the contractors account.

- 3) Proper numerical account of the receipts, issues and balances of surplus materials at the site of completed works or of dismantled materials are maintained properly; and
- 4) The verification of unused balances has been done by the responsible officers and a report of verification submitted to the Divisional Officer.

4.50.17 Expenditure during March

Expenditure booked towards the close of financial year and in particular during the month of March shall be examined to see that:

1. The expenditure is not unusually heavy as compared-with previous months.
2. There is no indication of relaxation/ overlooking of rules-and regulations due to rush of expenditure.
3. Expenditure. is not charged to the accounts unless payments have actually been made.
4. Payments have not been made before the services rendered by the party or the stores actually received.
5. Advance payments/secured advances have not been made in an irregular manner, especially on the last day of financial year to avoid lapse of budget provisions/grants.
6. The date of closing of the divisional and sub-divisional accounts, verified and cause of delay in submission of the cash or stock account by the sub-divisions investigated.
7. Adjustment purporting to write back expenditure do not indicate that the original entry was made to avoid lapse of budget provisions.
8. If rush of expenditure was due to late allotment of funds due to which proportionate expenditure could not be incurred during previous months, reasons for belated allotment of funds shall be investigated and brought to the notice of appropriate authorities to remedy this tendency.

4.50.18 Accepted/Rejected tenders and NIT

The NIT shall be examined to see that:

1. It has been prepared properly in accordance with the rules.
2. It is based on the sanctioned estimates and analysis of rates exists for all items not derived from the schedule of rate.
3. It has been approved by the authority competent to accept tenders.
4. Reasons exist for deviations in description of items vis-a-vis sanctioned estimates or approved drawing and designs and these are covered by sanction of competent authority.
5. No condition of the approved NIT is either omitted from the tender or any new condition subsequently incorporated without the express approval of the competent authority in writing, and
6. The comparative statement has been correctly prepared incorporating all tenders received and it has been checked and certified by the Divisional Accountant as provided in CPWD Manual Vol.11.

4.50.19 Agreement

It shall be ensured that:

1. It has been properly executed and signed by both parties and sealed.
2. None of the clauses incorporated therein is ambiguous.
3. It contains quantities of the material to be issued to the contractor and rates at which he would be charged.
4. The place of delivery is clearly specified.
5. The agreement is kept in the personal custody of the EEIAE. Agreements with architects shall likewise be examined to see, inter alia, that the terms of payment are not unduly liberal. It shall also be seen whether payment is admissible on each item or only on some specified items.

4.50.20 paid bills

Expenditure incurred on the work shall be checked ab initio with reference to payment vouchers, stock accounts, transfer entries and the measurement books to ensure that:

1. The measurements have been properly recorded and test checked by superior authorities at appropriate intervals to the prescribed percentage.
2. Total quantities as worked out in the MB and as abstracted for payment tally with the quantities actually billed for and there are no discrepancies.
3. The rates at which payment has been made are the same as entered in the contract agreement.
4. Reasons for payment at part rates in running bills, if any allowed have been recorded and are convincing and do not allow any undue financial benefit to the contractor and that full rates have not been paid for. incomplete items of work.
5. Quantities actually executed do not exceed quantities stipulated in the agreement without valid reasons.
6. In case of abnormally high or low rates items quoted by the contractor, the variation between the quantities executed vis-à-vis those shown in the agreement are within the permissible limits and excesses, if any, have been approved by the competent authority.

4.50.21 Material recovery statement

It shall be examined to see that:

1. The up-to-date issue of material shown therein is correct and tallies with MAS Account.
2. The rate of recovery is the same as stipulated in the agreement.
3. Materials not stipulated in the agreement are not issued unless specific orders have been obtained from the competent authority and rate of recovery also approved.
4. MAS account is maintained correctly and in accordance with the rules.

4.50.22 Extra substituted/deviated items.

These shall be examined to ensure that:

1. these have been sanctioned by competent authority to the extent of powers delegated to them.
2. Reasons as to why these could not be foreseen at the time of preparation of the detailed estimates have been recorded.
3. These are not covered by the scope of agreement.
4. These have not been provided and executed merely to provide either financial assistance, to avoid loss to contractor due to his having quoted abnormally low rates, or to tide over difficulty in procuring certain special type of materials contemplated in the agreement.
5. Analysis of rate in respects of all such items have. been prepared, where these are not taken from the Schedule of Rates.
6. The percentage above quoted by the contractor is allowed on such items only which have been taken from the Schedule of Rates on the basis of which they detailed estimate has been prepared, and
7. Where payment in respect of these items is allowed to the contractor in respect of these items in anticipation of the finalisation of rates and approval thereof by the competent authority, the rate of provisional payment is not on the higher side so as to result in possible over-payment, and that over-payment, if any made in the above manner is promptly recovered.

4.50.23 Tools & Plant issued to contractors

These shall be examined to see that :

1. Recoveries of hire charges have been promptly made at the stipulated rates, and
2. Cost of damages has been correctly assessed and recovered, and
3. When the supply is not stipulated in the agreement, the T&P have been given for bonafide use on the work and recovery has been made at the appropriate rates approved by the Engineer-in-Chief/Chief Engineer.

4.50.24 Stock account

The account records relating to stock for the month selected for test audit should be test checked with the schedule Dockets and vouchers of the month received from PAO and generally the records for the period of inspection should be scrutinised to see:

1. That the initial accounts are kept in proper order and the receipts and issues as recorded therein are in the order of occurrence.
2. That there are no fictitious adjustment in the account.
3. That the necessary authority exists for the receipt or issue of materials and proper acknowledgement taken for every issue accounted for.
4. That the material received are examined, counted and properly accounted for in the goods received sheet by store keeper or authorised person.
5. That the issue rates are fixed in accordance with provision contained in para 7.2.21 of CPWD Code.
6. That the head 'stock' is charged only with expenditure connected with the acquisition of stock materials and that collection of material involving an outlay of Rs.10,000 or upward is covered by an estimate duly approved by the Superintending Engineer as per para 144 of CPWD code.

7. That issue to work are correctly classified under para 10.3.1 of CPWD Code.
8. That in respect of issues to contractors for work the conditions laid down in para 10.3.2, 10.3.3, and 10.3.9 and 10.3.13 of CPWA Code are fulfilled and
 - a) The issues are generally confined to materials which have to be supplied under the conditions specified in the contract.
 - b) The issues are charged for the rates shown in the contract.
 - c) No carriage or incidental charges are debited against stock for moving the materials beyond the place where the contractor has agreed to take delivery thereof.
 - d) Surplus materials are not taken over to stock except as indicated in para 10.3.9 and 10.3.13 of CPWA Code.
9. There is no unnecessary accumulation of materials;
10. That proper and adequate action has been taken to recover the adjustment of annual excess or shortfall representing the difference in value due to revision of rates etc. as required under para 7.2.35 of CPWA Code.

4.50.25 Review of Divisional Accountants internal check

The Divisional Accountant in-charge entrusted with the functions of applying certain internal checks in the initial accounts, vouchers etc. and with the responsibility for inspecting the accounts of such divisional offices on the spot has duly applied the requisite checks. The procedure observed by him in discharging these duties and the results achieved should be reviewed by the Inspecting Officer. He should also examine the Register of Divisional Accountants objection (CPWA-60), examine all the objections appearing therein, record his remarks against each item, and prepare note for incorporation in the Inspection Report or for other suitable action.

4.50.26 Scrutiny of Bill

Records to be obtained: Among others, the following records/documents will be obtained from the Divisional Officer before commencing security:-

1. Detailed technically sanctioned estimates.
2. NIT as approved, comparative statements both rejected and accepted tender, agreement entered into with the successful tenderer.'
3. Papers leading to the scrutiny of the tenders, recommendations of the Divisional Officer and decision of the competent authority.
4. Files relating to the work both of accounts and correspondence branches.
5. Office copies of all running bills with relevant M.B's.
6. Account of materials issued to the contractor and theoretical consumption statement of material used on the work.
7. Contractor's ledger, cement register, site order books etc.
8. Statement of extra-substituted and deviated items together with analysis of rates relating to the work.
9. Inspection reports of S.E. & C.E. and A.G.'s relating to the work.

10. Log-books of machinery lent to the contractor on time etc.
11. Any other record needed for the examination of final bill.

4.50.27 Scrutiny of Final Bill

The examination would aim at satisfying that:

1. All charges incurred on the work fall within the scope of work,
2. Quantities executed compare reasonably with quantities given in the statement,
3. Saving due to abandonment of one or more items or work or otherwise have not been utilized for additional work beyond the scope of the original estimate,
4. There have been no material additions and alterations in the sanctioned designs/scope of work without the sanction of the competent authority,
5. All payments for work done have been made in accordance with the agreement of the work,
6. In case of percentage tender, rates provided for in the contract are in accordance with the schedule of rates and proper analysis of rates have been prepared, if these have not been derived from the S.R.S It should be seen that the rates allowed are not detrimental to the financial interest of the Govt.
7. Quantities of material used on the work compare favourably with the theoretical consumption estimates and these do not indicate substantial variation when compared with the actual issue both to the contractor for work or issues direct for work.

It shall further be seen that

- (a) The accounts reflect actual cost of work done accurately.
- (b) All recoverable charges have been made good to Govt.
- (c) The contractor on whose behalf recoverable charges are incurred does not get the benefit of any concessions to which he would not have been entitled to if he had incurred the charges himself, and
- (d) There has been no irregularity in the up-keep of the accounts including initial record, relating thereto.

4.50.28 Escalation Bills.

- (1) Payment of escalation in different situations is governed by the contract conditions and schedule F of the tender document.
- (2) The base index will be the one relating to the month in which the tender was stipulated to be received.
- (3) The cost of work for escalation under clause 10CC shall be reckoned as 85% of the cost of work as per RA / final bill.
- (4) The cost of work shall not include any work for which payment is made under clause 12 or 12(a) at prevailing market rates.
- (5) The value of material supplied/services rendered by Govt. as per clause 34 of the contract and proposed to be recovered in particular bill shall be deducted before the amount of the compensation is worked out.

- (6) Full value of materials for grant of secured advance and for adjustment there from shall be considered for addition or deduction from the value shown in the bill.
- (7) The escalation is payable at quarterly/appropriate intervals as per contract conditions, and shall be with respect to the cost of work done during the period /previous three months excluding the month in which tender was accepted as the case may be.
- (8) For 10 CC payments the index relevant for any quarter will be the arithmetical average of the indices relevant to three calendar months preceding the quarter in question.
- (9) Indices for steel, Cement, materials other than steel and cement P.O.L and labour shall be those stipulated in the tender document.
- (10) The components viz., materials, labour and P.O.L., shall be pre-determined for every work and incorporated in the conditions of contract attached to the tender papers and the decision of the Engineer-in-Charge shall be binding on the Contractor.
- (11) Escalation on accounts of steel, cement under clause 10 CA and due to variation in taxes and levies under clause 10 C are regulated by contract conditions and schedule F to the tender.
- (12) The contractor has not exceeded the time-limit and if exceeded the excess period has been covered by a valid grant of extension of time limit signed by the competent authority.
- (13) If extension of time beyond the stipulated date of completion is considered necessary, it is to be granted with provision to deny any increase in prices under the escalation clauses.

Check list for scrutiny of works bills and allied documents.

- 1) The estimates are prepared after taking into account the Schedule of Rates for the relevant period and in the case of non - scheduled items, the rates are supported by rate -analysis.
- 2) Financial sanction is issued by the competent authority for the work before its execution.
- 3) The comparative statement indicate the quantity , rates , value and totals as per the original tenders.
- 4) Negotiation is restricted only to the lowest tenderer , following the CVC guidelines.
- 5) Work order number and the name of the contractor on the R.A. Bill tallies with those in the agreement.
- 6) Extension of time is granted by the competent authority when the work is executed beyond original time schedule.
- 7) The quantities and the rates shown in the bill tallies with those in the measurement books and the agreement.
- 8) The payments shown as having been made on the last R . A. Bill are correct as per the last R.A . Bill and the contractors ledger.

- 9) Advance payments for work done but not measured are paid for, the necessary certificate is recorded that such payment together with that already made does not exceed the value of the estimated quantity against the relevant item in the tender.
- 10) When the work is measured and paid for , the advance payment is recovered.
- 11) When material not provided for in the original contract are supplied by the department , the material so supplied are charged at double the issue rate or market rate, whichever is higher.
- 12) Material issued which are not for bonafide use are treated as sale and usual 10% supervision charges are levied.
- 13) The recovery of the cost of material is made fully or to the extent used in the work from the R . A. Bill.
- 14) Cost of material issued for bonafide use on the work, but use of such item can not be linked with a particular item of work, is recovered from the R.A. Bill.
- 15) Before crediting the cost of materials returned by the contractor , it is ensured that those items are required for use on other work or are controlled articles and the credit is given at the existing market rates or the rates charged to the contractor at the time of issue less storage charges , whichever is less.
- 16) The consumption statement of controlled material is attached to each final bill to see that quantities shown as issued are correct and the consumption shown therein is based on valid formula and that the quantity of work done as shown therein tally with the quantities paid for in the final bill.
17. The material on which secured advance is paid are:
 - a) Brought to site.
 - b) Required for bonafide use on the work.
 - c) Are of an imperishable nature, that an Indenture Bond in the prescribed form is executed.
 - d) The payment is restricted to 75% of the cost of the material brought to site.
 - e) The secured advance is recovered as and when the relevant item of work is measured and paid for.
- 18) Security deposit is recovered correctly as a percentage of payment made to the contractor as per the terms of the contract.
- 19) The statement of recovery of the cost of materials with reference to the rates of supply stipulated in the accepted tender is checked.
- 20) Whether the supply is made at a place other than that prescribed in the contract and if so the transportation charges are also recovered.
- 21) Penalty for delay in completion of work is levied according to the orders passed by a competent authority strictly in accordance with the terms of the agreement.
- 22) When a contract is cancelled or annulled, it has not resulted in financial loss to department and the contractor has not secured undue benefit as a result of annulment.

- 23) Payment of escalation charges under clause 10 CC is available only for the work done during the stipulated period of contract including such period, validity of the contract is extended without any action under Clause 2 and no such compensation is paid if the stipulated period of contract is for six months or less.
- 24) Escalation bill is admitted up to 85% value of the cost of work excluding extra/substituted items of work.
- 25) Deviation limits as laid down in clause 12 of the contract is maintained for regulating payment or revision of rates.
- 26) Abnormally high rated items of tender are not operated beyond the prescribed limit.
- 27) Quantity of abnormally high or low rated items in item rate tenders is not allowed to be varied by more than 5%. Additional quantity of abnormally high/low rated items is restricted up to 25% of the quantities stipulated in the agreement below plinth level and up to 5% in above plinth level beyond which the powers is restricted to the monetary limits prescribed.
- 28) Penal recovery is made for excess use of cement/steel in the works and worked out on the basis of theoretical consumption.
- 29) Charges for services provided departmentally e.g. water, electricity etc. are recovered from on Account Bills paid to the contractor.
- 30) Employment of labour in excess of 15 persons is supported by a Labour Report specifying the nature of work completed in relation to man days paid for.
- 31) All first and final bills are preferred in Form 24 and R.A. bills in Form 26)
- 32) A contractor's ledger setting forth folios for each contractor is maintained in Form 43 in respect of all payments made to contractor. The ledger accounts is closed and balanced monthly showing the amount outstanding , if any, under Advance payment, Secured advance and other transactions, either as debit or credit to works measured and paid for.
- 33) Outlay on deposit works is required to be linked to the Amounts of deposits received from the indenting ministry or agency.
- 34) A consolidated record of transaction of deposit showing the amount of deposit received and expenditure incurred both during the month and up to date and Departmental charges at fixed percentage are recovered from the indenting organisation/department on account of establishment, tools and plant charges etc.
- 35) Progressive expenditure made on Deposit works from time to time does not exceed the actual amount of deposit received on each occasion.

Chapter 5

PURCHASE STORES AND PRODUCTION UNITS

5.1 General

- 5.1.1 The Department of Atomic Energy is vested with powers to effect purchase of its requirements of stores and equipment directly and it is not obligatory for the Department to utilise the services of the D.G.S.& D. In order to deal effectively with all matters relating to the purchase and stores activities of all the Units and Projects of the Department, the erstwhile Purchase & Stores Division of the Bhabha Atomic Research Centre has been organised as the Directorate of Purchase & Stores of the Department in January, 1973. The Directorate is responsible for the materials management function of all the Research & Development centers like Bhabha Atomic Research Center (BARC), Mumbai, Indira Gandhi Centre for Atomic Research (IGCAR), Kalpakkam, Raja Rammanna Centre for Advanced Technology (RRCAT), Indore, Variable Energy Cyclotron Centre (VECC), Kolkata and industrial set-ups such as Nuclear Fuel Complex (NFC, Hyderabad, Board of Radiation and Isotope Technology (BRIT), Mumbai, Heavy Water Plants at different locations at Manuguru, Kota, Talcher, Tuticorin and Baroda working under the aegis of DAE.

5.2 Purchase

- 5.2.1 Subject to the financial powers delegated vide 'Exercise of Financial Powers(Department of Atomic Energy) Rules 1978' the Central Purchase Unit is vested with full powers regarding procurement. The purchase procedure issued vide reference No.10/9(8)/84/SSS dated August 13, 1984, is reproduced as Annexure-XIV. The general conditions of all contracts and the special conditions of contracts for the supply of plant and machinery are available in the booklet of the Directorate bearing Form No.D.P.S./P.1 1. The general conditions of contracts for imported stores are contained in Form No.D.P.S./P.1 2 included as Part- II of the Booklet of tender documents. In the same booklet, Part-I contains invitation to tender and tendering conditions for such contracts. Further, the terms and conditions of tender are prescribed on the reverse of Form No.D.P.S.P.22(A) for procurement costing less than Rs. 50,000/-.

- 5.2.2 **Purchase Contracts:** In the scrutiny of Purchase files, the following checks shall be exercised:

A – Indent

- (1) The indent is approved by the competent authority.
- (2) The indent for proprietary item is supported by technical reasons for the specified make and approved by the competent authority. A certificate to that effect has been attached to the indent.
- (3) Approval of competent authority in writing is available for airlifting the material if such mode of transport is indicated.
- (4) Complete specifications, estimated cost, details of financial sanction, budget provision with compilation code number, if any, head of account for accounting the expenditure and other details like expected date and place of delivery are given on the indent.

B - Tender Enquiry

- (5) Global Tenders/Public Tenders(open tenders) are invited wherever necessary

and if not, approval of the competent authority obtained for dispensation of Global Tenders/Public Tenders. Tenders are also published in the website of DPS/ DAE with complete instructions for downloading and participation in bidding process against E-tenders.

- (6) Indents for similar items received from various Divisions/Units, are consolidated for issuing tender enquiry.
- (7) Description of the item and quantity given in the tender enquiry tally with that of the indent.
- (8) Reasonable time has been given to the suppliers for tendering offers.
- (9) Important conditions such as provision of free issue material, import licence, Excise duty exemption, where applicable, technical assistance etc. by the Department, which have an impact on tendering are clearly spelt out in the tender enquiry.
- (10) In the case of priced tender whether a Register is maintained showing the receipt of tender form and also a chronological record of the issue of tender forms indicating the name of the persons to whom tender forms are issued, the number of forms issued and the amount received.
- (11) The Register of Tender Forms is treated as a subsidiary cash book, its pages are machine-numbered and the daily cash collection is entered in the main cash book at least as a lump sum.

C – Tenders

- (12) The offers are opened on the due date and time and numbered with dated initials by the officer opening them e.g. seven offers received against an enquiry are to be numbered as 1/7, 2/7 3/7 4/7 5/7, 6/7, 7/7)
- (13) The officials opening the tenders and witnessing the opening of tenders have authenticated the tenders with dated initials.
- (14) All the corrections and over writings are marked in red ink and numbered serially and the number of such corrections and over writings are mentioned clearly at the end of each page and properly attested with the date.
- (15) Whenever escalation in price is involved the basic rates adopted for tendering and the formula to be applied for computing escalation have been given in the tender itself.

D – Comparative Statement of Tenders

- (16) The comparative statement reflects all the tenders. Delayed' and 'Late' tenders are marked conspicuously on the comparative statement of tenders to draw pointed attention to the status of these tenders.
- (17) The rates quoted and other important items such as sales tax , excise duty, packing and forwarding charges, freight charges, agency commission, delivery schedule, mode of despatch etc., as stipulated in the quotations are correctly recorded in the comparative statement.
- (18) Discount offered, escalation in price on account of labour, material, freight, exchange rate etc., and the ceiling, if any, fixed for such escalation in price are reflected in the comparative statement.
- (19) Comparable rate of each tender has been worked out taking into account different variances on account of freight, customs duty etc., quoted by the tenderers so that comparison of the offers is made on equitable basis. The

lowest tenderer has not indirectly derived an advantage over the other tenderers by insertion of special conditions which have the effect of raising the rates quoted by him.

E – Purchase Contract

- (20) The President has been made a party to the contract and the words ‘for and on behalf of the President of India’ follow the designation appended below the signature of the officer authorised in this behalf. (Article 299 of the Constitution).
- (21) The lowest offer has been accepted , if not adequate reasons are given for the rejection of the lowest and other lower offers.
- (22) Approval of Stores & Equipment Committee/ Purchase Committee or other Technical Advisory Committee has been obtained for the purchase wherever necessary as contemplated in the purchase procedure.
- (23) The name of the supplier as given in the purchase contract tallies with that of the accepted tender.
- (24) The quantity in the purchase order tallies with that of the indent.
- (25) The description of the item tallies with that of the quotation as accepted by the Indenter.
- (26) The terms of the offer and other relevant conditions relating to sales tax, excise duty, customs duty, freight agency commission, place and date of delivery, escalation clause, terms of payment, paying authority, discount offered etc., have been correctly and clearly stipulated in the purchase order.
- (27) whenever higher quotation has been accepted in preference to a lower offer specifically on account of favourable delivery period, whether the condition regarding risk purchase/penalty has been categorically mentioned in the purchase order.
- (28) In the case of foreign supplies where the Department is obliged to provide licence , particulars of import licence have been indicated in the order and the F.E. provision is adequate to cover the c.i.f. value of the order.
- (29) Approval of the competent authority has been obtained for admitting price preference, if any.
- (30) In the case of ‘Repeat Orders ‘, it has been ensured that the original purchase order was placed on the basis of lowest acceptable offer and not on delivery preference ; there is no downward trend in the market for the item in question, the time gap does not exceed 6 months reckoned from the date of issue of the original order and the quantity does not exceed 100% of the original order or Rs.2.00 lakhs , whichever is less . Further, efforts are made to obtain a suitable rebate for the increase in quantity.
- (31) An item available under D.G.S. & D. Rate Contract / Running Contract is purchased by placing a ‘Supply Order’ or in the alternate purchase order is placed on the Rate Contract Holder at the rate stipulated in the Rate Contract/ Running Contract.
- (32) Provision has been made in the contract for safeguarding Government property entrusted to a contractor and for recovery of the hire charges thereof.
- (33) Where escalation in respect of raw material, labour, overheads customs duties, freight etc. is provided for in a contract, the basis for the calculation of the

same is also clearly indicated.

- (34) Approval of competent authority has been obtained for the purchase contract.
- (35) Purchase orders have not been split up so as to avoid the necessity of obtaining the sanction of higher authority required with reference to the total amount of the orders.
- (36) In respect of the departmental issue of material proper account is rendered and wastage beyond the permissible limit is charged to the account of the contractor.
- (37) The terms and conditions of the contract are generally in line with provisions contained in chapter 6 of GFR 'Procurement of goods and Services'.

F – Amendment to Purchase Contract

- (38) The terms of the contract once entered into are not materially varied without the previous consent of the authority competent to enter into the contract.
- (39) The amendment for extension of delivery period is issued:
 - (a) without prejudice to the rights available to the purchaser under the existing contract;
 - (b) providing for recovery of liquidated damages or penalty, if not waived by competent authority;
 - (c) with clear stipulation that any enhancement in price on account of increase in the cost of raw material, wages, overheads, freight or any other cause or causes occurring during the extended period of delivery is to be met entirely by the seller, and
 - (d) for meeting any increase in the quantum of sales tax, excise duty customs duty etc., during the extended period entirely by the seller.
- (40) The amendment has been issued by an authority not lower than the one who concluded the contract.
- (41) The status of the accepted offer has not been altered after the revision of the offer vis-a-vis other offers

5.2.5 Suppliers' Invoice : The invoice of suppliers shall be checked to see the following:

- (1) No bill is admitted without the support of the original Central Stores Receipt Voucher duly signed by the Stores Officer and the Indenting Officer.
- (2) The particulars given in the bill such as name of the supplier, description of the item, quantity, rate, sales tax, excise duty, discount offered etc. tallies with the Purchase Order/Central Stores Receipt Voucher .
- (3) In case of rejection/non-supply of any item, appropriate reduction has been made from the claim.
- (4) Recoveries if any , intimated by the Stores Officer on account of freight, demurrage, wharfage etc. have been effected from the bill.
- (5) Liquidated damages/penalty, if any, levied are recovered from the bill .
- (6) Incidental charges at actuals, excise duty etc . claimed in the bill are supported by documentary evidence .
- (7) Advance, if any, paid to the supplier is fully adjusted in the bill.

- (8) Agency commission payable to the Indian agents in respect of foreign supplies are paid directly to the agents in Indian rupees
- (9) In case of a bill for escalation in price:
 - (a) the claim is supported by documentary evidence.
 - (b) the claim admitted does not exceed the ceiling, if any, prescribed in the contract.
 - (c) the initial segment of escalation in price , if any, to be absorbed by the seller as provided in the contract is excluded from the claim presented by the suppliers.
- (10) Any contraction in the c.i.f. value due to reduction of shipping freight, price etc., occurring subsequently is taken note of for claiming corresponding refund in the customs duty.
- (11) Invoice for purchase of equipment/furniture & fixture bears a certificate by the competent authority regarding entry of the item in the Equipment Register/ Furniture and Fixture Register, indicating the Equipment No./ Furniture & Fixture No., allotted for the item.
- (12) Receipt for any payment exceeding Rs.5000 is stamped unless it is exempt from stamp duty. Where payment is acknowledged in advance and the actual payment is made subsequently, separate acknowledgement of payee is obtained at the time of payment which however, need not be stamped if the acknowledgement made in advance is already stamped.
- (13) Claims for loss in transit, if any, are lodged in time with the Carriers and recoveries effected.
- (14) Record of payment is noted on the Accounts copy of the purchase order and all the paid vouchers, sub-vouchers and supporting documents such as CSRV, test certificate etc., are stamped 'PAID' or so cancelled that they cannot be used a second time and stamps affixed to vouchers are also cancelled.

5.2.6 Advances paid to Suppliers:

Register of advances shall be examined to see the following:

- (1) All payments for purchases made against document received through bank and other advance payments to suppliers are noted in the Register in chronological order.
- (2) The advances are promptly adjusted on the basis of Central Stores Receipt Voucher in the Account's copy of the purchase order and suppliers' original invoice.
- (3) Balance amount, if any, due from the suppliers consequent upon the adjustment of advance is noted in the recovery register and prompt action taken for recovery of the same from the supplier.
- (4) Challan particulars of the recovery credited to Government are noted in the recovery register and the amounts are traced in the receipt entries in the Cash Book.
- (5) In case of recovery by adjustment in any pending invoice, the particulars thereof are noted in the recovery register and also against bills wanting final settlement after recovery.
- (6) Periodical review of the advance register and recovery register is carried out by the Accounts Officer to ensure that items do not remain outstanding unduly

for a long period.

5.2.7 Sign Draft / L.C Register:

The Sight Draft Register/L C register shall be checked to see that:

- (1) The rupee value of the invoice in foreign currency is correctly worked out.
- (2) There is no undue delay in the remittance of the amount by the bank.
- (3) The rupee value finally, computed on the basis of the exchange rate prevailing on the date of remittance foreign supplier is correct.
- (4) The differential amount representing excess rupee collection is refunded by the bank promptly and the amount is credited to Government account immediately on receipt.
- (5) Every entry in the Sight Draft Register/L.C. Register is adjusted on the basis of the final remittance advice received from the bank.

5.3 Stores

5.3.1 The broad functions of various Stores Units under the Directorate of Purchase & Stores and the 'Stores Procedure' to be adopted are as prescribed by the Department from time to time.

5.3.2 The audit of expenditure of money spent on the purchase of stores cannot itself be a complete audit of final application of-the money without the audit of disposal of stores. The audit of stores accounts shall, therefore, be directed to ascertaining that the departmental regulations governing purchase, receipt issue, custody, condemnation, sale and stock-taking of stores are well devised and properly carried into effect and to bring to the notice any important deficiencies in quantities of stores held or any grave defects in the system of control.

5.3.3 Keeping the above objectives in view , the stores records shall be scrutinized to see that:

(A) Stores Records

- i) Stock cards are maintained for all items and not more than one stock card is maintained for one item. Separate stock cards are maintained for surplus material returned to Stores , retrieved components , scrap materials and returnable empties.
- ii) An Index Register of all stock cards is maintained by the Stock Control Section of the Stores Unit.
- iii) Every deletion of entry in the Index Register is attested by a responsible officer.
- iv) Bin cards are maintained in prescribed form for all items held in stock by the Stock Groups and each bin card is placed along with the material in the allotted bin. For the 'yard material' also bin cards are maintained but the same are kept by the stock holder at the place of work.
- v) Stock cards are maintained independent of the bin cards and the stock cards are under the control of the officer-in-charge of the stores.
- vi) Group-wise Location Index Register is maintained by the Stock Groups.
- vii) Capital Equipment Register and Furniture and fixture Registers are maintained Division-wise in the prescribed form to keep record of inventory of all

equipment and furniture and fixture.

- viii) An Inward Loan Register is maintained to watch return of the item received by the Department on loan basis.
- ix) All issues on loan basis are entered in the Outward Loan Register and half yearly review of the Register is conducted to watch the return of the items.

(B) Receipts

- i) All receipts are entered in the Goods Receipt Register maintained in the prescribed form.
- ii) The Central Stores Receipt Voucher (CSR V) is raised for each supply.
- iii) The receipt vouchers are controlled in Receipt Voucher Control Register in Form No.DPS /ST/11
- iv) The description of the material , quantity and specifications shown in the CSR V tallies with the relevant purchase order.
- v) Excess quantity accepted without a formal amendment of the purchase order does not exceed a maximum of 5% over the total quantity y or Rs.1000 over the total price of the item whichever is lower in terms of cost. Any excess supplies other than the above may be accepted only after issue of amendment to the order.
- vi) On final acceptance , each item of Capital/Furniture and Fixture is allotted a serial number from the Capital Equipment/Furniture Register maintained in the prescribed form and the same number is painted at two prominent places on the respective item.
- vii) The equipment number/furniture and fixture allotted to the equipment/ furniture and fixture is recorded in the CSR V conspicuously.’
- viii) The Functional Test Report in the prescribed form is obtained for an item of capital nature requiring functional tests.
- ix) Any item of capital equipment/furniture and fixture fabricated in the Division/ Unit and issued to indenting Division is also brought on record by allotting a equipment number/furniture and fixture number.
- x) All items received on loan basis by the Department is treated as receipts and all receipt formalities are followed.
- xi) All items of equipment received under aid have been properly numbered and taken on Equipment Register indicating also the value of each item.

(C) Issues

- i) Issue of store is made only against ‘Requisition – cum- Issue Voucher (RCIV) in Form No. DPS/ ST/19 duly signed by a person authorised for drawal of Stores by the Head of the Division.
- ii) A list of persons authorised for drawal of stores together with their specimen signatures is maintained in the stores.
- iii) The postings of receipts and issues are made in the stock cards and the bin cards and balances are also struck as and when a transaction occurs.
- iv) The reconciliation of the balances of stock card and bin card is effected every month or at such intervals as prescribed in the stores procedure.
- v) All items issued on loan to other Units/Projects/outside organisations are

treated as issue of material and accordingly all the required procedure is adopted.

(D) Verification

- i) Periodical physical verification of stores is conducted by an independent authority and such verification is conducted in a manner so as to bring to light cases of irregular and unnecessary purchase of stores, slow-moving, non-moving items, shortage and surpluses and other irregularities.
- ii) The system of verification adopted by the physical verification party is adequate and proper and the discrepancies found on stock verification are properly investigated and regularised.
- iii) Verification of precious metals/metal wares such as platinum, gold, silver is conducted twice in a year, once by the regular Stock Verification Officer and the other by an independent officer nominated by the Director, DPS and the report thereof does not disclose any shortage.
- iv) Verification of precious metal wares is also carried out whenever the stock holding officer proceeds on earned leave, transfer or on retirement. The procedure drawn by B.A.R.C. for verification of these items has been reproduced in Annexure XV & XV-A The Units/Autonomous bodies can adopt the procedure / draw procedure on the same lines to ensure proper accounting of these materials.

(E) Return and safe custody of Stores & Equipments

- i) Surplus, obsolete items, non - moving etc. are returned to the stores unit under credit voucher in Form No.DPS /ST/16 and all these items are taken in charge by the stores Unit on Disposal Stock Cards in Form No.DPS /ST/14.
- ii) A copy of the credit voucher pertaining to the item returned is endorsed to the concerned Accounts Officer for accounts adjustment wherever necessary.
- iii) Components retrieved from unserviceable equipments on the basis of the recommendation of Salvage Board are brought on charge by the stores in the relevant stock cards.
- iv) Division-wise Register in Form No.DPS/ST/ 18 is maintained for all items handed over to the Stores Unit under Material Despatch Note in the Form No.DPS/ST/17 for safe custody.
- v) Annual inspection of the safe custody item is carried out to ensure that the contents of the package handed over do not deteriorate in storage.

(F) Disposal

- i) Whenever stores are declared surplus by a Unit, a list of the same is circulated to other Units / Projects and to other Semi-Government Departments/Public Sector Undertaking through DGS&D, New Delhi to absorb them elsewhere before considering them for final disposal.
- ii) Measures are taken to survey, segregate in order to consider disposal of unserviceable, surplus and obsolete stores in accordance with the prescribed procedure.
- iii) Before scrapping and removal of a capital item to the scrap yard recommendation of the constituted Salvage Board has been obtained.
- iv) The disposal of the 'final surplus stores' is made either through DGS&D or by open tender as prescribed.

- v) The final surpluses are not disposed of below the 'reserve price' fixed by the Survey Committee .
- vi) Final surpluses are actually delivered to a private agency on the basis of tender etc. only in the presence of responsible officers of the stores unit and the security services.
- vii) The disposal of the scrap item is done by inviting sale tenders.
- viii) The rate accepted for disposal is the highest tendered and if the higher offers are rejected reasons therefore are recorded in the sale tender file.
- ix) The sale tender accounts prepared by the stores unit are correct and the same have been scrutinised by the accounts unit.

(G) General

- i) The accuracy of the weigh-bridges and other weighing machines is periodically tested by a responsible official and a record is maintained of such tests.
- ii) The average annual consumption and the normal balances are suitably related to each other and the balances on hand do not exceed the maximum limit prescribed by the competent authority.
- iii) Deficiency/loss of stores is written off with the approval of competent authority after full investigation.
- iv) Transfer of charge is made supported by certificate of handing over and taking over in Form DPS/ ST/29.
- v) The closing balance of previous years has not been tampered with and has been correctly carried over to the current year.
- vi) Full particulars of all stock articles are entered in the stock registers as are sufficient to identify the articles, and articles of similar description, such as tables, chairs, carpets, etc., are put into separate categories each category comprising articles of the same measurement, make and manufactured with the same metal or wood or other material.
- vii) Losses are not written off piecemeal to avoid sanction of the higher authority.
- viii) Proper records for stores declared surplus, obsolete or unserviceable are maintained in GFR 17 and the sale account in GFR 18.

5.4 Production Units

- 5.4.1 Some of the constituent units of the Department are industrial units, set up for the production of electricity or Heavy Water or Nuclear Fuel or stainless steel tubes etc. The records of an industrial unit shall be checked to see that:
- 1) The capacity utilization of the facility is at the optimum level.
 - 2) Where idle capacity or idle machinery exists action has been initiated to improve capacity utilization.
 - 3) The existing production plan takes into account the demand for the product.
 - 4) There is no piling up of finished stock.
 - 5) Where there is continuous production a system of costing exists;
 - a) Whether standard cost is available and if so how the actual cost compares with the standard cost? and in case of wide variation ,variance analysis is prepared for appropriate corrective measures.

- b) If there is no standard cost, how does the actual cost compare with the cost estimated in the project report.
- c) Whether periodical review of costing done and recoveries enforced at those rates.
- 6) In the case of job order production:
 - a) Is there a system of preparation of estimates for each job and if so, how the actuals compare with the estimates.
 - b) What is the method of labour booking and whether the booking is reconciled with actual attendance time.
- 7) The labour hour rate and the machine hour rate adopted for computation of cost are correctly worked out.
- 8) Bill of material is prepared for job order production before drawal of materials from the stores and if not what is the system of control on material drawn for production?
- 9) There is control over stocking of materials and stores and periodical review of inventory is carried out to isolate slow moving and non-moving items for disposal.
- 10) There is an efficient method of overhead distribution to the processes/jobs and if a pre-determined rate is applied whether a periodical comparison of the actual overheads with the pre-determined estimated overheads is carried out to rectify any anomaly in the absorption of overheads.
- 11) The output is commensurate vis-a-vis the quantum of raw material used and if there is abnormal wastage reasons therefor are identified for corrective measures.
- 12) There is periodical and timely preparation of Profit & Loss Account to show the results of operation.
- 13) The pricing is remunerative and based on actual cost.
- 14) The production cost figures are reconciled with financial accounts.
- 15) Invoices are raised promptly for all supplies.
- 16) Credit system if any exists has the approval of competent authority.
- 17) The realisations against the credit sales are prompt and in case of delay in payment interest is recovered.
- 18) Excise duty/sales tax transportation and other incidental charges, if any, are correctly levied and paid.
- 19) Exemptions/concessions if any in respect of excise duty/sales tax are availed of within the stipulated period.

PENSION AND PROVIDENT FUND

6.1. General :

- 6.1.1 The Rules relating to pension were originally incorporated in the Civil Service Regulations commonly known as C.S.Rs. Subsequently, the Government of India introduced the Liberalised Pension Rules with effect from April 17, 1950 which inter alia provided payment of a lump sum in the shape of Death-cum-Retirement Gratuity in addition to pension and family pension. In 1972, Government of India codified the pension rules replacing the old provisions contained in the Civil Service Regulations and the Liberalised Pension Rules and these rules are called Central Civil Services (Pension) Rules 1972. The C.C.S.(Pension) Rules are applicable to the employees of the Department of Atomic Energy, borne on pensionable establishment.
- 6.1.2 There is a Special provision for scientific and technical employees of DAE. On initial appointment they are covered under the Contributory Provident Fund Scheme. However, such of the employees of the Commission who were already holding pensionary posts were only admitted to the Pension Scheme.
- 6.1.3 Cases of those already in service on 01.08.1992, were regulated vide MOF OM No. 4/1/87-PIC/1 and 4/1/87-P& PW dated 1.5.87 and 12.10.92 (Refer Annexure XVI & XVI-A) in the following manner:-
- (i) Those who have completed 20 years qualifying service on 1st August 1992 and are still on CPF Scheme, will exercise the option within six months of the issue of these orders. The option once exercised shall be final. Those who do not exercise any option will be deemed to have retained the CPF Scheme.
 - (ii) The cases of those who have not completed 20 years qualifying service on 1st August, 1992 and are still under CPF Scheme on that date, will be regulated as for fresh entrants in terms of provisions of (A) above provided that the case of those who will be completing 20 years qualifying service within six months of the issue of these orders, the option may be exercised within the said period of six months.
 - (iii) Such of the Scientific and Technical Personnel as have already opted for pension Scheme under the instructions in force before issue of these orders shall continue to remain under the Pension Scheme. They will not have any further option to re-opt in favour of the CPF Scheme.
- 6.1.4. O.M.No. 4/1/87-P & PW (PIC-II) dated 23rd July 1996 (Refer Annexure XVI-B), enunciates that the scientific and technical personnel who joined the service on or after 1-8-1992 had an option to be exercised any time but not later than completion of 20 years' qualifying service to switch over from CPF to pension scheme or to remain in CPF scheme as they may wish. Those who do not exercise any option within the specified period are deemed to have opted for switch over to pension scheme.
- The option once exercised is to be treated as final. Thus no change over from pension scheme to CPF scheme is permitted.
- 6.1.7 Out of the categories of scientific and technical posts in DAE all grades in SO/SB and above are treated as scientific and the rest technical.

6.2 Pension

6.2.1 The audit should exercise the following checks while examining the Pension cases:

1. Pension cases finalised during the month selected for detailed audit should be fully checked with a view to ensure that pension, commutation value, as well as D.G/R.G. had been correctly authorised and there was no undue delay in finalising the pension case in Pay and Accounts Office.
2. Whether as required under Rule 56 of Pension Rules, a list of persons who are due to retire within the next 24 - 30 months has been received in Pay and Accounts Office.
3. That a separate diary is being maintained for Pension and Commutation cases.
4. Provisional payment register is maintained in a 'proper manner and that the amount paid as provisional pension has been shown adjusted while issuing final pension payment order.
5. That the authority has been sent after affixing special seal.
6. It must be ensured that proper records are being maintained in respect of those who are paid pension from Pay and Accounts Office, so that a pensioner may not claim his pension twice for any month.
7. It must be seen that Government instructions to ensure timely processing the finalisation of pension cases as specified in Chapter VIII of C.C.S Pension Rules are scrupulously observed both by the HOO and PAO and the PPOs are issued in advance of the date of retirement.
8. That the date of birth and the date of confirmation in a service or post is properly recorded in the service book.
9. **That the emoluments taken for the purpose of pensions and gratuities are in accordance with rule 33 of the CCS (Pension) rules 1972 and other relevant orders issued by the Government from time to time. In terms of GOI orders, consequent to the acceptance of VI CPC recommendations, Basic pay would mean the pay drawn in the pay band plus the grade pay but the same would not include other types of pay like special pay etc. In the case of all kinds of gratuities DA admissible on the day of retirement /death would continue to be treated as emoluments along with the Pay + Grade pay as aforesaid in the revised pay structure.**
10. That the annual certificates of verification of service with reference to pay bills are regularly recorded in the service book and are continuous.
11. That the entry has been made in the service book regarding counting the period of extraordinary leave where applicable as qualifying for pension.
12. That an entry is made in the service book if the pre-break service would qualify or amount to forfeiture of past service.
13. That entry is made in the service book regarding recovery of leave and pension contributions for foreign service, if any, specifying the period.

A - Pension claim

1. The pension claim has been preferred in the prescribed form.

2. The particulars of the Government servant such as name, date of birth, date of first appointment to Government service, date of confirmation etc., recorded in the pension application are correct with reference to the relevant entries in the service book of the Government servant.
3. The pension application has been signed by the appropriate authority.
4. The total qualifying service as recorded in the pension claim is correct.
5. The date of retirement/death shown in the pension claim is correct.
6. The class of pension proposed in the pension claim is correct.
7. No demand certificate duly signed by the Head of Office is available with the pension claim.
8. Nomination of Death/Retirement Gratuity is available.
9. The family particulars for drawal of family pension have been correctly shown.
10. The remarks of the Head of Office on the pension claim regarding non-qualifying service, if any, good conduct etc. is complete in all respects.
11. The following documents are enclosed to the pension claim;
 - a) Two copies of specimen signature of the pensioner duly attested by a gazetted officer,
 - b) Three copies of passport size joint photographs of the Government Servant with his wife/husband duly attested,
 - c) Two slips showing the particulars of height and personal identification marks duly attested,
 - d) An application for drawal of pension through Public Sector Bank, wherever necessary,
 - e) Details of family,
 - f) Nomination of Death/Retirement Gratuity,
 - g) Application of pension,
 - h) Form for assessing pension and gratuity,
 - i) Service book together with leave account of the individual.

- Eligibility

12. The Government servant who retires on superannuation or invalidation after rendering not less than 10 years of service or retire voluntarily after 20 years continuous service.
13. The service is reckoned from the date of entry or date of completion of 18 years of age whichever is later
14. Non-qualifying service, if any, has been excluded for computing the period of qualifying service and any breaks in service have been condoned.
15. The Government servant was not under suspension for any period and if he was under suspension for any period, necessary orders exist for counting of such period for pension.
16. The age of superannuation is 60 years.

17. There is no judicial enquiry or departmental proceeding pending against the Govt. servant.
18. In case of re-employed military pensioner:
 - a) The official has opted to count his past military service towards civil pension within the prescribed time limit of three months of the date of issue of confirmation order.
 - b) Certificate of stoppage of military pension has been obtained from the Treasury Officer concerned and action taken to ascertain and recover the amount of pensionary benefits received by him for that period before counting that service for civil pension .
 - c) The boy service has been excluded from military service.
 - d) If opted to draw military pension etc., separately,
 - i) Has he opted for the family pension 1964 within the prescribed time limit ?
 - ii) Whether PPO No. and the Treasury/Pension Pay Master from which military pension is drawn is indicated.
 - e) A copy of the certificate of verification of military service in the prescribed form is available.

B – Absorption in Public Sector Undertakings

19. In case of absorption in Public Sector Undertakings etc:
 - a) Orders of DAE incorporating the approval of Ministry of Finance is available
 - b) No lien/quasi permanent status of the Government servant is retained.
 - c) If officiated in a higher post, necessary certificate that but for foreign service, he would have continued to officiate in that post has been given
 - d) In case of permanent absorption in Public Sector Undertakings, the instructions contained in the orders issued by Bureau of Public Enterprise, (Appendix 11 A of Pension compilation) as amended from time to time have been followed.

C - Voluntary Retirement

20. In the case of pension claim under voluntary retirement:
 - a) The Government servant is governed by the pension scheme
 - b) The Government servant has put in not less than 20 years of qualifying service.
 - c) The Government servant has given a notice of voluntary retirement of 3 months in advance of his retirement in writing and the same has been accepted by the appointing authority. Notice can be withdrawn with the permission of the appointing authority if the request is made within the intended date of retirement.
 - d) Even if the notice period is curtailed by the appointing authority, the commutation of pension is applied for only after the expiry of normal notice period of three months.
 - e) The pension is calculated @ 50% of the average emoluments or last pay drawn, whichever is more beneficial to the retiring Government official and the quantum of pension shall get raised as per the following table

On attaining age of	Additional quantum of pension
80 years	20% of basic pension
85 years	30% of basic pension
90 years	40% of basic pension
95 years	50% of basic pension
100 years	100% of basic pension

D - Miscellaneous

21. The emoluments for the purpose of pension have been reckoned as defined in Rule 33 of CCS (Pension) Rules, 1972 and pay drawn by a Government servant while on foreign service is not treated as emoluments, but the pay which he would have drawn under Government had he not been on foreign service alone is treated as emoluments.
22. The undrawn increment which falls during the first 120 days of earned leave is notionally allowed as part of emoluments.
23. Where a Govt. servant has been in service/died in the middle of a month, the earned leave credit has been given only up to the proceeding completed month.
24. The pension and gratuity have been worked out correctly in accordance with the Government orders prevailing at the time of retirement/death.
25. The pension and leave salary contribution for the period of foreign service, if any, have been recovered.

E – Noting in the Service Book

26. The service book contains certificate regarding verification of entire service with reference to pay bills/acquittance rolls etc.
27. Option/deemed option for pensionary benefits of the Government servant and option to count military service have been noted.
28. Approval of the competent authority to count military service towards civil pension has been recorded.
29. Entry has been made regarding the period of foreign service quoting authority as also the receipt of pension/ L.S. contribution.
30. Leave account has been completed.
31. First page of the service book showing name and date of birth has been completed.
32. A note of quitting the service/the date of death is recorded.
33. Where EOL has been taken, whether it is on M.C. or without M.C. and whether it would count as qualifying service for pension is recorded.
34. Where there is a period of suspension, whether it would count as qualifying service for pension is indicated.

F – Family Pension

35. The family pension is payable to the family of Government Servant on his

death in service after completing one year of continuous service or before completion of one year of service where immediately prior to the service or post he was examined by the appropriate medical authority and declared fit for the service or post or after retirement on monthly pension. In the case of family pension claim, where enhanced family pension has been sanctioned, the following requirements are to be ensured:

- a) The Government servant has rendered not less than 7 years of continuous Government service.
- b) In case of death of a Government servant while in service the enhanced family pension is sanctioned for a period of 10 years from the date of his death without any upper age limit.
- c) Similarly in case of death of a pensioner the enhanced family pension has been sanctioned only for period of seven years from the date following the date of death of Government servant/pensioner or till he/she would have attained the age of 67 years had he/she been alive, whichever is earlier.
- d) In the case of death while in service the enhanced family pension is not more than fifty per cent (50%) of the pay last drawn by the Government servant or twice the family pension admissible in terms of sub rule 2 of rule 54 of CCS Pension Rules, whichever is less.
- e) In the case of death after retirement, twice the amount of normal rate of family pension or 50% of pay drawn at the time of retirement or the amount of pension authorized on retirement, whichever is the least.
- f) In case the pension authorized on retirement is less than the amount of family pension admissible, no enhancement is allowed (when death occurs after retirement).

6.3 Commutation of Pension

The commutation of pension claim shall be scrutinized to ensure that:

1. The application for the commutation of pension has been preferred in the prescribed form.
2. The application has been received by the Head of Office within one year from the date of retirement, for commutation of pension without medical examination.
3. The Government servant has been sanctioned a commuted value of pension as per fraction of pension desired in his application (subject to a maximum of 40% thereof).
4. The amount of commuted value of pension has been worked out correctly as per the Commutation Table.
5. If the portion of pension to be commuted results in fraction of a rupee, such fraction of a rupee has been ignored for the purpose of commutation.
6. The commutation of pension has been sanctioned without medical examination only in the following cases:
 - a) A superannuation pension under Rule 35 of the Pension Rules
 - or
 - b) A retiring pension under Rule 36 of the Pension Rules

or

- c) A pension on absorption in or under a Corporation or a Company or Body in terms of Rule 37 of the pension rules and who elects to receive monthly Pension and Retirement Gratuity.

or

- d) A compensation pension on abolition of permanent post under Rule 39 of the Pension Rules.

or

- e) A pension in whole or in part after finalization of the departmental or judicial proceedings referred to in Rule 9 of the Pension Rules and issue of final orders thereon.
- 7. In the case of a person who gets absorbed in or under Corporation or Company or under a body wholly or substantially owned by the Government or controlled or financed by the Government and where an order retiring him from Government service had been issued from a retrospective date the period of one year for sanction of commutation of pension without medical examination has been reckoned from the date of issue of retirement orders.
 - 8. In cases where pension is authorized on the finalization of the departmental or judicial proceedings the period of one year has been reckoned from the date of issue of orders.
 - 9. Only with medical examination the commutation of pension has been sanctioned in the following cases:
 - a) Retires on invalid pension under Rule 38 of the Pension Rules.
 - b) Is compulsorily retired from service as penalty and is granted pension under Rule 40 of the Pension Rules.
 - c) Is in receipt of compassionate allowance under Rule 41 of the Pension Rules
 - d) Is eligible for commutation of his pension without medical examination but whose application is not received by the Head of Office within one year of his retirement.

6.4 Pension payment by Pay and Accounts Offices

6.4.1 The Pay and Accounts Officer is required to maintain and keep in his personal custody:-

- (i) The file of Pay and Accounts Officer's halves of PPOs.
- (ii) The file containing both halves of Pension Payment Orders where pensions are payable by money orders.

6.4.2 The above records should be examined to ensure that:-

- (i) The files of PPOs are properly maintained and kept up to-date in the custody of Pay and Accounts Officer.
- (ii) Every payment made is recorded on the reverse of PPOs over the initials of Pay & Accounts Officer.
- (iii) PPOs are in good condition and those completely filled up are promptly renewed.

- (iv) On receipt of an intimation about the death of a pensioner prompt action is taken to record the fact in the P.P.O. and on the back of the Pay and Accounts Officer's half of the P.P.O.
- (v) In case the pensioner is exempted from personal appearance the fact of such exemption is noted in his P.P.O.
- (vi) Pension in arrears have not been paid without the necessary sanction.
- (vii) In all cases of non-appearance of a male pensioner a note of the form in which proof of the continued existence was given within each year is made on the P.P.O. over the initials.
- (viii) All entries in the Register of Pension Payment Orders are initiated by the Pay and Accounts Officer (in the column 'Name of Pensioner') in token of their correctness and that a red ink line is drawn across the page below each entry.
- (ix) When an order of payment is permanently struck off the payment list on account of death or transfer of a pensioner, the date and reason of return of the payment order to pay and accounts office are entered in the Remarks column of the register in red ink under Pay and Accounts Officer's initials.
- (x) The renewed PPO bears the old number, date and facsimile of signature of the pensioner and a note of their issue exists in the "Remarks" column of the register, and
- (xi) The Internal Audit team will also take an extract from the Register of PPOs maintained in the Principal Accounts Office in respect of PPOs routed through it as well as those sent directly by the P&AO (vide para 7.1.4 of CAM). A test check of these as well as those where pension is being paid should be conducted with reference to the Pension Papers received from the concerned Head of Office.

6.4(A) New Pension Scheme from 1.1.2004

INTRODUCTION

- (i) The scheme would be mandatory for all new recruits to the central Government service from 1st of January 2004 (except the armed forces in the first stage). The monthly contribution would be 10 percent of the salary and DA to be paid by the employee and matched by the Central Government. The contributions and investment returns would be deposited in a non-withdrawable pension tier-I account. The existing provisions of defined benefit pension and GPF would not be available to the new recruits in the central Government service.
- (ii) In addition to the above pension account, each individual may also have a voluntary tier-II withdrawable account at his option. Government will make no contribution into this account. These assets would be managed through exactly the above procedures. However, the employee would be free to withdraw part or all of the 'second tier' of his money anytime. This withdrawable account does not constitute pension investment, and would attract no special tax treatment.
- (iii) Individuals can normally exit at or after age 60 years for tier –I of the pension system. At exit the individual would be mandatorily required to invest 40 percent of pension wealth to purchase an annuity (from an IRDA-regulated life insurance company). The annuity should provide for pension for the lifetime of the employee and his dependent parents and his spouse at the time

of retirement. The individual would receive a lump-sum of the remaining pension wealth, which he would be free to utilise in any manner. Individuals would have the flexibility to leave the pension system prior to age 60. However, in this case, the mandatory annuitisation would be 80% of the pension wealth.

While verifying the records Internal Inspection Wing would ensure that:

1. All the new entrants w.e.f 1.1.2004 are governed by the New Pension Scheme (NPS)
2. Contributions payable by the Government servants towards the scheme under Tier-I i.e., 10% of the (Basic Pay plus DA), is recovered from the salary bills every month.
3. The scheme of voluntary contributions under Tier-II is made operative as and when Government orders are issued to the effect.
4. Recoveries towards Tier-I contributions are made from the salary of the month following the month in which the Government servant has joined service. Therefore, no recovery is effected for the month of joining. For example, for employees joining service in the month of January,2004, deductions towards Tier-I contribution will start from the salary bill of February'2004. No deduction will be made for his salary earned in January'2004. Similarly deductions for those joining service in the month of February'2004 will start from the salary bill of March'2004 and so on.
5. No deduction is made towards CPF/GPF contributions from the Government servants joining the service on or after 1.1.2004 as CPF/GPF scheme is not applicable to them.
6. Immediately on joining Government service the Government servant's particulars such as his name, designation, scale of pay, date of birth, nominee(s) for the fund, relationship of the nominee etc., are taken and furnished to the P&AO in the prescribed format.
7. A unique 16 digit permanent pension account number (PPAN) with the first 4 digits representing the calendar year of joining Government service, the next digit representing whether it is a civil or a non-civil Ministry (for all civil Ministries this digit will be "1"), the next 6 digits representing the PAO code and the last 5 digits representing the running serial number of the individual Government servant is allotted by the PAO concerned.
8. The Pay & Accounts Officer maintains an Index Register for the purpose of allotment of PPAN to new entrants to Government service.
9. The employee's contributions under Tier-I and Tier-II and Government's contributions are posted in different columns of the individual ledger account and Broadsheet and tallied with the Account's figures as being done in the case of CPF/GPF.
10. These accounts are not mixed with CPF/GPF accounts and these records/ ledger accounts are independent of CPF/GPF accounts maintained in the case of pre 1.1.2004 entrants.
11. Whenever any Government servant is transferred from one office to another either within the same accounting circle or to another accounting circle, balances are not transferred by the PAO to the other Accounts office. However, the DDO would clearly indicate in the LPC of the individual the unique account number, the month up to which Government servant's

contribution and Government's contribution have been transferred to the pension fund.

12. No withdrawal of any amount will be allowed during the interim arrangement. Provisions regarding terminal payments in the event of untimely death of an employee or in the event of his leaving Government service during the interim period shall be regulated in accordance with the procedure to be notified in due course.

Sequel to the appointment of National Securities Depository Limited as the Central Record Keeping Agency and Fund Managers, instructions were issued by the Ministry of Finance to transfer the accumulated balances under the DCPS as on 31.3.08 and also the monthly contributions w.e.f 1.4.08 onwards along with the subsidiary data to the Trustee Bank. Instructions to this effect were issued to P&A.O/CDDOs vide O.M No.1(7)/2003/TA/Part file/177, dtd.23.6.08 and O.M No.1(7)/2003/TA/Pt. file/238-251, dtd.24.7.08.

Further vide OM No. No.1(7)/2003/TA/Part file/279, dtd.2.9.08 of Ministry of Finance the following guidelines were issued to streamline the procedure of remittances to the Trustee Bank:

- a) Procedure for allotment of PPAN to the new entrants after 1.4.08
DDOs continue to obtain the particulars (demographic information) of government servants (joining service under the Government of India) such as his name, designation, date of birth, father's name, address etc., from the new entrants and furnish the same to PAO. Till the detailed procedure for registering a new entrant with NSDL and obtaining Permanent Retirement Account Number, the Pay & Accounts Officers would allot new Permanent Pension Account Number (PPAN) to the entrants. As regards the subscribers whose details were included in the legacy data pertaining to the transfer of balances on 31.3.08, NSDL will allot Permanent Retirement Account Number based on the legacy data send by PAOs to them.
- b) Registration of PAOs/CDDOs/DDOs with NSDL:
Detailed instructions with regard to registration of PAOs/CDDOs and DDOs have been furnished in the Annexure –IA and IB(not printed) to this OM. The registration of the Principal Accounts Office has been delinked from the other registrations.
- c) Preparation, Submission and passing of DCPS bills
The salary bills in respect of the government servant who are covered under the Defined Contributory Pension Scheme are prepared separately by DDOs as done now. The bills for drawing government contributions are submitted along with the salary bills. While the non-cheque drawing DDOs preferring bills to PAOs will continue to submit these bills to their Pay & Accounts Office, the Cheque Drawing DDOs will pass their own bills and bills preferred by their non-cheque Drawing DDOs to them (both the salary bills and bills for drawing Government contributions) and make payment at their end. The bills relating to New Pension Scheme in respect of the Government employees under CDDOs and the NCDDOs attached to the CDDOs will not be submitted to the Pay & Accounts Officers with effect from 1st July, 2008 as communicated vide O.M No.1(7)/2003/TA/Part file/177 , dtd.23.6.08.

While preparing the salary bill DDO will also prepare and attach a recovery schedule in the prescribed form for the contributions under Tier-I. The

Permanent Retirement Account Numbers (PRAN) allotted by NSDL will have to be mentioned therein. Till such time PRAN is allotted by NSDL, Permanent Pension Account Numbers (PPAN) allotted by PAOs may be used. Amount of NPS subscriptions (Employee's Contribution) recovered from the salary bills will be shown under the "recoveries" column of the salary bill.

d) Payment to Trustee bank

The salary bills and bills for Government contributions are passed by PAOs /CDDOs after exercising the cheques prescribed under CGA (R&P) Rules and Civil Accounts Manual. While the amounts payable towards salary will be paid to individuals the amounts of employee's contributions recovered from the bill will be initially classified under the Head "0071 – Contributions and Recoveries towards Pension and other Retirement Benefits-500-Receipts Awaiting Transfer to other Minor Heads" (RAT).

Government's contribution bills duly supported by schedules would be prepared by DDOs. The amount will be debited to the Head-"2071-Pension & Other Retirement Benefits-117 DCPS". After passing the bills by the PAO/CDDO these amounts will also be booked under the Head-"0071-Contributions and Recoveries towards Pension and Other Retirement Benefits-500-Receipts Awaiting Transfer to other Minor Heads" (RAT).

After the bills are passed, the PAO/CDDO will upload the data relating to contributions (both of Employees' and Government's Contributions) to NPSCAN and also tally the figures uploaded with that booked under the Head "RAT". After uploading is completed, PAO/CDDO will get transaction ID and draw the total amount by minus crediting the Head RAT mentioned above either by cheque in favour of the Trustee Bank or remit the amount through RTGS/NEFT.

PAO/CDDO will ensure the amount of contributions booked under RAT is duly tallied with the Subscribers Contributions File(SCF) being uploaded in the NPSCAN and the same amount is drawn in the cheque and passed on to the Trustee Bank. There should be no balance under the Head-"0071-Contributions and Recoveries towards Pension and other Retirement benefits-500-Receipts Awaiting transfer to other minor heads" at the end of each month.

It may be noted that the contributions will not be parked under the Head of Account "8342-Other Deposits-117-Defined Contributions Pension Scheme" even as temporary measure for making payments to the Trustee Bank.

In terms of the aforesaid instructions IIW would further ensure the compliance of the following requirements by DDO/PAO:

- 1. Registration of PAO/DDO and their NCDDOs with NSDL through submission of the prescribed forms.
- 2. Passing of DCPS bills in respect of the government employees covered under DCPS
- 3. Prompt remittance of contributions to the trustee bank preferably through RTGS/NEFT
- 4. Uploading of subscriber wise credits to New Pension Scheme Contributions Accounting Network (NPSCAN) and furnishing other relevant particulars to NSDL

- 5. Maintenance of the Alphabetical Index Register in the prescribed form wherein they have to indicate the PRAN numbers allotted to each of the subscribers.
- 6. Maintenance of the particulars of remittances of contributions to the Trustee Bank in the prescribed Proforma.
- 7. Maintenance of the individual wise account indicating the amounts of contributions paid to the Trustee Banks and details of remittance
- 8. Registration of new employees with NSDL as well as notifying NSDL about the changes with effect from the date NSDL starts registering employees.

In order to enable NSDL to carry out reconciliation and credit the amounts against the individuals accounts, Pay & Accounts Officers/CDDOs will have to ensure that their PAO registration numbers/CDDO registration numbers respectively (or till such time registration is complete, the PAO code/ CDDO code) and the month to which the contributions pertain/transaction ID in NPSCAN are mentioned in the NEFT/RTGS application form (in the remarks coloumn) to be submitted to their banker. Where payments are made through cheques in favor of the Trustee Bank, these particulars will have to be furnished on the reverse of the cheque as well as in the forwarding letter. The time schedule prescribed in Part "C" of Annexure IA and IB will have to be strictly adhered to by DDOs/PAOs and CDDOs.

Whenever any government servant is transferred from one office to another the DDO will indicate in the Last Pay Certificate of the Government servant the PRAN (PPAN until PRAN is allotted) in respect of that individual and the month up to which his contributions have been recovered/drawn.

6.5 Gratuity

The payment of gratuity shall be scrutinized to ensure the following:

6.5.1 Service Gratuity

The permanent Government Servant who retires from service before completion of 10 years of qualifying service has been allowed only service gratuity at the rate of 1/2 months emoluments for every completed six monthly period of qualifying service in lieu of pension. This service Gratuity is in addition to Retirement Gratuity admissible to those who completes five years qualifying service.

6.5.2 Retirement Gratuity

1. The Retirement Gratuity has been allowed to:
 - i) a permanent employee who retires after completion of five years of qualifying service.
 - ii) a temporary employee
 - a) who retires on attaining the age of superannuation or on invalidation after a continuous service of not less than 10 years.
 - b) who retires voluntarily after a continuous service of 20 years or more.
2. The amount paid in respect of Retirement Gratuity is equal to 1/4th of the emoluments for each completed six monthly period of qualifying service Subject to a maximum of 16 ½ times the emoluments or Rupees 10 lakh whichever is less.

6.5.3 Death Gratuity

The Death Gratuity has been paid in the case of death while in service of a permanent or temporary employee at double the emoluments where Government servant dies with a qualifying service of less than a year, at 6 times of the emoluments in case of death with qualifying service of 1 to 5 years and 12 times of emoluments where death occurs between 5 to 20 years of qualifying service and @ of 1/2 the emoluments for each completed six monthly period of qualifying service beyond 20 years of service subject to a maximum of 33 times the emoluments or Rupees 10 lakh whichever is less.

6.5.4 Residual Gratuity

When an employee dies within five years after retirement, the total amount actually received by him on account of pension (or service gratuity), dearness relief on pension retirement gratuity, commutation amount, is less than 12 times the 'emoluments' drawn by him at the time of retirement, the deficiency is granted to his nominee/family.

6.6 Encashment of Leave

6.6.1 Earned Leave

The payment towards encashment of earned leave shall be scrutinized to ensure that:

1. the sanction of the competent authority has been obtained.
2. the balance of earned leave at credit of the Government servant on the last day of service subject to a maximum of 300 days has been allowed, for encashment.
3. the cash equivalent of earned leave will be worked out as shown below:

$$\text{Cash Equivalent} = \frac{\text{Pay + Dearness Allowance on the date of cessation of service}}{30} \times \text{EL at credit (in addition to leave encashed on LTC)}$$

6.6.2 Half Pay Leave

Consequent to the implementation of orders based on the recommendations of sixth Pay Commission, the HPL encashment will be as follows, all the previous orders on the subject stand superceded.

$$\text{Cash payment in lieu of total of earned leave half pay leave component and HP at credit not exceeding 300 days.} = \frac{\text{Half pay leave salary admissible on the date of retirement plus Dearness Allowance admissible on that date}}{30} \times \text{Number of days of half pay leave at credit subject to the total of earned leave half pay leave component and HP at credit not exceeding 300 days.}$$

6.7 Provident Fund

As explained in para 6 . 1.2 Scientific and Technical employees of the DAE and its constituent Units are admitted ab-initio to the Contributory Provident Fund. In the case of those who are governed by Contributory Provident Fund, the rate of subscription to PF is 10% of emoluments per month. Subscribers to CPF are not entitled to any pensionary benefits. Under the Contributory Provident Fund Rules, Government will make at the end of every financial year, a matching contribution to the account of each subscriber who subscribes to CPF . This contribution is at the rate of 10 % of the actual emoluments drawn by the Government servant during the preceding financial year. The matching contribution would be credited to the Government contribution account in the Provident Fund account . Provident Fund accounts shall be scrutinised to see:

1. whether accounts have been opened for all the regular employees for recovery of subscription from the date of entry and in the case of those who are eligible for WCPF on completion of one years' service for those who have entered the Government service on or before 31.12.2003.
2. whether the rate of subscription is according to rules viz. the subscription is expressed in whole rupees, GPF subscription is not less than 6% of the emoluments of the subscriber and CPF subscription is not less than 10%. The subscriber who switches over to GPF from CPF continues to subscribe at the same rate at which he was subscribing to CPF and the monthly subscription for CPF/GPF is not more than his emoluments.
3. whether the subscription is being recovered from each employee regularly and credited to the proper account in the Provident Fund Ledger.
4. whether each entry in the account has been attested by a responsible officer in token of having checked its correctness.
5. whether the advance/withdrawals sanctioned by the competent authority is covered by the balance at credit and other conditions are fulfilled.
6. whether the payment of advances/withdrawals has been posted in the ledger cards correctly with reference to the original vouchers.
7. in case of withdrawals whether the sanction has been accorded after completion of required service.
8. whether the recoveries of advance have been made correctly in not more than 24/36 installments as the case may be and the same commenced from the pay for the month following the one in which the advance was drawn.
9. whether in the case of withdrawal, provision for furnishing utilization certificate is incorporated in the sanction itself.
10. whether the utilisation certificate has actually been furnished by the subscriber and the same has been verified to ensure that the amount sanctioned has been fully utilised for the purpose for which the same was sanctioned.
11. whether the annual interest has been correctly worked out at appropriate rates and credited in the individual account.
12. whether the total of such annual interest given to all the accounts agrees with the figures shown in the statement sent to the Principal Accounts Office.

13. whether the insurance policies financed from PF are properly assigned in the name of the President of India and insurance policies are kept in the safe custody of the head of office and entered in the stock register of insurance policies.
14. in case the Accounts Officer receives a notice of a charge or encumbrance on or an order of a Court restraining dealings with the policy or any amount realised thereon whether a note of the same is made in order to take appropriate action as per Rule 30 of CPF/Rule 28 of GPF.
15. holders of scientific/ Technical posts, failing to exercise their option within the stipulated period of 20 years from their date of appointment are deemed to have come over to GPF scheme and whether necessary entries to the effect are made in their records and GC's written back as required by the rules.
16. in case when a person resigns to take up employment with proper permission in a body corporate whether his provident fund accumulations including Government contribution has been transferred to his new PF account in the body corporate.
17. in case such a person has rendered less than 5 years service under Government and his PF accumulations including Govt. Contribution has been transferred to body corporate whether a specific condition has been made while transferring the amount to the effect that GC should be retransferred to Government in case the person resigns from service in the body corporate also before completion of 5 years' service (i.e. in Government as well as body corporate put together) as per Government of India Decision below Rule 36 of CPF.
18. whether a note of such case is being kept in a register and this aspect watched on completion of 5 years service of the Government servant.
19. in case an advance is converted into withdrawal whether the purpose for which it was drawn is permitted for withdrawal also otherwise such conversion is not proper.
20. whether the account slips indicating the opening balance, credits during the year, withdrawals, if any, during the year, interest accrued and the balance at credit at the end of the year have been issued to the subscribers and their acceptance obtained.
21. whether the subscriber has submitted an application for final withdrawal of the amount in the fund.
22. in cases where the payment is made to a person other than the subscriber, whether such person was entitled to receive the money according to the nomination given by the subscriber or if there was no nomination whether the person was entitled to receive it according to rules.
23. in case of final withdrawal from Provident Fund whether the amounts paid to the subscribers are correct.
24. whether the amount of final withdrawal has been paid to the party concerned and proper acquittance has been obtained.
25. whether deduction of Government contribution has been made in all cases covered by Rule 36 of CPF.

26. whether the broad-sheets are maintained properly and reconciled with classified abstract.
27. whether the annual review of the Provident Fund accounts has been conducted as required vide Para 6.9 of Civil Accounts Manual.
28. whether the cases of final payment to GPF/CPF have been finalized in time and the payment made is in order.

6.8 List of Registers

The following records are to be maintained by the PAO:

1. General Index Register (form CAM 44)
2. Provident Fund Ledger (Form CAM 47)
3. Broad sheet of Provident Fund (Form CAM 48)
4. Register of missing GPF Credits/Debits (Form CAM 50)
5. Register of Final Payment cases.

6.9 Procedure for maintenance of PF Account of Deputationist

- i) The G.P.F. accounts of All India Service Officers borne on state cadre and Officers of the State Governments/Railway/Defence/P & T Department are maintained by the Accounts Officer concerned of their Government/Department.
- ii) The G.P.F. accounts of All India Service Officer borne on Union Territory cadre are centrally maintained by the P.A.O. Delhi Administration.
- iii) The Payment of G.P.F. advance/Part final withdrawal to All India Service Officers on deputation to Central Government is made by the P.A.O. and classified under 8658-P.A.O. Suspense etc. and debit raised against A.G. concerned for getting reimbursement.
- iv) The G.P.F. Accounts of all regular employees on deputation with Railway/Defence/ P & T Departments and other State/Union Territory Governments or Administrations are maintained by the P.A.O. concerned.
- v) P.A.O. is empowered to authorize Final Payment of P.F. even if the formal application is not received from a subscriber (Under Rule 34(1) read with the note below Rule 34 of G.P.F. Rules)
- vi) The G.P.F. Accounts of Officers on Foreign Service are maintained by the PAO concerned.
- vii) In the case of officers on deputation to the Central Govt. Ministries/ Departments from State Govts. Union Territory Govts. and Administrations, Posts and Telegraphs, Railways and Defence annual statement of subscription of G.P.F. & recovery of temporary advances sanctioned by the parent deptt., shall be furnished by the Pay and Accounts Office to each individual officer through Head of Office in form C.A.M. 66. This will be prepared on the basis of entries in the Register of outward claim maintained in form CAM 53. A copy of this statement shall also be simultaneously sent to the Accounts Office of the officials concerned by the 31st August, each year. This statement could be used by the Accounts Officer of the parent department to adjust missing credits, if any, in his account without having to correspond with the Principal Accounts Office/Pay & Accounts Office of the Central Govt. Ministries/Department.

The internal audit party will check that the prescribed rules and procedures are being correctly followed.

6.10 Deposit linked Insurance Scheme

It shall be examined to see whether payment, if any, made under Deposit linked Insurance Scheme is in accordance with Rule of CPF/GPF Scheme.

1. that the fund account representing subscription with interest thereon at the credit of the subscriber has not at any time during the three years preceding the month of death of the subscriber fallen below the limit:

GPF (VI Pay commission scale)		CPF (IV Pay Commission Scales)	
If the subscriber was holding a post with Grade Pay	Minimum monthly balance during the period	If the subscriber has held for the greater part of the aforesaid three years a post the maximum of the pay scale of which is	Minimum monthly balance during the period
Rs.4,800 or more	Rs.25,000/-	Rs.4,000 or more	Rs.12,000/-
Rs.4,200 or more but Less than Rs.4,800	Rs.15,000/-	Rs.2,900 to Rs.3,999	Rs.7,500/-
Rs.1,400 or more but less than Rs.4,200	Rs.10,000/-	Rs.1,151 to Rs.2,899	Rs.4,500/-
less than Rs.1,400	Rs.6,000/-	Below Rs.1,151	Rs.3,000/-

2. that the amount paid is equal to the average balance at the credit in the account during the three years preceding the month of death of the subscriber (inclusive of interest) subject to a maximum of Rs. 60,000/- in case of GPF subscribers and Rs.30,000 in case of CPF subscribers.
3. the maximum limit of Rs. 60000/ Rs. 30,000 is applied after arriving at the average of 36 months and not at every stage.
4. that the subscriber has put in at least five years service at the time of his death.
5. that the payment is in whole rupees and rounded to the nearest rupee.
6. that in the case of re-employed pensioners / person appointed on tenure basis, service for the purpose of this scheme has been reckoned from the date of re-employment or such employment.
7. that the person was not appointed on contract basis.

E - GOVERNANCE

7.1 E-Lekha

E-Lekha is developed by National Informatics Centre for the Controller General of Accounts (CGA) to update and monitor daily reporting of expenditure in sync with the budget allotted to a ministry and its sub units and schemes. This software is positioned at the lowest level of accounting and helps in optimum utilization of the resources for monitoring social projects initiated by various ministries/departments of the central government.

At the lowest level of this system, runs an application called COMPACT. This is a client-server application, which runs on servers in each Pay and Accounts Office and in the offices of all the ministries across the country. Accounting personnel are given access to the COMPACT server, where they can record the expenditure of that particular office for that day.

At the end of the day, a single tamper-proof TXT file is generated from the COMPACT system, which is then uploaded to the e-lekha server using its Web based interface. In this way, e-lekha gets all the daily fiscal data from each office across the country.

Ministries can also use this system to monitor their fiscal health for the year, month or on a daily basis. They can even keep track of which PAOs have submitted their daily reports to e-lekha and which are pending. They can also monitor how their allocated budget is being used in various projects and schemes. Each ministry then has to upload a monthly report to e-lekha, which is then accessed and compiled by CGA.

The CGA then generates a report at the end of the financial year, which is presented in Parliament.

With the help of this project, monitoring the country's financial health has become very easy and a great amount of transparency has been incorporated into the system.

7.2 PAO-2000" is a comprehensive Financial Management Information System software for the computerization of various payment and accounting functions of Pay and Accounts Offices. In addition to payment and compilation of account, the software also covers all work related to General Provident Fund & Pension. After completion of testing at a few test sites, NIC released the first version of the software on 17th Sep, 2001. The major accounting tasks covered through this software are:

- (1) Bill Processing and Payment.
- (2) Compilation & Consolidation of Accounts.
- (3) Maintenance of GPF accounts of subscribers.
- (4) Processing & Payment of Pension.

Its Goals, Objectives & Benefits are:

- (a) Elimination of Human errors in processes, improve accuracy, exchequer control and bank reconciliation
- (b) Increase the reporting and querying capabilities

- (c) Effective monitoring of Budget vs Expenditure.
- (d) Enrich the accounting with more management information
- (e) Reduce further the time taken in the compilation of accounts and Generation of inputs in compatible form for CONTACT (ORA)
- (f) Integration of different sections of PAO
- (g) Improving GPF subscriber satisfaction level.
- (h) PAO's to keep pace with technology advancements.
- (i) Historical Data Maintenance.
- (j) GUI based software with better user interface and easy adaptability.

The software is developed in the Client Server Architecture with Visual Basic 6.0 as Front End and SQL Server 7.0/2000 as back end. It has six modules viz. "Precheck", "Budget", "Compilation", "GPF", "Pension" and "Master Maintenance".

RISK BASED PERFORMANCE AUDIT

Guidance for Planning, Performing and Reporting on Internal Audit Engagements in the Government:

8.1 Purpose:

The overall purpose of this guidance note is to assist in providing a direction to the Internal Audit Wings of the Ministries in carrying out scheme audits through risk-based assessments. Based on systematic risks and controls' assessment the end objective of scheme audits is to provide a positive assurance to the Ministries/ Departments that the performance and implementation of the schemes' are on course; that the controls and checks laid down in the schemes are functioning well; and that the schemes are likely to achieve their aims and targets as spelt out. The scheme audits will also help in throwing up the potential risk areas, deficiencies or gaps in the laid down controls/checks or their implementation mechanisms that may affect the outputs that have been set out for the schemes. Such systematic audits will also aid in identifying the cause/s of deficiencies/gaps and recommend suitable corrective action based on the objective evidence based assessment of the schemes.

This Note is intended to aid internal auditors in the offices of Chief Controllers' of Accounts with practical guidance on how to plan and carry out a proper and systematic audit of Government schemes. The steps and procedures that are required to be followed, the mechanism and tools to be used for the purpose and the method of assessing risks in the scheme have been broadly outlined towards this end in the document. This has also been framed with the purpose of providing a course of direction to the Internal audit Wings for a more uniform system of audit planning, performing and reporting on audit engagements. However the differential positions and responsibilities of the Ministries and the aids and objectives of various Government schemes', which may require different forms of audit engagement or professional judgement in the conduct of their work, needs to be kept in view. This Guidance Note is not intended to be therefore prescriptive though.

8.2 Mandate:

Every Internal audit organization needs a mandate. In the case of Internal Audit Wings of the Civil Ministries, the mandate for risk based Assurance audit flows directly from the revised charter of Financial Advisers issued by Secretary (Exp), wherein, risk based internal audit has been indicated as a responsibility of the CCAs. It has been outlined that internal audit/performance audit has to move beyond the narrow myopic confines of compliance/regularity audit to focus on:

Assessment of adequacy and effectiveness of internal controls in general, and the soundness of financial systems and reliability of financial and accounting reports in particular;

Identification and monitoring of risk factors (including those contained in the Outcome Budget);

Critical assessment of economy, efficiency, and effectiveness of service delivery mechanism to ensure value for money; and

Providing an effective monitoring system to facilitate on course corrections.

The scheme audits performed by Internal Audit Wings must primarily focus on the above mandate to determine whether the scheme formulation/design, risk management approach and measures, controls and governance processes provide reasonable assurance that the scheme objectives and targets will be achieved.

8.3 The Internal Auditing Process:

The IA process can be divided into three main phases of planning, performing and reporting.

A. Planning:

As the starting point on Planning, the Internal Audit Wings may take steps to draw up the list of entities/programmes and schemes/procedures etc. that are required to be audited.

After updating and firming up of the audit universe, the internal audit sections are required to do a risk assessment of each of such entities/schemes etc. Such risk assessment is generally done on the basis of the likelihood of significant or pervasive risk/deficiencies for each process, entity or scheme and rated against the likely impact of each of the risks. Impact and Likelihood can be quantified on the basis of Risk Rating Scale say on the scale of one to ten in order to identify the programs and schemes with higher risk ratings. This tool enables decisions relating to audit prioritization by the internal audit wings of the Ministry/Department. Other factors like the duration since last audit, nature and number of audit observations or issues outstanding may also be used subsequently when sufficient number of audits have been performed. At times the CCAs or internal audit wings may require to rely on judgemental assessment based on domain knowledge or on the basis of consultation with the scheme implementing wings.

Since the Government schemes and programmes have either not been audited or they have not been assessed over a long period of time, the assessment on risk rating and judgemental decision is suggested, to arrive at the list of schemes/ processes that need to be audited on priority. On completion of this process the audit engagements that are required to be undertaken are identified and decided upon.

After identification of the schemes/programmes/processes that are to be audited, the Chief Controller of Accounts/Controller of Accounts may identify and appoint the 'Auditor In charge' (AIC) for each of the proposed audits as also the team members that will be a part of each of the audits. The Auditor in charge is expected to be in-charge of the entire audit process, and he will take suitable guidance/support from the Chief Controller of Accounts/Controller of Accounts as per requirements. It is suggested that the Chief Controllers of Accounts will closely monitor the 'audit process till its completion, in view of the fact that the process of risk based audit is entirely different and will require plenty of application when compared to compliance audits performed by the internal audit wings till now.

The AIC should start by preparing an Overview and Planning Memo. The Audit Overview will be in the form of a brief note on the subject of audit (scheme that is to be audited) bringing out the audit objective, salient features of the scheme, its purpose and mechanism of implementation, potential risk areas etc. AIC may also get a Planning Memo approved by CCA/CA, summarizing the planning information, assumptions and decisions made on the basis of initial study and assessment of the scheme, so as to ensure that an effective audit is performed. These documents aid the audit team in demonstrating its understanding of the subject of audit engagement before finalizing the objectives and scope of the audit.

After getting the Overview and Planning Memo approved by CCA/CA, the Auditor In-charge should take up the job of confirming the specific objective of the audit engagement, identify the detailed scope or the areas that are planned to be assessed through audit, audit criteria or the basis (in the case of schemes it will be the Government procedures/rules/orders etc. that may apply), the approach that will be followed viz

details regarding sampling, field visits etc. and the resource requirements (both funds and manpower).

AIC should carefully consider the audit engagement “Objectives” since the audit is expected to draw a conclusion with respect to each engagement objective identified. For example, if audit objective includes an item on say to assess that the “scheme will meet its objectives” – the audit observations/paras should relate to this audit objective. There may be a number of Audit objectives in a particular audit determining the areas of risks that is planned to be assessed. AIC should therefore determine the objectives carefully keeping in mind that the audit observations/paras on the subject matter can be concluded with sufficient evidence when the audit is completed. In most cases the internal audit of schemes will focus on determining whether the Government’s risk management, control (checks/procedures/rules etc.), and governance processes provide reasonable assurance on the achievement of scheme objectives. Audit objectives will primarily be a variation of the following –

- the financial, managerial, and operating information provided for the scheme is largely accurate, reliable, and timely;
- resources for the scheme are acquired economically and used efficiently;
- assets created under the scheme are safeguarded;
- actions of the scheme approving, managing and implementing organizations are in compliance with policies, procedures, contracts, and applicable laws and regulations; and
- significant programs, plans, and objectives of the scheme are likely to be achieved.

During this phase when the Auditor In-charge is engaged in finalizing the audit objectives and Terms of Reference in consultation with the CCA/CA, the other audit team members must familiarize and develop a good working knowledge and understanding of the scheme-its objectives, processes, operations and associated risks, so as to identify and document the significant risks and key controls (rules/roles, policies/procedures etc.). The assessment in these aspects of both, entity that is to be audited and the program/scheme is required to arrive at a more realistic assessment of the scheme, effectiveness of the controls/checks laid down for its implementation and the implementing systems itself. The method of carrying out Risk Assessment is dealt later in this Note.

In order to apprise the Ministry/Department about the plan of audit, a brief Terms of Reference for the audit engagement is required to be prepared. This TOR should be approved by the CCA/CA and sent to the concerned scheme implementing wing of the Ministry at a sufficiently high managerial level. This serves both the purpose of announcing the audit engagement, as well as apprising the concerned administrators of the scheme on the audit objective and plan of action. The TOR includes at a minimum the proposed timing of the audit. The scheme administering management in the Ministry may have their own suggestions on the audit objectives, risk areas etc. The inputs of the management on the scope of audit and TOR are also important and should form part of the final TOR. Required amendments to the TOR can be agreed to by CCA keeping in perspective the suggestion of the administrative wing and the revised TOR as finalized issued to announce the commencement of audit.

B. Understand and Prepare the Subject of Audit Engagement:

The AIC and the other audit team members should initiate a detailed and in depth study of the scheme in order to develop a sound understanding of the scheme aims and targets, scheme management and related business processes and practices e.g. relating to approvals/implementation etc. policies and procedures, and external and internal environment within the Ministry/Department as well as the scheme implementing agencies. It is important for the audit team to gather information on significant, recent or proposed changes relating to scheme or its implementation or the issues that are of concern to management, to have a better and updated perspective.

The Audit team will require to obtain detailed information pertaining to the scheme, its operations, processes, performance etc. through all the requisite sources in the Ministry/implementing agencies etc. in the form of documents/data reports etc. For better access to information on the schemes the communication channels of all kinds may be used as per the requirements of the scheme under audit which may be in the form of meetings, interviews, research or review of documents and records to gain sufficient knowledge about the scheme. It may be useful to visit sites and observe operations for the purpose.

It is important that the auditors have regular dialogue with Ministry/implementing agencies and other sources of information as required during this review, in order to confirm that their understanding of the subject of the engagement and of any emerging issues is correct. Once the auditors and the audit team as a whole have gained a good understanding of the subject of the audit engagement/scheme – its business processes and its overall environment – they will be in a better position to identify the risks, document key controls and evaluate their design effectiveness at both the audit engagement entity level and at the scheme level.

C. Identify Risks, Document Key Controls and Evaluate Design Effectiveness: (At Entity (Ministry/implementing agency)/Scheme level)

The underlying premise of risk management in any scheme is that every entity participating in the running and operating of the schemes exists to provide value for its stakeholders. All entities and operations face uncertainties, and the challenge for the scheme-administering department is to determine how much uncertainty to accept as it strives to grow value for the scheme operations. A proper risk management of the scheme enables the scheme-administering department to effectively deal with the uncertainties and associated risks and opportunities, enhancing the capacity to build value for the outputs.

Any scheme will have broadly four objectives –

1. Strategic – the higher goals of the scheme aligned with and supporting the mission of the scheme;
2. Operations – effective and efficient use of resources;
3. Reporting – reliability of reporting;
4. Compliance – compliance with applicable laws and regulations.

The objectives relating to reliability of reporting and compliance with laws and regulations are within the scheme administrator's controls, and therefore risk management on these can be expected to provide reasonable assurance of achieving these objectives. However, the achievement of Strategic and Operations objectives are subject to external events and not always within Ministry's/scheme administrator's control. For these objectives, the scheme risk management can provide reasonable

assurance that the Ministry/Department in its oversight role are made aware, in a timely manner, of the extent to which the scheme is moving towards achievement of objectives.

Based on the Integrated Risk Management and Application Technique of COSO – ERM Model (The Committee of Sponsoring Organization of the Treadway Commission – Enterprise Risk Management), there are eight components of any enterprise risk management, which can be largely applied to the Government schemes also. These are derived from the way management runs an enterprise (Ministry runs a scheme) and are integrated with the management process of the schemes. These components are –

Internal Environment - The internal environment reflects the tone of an organization, and sets the basis for how risk is viewed and addressed by the entity's people, their risk management philosophy and appetite, integrity and ethical values, and the environment in which they operate.

Objective Setting - Objectives of the scheme must exist before the Ministry/administrators of the scheme can identify potential events affecting their achievement. Scheme risk management will ensure that the Ministry has in place and proves to set objectives and that the chosen objectives support and align with the scheme's mission and are consistent with the Government's risk appetite.

Event Identification - Internal and external events affecting achievement of the scheme must be identified and distinguished between risks and opportunities.

Risk Assessment - Risks to the scheme should be analyzed, considering the Likelihood and Impact, as a basis for determining how they should be dealt with and managed.

Risk Response - The Ministry/Department selects from the possible responses of avoiding, accepting or reducing or sharing the risk, and thereafter develops a set of actions to align with the scheme's decide risk policy.

Control Activities – Policies and procedures for any scheme are established and implemented to help ensure that the risk responses decided upon are effectively carried out.

Information and Communication – Every scheme is required to ensure that the relevant information are identified, captured and communicated in the form and timeframe that enables people to carry out their responsibilities.

Monitoring - The totality of scheme risk management is monitored and modifications made in the schemes or its policies/procedures etc. as necessary. Monitoring is achieved through ongoing supervision, evaluation etc.

Risk management for any scheme will not be strictly a serial process where one component will affect only the next. It is a multi-directories etc. as necessary. Monitoring is achieved through ongoing supervision, evaluations etc.

For a comprehensive risk based audit assessment of the Government schemes, the Internal auditors should review the schemes and their operations to identify the most significant risks to the achievement of the objectives of the scheme, and the key controls that management needs to integrate into its management process to mitigate the identified risks. The results of the evaluation of the effectiveness of the scheme design

and procedures against each of the 8 key components should be recorded in the working papers of internal audit.

The auditors must next identify the actual checks in the form of rules/procedures/policies etc. (key controls) that management has established to mitigate these risks. This can be done through the review of relevant documentation as well as through interviews and discussion with the scheme administrators and implementing agencies. The purpose is to evaluate whether the laid down key controls are effective in ensuring safeguards for the identified risks to the scheme. The results of the assessment of the effectiveness of key controls for the risks identified should be also recorded in the working papers. This assessment would form one of the basis for reporting on the audit findings and recommending on further actions required by the Ministries for better risk management of the scheme.

D. Develop Plans to Test the Operating Effectiveness of Key Controls at the Audit Entity Engagement Level and Activity Level

Once the key risks and controls of the scheme have been identified, the auditors are required to develop detailed audit plans and procedures to test the operating effectiveness of such key controls at the implementing agency and scheme administrator level. Effort should be directed at those areas where significant risks exist and key controls have been identified to be lacking or deficient. In most cases, the testing of key controls itself will bring out the significant risks to the scheme. The internal auditors should be careful to design the detailed testing outlines/questionnaire for examination of controls in a scheme in a way, that would lead to sufficient evidence for drawing sound conclusions. The auditors are required to exercise due diligence and use professional judgement in this respect.

E. Test the Operating Effectiveness of Key Controls and Document and Validate Audit Engagement Observations

This constitutes the main fieldwork part of the internal audit which is taken up after all the initial preparation and risk assessment. The testing of operating effectiveness of key controls of the scheme are done to verify the operating effectiveness of the key controls that have been identified. Operating effectiveness refers to the effectiveness of the operation of an internal control activity at either the scheme implementing agency level or activity/process level.

The results of the audit tests will form the basis for drawing up audit observations/paras on the performance and effectiveness of the schemes, identifying the main risk areas. The audit observations can then be summarized to form a conclusion with respect to one or more audit objectives that was decided upon. The results of each audit test and the evidence gathered should be documented with reference to the supporting criteria of the rules/procedures/policies etc. against “what exists” (the audit evidence) against the laid down criteria.

When there is a difference between “what exists” and “what should exist,” the audit team should analyse the effect or the impact and the cause that is leading to such variance. Each such case where there is a variance between what exists and what should exist must be documented as an audit observation. The analysis of all the audit observations arrived at after the detailed testing outlined above, helps the audit team in firming up the scheme audit conclusions and recommendations, audit rating and report. In formulating audit observations and corresponding recommendations, the auditors must draft every audit observation with the following components to bring out effectively the observations as well as their causes and recommendatory actions.

Audit objective : To which audit engagement objective does this observation relate?

Criteria: What should exist ? The standards, rules, procedures, benchmarks or expectations out of the scheme that are identified as the basis against which audit evidence is compared.

Condition: What exists ? the factual evidence found in the course of the audit reflecting the ground position obtaining. The condition identifies the nature and the extent of deviation from the condition or as it should exist. A clear and accurate statement of condition evolves from the auditor's comparison of actual evidence against appropriate criteria.

Consequence/Effect/Impact: What effect did it have ? The risk or exposure to the scheme or the organization as a result of the difference between the criteria and the condition. The effect establishes the actual or potential impact of the condition. The significance of a condition is usually judged by its effect. It can be expressed in quantitative terms. To be fit enough for reporting, an effect should be sufficiently serious to justify the action recommended to correct the deficiency.

Cause : What did it happen? The possible or likely reason for the difference between the expected and actual condition. The cause may be obvious or may be identified by deductive reasoning. The identification of similar causes for a number of observation may highlight an underlying theme that requires corrective action and the audit recommendation should appropriately address the issue. Identification of the cause of an unsatisfactory condition is a prerequisite to making a meaningful recommendation for corrective action.

Corrective Action/Recommendation: What should be done ? The actions suggested or required to correct the situation and prevent future occurrences. The relationship between the audit recommendation and the underlying cause of the condition should be clear and logical. In developing sound recommendations, the internal auditors must ensure that the recommended action is within the scope of the client, addresses the cause and not just the symptoms, and is at least initiatively viable. The cost of implementing and maintaining the recommendations should always be compared to the existing risk of a scheme for a more meaningful decision on the corrective actions.

During the entire process of audit, the audit observations that are coming up should be validated on an ongoing basis either orally or in writing with the concerned scheme administrators/implementing agency. In this way, the auditor can gain additional information and insight as well as get an opportunity to have a better understanding of possible option to address the observations. As required the AIC may interact formally with client management to either confirm issues noted during the audit or seek additional information.

On finalization of the audit observations, the audit team management (Chief Controller of Accounts/ Controller of Accounts) should send a written communication forwarding the list of audit observations and requesting a written response from the Scheme administrator for their comments regarding the audit observations, as well as the require corrective action that is being taken or planned to appropriately address each audit observation. Ongoing communication with the client while performing the audit helps ensure facts are properly interpreted and observations are fully validated, and may reduce the actual number of observations reported. It also contributes to the development of reasonable and practical recommendations to address the audit observations.

F. Summarize Audit Engagement Results and Propose Rating

Once the audit observations have been fully validated with the management or the scheme administrator, the audit team should complete the audit report. It must be ensured that the draft audit report includes the observation, its impact and the proposed recommendation. The draft audit report should be reviewed by the AIC and the relevant Chief Controller of Accounts, and appropriate rating to the audit report of the scheme may be decided.

The rating may be based upon the following criteria:

Satisfactory :

Risk management, control and governance processes are adequate and effective to provide reasonable assurance regarding the achievement of control and/or business objectives of the scheme under review. Minor opportunities for improvement may exist.

Needs Improvement

Deficiencies exist in risk management, control or governance processes, such that reasonable assurance regarding the achievement of controls and/or business objectives of the scheme under review may be at risk.

Unsatisfactory

Significant or pervasive deficiencies exist in risk management, control or governance processes such that reasonable assurance regarding the achievement of control and/or business objectives of the scheme under review cannot be provided.

Management Team Provides Input to Engagement Results and Clears the Proposed Rating

The AIC should prepare an Audit Report Presentation, for (with the audit team) the CCA and the internal audit management on the Internal Audit Report of the scheme. The presentation shall include the audit objectives and scope, recommended audit engagement rating with the rationale, the engagement results – the key observations and recommendations, the time and resources – planned and actual, and the lessons learned as a result of the audit.

The relevant CCA/audit management must review all applicable audit engagement working papers. Once the CCA/audit management have reviewed and concurred with the engagement results, the audit reports can be issued.

FORM IIM-3
(Referred to in para 3.2.4)

Government of India
Department of Atomic Energy
Internal Inspection Wing

C.S.M Marg,
Mumbai - 400 001.

Ref. No.DAE/IIW/115:

Date:

Subject: Internal Inspection of Accounts of _____(Name of the Unit)

for the year_____

The Internal Inspection of the accounts of your Unit is proposed to be conducted from _____ to _____. The inspection party will be headed by an Accounts officer and he will be assisted by one Assistant Accounts Officer and two Assistant Accountants / UDCs.

A list of records to be examined during internal audit is enclosed. These records may please be kept ready and made available promptly to the inspection party on the day of its arrival. In addition the party will conduct a detailed check of accounts records of one month which will be advised to you by the Assistant Accounts Officer in charge of the inspection party on the day of his arrival.

Kindly acknowledge the receipt.

Accounts Officer

Encl:a.a

The Head of the Unit.

FORM IIM-4
(Referred to in para 3.5.2)

Allotment of duties during Internal Inspection of _____

Name & Designation:

Sl. No.	Duties Allotted	No of records verified	No of observations made

Accounts Officer
(Inspection)

Certified that the duties allotted to me as above have been duly discharged by me effectively

Member of the
Inspection Party

Accounts Officer

FORM IIM-5
(Referred to in para 3.9.2)

**Information sheet of the Inspection Report on the accounts of _____
for the period _____**

1. No. of Bills checked (for the selected month):
 - (a) Pay Bills
 - (b) T.A. Bills
 - (c) Contingent Bills
 - (d) Other Miscellaneous Bills
 - (e) Works Bills
 - (f) Suppliers Bills.
2. No. of service books examined as per list attached
3. No. of Provident Fund accounts checked.
 - (a) Ledger accounts
 - (b) Final payment cases
 - (c) Advances and part-final withdrawals.
 - (d) Balances as specified in the monthly/annual statements in respect of short terms
advances have been checked and the figures furnished to the PAO were found
correct/wrong
 - (e) No. of pension cases checked
 - (f) Names of officers due to retire within next 5 years whose service books were checked
 - (g) Paras which merit inclusion in the list of serious financial irregularities
 - (h) Paras in which cash recoveries suggested
 - (i) Paras in which any embezzlement detected
 - (j) No. of preliminary objection memoranda issued.
 - (k) No. of objections settled on the spot
 - (l) General remarks whether the state of maintenance of accounts is satisfactory or not
 - (m) Actual date of submission of the report
 - (n) Difficulties experienced during inspection, if any, as per statement attached

Accounts Officer (Inspection)

Countersigned

Camp:

Deputy Controller of Accounts

Date:

FORM IIM-6
(Referred to in para 3.7.4)

INSPECTION REPORT FOR THE YEAR

Unit Inspected :

Time taken for Inspection :

Overall charge of the Pay &
Accounting Unit :

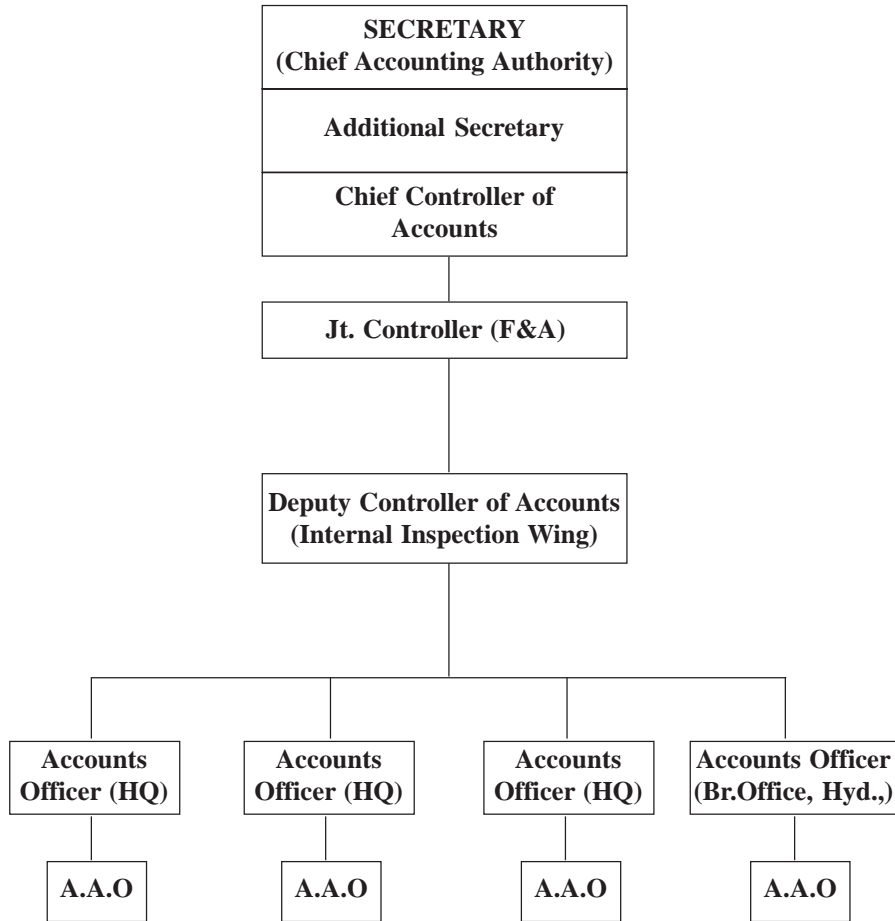
Accounts Officer operating
Letter of Credit/Bank Account :

Overall supervision of the
Inspection Party :

Members of the Inspection Team

(Referred to in Para No. 1.2.1)

**ORGANISATIONAL CHART OF
PRINCIPAL ACCOUNTS OFFICE AND THE INTERNAL INSPECTION WING OF THE
DEPARTMENT OF ATOMIC ENERGY
MUMBAI**



Annexure-II

(Referred to in Para No.1.2.1)

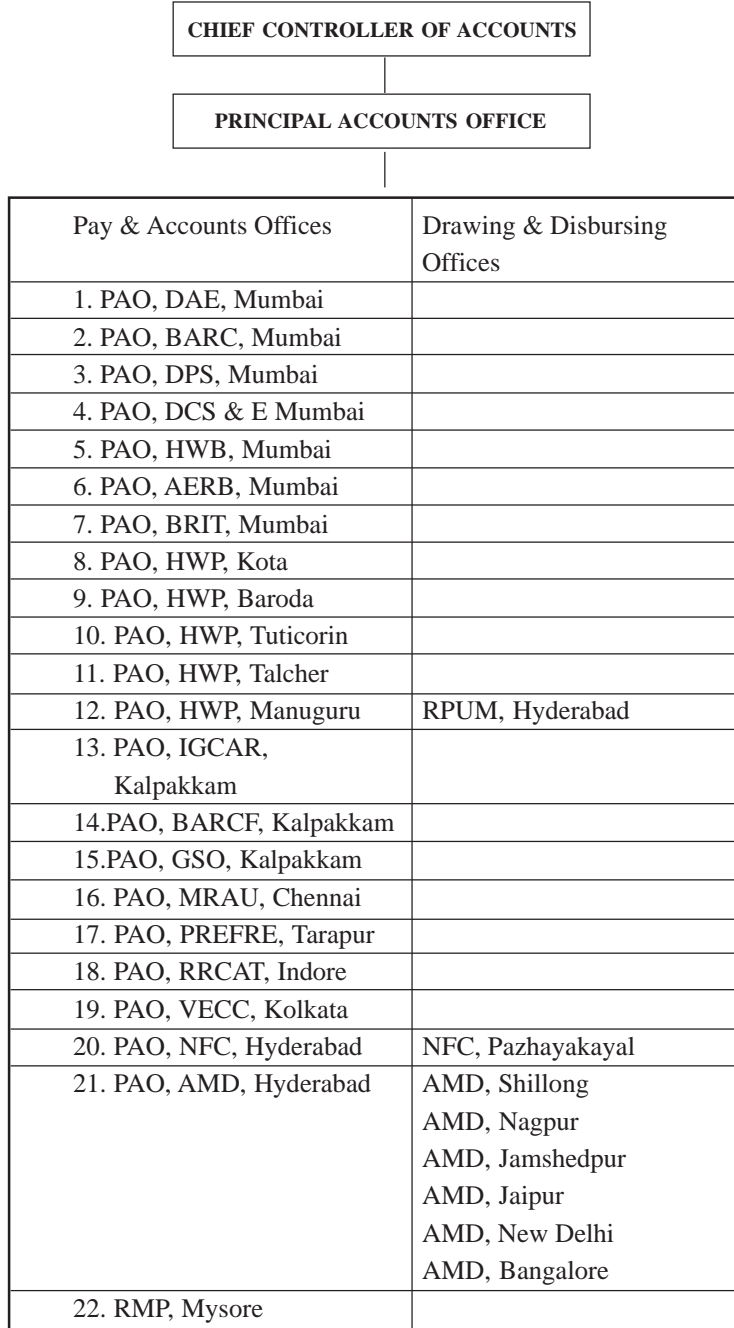
SANCTIONED STRENGTH FOR THE INTERNAL INSPECTION WING

Sl.No.	Category of post and scale of pay	No. of post
1	Jt. Controller (Finance & Accounts) Rs.15600-39100 + G.Pay Rs.7600/-	1
2	Deputy Controller of Accounts Rs.15600-39100 + G.Pay Rs.6600/-	1
3	Accounts Officer Rs.9300-34800 + G.Pay Rs.4800/-	4
4	Assistant Accounts Officer Rs.9300-34800 + G.Pay Rs.4600/-	5
5	Assistant Accountant Rs.9300-34800 + G.Pay Rs.4200/-	5
6	Personal Assistant Rs.9300-34800 + G.Pay Rs.4200/-	1
7	Stenographer Rs.9300-34800 + G.Pay Rs.2400/-	1
8	Upper Division Clerk Rs.9300-34800 + G.Pay Rs.2400/-	1
	Total Strength	19

Annexure-III

(Referred to in para 1.2.1)

**FLOW CHART OF ACCOUNTS IN
THE DEPARTMENT OF ATOMIC ENERGY**



Annexure IV

(Referred to in Para No. 1.3.1)
**ACCOUNTING UNITS WITHIN
 THE JURISDICTION OF INTERNAL INSPECTION**

(A) PAY & ACCOUNTS OFFICES

1. Pay & Accounts Office, Department of Atomic Energy, Anushakti Bhavan, C S M Marg, Mumbai 400 001.	12. Pay & Accounts Office, Bhabha Atomic Research Centre, Central Complex, Trombay, Mumbai 400 085.
2. Pay & Accounts Office, Heavy Water Board, Vikram Sarabhai Bhavan, Anushakti Nagar, Mumbai 400 094	13. Pay & Accounts Office, Nuclear Fuel Complex, P O ECIL, Hyderabad 500 062.
3. Pay & Accounts Office, Directorate of Purchase & Stores Vikram Sarabhai Bhavan, Anushakti Nagar, Mumbai 400 094.	14. Pay & Accounts Office, Atomic Minerals Directorate for Exploration & Research 1-10-153/156 Begumpet, Hyderabad – 500 016
4. Pay & Accounts Office, Heavy Water Plant Baroda, P.O. Fertilizer Nagar, Baroda – 391750(Gujarat).	15. Pay & Accounts Office, General Services Organisation, P O DAE, Township, Kalpakkam, Dist. Kancheepuram -603 102(TN)
5. Pay & Accounts Office, Heavy Water Plant Kota, P O Anushakti, Kota – 323 303 (Rajasthan)	16. Pay & Accounts Office Raja Ramanna Centre for Advance Technology, PO CAT, Indore 452 013 (MP)
6. Pay & Accounts Office Heavy Water Plant Tuticorin, P.O. HWP Colony, Muthiapuram, Tuticorin – 628 007 (TN)	17. Pay & Accounts Office, Heavy Water Plant (Manuguru), Aswapuram, PO:Goutaminagar District: Khammam Pin code : 507 116
7. Pay & Accounts Office Heavy Water Plant Talcher, PO Vikrampur, Dist. Angul – 759 106 (Orissa),	18. Pay & Accounts Office, Board of Radiation & Isotope Technology, BARC/BRIT Vashi Complex, Opp: APMC Fruit market, Sector 20, Vashi, Navi Mumbai – 400 705
8. Pay & Accounts Office, Indira Gandhi Centre for Atomic Research, P O Kalpakkam, Dis.Kancheepuram - 603 102 (TN)	19. Pay & Accounts Office, Directorate of Construction, Services and Estate Management, V S Bhavan, Anushakti Nagar, Mumbai – 400 094.
9. Pay & Accounts Office, Atomic Energy Regulatory Board, Nimayak Bhavan, V N Purav Marg, Anushakti Nagar, Mumbai – 400 094	20. Pay & Accounts Office, Bhabha Atomic Research Centre (Facilities), Dist. Kancheepuram Kalpakkam 603 102 Tamil Nadu
10. Pay & Accounts Office, Variable Energy Cyclotron Centre, Sector 1, block AF, Bidhan Nagar, Kolkata – 700 064.	21. Pay & Accounts Officer, PREFRE, Bhabha Atomic Research Centre, Via. Boisar, Dist Thane, Tal. Palghar, Tarapur 401 502, Maharashtra
11. Pay & Accounts Office, Madras Regional Purchase Unit, Shastri Bhavan, 6 th floor, B Wing, 4, Haddows Road, Chennai 600 006	22. Pay & Accounts Office, Rare Materials Plant, Hunsur Road, PB 1, Yelwal P.O., Mysore 571 130

(A) CHEQUE DRAWING DDOs/SUB PAY OFFICES.

1. Sub-Pay Office, Atomic Minerals Directorate for Exploration & Research, (NE Region) AMD Complex, G S Road, P O Assam Rifles, Shillong – 793 011.	6. Sub-Pay Office, Atomic Minerals Directorate for Exploration & Research(SR), Nagarabhavi, Bangalore – 560 072.
2. Sub-Pay Office, Atomic Minerals Directorate for Exploration & Research(CR), AMD Complex, Civil Lines, Nagpur – 440 001.	7. Sr. Accounts Officer, Hyderabad Regional Purchase Unit, 4 th Floor,Shyam Towers, 1-7-27, “B” Block, S.D. Road, Secundarabad 500 003.
3. Sub-Pay Office, Atomic Minerals Directorate for Exploration & Research(NR), West Block VII, R K Puram, New Delhi – 110 066.	8. Sr. Accounts Officer, Nuclear Fuel Complex, Zirconium Complex (Unit of NFC), Hyderabad) DAE, Tuticorin/Tiruchendur Highway, Pazhayakayal, Sri Vaikundam, Taluk. Tuticorin – 628 007.
4. Sub-Pay Office, Atomic Minerals Directorate for Exploration & Research(WR), AMD Complex, Sector – 5 Extension, Pratap Nagar, Sanganer, Jaipur – 303 906.	
5. Sub-Pay Office, Atomic Minerals Directorate for Exploration & Research(ER), AMD Complex , Khasmahal, PO: Tata Nagar, Jamshedpur 831 002	

(A) List of Aided Institutes.

1. Accounts Officer, Tata Institute of Fundamental Research, Homi Bhabha Road, Colaba, Mumbai 400 005	5 Accounts Officer,Institute of Plasma Research,Near Indira Bridge,Bhat, Gandhi Nagar –382428.
2. Accounts Officer, Tata Memorial Centre, Dr. Ernest Borges Mart, Parel, Mumbai 400 012.	6. Accounts Officer,Harish-Chandra Research Institute,Chhatnag Raod,Jhusi, Allahabad – 211 019.
3 Accounts Officer,Shah Institute of Nuclear Physics,Sec-1, Block AF,Bidhan Nagar, Kolkata 700 064	7 Accounts Officer,Institute of Mathematical Sciences,C.I.T. Campus,Taramani, Chennai – 600 113.
4. Accounts Officer,Institute of Physics,Sachivalaya Marg, P O Sainik School, Bhubaneswar 751 005.	8 Accounts Officer,Atomic Energy Education Society,Anushakti Nagar, Mumbai 400 094.
	9 Finance Officer, National Institute of Science Education & Research, Institute of Physics Campus, P.O:Sainik School, Bhubaneswar -751 005

Annexure -V

(Referred to in para 2.4.1)
Government of India
Department of Atomic Energy

C S M Marg,
Bombay – 400 039.

No.PrAO/Control/2/1(76)/78-79/946

December 2/4, 1978

Sub : - Clearance of cases by the Internal Financial Adviser.

In this Department, the function of the Internal Financial Adviser of rendering financial advice within the field of financial powers delegated to the Department, is performed by Joint Secretarys / Addl. Secretary as per the allocation of work. For exercise of financial powers beyond the delegated field, the cases have to be submitted to the Member (Finance) of the Atomic Energy Commission, who is also the Secretary (Finance) for this Department.

All cases having financial implications will require clearance from the IFA concerned, and the sanctions/orders issued by the Department should indicate in the sanction/orders itself that the same is issued in consultation with the concerned IFA. The following is an illustrative list of such cases.

- (i) Creation of new posts or conversion of temporary posts into permanent ones.
- (ii) Issue of grants or loans to aided institutions.
- (iii) Proposals for enhancing of equity capital or sanction of loans to the Public Sector Undertakings.
- (iv) Proposals for re-appropriation of funds from one primary unit of appropriation to another.
- (v) Security of proposals for re-delegation of powers to constituent units or other subordinate authorities.
- (vi) Special sanctions to incur contingent expenditure in cases referred to Department of Atomic Energy, being beyond the powers of the Heads of Departments/Units.
- (vii) Proposals to incur expenditure out of Contingency Fund of India.
- (viii) Purchase of vehicles.

The IFA concerned may take the assistance of the Principal Accounts Office in the performance of this function.

The above instructions should be followed strictly by all concerned.

Sd/-
(H N Sethna)
Secretary to the Govt. of India.

To all officers in the Secretariat.

Annexure –V-A

(Referred to in para 2.4.1)
Government of India
Department of Atomic Energy
Principal Accounts Office

C S M Marg,
Bombay – 400 039.

No.PR.AO/Control/2/1(76)/78-79/1021

Dec. 26, 1978

C I R C U L A R

Under the organizational set-up of the constituent units of the Department, the Heads of Accounting formations in the major Units, designated as Internal Financial Advisors/Finance & Accounts Officers, also perform the function of rendering financial advice to the Heads of Units within the field of financial powers delegated to them. In small Units also, the Officer-in-Charge of accounting Unit has to perform internal financial advice functions though his designation does not specifically indicate this. With the considerable enhancement in the powers exercised by the Heads of Units under the Delegation of Financial Power Rules and service rules, the need has been felt to prescribe the areas in which the Internal Financial Advisors/Finance & Accounts Officers and other officers in charge of Accounting Unit should be associate in order to ensure effective working of the internal finance system in the Units. Accordingly, it has been decided that the Internal Financial Advisor/Finance & Accounts Officer's financial advice should be obtained in all cases having financial implications and sanctions/orders issued within the delegated field of the Unit should indicate that the same is issued in consultation with Internal Financial Advisor/Finance & Accounts Officer. The following is an illustrative list of matters requiring advice/consultation with Internal Financial Advisor/Finance & Accounts Officer :

- (i) Preparation and scrutiny of the budget of the Unit in accordance with the prescribed procedures and instructions.
- (ii) Periodical review of expenditure for the purpose of budgetary control.
- (iii) Monitoring of liabilities and commitments to facilitate realistic preparation of budget estimates, watching of debits for expenditure incurred outside the account circle, and timely surrender of anticipated savings.
- (iv) Proposals for supplementary Demands of re-appropriations.
- (v) Proposals for creation of posts with special reference to orders issued regarding economy of expenditure.
- (vi) Formulation of Schemes from the initial stage and Screening of all expenditure proposals.
- (vii) Project monitoring, with special reference to periodical evaluation of progress/performance, and use of the results of evaluation in budget formulation.
- (viii) Settlement of statutory and internal audit objections Inspection Reports and draft audit paragraphs et-cetra.
- (ix) Exercise of financial powers delegated to the Heads of Units, and re-delegation thereof to subordinate authorities.
- (x) Processing of applications for premature repayment from Additional D.A. Deposit Account, in the light of Ministry of Finance's directive issued on the subject.

- (xi) Reference to the DAE for all matters involving financial impact, or seeking clarification regarding interpretation of financial or service rules.
2. The above duties of internal financial advice are exclusive to their duties regarding pre audit and payment of bills and maintenance and submission of Accounts as well as the prescribed returns relating thereto.
3. The above instructions may be implemented with immediate effect and receipt of this circular acknowledged.

Sd/-
(M. Panchappa)
Additional Secretary.

To
All Heads of Units.

Annexure –V-B

(Referred to in para 2.4.1)
Government of India
Department of Atomic Energy

CSM Marg,
Bombay – 400 039

No.PrAO/Control/2/1(76)/78-79/228

May 31, 1979

Sub : Clearance of cases by Internal
Financial Adviser.

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A reference is invited to Circular No.PrAO/Control/2/1/(76)/78-79/1021 dt. December 26, 1978 on the above subject.

In the interest of speedy disposal of routine work it has been decided to dispense with clearance by IFA/FAO in certain matters involving exercise of powers delegated to Heads of Departments and Heads of Offices. Accordingly the items listed in Sr. No. (vi) and (ix) in para 1 of the above mentioned circular may be substituted by the following:

Sr. No.: (vi) :- Formulation of Schemes from initial stage and screening of all expenditure proposals connected therewith.

Sr. No.: (ix) :- Exercise of powers delegated to Heads of Units and their subordinate officers, except all the powers exercised by Heads of officers and those of the head of Department as are listed in the Annexure.

Receipt of this Circular may please be acknowledged.

Sd/-
(M Panchappa)
Additional Secretary

To

All Heads of Units.

ANNEXURE

- I. Powers under Exercise of Financial Powers (DAE) Rules 1978, Contingent expenditure on:
- i) Purchase of bicycle
 - ii) Conveyance Hire
 - iii) Electricity, Gas & Water charges
 - iv) Hire and repairs to furniture & fixtures.
 - v) Freight charges
 - vi) Municipal Rates & Taxes
 - vii) Petty works & Repairs
 - viii) Postal & Telegraph Charges.
 - ix) Rent of Office accommodation
 - x) Repairs and maintenance of Motor Vehicles.
 - xi) Staff paid from contingencies
 - xii) Telephone & Telex Charges
 - xiii) Purchase of stationery and stores including Typewriters and calculating machines
 - xiv) Purchase of Uniforms, badges etc.
 - xv) Printing & Binding
 - xvi) Washing Allowance
- II. All powers delegated to Heads of Department under FR's, SR's and Leave Rules except the following :
- i) Compulsory retirement under FR 56.
 - ii) Fixation of pay of re-employed Govt. servants.
 - iii) Reducing officiating pay of Govt. servants under FR 35.
 - iv) Sanction for payment of honorarium under FR 46.
 - v) Sanctioning the undertaking of a work for which 'fee' is payable and acceptance thereof under SR 11.

 - vi) Sanctioning transfer on foreign service in India and fixation of pay in foreign service.
 - vii) Declaring who shall be controlling officers (SR 191)
 - viii) Making rules for guidance of controlling officers.
- III. Powers under GPF/CPF Rules :
- i) Sanction advances for special reasons (Rules 12(2) of GPF Rules/Rules 13(2) of CPF Rules)
 - ii) Sanction of withdrawals from Provident Fund. (Rules 15 of GPF Rules/Rule 16 of CPF Rules)

Annexure- VI

(Referred to in Para 2.4.2)

**ACCOUNTING ARRANGEMENTS IN THE DEPARTMENT OF
ATOMIC ENERGY**

Sl.No.	Pay and Accounts Offices rendering compiled accounts to Principal Accounts Office	Sub-Pay Offices rendering compiled accounts with vouchers to Pay & Accounts Office mentioned in col.(2)	Officer supervising the Payment and Accounting arrangements of Pay & Accounts Officer mentioned in col.(2) & Sub-Pay officers mentioned in col.(3)
1	2	3	4
1.	Pay & Accounts Office Department of Atomic Energy, Mumbai	—	Dy. Controller of Accounts Department of Atomic Energy
2	Pay & Accounts Office BARC, Mumbai	—	Internal Financial Advisor BARC, Mumbai
3	Pay & Accounts Office DPS, Mumbai	—	Internal Financial Advisor DPS, Mumbai
4	Pay & Accounts Office DCS & EM, Mumbai	—	Joint Controller (F&A), DCS & EM, Mumbai
5	Pay & Accounts Office Heavy Water Board, Mumbai	—	Internal Financial Advisor HWB, Mumbai
6	Pay & Accounts Office Heavy Water Plant, Kota	—	-do-
7	Pay & Accounts Office Heavy Water Plant, Baroda	—	-do-
8	Pay & Accounts Office Heavy Water Plant, Tuticorin	—	-do-
9	Pay & Accounts Office Heavy Water Plant, Talcher	—	-do-
10	Pay & Accounts Office Heavy Water Plant, Manuguru	DDO, RPU(M) , Hyderabad	-do-
11	Pay & Accounts Office AERB, Mumbai	—	Dy. Controller of Accounts AERB, Mumbai
12	Pay & Accounts Office BRIT, Mumbai	—	Dy. Controller of Accounts BRIT, Mumbai
13	Pay & Accounts Office IGCAR, Kalpakkam	—	Joint Controller (F&A), IGCAR, Kalpakkam
14	Pay & Accounts Office BARCF, Kalpakkam	—	Internal Financial Advisor BARC, Mumbai
15	Pay & Accounts Office GSO, Kalpakkam	—	Joint Controller (F&A), IGCAR, Kalpakkam

16	Pay & Accounts OfficeMRAU, Chennai	—	Internal Financial Advisor DPS, Mumbai
17	Pay & Accounts OfficePREFRE, Tarapur	—	Internal Financial Advisor BARC, Mumbai
18	Pay & Accounts OfficeRRCAT, Indore	—	Joint Controller (F&A), RRCAT, Indore
19	Pay & Accounts OfficeVECC, Kolkata	—	Dy.Controller of AccountsVECC, Kolkata
20	Pay & Accounts OfficeNFC, Hyderabad	DDO, NFC, Pazhayakayal	Joint Controller (F&A), NFC, Hyderabad
21	Pay & Accounts OfficeAMD, Hyderabad	SPO, AMDER, Shillong SPO, AMDER, Nagpur SPO, AMDER, Jamshedpur SPO, AMDER, Jaipur SPO, AMDER, New Delhi SPO, AMDER, Bangalore	Jt.Controller (F& A) AMDER, Hyderabad -do- -do- -do- -do- -do-
22	Pay & Accounts Office,RMP, Mysore		Internal Financial Advisor,BARC,Mumbai.

Annexure - VII

(Referred to in para 2.4.6)
Government of India
Ministry of Works Housing & Supply

No.Pur-1(63)

New Delhi, the 19th March 1956.

Office Memorandum

**Sub - Procurement of stores required by the
Department of Atomic Energy.**

It has been decided by the Government of India that the Department of Atomic Energy should be treated on the same footing as a statutory authority in the matter of purchase of stores. It will consequently not be obligatory for that Department to utilize the services of the Director General of Supplies and Disposals for making purchase of its requirements of stores, although it will of course be welcome to do so.

It is suggested for the consideration of the Department of Atomic Energy that purchase of items for which rate/running contracts have been entered into by the Director General, Supplies and Disposals be made by operating upon such rate/running contracts. It is also suggested that close liaison be established with the Directorate General of Supplies and Disposals so as to ensure that the various government departments do not go in for competitive bidding against each other for their requirements of common user items.

Sd/-
L.S.SUNDARA RAJAN
Deputy Secretary to the Government of India

To

Department of Atomic Energy(Shri N K Dravid)
The Director General, Supplies & Disposals, New Delhi
Copy forwarded to the Ministry of Finance(Supply Branch) together with 10 spare copies for communication to Finance Pay & Accounts & Audit Officers,
Guard File.

Sd/-
J S MONGIA
Under Secretary to the Government of India

Original in file No.42/1/55-Tech.II

Annexure- VIII

**(Referred to in Para 2.4.7)
Government of India
Department of Atomic Energy**

Anushakti Bhavan
C.S.M. Marg
Mumbai – 400 001

No.7/4(1)/98-SUS/Vol.III/4212

May 31, 2006

OFFICE MEMORANDUM

Sub : Works Procedure

1. The Works Procedure in vogue Civil Engineering Units of the Department was issued in 1982 and this was being following in respect of civil works being carried out in conjunction with the CPWD Manual/Codes. Financial Powers were delegated by the Department from time to time to the Chief Engineers/Officer-in-charge of the Projects/Boards for awarding contracts for civil works. During the last few years, a large number of civil works for various DAE projects have been under execution and several organizational changes have taken place with regard to the agencies responsible for execution of civil and allied works. Further, the cost of the civil works has considerably increased during the recent years necessitating a review of the delegation of financial powers to the Chief Engineers/Engineers-in-Charge of the Projects etc. and to vest them with increased powers to enable them to execute the works under their charge speedily and smoothly.
2. Taking all these factors into consideration, a meeting of all the Chief Engineers (Civil) of the Department was convened on May 11, 2001 to review the existing Works Procedure and suggest changes therein to facilitate standardization of the Works Procedure. Based on recommendations emerged in the said meeting vis-à-vis the existing powers and the equivalent delegations available in the CPWD, the President is pleased to prescribe, in supersession of all the earlier orders on the subject, a revised Works Procedure as shown in Annexures – (i) to (iii) to be followed by all the DAE Units (including Aided Institutions) in respect of all civil works undertaken by or for them. The powers for executing the civil engineering works of the Department will be exercised by the various Engineers of the Department/Projects as given in Annexure (ii) & (iii). The enhanced delegation of powers may be exercised subject to certain financial controls as obtaining in the CPWD and as indicated below :-
 - i) In CPWD, tenders invited by the engineering officials at various levels are accepted only in consultation with the local Accounts or Finance Representative in order to ensure that conditions given in the tenders are evaluated correctly. In the Civil Engineering Divisions of the DAE also all tenders are invariably evaluated and accepted in consultation with the Associated Accounts and Finance Officer. This procedure should be followed by all Units.
 - ii) It is being ensured in the CPWD that the overall cost of all departmental materials issued to the contractor is estimated precisely. Efforts are made to see that such a cost is not overestimated so as to being the net cost of work within the powers

of the Chief Engineer which have now been enhanced from Rs.60 lakh to Rs.1 crore. This procedure should be invariably followed by all the civil engineering units of the Department.

- iii) Even though the Chief Engineer in CPWD is empowered to split up a particular civil work costing more than Rs.1 crore into various sub-heads for proper execution of the total work, approval of an authority higher than the Chief Engineer is necessary irrespective of the fact that the value of tender in respect of such split up portion is less than Rs.1 crore. Such a system has been devised to ensure that works are not split up in order to bring them within the powers of the tender accepting authority. It is absolutely essential to follow this mechanism in the Civil Engineering Divisions of the Department also.
 - iv) In cases where the quoted rates are far above the estimated rates given in the Tender Notice, the Engineer-in-charge in CPWD has to work out the current market rate in respect of the tender as a whole. If the quoted rate is more than 10% of the market rate thus assessed by the Engineer-in-Charge, approval of an authority higher than the Chief Engineer is required even though the value of the tender is within the competence of the Chief Engineer. Such a mechanism has been provided to guard against the tendency of the tenderers to form a ring thereby getting the contract at an unreasonably higher rate. The same system is to be followed in the Civil Engineering Divisions of the Department as well.
 - v) In the case of award of contract without call of tenders or by ab-initio negotiations, full reasons are to be recorded by the approving authority to CPWD, who has to guard against contractor's tendency to quote unjustifiably high rates. It has been prescribed in CPWD that as a normal rule, contracts should be placed only after invitation of open tenders. Cases for award of civil contracts without call of tenders should be comparatively infrequent, there should be very special reasons, and those too in public interest, for making an exception to the general rules. This practice should be invariably followed in the Department.
3. In the event of disagreement in the Tender Committee, the matter will be referred for a decision to the Secretary, DAE.
 4. Subject to the observance of the special procedure detailed in the Annexures, the provisions contained in the Central Public Works Department Manual, the Central Public Works Accounts Code and other relevant codes shall also be followed mutatis mutandis. The powers vested in the Ministry of Works and Housing will be deemed to be vested in the Department in relation to the works of the Department unless repugnant to the context.
 5. The person who has been delegated the powers of Chief Engineer of a Unit will decide the extent of financial powers that should be delegated to officers under his control wherever necessary.
 6. The Chief Engineer will exercise his powers with the concurrence of IFA/JC(F&A) only. While the Superintending Engineer can exercise his powers with the concurrence of DCA or SAO/AO, the Executive Engineer will exercise his powers with the concurrence of SAO/AO or AAO.
 7. For works costing less than Rs.2 lacs, there is no need for press advertisement, but maximum publicity should be given through Department's website and all local DAE Units. All tenders exceeding the value of Rs. 2 lacs are to be published through press as per procedure prescribed in Appendix-I. For Works of sensitive nature, approval of Head of the Unit should be taken for exemption of publishing tender documents or notice on website.

8. Director, DCS & EM, who has been notified as the Nodal Officer in the Department to co-ordinate with CPWD for updating the changes that are carried out in CPWD Manual/Code, shall, whenever necessary, propose changes to the Works Procedure, in accordance with the amendment to CPWD Manual/Code as is applicable to this Department. Changes in the Works Procedure shall be effected by the Department in consultation with/approval of Member for Finance, AEC.
9. These orders take effect from the date of issue.

Sd/
M. Venugopalan
Officer on Special Duty

Annexure-(i)

WORKS PROCEDURE

Sl.No.	Subject	Revised procedure
i)	Approval of Tenders in excess of powers delegated to Chief Engineer	<p>Tenders for works, whose value is in excess of the powers delegated to the Chief Engineer, i.e. exceeding Rs.1.00 crore, will be approved by the appropriate Tender Committee. Also tenders which the Chief Engineer cannot accept due to stipulation by contractors of deviations from the General Conditions of Contract will be referred to the Tender Committee</p> <p>For works to be executed by the constituent units, tenders for works exceeding value of 1.00 crore and upto Rs.2 crore will have to be scrutinized by the Tender Committee and approved by the Head of Department.</p> <p>For works to be executed for BARC, tenders for works exceeding a value of Rs.2.00 crore and upto 3 crore will be approved by Director, BARC. In respect of other units excluding DCS&EM, these tenders will be approved by the Head of Department on the basis of the recommendation of the Board/Council after due consideration of the proposals by the Tender Committee. Tenders for works exceeding a value of Rs.1 crore and upto Rs.2 crore executed by DCS & EM will be approved by Director, DCS & EM, based on the recommendations of a Committee constituted for the purpose. Tenders for works exceeding a value of Rs.2 crore executed by DCS & EM will have to be approved by the DAE based on the recommendations of the Tender Committee. For AIDED Institutions the same to be approved by HOD on the recommendations of Board/Council.</p> <p>DCS & EM, in addition, executes works for other external agencies. In such cases, the Tender Committee's formulations are as per the provisions of MoU. In such cases the powers of Director, DCS & EM shall be governed by the provisions of MoU which shall have prior approval of DAE on cases to case basis.</p> <p><u>Note</u> : (i) In case the tender proposals involve unusual conditions which are at variance with the General conditions of contract, formal approval of the Government should be obtained as per the</p>

		practice in CPWD.
		(ii) Approval of tender for works (through Open Tender) exceeding value of Rs. 3 crore and Rs.1 crore in respect of Single Tender relating to all the units require consultation with JS(F).
ii)	Registration of Contractors	In case of CPWD vide Section 17.10b tender schedules are to be issued to the contractors who satisfy the eligibility criteria spelt out in the NIT irrespective of the fact that they are registered contractor or otherwise and hence it is felt that adoption of the registration system now will not serve any useful purpose. Hence registration in DAE is not required. However, all Units should ensure that NIT are issued to all the prospective bidders who qualify prequalification criteria indicated in NIT and approach for NIT.
iii)	Call of Public Tenders	Please see Appendix-I for Detailed procedure regarding preparation of Tender documents, call of tenders, receipt and opening of tenders etc.
iv)	Schedule of Rates	<p>Every CED should prepare an up to date Schedule of Rates in March/April of every year to facilitate preparation of estimates for civil works on a realistic basis. The Schedule of Rates will vary according to the locality or district in which the works are executed and may generally be based on the Schedule of Rates adopted by State and Central Public Works Department for that district but modified to the extent necessary to take into account the specialized nature of works executed by DAE.</p> <p><u>Note</u> : 1 – For the sake of uniformity such Schedule of Rates should be prepared by a common committee representing different units in each region. The feasibility of preparing Schedule of Rates for different regions may be examined by HOD.</p> <p>2 – The provisions of para 31 and 32 of Section 4 of CPWD Manual is to be kept in view. The Chief Engineer should also</p>

		maintain cost indices for each district so as to bring the schedules of rates at par with the prevailing market conditions.
v)	Initial payment advance to the contractors	As indicated in Section 31 – Advance payment – CPWD Works Manual 2003 (copy placed at Appendix-II).
vi)	Tenders for large Civil Works	Procedure as indicated in Appendix-I shall be followed. In two bid system the tenderers may be asked to submit the tenders in two parts in two separate sealed envelopes – part-I containing the conditions stipulated by the tender and part-2 containing the tender price and the price Schedule of quantities and rates. Part-I will be opened first and its financial implications will be evaluated before part-2 of the tender is opened. This will simplify the evaluation of tender and will leave no scope to the tenderers to amend or modify their conditions after knowing the offers of other tenderers.

Annexure -(ii)

POWER OF CHIEF ENGINEERS IN WORKS MATTERS

Sl.No.	Nature of Powers	Extent of Powers Delegated
1	Acceptance of lowest tender	Rs.1 crore without the prior approval of the Tender Committee.
2	Award of work by acceptance of a tender other than the lowest.	Since the Central Vigilance Commission has banned post tender negotiations with tenderers other than Lowest Tenderer (L-1), action should be taken for retendering in a transparent and fair manner by calling for limited or short notice tender if so justified in the interest of work and decision taken to award work to the lowest tenderer. Two part tendering (techno-commercial) system may be followed, wherever possible so that proper assessment of offers is made before award of work order.
3(i)	Award of work without call of tenders	Rs.6 lakh without the prior approval of the Tender Committee. <u>Note</u> : Full reasons should be recorded by the approving authority who should guard against contractors holding out for unjustifiable high rates. As a normal rule contracts should be placed only after inviting open tenders. Cases for award of works without call of tenders should be comparatively infrequent and should be resorted to only when there are very special reasons for making an exception to the general rule and in public interest.
3(ii)	Award of work by negotiation ab-initio after in fructuous call of tender or with a firm which has not quoted for the execution for remaining work after the recession of a contract.	Rs.10 lakh without prior approval
4	Award of increased additional quantities against tender rates already accepted.	Full powers provided expenditure sanction for the item/work does not exceed the permissible limit. <u>Note</u> : It may be ensured that the procedure laid down in Section 25 of CPWD Manual being kept in view and the rates being in conformity with the accepted schedule of rates.
5	Acceptance of Single Tender	Rs.50 lakh without prior approval.

6	Award of work by acceptance of single tender submitted by PSUs	No need to maintain distinction between public undertakings and others.
7	Accord of sanction to extra/substituted items	Full powers provided expenditure sanction for the item/work do not exceed the permissible limit. Note : (i) Subject to the powers being exercised for technical reasons only (ii) scale of accommodation and furniture sanctioned by the higher authority should not be exceeded.
8	Grant of extension of time for completion of work.	Full powers for all works for which contracts were approved by him.
9	Accord of Technical sanction for detailed estimates.	Full powers provided financial sanction for item/work is not exceed beyond the permissible limit. Note : The delegation of power is subject restrictions & provisions of orders issued by the Ministry of Finance from time to time. In this context, instructions contained in Ministry of Finance OM No.F-10(2)(Co-ord)/77 dated 20.01.1978 should be kept in view.
10	To pass excess over estimates	An officer may pass excess over estimate provided the excess cases is not more than 10% of the amount sanctioned and in all such cases, where the excess to be sanctioned makes the total estimate exceed the amount unto which he is empowered to sanction, same shall be reported to his next higher authority which has to satisfy itself about the propriety of excess sanctioned.
11	<u>To write off of losses</u> (a) of stores due to theft, frauds or negligence of individuals (Under para 158 (b) of CPWD Code). (b) of stores not due to theft, fraud or negligence of individuals (under para 158 (b) of CPWD Code).	Rs.25,000/-
12	Entertainment of work charged establishment against specified provision in the technical sanction of the work.	Full powers provided the maximum of the scale of pay does not exceed Rs.9000/- (revised) and subject to the condition that provision exist in the estimate.
13	Approval of Indents for	

	<p>equipments and stores required for work.</p> <p>(a) Plant & Machinery</p> <p>(b) Spares</p> <p>(c) Tools</p> <p>(d) Other stores</p>	<p>Rs. 10,00,000</p> <p>Rs. 50,000</p> <p>Rs. 1,00,000</p> <p>Rs. 2,00,000</p> <p><u>Note</u> : Subject to the condition that provision exists in the sanctioned estimate for plant, machinery, tools etc. and proper record of all such items and account is ensured.</p>
14	Approval of indents for stores of proprietary nature required for the work	<p>Rs. 10,00,000</p> <p><u>Note</u> : Subject to the condition that provision exists in the sanctioned estimate and proper record of all such items and accounting is ensured.</p>
15	Hire and issue of machinery to contractors.	<p>Full powers</p> <p><u>Note</u> : Subject to the provision in Section 11 of CPWD Manual being followed and procedure for hire of equipment and charges to be levied being laid down.</p>

Annexure -(iii)

POWER OF SE/EE IN WORKS MATTERS

Sl.No.	Nature of powers	Designation of officer	Extent of powers delegated
1.	Acceptance of lowest Tender	Supt. Engineer Exe. Engineer	Rs.40 lakh Rs.05 lakh
2.	Award of work by acceptance of tender other than the lowest.	Supt. Engineer Exe. Engineer	Since the Central Vigilance Commission has banned post tender negotiations with tenderers other than Lowest Tenderer (L-1), action should be taken for retendering in a transparent and fair manner by calling for a limited or short notice tender if so justified in the interest of work and decision taken to award work to the lowest tenderer. Two part tendering (techno-commercial) system may be followed, wherever possible so that proper assessment of offers is make before award of work.
3.(i)	Award of work without call of tenders	Supt. Engineer	Rs.1.00 lakh <u>Note</u> : Full reasons should be recorded by the approving authority who should guard against contractors holding out for unjustifiable high rates. As a normal rule contracts should be placed only after inviting open tenders. Cases for award of works without call of tenders should be comparatively in-frequent and should be resorted to only when there are very special reasons for making an exception to the general rule and in public interest.
3.(ii)	Award of work by negotiation ab-initio after in fructuous call of tender or with a firm which has not quoted for the execution.	Supt. Engineer Exe. Engineer	Rs.4.00 lakh Rs.1.50 lakh
4.	Award of increased additional quantities against tender	Supt. Engineer Exe. Engineer	Rs.25,000/- Rs.10,000/- <u>Note</u> : The officers are allowed to award such quantities unto 20% of the quantities stipulated in the agreement in respect of

	rates already accepted.		the work below the plinth level & unto 5% in the case of work above the plinth level. Beyond that limit their powers to award such quantities shall be restricted to the monetary limits mentioned above.
5.	Acceptance of Single Tender	Supt. Engineer Exe. Engineer	Rs.15 lakh under his own authority Rs.1 lakh under his own authority.
6.	Award of work by acceptance of single tender submitted by PSUs	Supt. Engineer Exe. Engineer	No need to maintain distinction between public undertakings and others.
7.	Accord of sanction to extra /substituted items	Supt. Engineer Exe. Engineer	Rs.13 lakh in respect of both schedule and non-schedule items. Rs.2 lakh in respect of schedule and agreement. In respect of other cases, 25% of the contract value subject to a ceiling of Rs.15,000/-. Beyond this, sanction of SE would be necessary. <u>Note</u> : (i) Subject to the powers being exercised for technical reasons only (ii) Scale of accommodation and furniture sanctioned by the higher authority should not be exceeded.
8.	Grant of extension of time for completion of work.	Supt. Engineer Exe. Engineer	Full powers for all works for which contracts were approved by them,
9.	Accord of Technical sanction for detailed estimate.	Supt. Engineer Exe. Engineer	Rs.40.0 lakh Rs.05.0 lakh <u>Note</u> : The delegation of power is subject to restrictions & provisions of orders issued by the Ministry of Finance from time to time. In this context, instructions contained in Ministry of Finance OM No.F-10(2)(Co-ord)/77 dated 20.01.1978 should be kept in view.
10.	To pass excess over estimates	Supt. Engineer Exe. Engineer	An officer may pass excess over estimate provided the excess cases is not more than 10% of the amount sanctioned and in all such cases, where the excess to be sanctioned makes the total estimate exceed the amount unto which he is empowered to sanction, same shall be reported to his

			next higher authority which has to satisfy itself about the propriety of excess sanctioned.
11.	<p><u>To write off of losses</u></p> <p>(a) Of stores due to theft, frauds or negligence of individuals (Under para 158 (b) of CPWD Code).</p> <p>(b) Of stores not due to theft, fraud or negligence of individuals (under para 158 (a) of CPWD Code).</p>	<p>Supt. Engineer</p> <p>Exe. Engineer</p>	<p>Rs.4000/-</p> <p>Rs.4000/-</p>

APPENDIX -1

**Detailed Procedure regarding preparation of Tender documents,
Call of tenders, receipt and opening of Tender etc.**

Description		Reference of CPWD Manual 2003
PREPARATION OF TENDER DOCUMENTS		Section 15
1.	Before tenders for <u>an item rate</u> works <u>contracts</u> are invited a detailed estimate showing the quantities, rates and amounts of the various items of work and also the specifications to be adopted should be prepared and <u>Technical Sanction obtained</u> . <u>The draft of the detailed estimate should be based on the approved Architectural and structural drawings.</u>	15.1 As per DAE works procedure
a)	Schedule of Rates : Every CED should prepare an upto date SOR in March/April of every year to facilitate preparation of estimates for civil works on a realistic basis. The schedule of Rates will vary according to the locality or district to which the works are executed and may generally be based on the Schedule of Rates adopted by State and Central Public Works Department for that district but modified to the extent necessary to take into account the specialized nature of works executed by DAE.	
b)	Note – 1 : For the sake of uniformity such Schedule of Rates should be prepared by a common committee representing different units in each region. The feasibility of preparing Schedule of Rates for different regions may be examined by HOD.	
c)	Note – 2: The provisions of para 31 and 32 of Section 4 of CPWD Manual is to be kept in view. The Chief Engineer should also maintain cost indices for each district so as to bring the schedules of rates at par with the prevailing market conditions.	
2.	In case of works for which tenders are to be invited, tender documents comprising the following should be prepared and approved by an authority who is empowered to approve the Notice Inviting Tenders (NIT) before notice inviting tender is issued.	15.2.1.1
i)	The notice inviting tender.	
ii)	The form of tender to be used along with a set of conditions. Particular specifications and special conditions should not be repetitive and in contradiction with each other. Additional condition to be decided by NIT approving authority and he	

	<p>should be responsible for the same.</p> <p>iii) The schedule of quantities of work.</p> <p>iv) Schedule of materials if any to be supplied by the Department</p> <p>v) A set of drawings referred to in the schedule of quantities of work.</p> <p>vi) Specification of the work to be done.</p>	
3.	<p><u>The engineer responsible for preparation of Tender documents</u> should invariably date and initial corrections, conditions and additions in the Schedule of Quantities, Schedule of Material to be issued and specifications and other essential parts of contract documents and also date and initial on pages of the tender documents irrespective of the fact whether they contain or do not contain any corrections or over writings etc. The officer concerned should record the fact in writing at the end of those pages individually.</p>	15.2.1.2
4.	<p>Before approval of NIT, the following should be ensured:</p> <p>i) Availability of site, funds and approval of local bodies to plants.</p> <p>ii) Confirmation that materials to be issued to the contractor would be available.</p> <p>iii) Arrangement for issue of <u>all the working drawings</u> well in advance of actual requirement at site as per the programme of construction.</p>	
5.	<p>Invitation of Tenders for Components Parts:</p> <p><u>Number of packages for a large component shall be finalized and approved by the HOD.</u></p> <p>Accord of technical sanction and call for tender for component parts of the project, the amount of which appears as a distinct sub-head in the preliminary estimate will not amount to splitting the work and can be dealt with by the respective authorities as per powers delegated even if the overall amount of the project may be beyond the competence of any individual authority.</p>	15.4.2
6.	<p>Composite Tenders</p> <p>It has been decided that composite tenders shall be called for works where the combined estimated cost of different components put to tender exceeds <u>Rs. Ten crores only after the approval of HOD.</u></p>	15.6.1

7.	<p>Call of Tenders :</p> <p>As in CPWD for works costing upto Rs.2 lakh need not be sent to the Press for Publication. For works costing more than Rs.2 lakh shall invariably be sent to Press for Publication and procedure as below shall be followed :</p> <p>i) <u>For Works costing upto Rs.2 crores</u> : Tender shall be called preferably in 2 bids system. Financial Bids of technical qualified agencies shall only be opened.</p> <p>ii) <u>For works costing over Rs.2 crores and upto Rs.5 crores</u> : Tender shall be called essentially in 2 bids system. Financial Bids of technical qualified agencies shall only be opened.</p> <p>iii) <u>For works costing over Rs.5 crores</u>: Tender shall be issued only to agencies pre-qualified. Tender shall be called essentially in 2 bids system.</p>	As per DAE works Procedure
8.	<p>In addition to the above, tender notices for all public tenders should also be put on the department's website indicating the entire document so as to enable any agency to download from the website and fill up the tender. In case of works of sensitive in nature which are not supposed to have wide publicity, prior approval of HOD shall be obtained for exemption from putting the entire tender documents or Notice in website. <i>Note : As per CVC guidelines, the exemption available for not putting the tender notice on website is applicable to only sensitive/secret procurement whether through public tender or a limited one.</i></p>	
9.	<p>Suitable Pre-qualification criteria and brief description of type of works should be clearly indicated in NIT.</p>	
10.	<p>EMD may be obtained separately along with Financial bid, if approved by Chief Engineer.</p>	
	<p>Preparation of Notice Inviting Tenders:</p>	
11.	<p>All notice calling for tenders should be in the standard form and be serially numbered a proper register being maintained for the purpose. They should only be issued after the authority competent to accept the tender has approved the NIT papers.</p>	15.7
12.	<p>In case of lump-sum tenders the Divisional Officer should see that detailed drawings and specifications duly authenticated by the competent authority form part of the notice inviting tenders and that the cost of</p>	15.8

	various items forming part of the sanctioned estimate of the work is correctly assessed with reference to the relevant schedule of rates or in the case of non schedule items on the basis of rates supported by detailed analysis therefore, sanctioned by the competent authority.	
13.	The NIT papers are very important documents on which call of tenders and subsequent agreements with the contractors are based. It is therefore, very necessary that each page and the correction slips as also other corrections and modifications made in the NIT papers are numbered and signed by the competent authority in token of approval so that all chances of tampering with such documents are avoided. Mere approval on forwarding letters would not serve the purpose. All corrections in the NITs and pages of the NITs should be approved by the Superintending Engineer/Chief Engineer.	15.9
14.	It will be the responsibility of <u>the issuing authority</u> to see that all forms issued to tenderers whether printed or otherwise, are clear, legible and unambiguous. The schedule of quantities attached to tender document other than Form PWD 7 must also contain a column for the “Amount” after the column “Rate” and the contractor must calculate the amount of each item and enter it in the column. The Contractor must also total these amounts both by sub-head and give a grand total in words and figures both.	15.10.1
15.	It will also be the duty of <u>the issuing authority</u> to ensure that the tenders are issued to those contractors who satisfy the eligibility criteria for issue of tenders as inserted in the Press Notice. He should properly scrutinize the applications received for issue of tenders keeping in view the eligibility criteria <u>before deciding</u> .	15.10.2
16.	Publicity of Tenders : Wide publicity should be given to the notice inviting tenders. Tenders must be invited in the most open and public manner possible, by advertisement in the press and by notice in English/Hindi and the written language of the district, posted in public place. <u>In addition to the paper advertisements the tender notice should also be put on the Department’s Website</u>	Section 16

17.	<u>indicating all the details of the tender.</u> In respect of works estimated to cost more than Rs.2 lacs a brief advertisement inviting tenders should invariably be inserted in the press in the classified category.	16.1.1 As per DAE Works Procedure
18.	Advertisement for Notice inviting tenders should be sent to the Directorate of Advertising and Visual Publicity, Ministry of Information and Broadcasting for insertion in the press. Sometimes, tenders may have to be invited for different works by the same division at the same time or at short intervals of one or two days. In such case it is not desirable to send separate press advertisements for each work and so far as possible composite advertisements in the following form should be sent to avoid unnecessary expenditure on advertisement.	16.1.2
19.	In urgent cases, <u>the Chief Engineer</u> for recorded reasons decide to send the advertisement of tenders to press directly.	16.2.1
20.	The advertisement inserted in the press should be brief but clear in meaning.	16.2.2
21.	Combined tender notice may be issued for all the works to be awarded around the same time.	16.2.4
22.	Details of Estimated Cost, Earnest Money, Time allowed etc., should be given	16.2.4(I)
23.	The following guidelines are to be followed by the Processing Officers regarding publicity of tenders :- (a) Request to DAVP for release of advertisement should be sent well in advance so that adequate time is available for release through press. (b) <u>The office</u> sending the request to DAVP should intimate their complete postal address to the DAVP. (c) A watch should be kept on publication of advertisement in those news papers where advertisements are being released by the DAVP. (d) News papers cuttings in each case should be collected and kept on record as a proof of publicity actually achieved as far as possible. (e) Full details of the dates on which advertisements have actually appeared in the News papers should be indicated while sending cases to higher officers.	16.2.4(III) 16.31 6.3(a) 16.3(b) 16.3(c) 16.3(d) 16.3(e)

24.	<p>Pre bid Conference :</p> <p>In case of works estimated to cost <u>Rs.Five crores</u> and above, a pre bid conference shall be held by the Engineer-In-Charge about 10 days before the last date of submission of the <u>technical bids</u> for clarification of any doubts of the perspective tenderers on any condition of the contract, specification etc. Minutes of the meeting shall be circulated to all perspective tenderers attending the conference. In case of works costing less than <u>Rs. Five crores</u> where necessary, pre bid conference may be held in a manner described above at the discretion of the NIT approving authority.</p>	16.3.1
25.	<p>Limited Tenders :</p> <p><u>Limited tenders can be called in the following cases with the prior approval of HOD</u></p> <p>(a) The work is required to be executed with very great speed which not all contractors are in a position to generate.</p> <p>(b) The work is of special nature requiring specialized equipment which is not likely to be available with all contractors.</p> <p>(c) Where the work is of secret nature and public announcement is not desirable.</p> <p>(d) The list of pre-qualified contractors is required to be shortened to a suitable limited number.</p> <p>(e) Maintenance of VIP residences/important buildings as decided by Chief Engineer concerned.</p> <p>(f) Other exigencies of the work so demand.</p>	<p>16.4.1(a)</p> <p>16.4.1(b)1</p> <p>6.4.1(c)</p> <p>16.4.1(d)</p> <p>16.4.1(e)</p> <p>16.4.1(f)</p>
26.	<p>There need be no fixed restricted list of contractors but when limited tenders are to be called the list of contractors should be as big as possible so that competitive tenders are received.</p> <p><u>HOD</u> has full powers:</p> <p>(i) to finalise and approve the list of contractors for Limited call of tenders.</p>	<p>16.4.2</p> <p>16.4.2(i)</p>
27.	<p><u>Limited</u> call of tenders is normally made after preparation and selection of contractors on the basis of pre-qualification applications invited through press advertisement against various works so as to make the list of contractors of proper technical, financial capacities backed by sufficient experience.</p>	16.4.3

	<p>Pre-qualification of Contractors :</p> <p>Chief Engineer shall approve all criteria for Pre-qualification.</p> <p>The pre-qualification criteria for the work shall consist in detail the following points in the NIT:</p> <p>(a) No. of works done by the agency clearly indicating the technical capabilities of the agencies.</p> <p>(b) Yearly turnover should commensurate with value & duration of tendered work.</p> <p>(c) Solvency : 40% of the estimated cost of work.</p> <p>(d) Clear Definition of “SIMILAR WORKS”.</p> <p>(e) Should not have incurred any loss in more than 2 years during the last 5 years ending 31st, March.All the above shall be verified from the authentic documents obtained from the agencies.</p>	16.5
28.	<p>Time limit for Publicity of Tenders.</p> <p>The following time limits between the date of call for tenders and the date of opening of the tenders are laid down but this period may be varied at the discretion of the Officer competent to accept the tender. In order to ensure keen competition and to the Department of the benefit of competitive rates, the above time schedule shall be adhered. Any reduction in time as above shall be only in rare cases and ordered by the authority, for recorded reasons. 10 days in the case of works costing upto Rs. ten lakhs 2 weeks in the case of works costing between Rs. ten lakhs to Rs. fifty lakhs.3 weeks in the case of works costing more than Rs. fifty lakhs.The above time limits will not apply to global tenders and in such cases the NIT approving authority should take decision for fixing the period.</p>	16.7
29.	<p>Receipt and Opening of Tenders:</p> <p>Following procedure shall be adopted in connection with the receipt and opening of tenders and their acceptance.</p>	Section 18 18.1
30.	<p>Receipt of Tenders :</p> <p>The tenderers shall be asked to put the earnest money in acceptable form and the tender in separate sealed covers marked “Earnest Money” and “Tender” respectively. Both the envelopes shall then be put in another sealed cover for submission. In cases where earnest money in cash is acceptable, the same shall</p>	18.2.2

	be deposited with the Cashier of the <u>Accounts Section</u> and the receipt placed in the envelope meant for earnest money.	
32.	<p>Opening of Tenders :</p> <p>Tenders should be opened in the presence of such intending contractors or their representatives as may choose to attend at the time and place which should be mentioned in the advertisement. Tenders should be entered in the standard Register.</p> <p>The tenders received after the due date and time of receipt are not to be considered at all. They should neither be opened nor entered in the tender opening register.</p>	18.3.1
33.	<p>The officer opening the tender should first open the envelop marked “Earnest Money” and if the earnest money is found in order, then only should he proceed to open the envelop marked “Tender”. In case the earnest money is not found in order, the tender should be returned to the tenderer on the spot if he is present there, otherwise later by registered post. Only an entry shall be made in the tender opening register to this effect.</p> <p>Any deviation from this procedure considered necessary by the NIT approving authority in individual cases shall be referred with full justification to <u>HOD</u> for a decision.</p>	18.3.2
34.	<p>(a) In case of two-bid system, technical bids shall be opened first and after technical evaluation is completed, financial bid in respect of technically acceptable offers only shall be opened. In cases where deposition of earnest money along with the tender was not insisted upon due to expected longer time in evaluation of technical bids, the financial bid should be opened only after getting the earnest money.</p> <p>(b) Technical acceptability of the bidders shall be established before holding any technical negotiation with the firms.</p> <p>(c) Revised price bids if any shall be obtained only from the short listed/qualified bidders.</p> <p>(d) The bidders whose tenders are rejected at the technical bid stage are to be informed about the rejection.</p> <p>(e) Unopened bids of the rejected bidders can be returned if written request is received from bidders.</p>	<p>18.3.3</p> <p>As per CVC OM dated 16.11.04</p> <p>- do -</p> <p>-do- & 18.18.3</p>

35.	The officer opening the tenders should mark all corrections, cuttings, conditions, additions and over-writings and number them and attest them in red ink. In case of a number of corrections in any rate either in words or in figures or in both, the number of corrections marked should indicate the corrections serially that is to say, in case of, say three corrections in rates of any item each of these corrections should be allotted independent numbers serially and not one number to represent all the three corrections.	As per CVC OM dated 16.11.04 18.3.4
36.	The number of such corrections, cuttings, additions, conditions and over writings must be clearly mentioned at the end of each page of Schedule attached to the tender paper and properly attested with the date. Any omission observed should also be brought out clearly on each page of the Schedule.	
37.	The corrections, cuttings, conditions, additions and over writings etc., should be allotted separate numbers, i.e. corrections should start from 1, 2, 3 etc. and over writings should similarly start separately from 1, 2, 3 etc.	18.3.5
38.	Any ambiguities in rates quoted by tenderers, in words or figures must be clearly indicated on each page of the schedule attached to the tender to which it concerns.	18.3.6
39.	In case where the contractor has quoted rates in rupees and no paise is mentioned the work “only” should invariably be added after the words rupees and the corrections should be initialed and dated with suitable remarks at the end.	18.3.7
i.	Where the contractors have omitted to quote the rates in figures or in words, the Officer opening the tender should record the omissions on each page of the Schedule.	18.3.8
ii.	The <u>Tender opening Officer</u> should see that the Contractors quote entire rates in words including paise to avoid chances of tempering in rates and if the contractor fails to do so the Engineer in Charge should himself write the rates in words at the time of opening of tenders and initiate action against the contractor.	18.3.9 18.3.10
iii.	The contractor should be asked to fill in the tenders properly and carefully. They should avoid quoting absurd rates and making too many	18.3.11

	<p>corrections in the tenders. The amounts should also be correctly worked out. If any contractor does not follow these instructions and desist from filling the tenders carefully it would be open to the Department to take disciplinary action against the Contractor.</p>	
iv.	<p><u>Representative of Accounts Section</u> should be present at the time of opening of tenders. Tenderer should also be encouraged to be present at the time of opening of the tenders. In the case of item rate tenders the total amount worked out by different tenderers may be read out, if required by the tenderers present.</p>	18.3.12
v.	<p>After opening the tenders in the manner mentioned above, and keeping a record and preparation of comparative statement, the <u>processing officer</u> will send the same to the office of the accepting authority concerned and the detailed scrutiny will be done in the office of that accepting authority. The market rates for preparation of justification will, however be sent by processing officer.</p>	18.3.13
vi.	<p>A complete comparative statement of all tenders received in response to the notice should be drawn up by the processing officer.</p>	18.3.14
	<p>Care should be taken in preparing and scrutinizing comparative statements of tenders to guard against arithmetical and other mistakes.</p>	14.3.14.2
	<p>That the officials date and initial all papers, the calculations of which they have checked and that all working sheets are preserved.</p>	18.3.15.2
	<p>The concerned <u>Accounts Officer</u> should make satisfactory and efficient arrangements for checking the computed tenders. He should also conduct personally a test check of computed and checked tenders sufficiently to satisfy himself reasonably that the checking work has been properly done. He should also see that the comparative statement correctly incorporates the total as checked in individual tenders.</p>	18.3.15.2
	<p>If on checks there are differences between the rates given by the contractor in words and figures or in amount worked out by him, the following procedures shall be followed :</p>	
(i)	<p>When there is a difference between the rates in figures and in words, the rates which corresponds</p>	18.3.15.4

	to the amounts worked out by the contractor, shall be taken as correct.	
(ii)	When the amount of an item is not worked out by the contractor or it does not correspond with the rates written either in figures or in words, then the rate quoted by the contractor in words shall be taken as correct.	18.3.15.4.1
(iii)	When the rate quoted by the Contractor in figures and in words tallies but the amount is not worked out correctly, the rates quoted by the contractor shall be taken as correct and not the amount.	18.3.15.4.2
(iv)	In the case of percentage Rate Tender, the contractors are required to quote their rates both in amount as well as in the percentage below/above the rates entered in the Schedule. In such cases in the event of arithmetical error committed in working out the amount by the contractor, the tendered percentage and not the amount should be taken into account.	18.3.15.4.3
(v)	All corrections should be carried out neatly and clearly and initialed by the person making the corrections. The corrections then shall be attested by the authority concerned.	18.3.15.4.4
40.	It is essential that there be no hurrying the work of computing tenders and of checking computations and an accountant is entitled to claim that reasonable time should be allowed to him to satisfy himself that any check has been properly done.	18.3.17.2
41.	<u>The Accounts Officer</u> should record the following certificate on the comparative statement: “Certified that : I have personally conducted a test check of the computed and checked tenders and have satisfied myself that the checking work has been properly done. The comparative statement correctly incorporates the totals as checked on the individual tenders.”	18.3.17.3
	Revised Bids : Note : the official concerned should ensure that the technical discussions do not result in any undue advantage accruing to the tenderer on this account. Revised bids, if called for after technical discussion, should be sought in relation to the original price bid, to ensure that bidders submit serious quotations at the outset. Revised bids shall not be normally taken. If necessary, HOD’s decision shall be final. The exercise of short listing of the qualifying firms must be completed prior to seeking the revised price bids.	As per DAE Works Procedure

PROPOSAL FOR CONSIDERATION AND APPROVAL
FOR AWARD OF WORK

1. **Name of Work** :
2. **Ref. to Admn. approval & Expenditure sanction** :
 - i) Authority :
 - ii) No. & date :
 - iii) Amount :
 - iv) Proportionate amount available for the work included in the present tender :
3. **Ref. to Technical Sanction** :
 - i) Scope of work :
 - ii) Authority :
 - iii) No. & date :
 - iv) Amount :
4. **Scope of Work** for which tenders have been : The scope included in the tender called for, clearly indicating the items is as per Technical Sanction & omitted from the sanctioned estimate no item is omitted.
or
Following items are omitted
How the omitted items shall be executed :
5. **Ref. to Approval of NIT :**
 - (a) Whether the NIT is through Public notice? :
If no – the reasons for deviation & reference to the approval of Competent Authority.
 - (b) Ref. to NIT :
 - i) Authority :
 - ii) No. & date : Tender Notice No.
 - iii) Estimate amount put to tender :
6. **Ref. to Publicity :**
 - i) Date on which NIT was sent for Publication :
 - ii) Date on which NIT was published & name of the newspaper :
 - iii) Date on which it was circulated to other offices :
7.
 - i) The date & time at which tenders were due to be received in the office :
 - ii) Postponed date & time if any (approval of competent authority) :

- iii) Reasons for Postponement :
 - iv) Ref. to publicity in regard to postponement :
8. The date from which Tender documents were available for sale to contractors :
9. Particulars of contractors to whom tender documents were sold. Quote authority for issue of tenders to contractors not eligible to tender, if any, in remarks column :

Sl. No.	Name of Contractor	Class	Department in which	Date of issue	Remarks

10. Opening of Tenders : Part –I : Technical Bid

- a) Whether any Prebid meeting was held (Reference to Minutes of Prebid meeting) :
- b) Opening of Part-I : Technical Bid :
- i) Date & Time at which tenders were due to be opened :
 - a) Date and time at which tenders were actually opened :
 - b) Name & Designation of Officers who opened the tenders :
- ii) Name of Contractors present at the time of opening of tenders :
- iii) Name & Designation of any other person present :
- iv) Have all the contractors, if not exempted, deposited EMD in proper form :

11. List of Contractors who tendered for the Job :

Sl. No.	Name of Contractor		

- 12. a) Whether bids were conditional :
- b) Whether all bidders have been brought at par regarding conditions :
- c) Whether all bidders have been cleared

for opening Part –II Financial Bid :
(the approval of competent authority)

13. Opening of Tenders : Part –II: Financial Bid

- i) Date & Time of opening of Financial Bid :
- ii) Name of Contractors present at the time of opening of tenders :
- iii) Name & Designation of Officers who opened the bids :
- iv) List of tenderers whose Part-II Financial bids are opened and comparative position :

(a) Comparative position on opening bids :

Sl.No	Name of tenderer	Tendered amount %	age above/below	Relative position L 1, L2, L3

(b) Comparative position on making detailed CST duly checked by Accounts (Copy of certificate of Accounts) :

Sl.No.	Name of tenderer	Tendered amount%	age above/below	Relative position L1, L2, L3

- 14. Whether any negotiation was held with L1 bidder. :
- 15. Financial implication of negotiation :
- 16. Date on which validity of tenders expires :
- 17. Whether the case needs to be referred to TC :
- 18. Recommendation of the initiating authority :

Initiating authority

DCA/JC(F&A) Recommendation of DCA

- I. For approval of Director
- II. For put up to Tender Committee
- III. Any other

Director

By Registered Post

(Form of letter of acceptance of tender)

From

The Executive Engineer, Division,

To

(Name and address of the Contractor)

No. _____ Date _____

Subject: _____

Dear Sir(s),

Your tender for the work mentioned above has been accepted on behalf of the President of India at your tendered percentage of _____ below/above the estimated cost, tendered amount of Rs. _____

2. You are requested to attend this office to complete the formal agreement within fifteen days from the stipulated date of start.
3. You are also directed to start the work at once. Please note that the time allowed for carrying out the work as entered in the tender, shall be reckoned from the _____ day after the date of this order to commence work.
4. You are requested to contact the Assistant Engineer _____
_____ (complete address for taking possession of site and starting the work.

Yours faithfully,

EE

For and on behalf of President of India

- a) The tenderers whose tenders are rejected should be sent written intimation about the rejection.
- b) In special case where the work is requested to be completed in short time and is not desirable to allow 10 days period for commencement of work, concerned Officers may reduce this period and make necessary change in contract form and the letter of acceptance of tender.
- c) In the acceptance letter, the Officer accepting the tender should give a reference of all the contractor's letter received with the tender of thereafter and/or incorporate the fact of acceptance or rejection of the condition mentioned in the letter of the contractor.

(Extract from CPWD Works Manual)

Section 31

ADVANCE PAYMENTS

- 31.1 Advance payments to contractors against on account bills received in the Divisional Office may be made by Divisional Officers. When an on account bill has been received in the Divisional Office and there is likely to be delay in authorizing payment for special reasons which should be recorded, a Divisional Officer may at his discretion, on receipt of an application from the contractor for financial aid in the shape of part payment, in respect of tenders accepted by AE/AEE and himself, (and after obtaining necessary sanction from the Superintending Engineer for cases against contracts beyond his power of acceptance) make a lump-sum advance payment on Hand Receipt, Form 28 subject to the following conditions :-
- (i) The bills in respect of which the advance is proposed to be made should actually be under check in the Divisional Office.
 - (ii) The amount of advance should not exceed 75 per cent of the net amount of the bill under check but no advance payment will be admissible in cases where the amount of advance payable works out to less than Rs.10,000/-.
 - (iii) The payment should be suitably endorsed both on the running bill against which the advance payment is made and the connected abstract of measurements in the Measurement Book. The Hand Receipt voucher on which payment is made should bear reference to the number, date and amount of the bill against which the payment is made and also to the page number of Measurement Book and the number, date and amount of the voucher, if any, on which the previous on account payment was made. The payment should be treated in the accounts as an advance.
 - (iv) An undertaking should be obtained from the contractor before the payment is actually made that, should the amount of advance paid to him subsequently found to be more than the amount of the running account bill in respect of which the advance was paid, he will refund to Government forthwith, the amount overpaid. The Divisional Officer will be held personally responsible to see that advance is adjusted when payment is made on the running account bill in respect of which it was made and for any overpayment which may occur.
- Note :** A record of advances authorized by the Executive Engineer under his own competence (i.e. against contracts within his power of acceptance) with the reasons therefore will be kept in a special register which should be inspected by the Superintending Engineer at time of his inspection of the Divisional Office.
- 31.2 Powers have been delegated to the S.Es. to authorize the E.Es. to make advance payment to the contractors for alternate running bills when for any reasons monthly payments cannot be made on the basis of recorded measurements.

- 31.3 The following rules should be observed with regard to advance payments to contractors for work done but not measured :-
- (a) Advances to contractors are, as a rule, prohibited and payments to contractors should not be made until detailed measurements of the work have been taken and recorded. Advance payments may, however, be made in exceptional cases of real necessity, when it is absolutely essential to do so, and in such cases previous sanction of the S.E. concerned should invariably be obtained.
 - (b) An advance payment for work actually executed may be made on the certificate of a responsible officer (not below the rank of Sub-Divisional Officer) to the effect that not less than the quantity of work paid for has actually been done, and the officer granting such a certificate will be held personally responsible for any overpayment which may occur on the work in consequence. Certificate printed on the Running Account Bill must be signed by the Sub-Divisional or Divisional Officer, and the lump-sum amount paid on account of the several items should be specified against item 2 of Part III of the bill. If a secured advance has been previously allowed to a contractor on the security of any materials and such materials have been used in the construction of an item, the amount of the advance payment for that item should not exceed a sum equivalent to the value of work done less the proportionate amount of secured advance ultimately recoverable on account of the materials used.
 - (c) When in any exceptional case an advance payment has been authorized by the competent authority, it would be followed by detailed measurement within two months at the most. Beyond two months, the approval of Chief Engineer will be necessary.
 - (d) The grant of a second advance before the first one has been recovered should not be permitted.
- 31.4.1 Advance payments for work done but not measured should be made on Bill Form CPWA 76 and that the same be classified in the works accounts under suspense Sub-Head "Advance Payments". No. such payments must be made on Hand Receipt.

Advance Payments to Private Firms/Autonomous Bodies for Chemical Analysis and Testing of Materials.

- 31.4.2. A list of laboratories shall be approved by the Superintending Engineer. Advance payment may be made by the Executive Engineer to an enlisted laboratory, for which no further approval shall be necessary.

The amount of advance shall be drawn on a simple receipt and accounted for under the final head to which the expenditure on services in question would be debited.

Secured Advances

- 31.5.1 Secured Advances on the security of a materials brought to site may be made to the contractors for items which are to be used on work.
- 31.5.2 The Divisional Officers can sanction the secured advance up to an amount not exceeding 75% of the value of the materials as assessed by the Engineer-in-Charge or an amount not exceeding 75% of the material element cost in the tendered rate of the finished item of work whichever is lower.
- 31.5.3 A formal agreement should be drawn up with the contractor under which Government secures a lien on the materials and is safeguarded against losses

due to the contractor postponing the execution of the work or to the shortage or misuse of the materials, and against the expense entailed for their proper watch and safe custody. Payment of such advances should be made only on the certificate of an officer not below the rank of Sub-Divisional Officer, that :

- (I) The quantities of materials unto which the advances are made have actually been brought to site.
- (II) Full quantities of the materials, for which advance is to be made, are required by the contractor for use on item of work for which rates for finished work have been agreed upon.
- (III) The quality of materials is as per desired specifications:
The Officer granting such a certificate will be held personally responsible for any overpayment which may occur in consequence. Recoveries of advances so made should not be postponed until the whole of the work entrusted to the contractor is completed. They should be made from his bills for work done as the materials are used, the necessary deductions being made whenever the item of work in which they are used are billed for.

- 31.5.4 Secured advance shall be granted only for non-perishable items, it can however, be granted for perishable items after the contractor indemnifies the Government through an insurance cover. The Divisional Officer shall identify whether an item is perishable or not.

Grant of Mobilisation Advance to the Contractors for Executing Capital Intensive Works.

- 31.6 In respect of certain specialized and capital intensive works costing not less than Rs.2 crores, mobilization advance limited to a maximum of 10% of the estimated cost put to tender or tendered value of Rs. one crore, whichever is less, at 10% simple interest shall be sanctioned to the contractors on specific request as per term of the agreement.
- (I) Chief Engineers should use their discretion carefully in deciding whether any particular work shall be considered as a specialized or capital intensive work.
 - (II) The mobilization advance shall be against a Bank Guarantee of a Scheduled Bank for the full amount of advance. The advance should be released in not less than two installments. The interest on the advance shall be calculated from the date of payment to the date of recovery, both days inclusive.
 - (III) The recovery should be made after 10% of work is completed and the entire amount together with interest shall be recovered by the time 80% of the work is completed.

Revised Works Procedure Issued by DAE OM No.7/4(1)/98-SUS/Vol.III/4212 dated May 31, 2006				
Sr.No.	Nature of Power	Extent of Powers delegated		
		Annexure II Chief Engineer	Annexure III Suptd. Engineer Rs.40 lakhs	Executive Engineer Rs. 5 lakhs
1	Acceptance of Lowest Tender	Rs. 1 crore Without prior approval of Tender Committee	Rs.40 lakhs	Rs. 5 lakhs
2	Award of work by acceptance of a tender other than the lowest	Since the Central Vigilance Commission has banned post tender negotiations with tenderers other than lowest Tenderer (L1), action should be taken for retendering in a transparent and fair manner by calling for a limited or short notice tender if so just		
3 (i)	Award of work without call of tenders	Rs. 6 lakhs Without prior approval of Tender Committee	Rs. 1 lakhs	NIL
		Note: Full reason should be recorded by the approving authority who should guard against contractors holding out for unjustifiable high rates. As a normal rule contracts should be placed only after inviting open tenders.		
3(ii)	Award of work by negotiation ab-initio after in fruituous call of tender or with a firm which has not quoted for the execution for remaining work after the recession of contract.	Rs.10 lakhs without prior approval	Rs.4 lakhs	Rs.1.5 lakhs

Sr.No.	Nature of Power	Extent of Powers delegated		
		Annexure II Chief Engineer	Suptd. Engineer	Executive Engineer
4	Award of increased additional quantities against tender rates already accepted.	Full Powers (Provided expenditure sanction for the item/work does not exceed the permissible limit.)	Rs.25,000/-	Rs.10,000/-
		Note: It may be ensured that the procedure laid down in Section 25 of CPWD Manual being kept in view and the rates being in conformity with the accepted schedule of rates.		
5	Acceptance of Single Tender.	Rs.50 lakhs without prior approval	Rs.15 lakhs	Rs.1 lakh

Sr.No.	Nature of Power	Extent of Powers delegated		
6	Award of work by acceptance of single tender submitted by PSU's	No need to maintain distinction between public undertakings and others		
7	Accord of sanction to Extra/Substituted items	Full powers (Provided expenditure sanction for the item/work does not exceed the permissible limit.)	Rs.13 lakhs In respect of both schedule and non schedule items	Rs.2 lakhs In respect of schedule and agreement. In respect of other cases, 25% of the contract value subject to a ceiling of Rs.15000/-. Beyond this, sanction of SE would be necessary.
Note: (1) Subject to the powers being exercised for technical reasons only. (ii) Scale of accommodation and furniture sanctioned by the higher authority should not be exceeded.				
8	Grant of Extension of time for completion of work.	Full Powers for all works for which contracts were approved by		
9	Accord of Technical Sanction for detailed estimates	Full Powers (Provided financial sanction for item/work is not exceeded beyond the permissible limit)		
Note: The delegation of power is subject to restrictions & provisions of orders issued by the Ministry of Finance from time to time. In this context, Instructions contained in Ministry of Finance OM No.F-10(2)(Co-Ord)/77 dated 20.01.1978 should be kept in view.				
10	To pass excess over estimate	An Officer may pass excess over estimate, provided the excess cases is not more than 10% of the amount sanctioned and in all such cases, where the excess to be sanctioned makes the total estimate exceed the amount unto which he is empowered to sanction same		

Sr.No.	Nature of Power	Extent of Powers delegated		
11	To write off of losses A) Of Stores due to theft, frauds or negligence of individuals. (Under para 158 (b) of CPWD Code)	Rs.25000/-	Rs.4000/-	
	B) Not due to theft, fraud or negligence of individuals. (Under para 158(a) of CPWD Code)			Rs.4000/-
12	Entertainment of work charged establishment against specified provision in the technical sanction of the work	Full powers Provided the maximum of the scale of pay doesnot exceed R s . 9 0 0 0 / - revised subject to the condition that provision exist in the estimate.)	NIL	NIL
13	Approval of Indents for Equipments and Stores required for work A) Plant & Machinery B) Spares C) Tools D) Other Stores	Rs.10,00,000/- Rs. 50,000/- Rs. 1,00,000/- Rs. 2,00,000/-	NIL	NIL
	Note: Subject to the condition that provision exists in the sanctioned estimate for plant, machinery, tools etc. and proper record of all such items and account is ensured.			
14	Approval of Indents for stores of proprietary nature required for the work	Rs.10,00,000/-	NIL	NIL
	Note: Subject to the condition that provision exists in the sanctioned estimate and proper record of all such items and account is ensured.			
15	Hire and Issue of Machinery to Contractors.	Full powers	NIL	NIL
	Note: Subject to the provision in Section 11 of CPWD Manual being followed and procedure for hire of equipment and charges to be levied being laid down			

Government of India
Department of Atomic Energy
Directorate of Construction, Services & Estate Management

3rd Floor, V.S.Bhavan
Anushaktinagar
Mumbai – 400 094

Ref: DCSE/TC(P)/PA/

27.03.2008

MINUTES OF MEETING

Sub : **1st meeting of the Committee, constituted for updating changes carried out in CPWD Manual.**

1st meeting of the Committee was held in the Conference Room, 3rd Floor, V.S. Bhavan on 27.3.2008. The following Officials were present in the meeting :

1. Shri T.V.S Murthy, A&CED, BARC : Member
2. Shri B. Harikrishnan, E&CS/CED, IGCAR : Member
3. Shri A.K.Jana, TC(P) , DCSE : Member Secretary
4. Shri Vikas Tambakhe, Head (PCD), DCSE : Special Invitee
5. Shri K.L. Modi, DCSE : Invitee

At the outset, Nodal Officer, Shri S. Ramanujam, Director, DCSE welcomed all the members and briefed about the role of the committee. He also guided the committee to go through the latest changes carried out by CPWD for improvement of the Works Procedure and to make suggestion accordingly.

Following points were discussed in the meeting.

	Description	Action by
A.	Suggestion of the Committee to incorporate : The Committee discussed the various Clauses of Condition of Contract and works procedure revised by CPWD subsequent to the latest works procedure issued by the Department vide OM dated 31.5.2006. On detailed discussion Committee felt that following changes can be applied/ incorporated in all DAE works based on the revised Clauses of Condition of Contract and Work Procedure of CPWD which do not need any modification.	
1.	CPWD has revised the “CPWD Works Manual” to suit the modern day requirements of Construction and deliverance to the clients. Considering the above the Committee recommended that all DAE Units shall follow the said “CPWD Works Manual-2007” for reference purposes, wherever required, with other Works Procedure etc. of DAE.	

2.	For works costing less than Rs.5 lakhs, there is no need for press publicity. But other publicity measures like displaying NIT's on Notice boards, shall be maintained.	
3.	As per the New Advertisement Policy of the Govt. of India, all Ministries/ Departments can now send Classified Advertisement (such as Tender, Auction, Recruitment, accommodation etc.), directly to the newspapers for publishing at DAVP rates subject to certain conditions. The committee recommends that the same Policy shall be followed by all the units of DAE.	Para 16.1(3) of Manual
4.	“Critical Situation Situation for calling spot quotations – competent authority	
4.1	Wherever a work is to be taken up, or a material is to be procured under critical situations, such as in the case of breakdown of an essential service, or works which brooks no delay, spot quotations may be collected from reputed and established agencies dealing with the work or supply of material, and the work awarded or supply order placed immediately.	New Advertisement Policy
4.2	In case of a situation where there is a shortage of a critical material that is required to be arranged departmentally for the execution of a work, and its rate is not stable, and there is a wide day-to-day fluctuation in its rate in the market, spot quotations may be collected from reputed and established agencies dealing with the material, and supply order may be placed immediately for such quantities of material that are immediately required, and as are available with the agency. Spot quotations should be collected by EE/AE only.	Para 5.4 of Manual
4.3	Prior approval of such authority should be obtained, in oral if not in writing, before awarding the work or placing the supply order. Reference thereof should be mentioned while forwarding the case for obtaining the written approval of this authority, and the same should be sought at the earliest possible opportunity but not later than 10 days.”	
5.	As per the revised Works Manual Section-5 Progress report has to be submitted by Contractors for works costing more than Rs. 15	

	crores as per following manner : “Progress reports – submission by the contractor	
5.1	<p>Apart from the progress reports which are being compiled and submitted to higher authorities from various levels in the department, there should be a stipulation in the contract for large value works, say, Rs. 15 crores and above, or as may be decided by the NIT approving authority, for the contractor to submit monthly progress report of the work in a computerized form. The progress report shall contain the following, apart from whatever else may be required as specified:</p> <p>(i) Project information, giving a broad features of the contract.</p> <p>(ii) Introduction, giving a brief scope of the work under the contract, and the broad structural or other details.</p> <p>(iii) Construction schedule of the various components of the work through a bar chart for the next three quarters (or as may be specified), showing the milestones, targeted tasks and upto date progress.</p> <p>(iv) Progress chart of the various components of the work that are planned and achieved , for the month as well as cumulative upto the month, with reasons for deviations, if any, in a tabular format.</p> <p>(v) Plant and machinery statement, indicating those deployed in the work, and their working status.</p> <p>(vi) Man-power statement, indicating individually the names of all the staff deployed in the work, along with their designations.</p> <p>(vii) Financial statement, indicating the broad details of all running account payments received upto date, such as gross value of work done, advances taken, recoveries effected, amounts withheld, net payments, details of cheque payments received, etc.</p> <p>(viii) A statement showing the extra and substituted items submitted by the contractor, and the payments received against them, items pending for sanction/ decision by the Department, broad details of the bank guarantees, indicating clearly their validity periods, broad details of the Insurance policies taken by the contractor, if any, the advances received and adjusted.</p> <p>(ix) Progress photographs, in colour, of the various items/ components of the work done upto date,</p>	

(x)	to indicate visually the actual progress of the work. Quality assurance and quality control tests conducted during the month, with the result thereof.	
5.2	The progress report submitted by the contractor shall be checked and certified by the Junior Engineer and the Assistant Engineer, and has to be reviewed by the Executive Engineer and the Superintending Engineer, over their dated signatures.	
5.3	All works costing Rs. 15 crores and above, and any work of unique importance and character irrespective of the value of the work, should have videography undertaken at various stages of construction right from the day of start of work to date of completion/ occupation, covering all major events, inspections, visits by dignitaries,etc.” Considering the above provision the Committee recommended to adopt the same in DAE works also.	
6	As per Section-7 of CPWD Work Manual 2007 : Computerised Measurement Books (CMB's) and Bills to be submitted by the contractor Application and format of the Computerised M.B.	
6.1	In works of estimated cost put to tender of Rs. 15 lacs and above, approving authority, the conventional Measurement Books shall be replaced by a bound volume of computerized measurements to be furnished by the contractor, duly machine numbered for the pages, and with an MB number given by the Division Office. The pages of these Measurement Books shall be QA-4 size. All these Measurement Books belonging to a Division shall be serially numbered, and a record of these Computerised Measurement Books shall be maintained in a separate Register in Form CPWA 92.	
6.2	The same format as in existing Measurement Books shall be used for the Computerised Measurement Books. The measurements shall be carried forward from the previous recorded measurements as per the existing procedure.”	Para 7.12 under Section 14 of Manual

<p>6.3</p> <p>(1)</p> <p>(2)</p> <p>(3)</p> <p>(4)</p> <p>(5)</p>	<p>Mode of Measurements</p> <p>The measurements shall be recorded and entered in computerized format in the first instance by the contractor, and a hard copy shall be submitted to the Department. All entries shall be made exactly as per the existing procedure.</p> <p>These measurements shall then be 100% checked by the Junior Engineer. If Junior Engineer is not available, the Assistant Engineer shall perform 100% check of the measurements. The contractor shall incorporate all such changes or corrections, as may be done during these checks, to his draft computerized measurements and submit to the department the corrected computerized measurements in the form of a book, duly hard bound in red colour on the lines of the conventional Measurement Books now in use, and with its pages machine numbered.</p> <p>The Assistant Engineer and the Executive Engineer shall test check these computerized measurements as per the existing instructions. This book shall be treated as a Computerised Measurement Book.</p> <p>The Junior Engineer, Assistant Engineer and the Executive Engineer shall record the necessary certificates for their checks and test checks as per the existing procedure in this Computerised Measurement Book.</p> <p>The Computerised Measurement Book shall be allotted a serial number as per the Register of Computerised Measurement Books.</p>	
<p>6.4</p> <p>(1)</p> <p>(2)</p> <p>(3)</p>	<p>Cutting or over-writing in the computerized MB not allowed</p> <p>The Computerised Measurement Book given by the Contractor , duly bound, with its pages machine numbered, shall have no cutting or over-writing.</p> <p>It is the responsibility of the Junior Engineer or the Assistant Engineer as the case may be to ensure that the checks and test checks done by them in the initial draft measurements are correctly incorporated in the Computerized Measurement Book before they record their certificates.</p> <p>In case of any error , the Computerised Measurement Book shall be cancelled and the contractor shall re-submit a fresh Computerized measurement Book.</p>	

	<p>This should be done before the corresponding computerized bill is submitted to the Division for payment.</p>	
(4)	<p>The contractor shall submit as many copies of Computerised Measurement Books as may be required, and as are specified in the NIT/contract for the purpose of reference and record in the various offices of the department.</p>	
6.5	<p>Computerised Bill to be submitted by the contractor</p>	
(1)	<p>The contractor shall submit his running and final bills in a computerized form in the same format as the existing conventional bills, with all the pages machine numbered and hard bound and with the entries made as per the existing procedure.</p>	
(2)	<p>The contractor shall submit as many copies of the computerized bills as may be required for the purpose of reference and record in the various offices of the department.</p>	
(3)	<p>The bill shall be carried forward from the previous running account bill as per the existing procedure.</p>	
(4)	<p>These computerized bills shall be processed by the various offices for payment as per the existing procedure."The Committee discussed at a length to introduce the same in all DAE Units and considering the above procedure, the Committee recommended that each unit should take up a pilot project of Costing more than Rs. 1 crore or the biggest works of the Unit for the Computerised Measurement Books and subsequently for all works costing more than Rs. 15 lacs as per CPWD Manual.</p>	
7.	<p>Considering the revised CPWD Manual states that "Normally tender should be called for all works costing more than Rs. 50,000/-." The committee recommends to adopt the same for DAE.</p>	
8.	<p>Publicity the CPWD revised procedure the Time limit for publicity of Tender shall be revised as below :</p>	
8.1	<p>The following time limits between the date of Publication of tender on web site or Press</p>	

<p>(i) (ii) (iii)</p> <p>8.2</p>	<p>whichever is earlier and the date of receipt of the tenders are desirable :</p> <p>7 days in the case of works with estimated cost put to tender upto Rs. 20 lacs.</p> <p>10 days in the case of works with estimated cost put to tender between Rs. 20 lacs to Rs. 2 crores</p> <p>14 days in the case of works with estimated cost put to tender more than Rs. 2 crores</p> <p>The above time limits may be varied at the discretion of the NIT approving authority keeping in view the exigencies of work.”</p>	
<p>9.</p>	<p>Earnest Money: Considering the revised CPWD Manual, it has been proposed that :” A part of earnest money is acceptable in the form of bank guarantee also. In such cases 50% of earnest money or Rs. 20 lacs whichever is less, will have to be deposited in shape prescribed, and balance can be accepted in form of bank guarantee issued by a scheduled bank.”The committee recommends the same for adoption.</p>	<p>Section 14 of Manual</p>
<p>10.</p>	<p>Security Deposit and Performance Guarantee : As per the existing practice, “the security deposit shall be deduct at the rate of 10% of the gross amount of each running bill till the sum along with the sum already deposited as earnest money, will amount to security deposit of 5% of the tendered value of the work.” Considering the present revision made by the CPWD, the same to be made as “The security deposit shall be deduct at the rate of 5% of the gross amount of each running bill till the sum along with the sum already deposited as earnest money, will amount to security deposit of 5% of the tendered value of the work.” In addition : “ Security deposit can be released against bank guarantee issued by a scheduled bank on its accumulation to a minimum amount of Rs. 5 lacs subject to the collection that amount of any bank guarantee except last one, shall not be less than Rs. 5 lacs.” The committee recommends the same for adoption.</p>	<p>Section 16.5 Manual</p>
<p>11.</p>	<p>Considering the revision in Clause 10CC of the CPWD following para shall be made as “Compensation for escalation in prices and wages shall be available only for the work done during the stipulated period of the contract including the justified period</p>	

2.	<p>extended under the provisions of clause 5 of the contract without any action under clause</p> <p>However, for the work done during the justified period extended as above, the compensation as detailed below will be limited to prices/ wages prevailing at the time of stipulated date of completion or as prevailing for the period under consideration, whichever less.”</p>	
12	<p>Considering the revision made in the CPWD Manual it is recommended that “ Deviation in quantities of individual item upto \pm 10% of the agreement quantities will not need any prior approval of TS authority and sanction of deviations is not required.” subject to the financial power as per Work procedure may be followed.</p>	
13.	<p>Payment to Contractor: Considering the revision made by the CPWD it is proposed “ no payment shall be made for works or supplies estimated to cost less than Rs. 50,000 till after whole of the work or supply shall have been completed and a certificate of completion given”</p>	
14.	<p>Advance Payment :”The secured advance upto an amount not exceeding 90% of the value of the materials as assessed by the E-I-C, or an amount not exceeding 90% of the material element cost in the tendered rate of the finished item of work, whichever is lower.” Shall be sanction in place of present practice of 75%.</p>	
15.	<p>The Committee suggested in place of correcting Specification and or General condition of Contract in tender documents for each contract, all unit can add “Salient Governing feature of the tendered/ work” as per Annexure enclosed to incorporate any correction/ enclosure required for individual work without making any correction in Specification and or Condition of Contract Books.</p>	
16.	<p>The Committee discussed a length on escalation on AMC work for maintenance and considering the present market condition recommended that wherever required Clause 10 CA may be applied for AMC of Maintenance contract incorporating specific items for escalation.</p>	

B.	The Committee also discussed the other Clauses of condition of contract which required certain modification and proposed to send the same to DAE for approval.	
B.1	Considering the present market fluctuation of steel prices Contractor are not satisfied with present provision of escalation and the all ongoing works are suffering due to this. In view of this it is proposed that	
i)	Steel may be supplied departmentally or	
ii)	Escalation may be paid based on star prices for the variation in cost.	

Shri T.V.S Murthy
A&CED, BARC
Member

Shri B. Harikrishnan
E&CS/CED, IGCAR
Member

Shri A.K.Jana
DCSE
Member Secretary

Distributed to all present

Government of India
Department of Atomic Energy
Directorate of Construction Services & Estate Management

3rd floor, V.S.Bhavan,
Anushakthinagar, Mumbai-400 094.

No.DCSE:DIR:PA:215(C):97

May 6, 2008

Sub: Modifications to the existing Conditions of works contract
for execution of various projects

Kind reference is invited to our communications No.DCSE:DIR:PA:215(C):53, dtd.13.3.08 and No. DCSE:DIR:PA:215(C):64, dtd.27.3.08 regarding subject matter. A meeting was convened at Kalpakkam on 10/11.4.2008 to discuss in detail various revised provisions of the latest stipulations in general conditions of contract/Manual of CPWD. It may be recalled that a sub-committee was formed by the undersigned to review the latest provisions in this respect and come up with the recommendations during the above meeting. Accordingly sub-committee has made the recommendations to the extent these are to be implemented in all units of DAE.

The minutes of meeting of the sub-committee, copy enclosed, was discussed in detail during the meeting on 10/11.4.08 and the final outcome is also enclosed as minutes of meeting.

You may kindly note that the latest provisions in CPWD do give sufficient relief to the contractors and hence implementation of these with immediate effect is considered essential.

Apart from the revision in the CPWD Manual/Conditions, to be incorporated in our conditions of contract, other issues like compensation to the contractors who have been awarded works and which are facing problems due to steep rise in prices of materials, need to be taken up separately by individual units with DAE, since this does not fall under the jurisdiction of the Nodal Officer, DAE.

It is requested that the contents of minutes of meeting may kindly be circulated to those in charge of handling works contracts for effective implementation of the revised stipulation with immediate effect.

Encl: As above

Sd/-
(S.Ramanujam)
Director

Director, BARC
Director, IGCAR
Director, RRCAT
Director, VECC
Chief Executive, HWB
Chief Executive, BRIT
Chief Executive, NFC
Director, DPS
Director, AMD

Government of India
Department of Atomic Energy
Directorate of Construction, Services & Estate Management

3rdFloor, V.S.Bhavan
Anushaktinagar
Mumbai – 400 094

Ref: DCSE/TC(P)/PA/

May ,2008

MINUTES OF MEETING

Sub : **Updation of Contract Conditions in line with changes made in CPWD Manual/ Condition**
Ref : **Minutes of Meeting Held on 10.4.2008 and 11.4.2008 at IGCAR.**

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A meeting was held on 10.4.2008 and 11.4.2008 at IGCAR to discuss the problems faced by the different Units of DAE in ongoing works as well as changes required in Conditions of Contract for the future works, under the chairmanship of Shri S.Ramanujam, Director, DCSEM, the Nodal Officer in the Department to co-ordinate with CPWD for updating the changes that are carried out in CPWD Manual/ Code. Director, ESG, IGCAR and other senior representatives (Engineers, IFA, JC(F&A)) from various Units of DAE like BARC, BARC(F), BHAVINI, DCSEM, FRFCF, GSO, HWB, IGCAR, NFC, RMP, RRCAT were present in the meeting . Following points were discussed :-

	Description	Reference/ Agenda Item No.
1.0	At the outset the Nodal Officer welcomed all the Members present in the meeting. He stated that subsequent to the Works Procedure issued by the Department vide O.M. dated 31.5.2006, CPWD has changed several Clauses of General Conditions of Contract and revised CPWD Works Manual. He also stated that a Sub – Committee was constituted by the Nodal Officer with the representatives from BARC, IGCAR and DCSEM to assist the Nodal Officer of DAE to co-ordinate with CPWD for updating changes that are carried out in CPWD Manual/Code. The sub-committee vide their minutes of meeting dated 27.3.2008 made recommendations to incorporate changes which can be effected in all DAE works uniformly. Nodal Officer informed all present in the meeting to follow the same. He also re-iterated that any further change whenever required based on the revision of CPWD shall be reviewed by the sub-committee and recommendation, if any, shall be communicated to all units through the Nodal Officer accordingly.	
2.0	He stated that such changes need to be brought to the notice of the tenderers in the pre-bid meeting.	

3.0	Members suggested to upload such changes recommended by the Nodal Officer, if any, in the official website of Nodal Officer or DAE for the benefit of all Engineers and Contractors. It was agreed by the Nodal Officer to look into the same. Subsequently meeting progressed as per the agenda circulated to all:	
A.	On detailed discussion the forum agreed with the following agenda items, based on the recommendation of the Sub-Committee of the Nodal Officer, to follow uniformly in all DAE Units:	1.4
A.1	General Condition of Contract 2008:- It was emphasised that the recommendations of the Sub-Committee of the Nodal Officer in this regard shall be followed by the all Units of DAE uniformly. The forum also noted that Clause (2A) which is incentive clause is not recommended by the Sub-Committee as the scope of DAE works are variant in nature and agreed for this.	1.5
A.2	Details to be incorporated in Schedule- F of the tender documents:- The Sub Committee has recommended to incorporate an enclosure required for individual works specifying “ Salient features of the tender/work ” including the necessary information required in Schedule- F without making any correction in specification and or Conditions of Contract of the tender document. All unit of DAE shall follow the same.	1.6
A.3	Applicability of Clause 10CC during extended period of Contract as per GCC 2008 of CPWD:- The representative from IGCAR stated that considering the present market fluctuations the agency of all the ongoing works demanded for escalation under Clause 10CC for the extended period of contract as revised in GCC 2008 of CPWD though there was no provision for the same. The forum discussed the matter and it was decided that while for future contract the same is to be incorporated, as suggested by the sub-committee, for the ongoing works it can not be considered.	
A.4	Escalation Clause for Annual Maintenance contract : To make Clause 10-CA applicable for Annual Maintenance Contract with required material components indicated therein.	
A.5	Press publicity raising the limit to Rs. 5 lacs from Rs. 2 lacs as per revision made by CPWD as against Work Procedure issued by Department.	
A.6	Non-publishing of NIT through DAVP – Considering	

	the New Advertisement Policy, subject to following the stipulation of DAVP.	
A.7	Progress report to be submitted by contractor for works > Rs. 15 crores as recommended by the sub-committee.	
A.8	Tender should be invited for works value above Rs. 50,000/-	1.7
A.9	The penalty for non-employment of Supervisor / Engineer : The forum noted that GCC-2008 of CPWD has enhanced the rate and accordingly agreed with the recommendation of the sub-committee.	
A.10	Period of sale of tender as recommended by sub-committee.	
A.11	Security Deposit: to recover SD amount at the rate of 5% from RA bills instead of 10% as existing now.	1.9
A.12	Computerization of Bill : The forum agreed with the recommendation made by the Sub Committee based on the revised CPWD Manual.	
B.	On detailed discussion of the following agenda items the forum agreed considering revised CPWD Manual.	1.10
B.1	EMD as per revised guidelines of CPWD : On discussion it was decided that Rate of Earnest Money shall be revised as below : The amount of the earnest money which a contractor should deposit with the tender, is regulated by the following scales. In case of petty works costing Rs. 5,000/- or less competent authority may, at his discretion, dispense with the conditions for calling for earnest money.	1.12
(i)	For works estimated to cost upto Rs. Ten crores : 2% of the estimated cost.	1.13
(ii)	For works estimated to cost more than Rs. Ten crores : Rs.20 lakhs plus 1% of the estimated cost in excess of Rs. Ten crores. The forum also agreed with the recommendation of the sub-committee to accept part EMD in the form of Bank Guarantee.Considering the nature of works of DAE it was agreed to receive the tender as below as per CPWD Manual 2003 Para 18.2.1 : “Where the evaluation of technical bid is expected to take time, the deposition of earnest money along with the technical bid may not be insisted upon.	1.14 1.15 1.18 2.1

	In such cases, the earnest money may be deposited at the time of opening of financial bids.”	
B.2	Incorporation of any specific items in Clause 10 CA/ 10 CC: The forum suggested that based on the specific requirement of the project, suitable items shall be incorporated in Clause 10CA/ 10 CC by the Project Authority.	1.8
B.3	No Running Account Bill for works less than Rs.50,000/-: The forum accepted the same and suggested to incorporate in the tender document	
C.	A detailed discussion was held on the following Agenda Items and following decision were taken :	
C.1	Wide fluctuations in cost of cement/steel/other building materials-	
a)	Proposal for departmental supply of cement and steel.	
b)	Proposal for star price of cement and steel Considering the present market conditions of building materials the forum discussed the above points at length. Director, DCSEM described the background of deletion of issue of cement by the Department. It was once again recommended that cement shall not be issued departmentally but wherever possible reinforcement can be procured and issued departmentally with the approval of Unit Head. The forum discussed at length to work out the feasibility to incorporate the revised formula for escalation of cement, reinforcement considering the present market condition and recommended to make compensation based on Star price. The prevailing cost during the period of concerned shall be arrived from the MCX index of Economic Times of India. In view of the contracts being issued from various units at different timings it was considered advisable for various units to approach DAE, for approval, before finalizing the contract as it is a deviation from the normal procedure.	
C.2	Non availability of Fe 415- supplementary item for Fe 500 guidelines :- Representative from IGCAR stated that since the reinforcement of Fe 415 grade is not available in the market all the contractor of the existing contracts have requested for a revision of rate or a supplementary item for Fe 500 in place of Fe 415. On discussion the forum agreed that though the Fe 415 is not available in the market but there is no difference of rate, in general, hence recommended	1.25

	<p>that no supplementary items is to be made in this respect. The forum also noted that most of works are in trouble due to abrupt increase in steel prices after issue of work order and contractors are not able to perform due to non availability of suitable compensation for the same. The forum also noted that a similar attempt for compensation for price rise taken up by DAE in the past proved futile. However the forum suggested to take up the matter with DAE with a proposal for compensation for ongoing works from individual units separately.</p>	2.4 1.1
C.3	<p>Updating of old works to present cost for issue of tender :- On discussions the forum agreed and recommended that old estimate shall be updated with the present cost for calling of tender at a later date and pre-qualification criteria shall be fixed accordingly. The forum also discussed and agreed that value of work executed by the agencies shall not be updated for evaluation criteria.</p>	
C.4	<p>Bidding Capacity : On detailed discussion it was agreed by the forum that this pre-qualification criteria for the works shall be followed.</p>	
C.5	<p>Pre-qualification renamed as 3 envelope system: On discussion it was agreed that present practice should be continued and Tender shall be called as per “Call of Tender” in DAE Works Procedure.</p>	
C.6	<p>Use of correcting fluid prohibited in tender document: The forum discussed on the issue and decided that same should be incorporated in the tender as “Instruction to Contractor”. The Tender opening officer shall observe the same while opening and certify “No correction and no use of correcting fluid are made.”</p>	
C.7	<p>Deviation limit: The forum discussed and agreed that the power w.r.t deviation to execute the variation in work order quantities should be as per Works Procedure issued by DAE.</p>	
C.8	<p>Enhancement of Power to CE, SE, EE in the line with CPWD : The forum noted that subsequent to the issue of DAE Works Procedures CPWD has increased the power of delegation to various authorities. Considering the same it was suggested that the Sub Committee should study the same and put up a proposal to Nodal Officer for further necessary action by DAE.</p>	

C.9	E-tendering : The forum discussed the same and Nodal Officer indicated that it is mandatory as per CVC. All the units should take necessary action for implementation of the same.	1.2
C.10	Updating the revision of works Procedures : The forum discussed the same and felt that subsequent to the changes in the Works Procedures of CPWD , DAE Work procedure needs updating/changes. The forum also suggested that the Sub Committee shall study and shall make recommendation on these issues.	
C.11	Pre Bid Meeting Guidelines: On discussion , the forum suggested that procedure as outlined in DAE Work Procedure shall be followed. In addition considering the latest observation of CTE, procedure as below shall also be followed :	
i)	Pre-bid meeting shall not be held with all tenderers at the same time.	
ii)	The minutes of pre-bid meeting shall be circulated to all tenderers.	
C.12	Progressive payment : On discussion the forum recommended that no running bill need to be paid for works costing below Rs. 50,000/-. Amount for interim payment, if any, shall be incorporated in Scheduled “F”.	
C.13	Execution of \pm 10% of work order items by E-I-C without approval of competent authority : The forum agreed with this considering the provision of CPWD, however the overall cost shall not exceed the power vested with E.I.C, as per DAE Works Procedure.	
C.14	Repetitive Measurement: On discussions it was decided that status quo shall be followed.	
C.15	Quality Assurance at Site: The forum discussed the requirement of quality assurance on safety related structures under the purview of AERB and suggested that CPWD guidelines shall be strictly complied with.	
D.	Other Points: Subsequent to the above the forum discussed the points raised by RRCAT and suggested as following :-	

<ol style="list-style-type: none"> 1) 2) 3) 4) 5) 6) 7) 	<p>Works Contract Tax as well as any local statutory requirements such as labour cess etc., can be added in the analysis of rate.</p> <p>Considering the nature of works of electrical and HVAC works, the forum recommended a sub committee under Shri N.S. Gabhane, Head, TSD, BARC to study and suggest the escalation pattern for the above works under IEMA.</p> <p>The forum accepted the foundation items, for variation of quantities, shall be below plinth as per GCC.</p> <p>Regarding publication of NIT without going through DAVP, the forum suggested that the guidelines of Director, DAVP shall be followed in this regard.</p> <p>Regarding updating of SOR on regular basis the forum suggested that the SOR shall be updated once in a year in the month of August.</p> <p>Regarding use of Fe-500 it was agreed that the same could be used in structural works subject to the requirement of minimum elongation.</p> <p>Regarding the period of applicability of Clause 10CC the Committee agreed to the recommendation of the sub committee in this regard.</p> <p>Subsequently the forum also discussed the feed back received from NFC, Hyderabad which have already been covered as above.</p> <p>It was decided that the forum will meet at least once in six months to discuss the problems faced by the engineers in executing the various projects and to sort out the difficulties.</p> <p>The meeting ended with thanksgiving by Director, IGCAR.</p>	
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Compiled by

(B. Hari Krishnan)
Head, E&CS/ CED
IGCAR

(A.K.Jana)
TC(P)
DCSE

Approved by

(S.Ramanujam)
Director, DCSE

(Y.C. Manjunatha)
Director, ESG/ IGCAR

Distribution to all participants

I(1)/2006/TA/ECS/ 3/4
Ministry of Finance
Department of Expenditure
Controller General of Accounts
Lok Nayak Bhavan, Khan Market
New Delhi-110 511.

Dated 2-11-2007

Sub: Introduction of payments and receipts of Government departments through electronic media – issue of general instructions.

In terms of Central Government Accounts (Receipt & Payment) Rules, 1983 government servants are permitted to draw their salary etc. in cash or by cheque at their option. In cases where the employees of a particular office have expressed their desire to draw their salary through their bank account in a bank a cheque for the consolidated amount may be issued by Pay & Accounts Officer in favour of the banker along with a list indicating the names of the government servants, the amounts payable and the bank account particulars etc. The banker will credit the amounts to the respective accounts of the government servants.

2. According to CGA (R&P) Rules, payments to suppliers etc. may be made by the officer by any recognized mode of payment.

3. This office has been considering for some time to implement the system of E-payments to government servants and suppliers, contractors, grants-in-aid and other payments to autonomous bodies/ societies (NGOs)/individuals etc. and collecting Government revenues and receipts through the Electronic media. Now it has been decided that salary payments to governments and payments to suppliers and contractors etc., where option is exercised, may be made through Electronic media by adopting suitable procedure (as discussed in the subsequent paras), where these facilities are available. Government Ministries/ departments may also consider the introducing collection of their revenues and receipts through on-line, wherever feasible. The Government of India will not pay any commission / fee /service charges to the bank for the above purpose and the Government in no way concerned with the additional facilities offered by the bank.

(1) Payments of government departments through Electronic Clearing Service/Electronic Fund Transfer/Real Time Gross Settlement/ Core Banking Solutions

(i) Extent of Applicability: - The revised procedure will be introduced in the payments that are made by the **Pay & Accounts Offices**. (Cheque Drawing DDOs are kept outside the purview of these instructions for the present). Pay & Accounts Officer will arrange payments through ECS/ EFT /RTGS only through their accredited bank.

(i) Different modes of payments

(a) Electronic Clearing Service (Credit Clearing) provides an alternative method of effecting bulk payments transactions which would obviate the need for issuing and handling paper instruments and thereby facilitate improved customer service by banks / government departments effecting payments. At present this service is available in 64 centres as intimated by RBI (list enclosed as Annexure 'I'). The user furnishes the credit instructions on a floppy/magnetic tape to the sponsored bank who will approach the National Clearing Cell for uploading the credit the same in their website. The NCC at the Destination Centres will download the same and pass on the data to the destination banks (Service Branches) at those centers for arranging credit of the amounts held by various branches. This procedure is used when a number of accounts are required to be credited by debit to a single account. After the ECS cycle is complete the uncredited items, if any, will be reported to through Service Branches of the payee banks-Service branches-NCC to the sponsoring bank for credit to the account of the user. There is no outer limit for the individual credit under this scheme.

(b) Electronic Fund Transfer (EFT) This procedure is almost like the Electronic Clearing Service except that normally this scheme is operated for transferring funds one account to another account.

(c) Real Time Gross Settlement (RTGS) This system is conducted by Reserve Bank of India and it requires every bank and branch to have specific codes through which transfer of funds takes place. Under this system funds are transferred from one bank/branch to another.

(d) In Core Banking Solutions a facility offered by the banks to the customers. All CBS branches are interconnected with each other. It enables the customer to avail of the services from any CBS branch regardless of where he is maintaining his account.

(iii) Instructions to be observed by DDOs.

(a) Obtaining option from the payees: Drawing & Disbursing Officers will have to obtain option from the government servants /suppliers/ contractors etc. for drawing e-payments. Government servants have to exercise such option well in advance to the preparation of bills. In the case of suppliers/ contractors etc. option should be obtained at the time of offering job to them. Both in the case of government servants and suppliers the DDO should obtain the particulars of their bank account (viz. Bank Account, Bank code etc. and maintain a data base. It should be made clear that one person/ firm can draw payment from only one bank account held by them.

(b) Authorisation in favour of the Bank Payees should also authorize their bank to receive their dues on their behalf. Whenever there is any change in the bank account, the particulars of the new bank account should be furnished to the DDO immediately.

(c) Submission of bills in time The bills should be submitted in time by the DDOs to the Pay & Accounts Officer concerned. The salary bills may be submitted to PAO by 20th of the month to which the bill pertain vide Note 1 below Rule 64(2) of CGA (R&P) Rules.

(d) Preparation of Bills: While submitting the bills for e-payments, the DDO will clearly indicate in red ink as "Payments through ECS/EFT/RTGS" on the top of the bill. DDO while submitting the regular salary bills, and bills for drawal of DA arrears, bonus etc. will also send along with the bill, a single floppy / CD containing the credit information i.e names of government servants, their bank account, Bank code and the amount payable etc. (DDOs would be responsible for correctness of the information required in Columns 2-6 of the Credit Records of the Record Layout of the Clearing Settlement, provided by them). A hard copy of the information should also be furnished by the DDO. The guidelines for input preparation and input submission are given in Annexure IV. A hard copy of the electronic advice issued against the bills would be sent by the PAO to the DDO for record.

(e) Reconciliation of e-payments: A consolidated report of uncredited items R-7 and Final report R-8 of finally credited/ uncredited items shall be received by the PAO through the accredited bank. After entering the voucher number in respect of the bill a photocopy of each of the reports i.e. Final Settlement Report and the Report of Uncredited Items duly attested by JAO/ AAO should be handed over to the messenger of the DDO who will surrender token. DDO will intimate the party with regard to the payment credited to their bank account. This report (R8) will be treated as the evidence of payment against the bills presented by the DDO. This should be compared with the advice received earlier and discrepancy if any should be brought to the notice of the PAO for taking up the matter with the accredited bank.

II. Collection of government revenues/ receipts through Electronic Media

Under the existing procedure, Government dues or other moneys receivable on Government account may be realized in cash or by cheques or drafts drawn on any local branch of scheduled bank or by money orders or postal orders or in such other form as may prescribed by Government. These revenues or dues of the Government are generally received by departmental officers or by specified branches of the accredited bank in the form of crossed local drafts or local cheques or in cash or unless otherwise specifically ordered. -vide Rule 18 of Central Government Accounts (Receipt & Payment) Rules, 1983.

Any person or party paying money into bank on Government account shall present with it challan (in duplicate, triplicate or quadruplicate as specified by the concerned Ministry or Department) in Form GAR-7.

Now banks have been offering facilities to customers like payment through Internet etc. Therefore, this office has decided that standard guidelines should be issued for the Ministries/ departments who would like to introduce collection of their receipts/ revenues etc. through Internet. The procedure in brief will be as under:

The system would involve transacting with the department through a receipt processing application Portal that is accessible through Internet. E filing will involve downloading of the specified formats from the Portal and these can be filled in and signed by users through digital signature. The e-receipt application system would check the correctness of the amount payable and also the completeness of the formats. Once the format is accepted the user will be prompted to choose one of the following payment options:-

(a) Credit Card

(b) Internet banking

After the user opts for a particular mode of payment he will be directed towards the bank's computer system. A challan in the prescribed format will be generated.

The following guidelines are issued to the ministries/ departments who propose to introduce this procedure.

- (i) Ministries/ departments have to identify the services / areas which they consider to bring within the ambit of on-line collection through electronic media.
- (ii) They have to initiate action for developing Departmental Portal if not already available and also get a software package developed with all security checks built therein. The software should suit their requirements. Some of the services offered by ministries/ departments may require filing of certain papers by the service seekers along with payments made by them. The electronic filing will involve transaction through the website of the department / ministry that is accessible through the Internet. E-filing will involve downloading the specified e-form from the website where all the required forms will be made available. The e-forms should be similar to the physical forms that have been optimized and adapted to suit electronic filing. These e-forms duly filled and signed by the designated people using digital signatures (that provides necessary authentication as per IT Act, 2000) are submitted through the website.
- (iii) The system to be developed by the departments /ministries should have checks for the completeness of the e-forms electronically, on-line, using a set of pre-defined rules. Should there be any discrepancies in the e-forms, the user should be prompted to make necessary correction. The response to the user should be provided on-line and this should be repetitively done until the e-form is complete in all respects.
- (iv) The service seeker will approach the Portal of the department/ ministry and furnish the details of the service required. After the supplier or service seeker furnishes the purpose for which he wants to approach the department, the amount of fee or deposit should be displayed on the computer screen and it should be done internally based on parameters that are stored within the system and kept up to date. The system will then display Challan form (GAR 7) indicating the full classification details of the transaction (based upon the purpose selected by the service seeker). All the information available/ required to be filled in the challan should be got incorporated in the challan before the same is accepted by the system.
- (v) Then the system will display the different modes of payments available to the clients viz. Credit card, Internet Banking and remittance at the Bank counter (if the Department intends to keep the traditional mode of payment also as an option for payment). There should be necessary arrangement for issuing acknowledgement to the payer.
- (vi) The department/ ministry would continue to send the details of the challans deposited in the bank to the Pay & Accounts Officer concerned.
- (vii) Only one PAO should be entrusted with the work relating to the receipts through e-payments. The PAO should be linked with the nodal branch for the purpose.

Keeping in view the fact that the requirements of each department/ ministry may be different from the other these general instructions are issued to enable the departments/ ministries to approach their CCAs/ CAs to draft detailed accounting procedures for each of their scheme. The detailed accounting procedure should be drafted according to their requirement and setup should be sent to this office for vetting.

Necessary amendments to Central Government Accounts (Receipt & Payment) Rules, 1983 are issued separately.



(Renu C. Deshpande)

Dy. Controller General of Accounts

To Financial advisors of all Departments/ Ministries

Copy to: All Pt. CCAs/CCAs/ CAs

ANNEXURE

List of centers where ECS (Credit and Debit) Facility is available

Sr. No.	Name of the Centre	Sr. No.	Name of the Centre	Remarks
Managed by RBI*		Managed by State Bank of India		
1.	Ahmedabad	1.	Baroda	
2.	Bangalore	2.	Dehradun	
3.	Bhubneshwar	3.	Nashik	
4.	Kolkata	4.	Panaji	
5.	Chandigarh	5.	Surat	
6.	Chennai	6.	Trichy	
7.	Guwahati	7.	Trichur	
8.	Hyderabad	8.	Jodhpur	
9.	Jaipur	9.	Owaisar	
10.	Kanpur	10.	Jabalpur	
11.	Mumbai	11.	Rajpur	
12.	Nagpur	12.	Calicut	
13.	New Delhi	13.	Siliguri (non-MICR)	
14.	Patna	14.	Pondicherry	
15.	Thiru'puram	15.	Hubli	
		16.	Shimla (non-MICR)	
		17.	Tirupur	
		18.	Bardwan (non-MICR)	
		19.	Durgapur (non-MICR)	
		20.	Sholapur	
		21.	Ranchi	
		Managed by PND		
		1.	Agra	
		2.	Allahabad	
		3.	Jalandhar	
		4.	Lucknow	
		5.	Ludhiana	
		6.	Varanasi	
		7.	Kolhapur	
		8.	Aurangabad	
		9.	Mysore	
		10.	Erode	
		11.	Udhipur	
		12.	Gorakhpur	
		13.	Jammu	
		Managed by State Bank of Indore		
		1.	Indore	
		Managed by Union Bank of India		
		1.	Pune	
		2.	Salem	
		3.	Jamshedpur	



		Managed by Andhra Bank	
		1. Visakhapatnam	
		Managed by Corporation Bank	
		1. Mangalore	
		Managed by Bank of Baroda	
		1. Coimbatore	
		2. Rajkot	
		Managed by State Bank of Travancore	
		1. Kochi / Ernakulam	
		Managed by Central Bank of India	
		1. Bhopal	
		Managed by Canara Bank	
		1. Madurai	
		Managed by oriental Bank of Commerce	
		1. Amritsar	
		Managed by United Bank of India	
		1. Haldia (non-MICR)	
		Managed by State Bank of Hyderabad	
		1. Vijaywada	
		Managed by State Bank Bikaner & Jalpur	
		1. Bhiwara	



Annexure-X

[As referred to para 2.5.1 x(i)]
Government of India
Department of Atomic Energy
Internal Inspection Wing

C.S.M. Marg,
Mumbai

D.O.No.DAE/IIW/103:01/Vol.II/707

March 23, 1983

CIRCULAR

Sub: Adjustment of temporary advances outstanding

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TA LTC Advance :-

It has come to notice that in spite of detailed instructions on the above subject, a number of TA and LTC advances are outstanding for a long time in almost all the Units and the PAOs are not taking effective steps to recover the advances. According to the provisions of GFR-236, the amount of TA advance should be adjusted immediately after the completion of the tour or in any case by the 31st March, whichever is earlier. Advances drawn during the month of 31st March whichever is earlier. Advances drawn during the month of March should be adjusted by the 30th April. In view of these provisions, normally no TA advance taken during a financial year should be adjusted by 30th April of the next financial year. Similarly the account of the LTC advance has to be rendered within one month of the completion of the return journey vide Govt. of India Decision No. 1 below GFR-235. Taking into consideration the time allowed for reservation of onward journey and for return journey, no LTC advance should normally be outstanding for more than 9 months. As such, in cases where the advances are outstanding beyond the prescribed time limits, they should be normally be outstanding for more than 9 months. As such, in cases where the advances are outstanding beyond the prescribed time limits, they should be recovered in lump from the salaries of the persons concerned forthwith. There is no provision for recovery of TA/LTC Advance in installments. Disciplinary aspect of the case may also arise in some cases and the same may be dealt with expeditiously.

In cases where the advances are outstanding against the employees, who have quit the service immediate action may be taken to work out the Government dues payable to them and adjust the advances outstanding against them. In case the Government dues payable to them are not sufficient to cover the advances but could be recovered from personal dues like P.F. contributions etc., advances should be taken to Miscellaneous Recovery Register and watched from their and such recoveries should be effected from the Government servants concerned while making the payment of their dues.

Other Advances :-

Advances are being taken by departmental officers for meeting expenditure said to be of an urgent nature. It is seen that many of these advances are refunded in

full after a considerable lapse of time. This is highly irregular from the propriety point of view. In order to have better control on the payment and adjustment of advances, the officers taking advances should be required to account for the same account for the same within 1 month of drawal. P.A.O. will be responsible for carrying out adjustments and bringing to notice of the Head of Unit any delay.

In this connection, a reference is invited to Circular No.DAE/IIW/103/01/Vol.II/273 dated 20.07.1982, under which PAOs were directed to make the payment of such advances against Abstract Contingent Bills only. No advances should be paid against requisition signed by P.A.,O.s or other ministerial staff. Advances should be given only on the express sanction of the head of the Unit and on the personal acquittance of the officer taking the advance.

The Pay & Accounts Officers should be directed to prepare a monthly report from their account records which give the position of outstanding advances, pending cases etc., for action by administration.

(sd/- x x)
M, Panchappa
Additional Secretary.

Annexure-XI

(referred to in para 3.2.1)
Government of India
Department of Atomic Energy

M. Panchappa,
Ch. Shivaji Maharaj Marg
Additional Secretary
Mumbai-400 001.

D.O.No.CCA/DAE/IIW/74/82

May 26, 1982

Dear,

Sub: Delay in the rectification of defects pointed out by the
Internal InspectionWing – Disposal of Inspection Reports

The Internal Inspection Wing has been functioning in the DAE as part of scheme for Departmentalisation of Accounts effective from 1.10.76. The guidelines for the Internal Audit are laid down in Chapter 12 of the Civil Accounts Manual issued by the Ministry of Finance, Department of Expenditure. Broadly speaking, the Internal Inspection Wing has to oversee the adequacy of payment and accounting system functioning in a decentralized set up with a view to ensuring uniformity of procedures and to apprise the Head of the Unit/Division of any deficiency in this regard at the earliest. The primary responsibility for ensuring timely settlement of claims and accuracy in accounts including initial records, rests with the Head, Accounts, of the Unit/Division. The Internal Inspection is an aid to better management of accounts. Prompt attention to matters brought to notice in internal inspection reports would go a long way to strengthen accounts administration and reduce observations by statutory Audit to the minimum.

The observations in the inspection reports, which are illustrative, should lead to a review of the extant procedures wherever necessary. Irregular payments and losses detected during inspection have to be viewed seriously. Irrespective of any action that maybe taken to make good the loss or write off the amount, the question of fixing responsibility for the lapse should invariably be considered.

In order to improve the performance of the Accounts Wing in your Division, the following guidelines may please be followed strictly:

- (1) All preliminary observations issued by the Inspection Party in the form of Half Margin Memos should be replied to promptly and, in any case, before the inspection is over.
- (2) Any matter which may have to be clarified verbally may be suitably explained by the concerned departmental official to the Assistant Accounts Officer or Deputy Controller of Accounts supervising the inspection.
- (3) The inspecting officer who has an overview of the performance of payments and accounting functions in different Units would be in a position to make useful suggestions, if important matters causing concern are discussed freely and frankly.

- (4) The draft inspection report should invariably be discussed by the Head, Accounts, with the inspecting officer. A brief note of the discussions may be kept on record.
- (5) The Head of the Unit should take the opportunity of the inspection to acquaint himself with the important deficiencies brought to light and initiate immediate action without waiting for the formal report.
- (6) The disposal of the internal inspection report should engage the personal attention of the Head, Accounts who will ensure that all points are satisfactorily settled : before the next inspection.

Yours sincerely,

Sd/-
M . PANCHAPPA

Head of Divisions.

(Referred to in Para 3.4.1)

LIST OF ACCOUNTS RECORDS REQUIRED FOR INTERNAL INSPECTION OF THE PAY AND ACCOUNTS OFFICES/SUB-PAYOFFICES/DDOS

1. Cash Book
2. Paid Vouchers-Selected months (March and one more month to be intimated by AO-in charge of Inspection Party)
3. Stock Register of cheque Books/Account of cheque forms (CAM 1&2)
4. Register of Cheques Drawn/Register of cheques delivered. (CAM 10 & 11)
5. Counter foils of cheque Books – Selected month (To be intimated by AO in charge of Inspection Party.
6. Individual G.P.F/C.P.F Ledgers (CAM-47)
7. Broadsheet of G.P.F/C.P.F. (CAM-48)
8. General Index Register of GPF Accounts (CAM-44)
9. Register of missing GPF/CPF credit/debits (CAM-50)
10. Register of final payment cases of GPF/CPF (CAM-51)
11. Compilation Book(s)
12. Summary of Transfer Entries
13. Consolidated Abstract/Classified Abstract of Receipts and Disbursements.
14. Ledger of Debt, Deposit, Suspense and Remittance Heads (CAM-40)
15. Objection Book(s) (CAM-26)
16. Register of Requisition for Banks Drafts (CAM-12)
17. GPF/CPF Nomination files
18. Register/Broadsheet of Deposits
19. Register/Broadsheet of Permanent Advances. (CAM-61)
20. Register of Valubles (CAM-16)
21. Register of Investments by Government
22. List of Pay Fixation cases
23. TE Number Book and TEs File (CAM-35)
24. Register of Grants-in aid/Scholarships (CAM-28)
25. Register of Foreign Service Contributions
26. Pension Payment Order Register (Including payment on Provisional basis) (CAM-52A)
27. Cases on New Defined pension schemes (introduced for Govt. Servants entered in Govt. Service on or after 1.1.2004) . PBRs & record maintained in Annexures I,II,IIA, IIB, III, IV, V, VI & VII of the procedure of the New Defined pension Scheme.
28. Register of Public Sector Bank Suspense (CAM-17)
29. Register of Loans to State Govt/Public Sector Bodies etc (CAM-29)
30. Establishment Check Register (CAM-24)
31. Lists of payment received from cheque drawing DDOs
32. Stock Register of Insurance Policies financed from Group Insurance, if any
33. Broadsheet of Interest Suspense (PF)
34. Register and Broadsheet of HBA/Motor CAR Advances (CAM-30)
35. Register and Broadsheet of EMD/SD
36. Broadsheet of Loans to State Governments Public Sector Bodies
37. Broadsheet of PAO Suspense/Voucher Suspense
38. Broadsheet of following short-term advances to Government Servants namely Advances for purchase of other conveyances, Flood Relief Advances and Other Advances
39. Bank Reconciliation statements of Receipts and Disbursements received from DDOs (Cheque Drawing) (CAM-20 & 22)

40. Weekly Statements of Receipts received from non-cheque drawing DDOs
41. Suppliers' Advance Register
42. Sight Draft Register
43. Stock Register of Receipts Books
44. Challan Files, Cheque Book folios and Receipt book folios
45. Service Books of Staff, Service Books & Personnel file of officials retiring within 5 years and those who have completed 25 years of service.
46. Pay Bill Register (TR-28A)
47. Register of TA/LTC Advances
48. Register of Consumable/Raw materials (For Workshops)
49. Log Books of Office Vehicles /Staff Cars along with the list of vehicles on road/off road, List of vehicles proposed/recommended for disposal/replacement.
50. Purchase Files, Minutes of SPC, SP&WC etc of meeting conducted
51. Livery Account
52. Telephone Bill Register/Trunk Call Register
53. Stock Register of Precious Metals/Register of Sale Account for disposal of scrap
54. Loan Register of Equipment and Stores to other Departments/Universities etc
55. Register of invoices raised for departmental supply of equipments/stores etc
56. Accession Register of Library Books
57. Service Postage Stamps Account
58. Fidelity/Guarantee Bond/Security Bond in respect of Cashier
59. Accounts of Motor Car Advances, Comprehensive Insurance Policies
60. Register of Reimbursement of Medical Charges
61. Register of Reimbursement of Tuition Fees
62. Register of Children's Education Allowance
63. Register of OTA
64. Register of Liabilities, if any
65. Sanction files
66. Register of Unserviceable Stores
67. Material Returnable Register
68. Discrepancy Register
69. Goods Receipt Register
70. Capital Equipment Register
71. Report of the Physical Verification of stores
72. Register of Recoveries
73. Temporary Advance Register
74. Permanent Advance Register
75. Income Tax Calculation
76. Undisbursed Pay & Allowance Register
77. Register of Periodical Charges (CAM-27)
78. Hindrance Register - for extension of time (CPWD Manual)
79. List of MOUs entered during the year of Inspection
80. List of Consultancy Contract entered during the year
81. List of Technology Transfer cases
82. PRIS payment/recovery and eligibility.
83. Suspension (Subsistence Allowance)
84. Reference Books (Latest Edition)
85. Delegation of financial powers of the concerned unit
86. Demand for grants

Annexure-XIII

[Referred to in para 4.28(f)]
Government of India
Department of Atomic Energy
Principal Accounts Office

Anushakti Bhavan,
C.S.M. Marg,
Mumbai 400 001.

No. Pr.AO/FAS/10\92)/2000-01/395

1.01.01

Subject: Transfer of balances under DDR \Heads Provident Funds etc.

1. The issue regarding reconciliation of balances of various DDR Heads has been under review since long. A considerable improvement is noticed in this area with the continuous efforts by all the Pay and Accounts Officers of the Department. Still, there are many areas where the agreements have not been totally reached between the Ledger balances (CAM-40) and Broad Sheets maintained by Pay and Accounts Officers and further, with the books of Principal Accounts Office. Annexure to MIS-II of Quarterly MIS Report submitted by various PAOs, to this Office have prompted for a review of the system in vogue.

2. Analysis has revealed that the core element causing the discrepancies is out of adjustment of Proforma Transfer Advices between Pay and Accounts Offices. It is felt that adequate care was not taken by the originating and accepting PAOs and the Principal Accounts Office, in issue, acceptance and adjustment of Proforma Transfer Advices. This has resulted in large scale discrepancies in the Public Accounts balances held by PAOs.

3. It is, therefore decided in exercise of the provision of Rule 13.4 of Civil Accounts Manual that when a Govt. servant is transferred from one Office to another Office either within the Department or under another Ministry/Department, the balances outstanding against that Government servant under various Debt, Deposit and Remittance Heads pertaining to Long term Loans and Advances to Govt. servants and Provident Funds shall be transferred by issue of Cheque of the 'C' Category Government Account- not payable in cash" drawn in favor of the Pay and Accounts Officer to whose circle the Government stands transferred. The procedure to be followed is elaborated below:

Provident Fund:

4. The PAOs from whose circle the Government servant is transferred shall arrange to issue Cheque of the 'C' Category "Government Account – not payable in cash" transferring the Credit balance of Provident Fund (by affording Minus Credit to 8009 GPF/CPF/WCPF) in favour of the Pay and Accounts Officer to whose circle the Government Servant is transferred to. The Cheque should accompany with extract of the Accounts for the previous three financial years and for the current year. On receipt of the 'C: Category cheque, the receiving PAO will credit the cheque under the Head 8009 – PF and incorporate the balance in his book. The PAO, while forwarding the Cheque also may endorse a copy of the forwarding letter to the Government Servant, concerned for their personal records.

Long Term Advances

5. As regards, long term Loans and Advances are concerned, the PAO from whose circle the employee is transferred, shall prefer a claim for the amount outstanding, on the PAO to whose circle the employee is transferred. The latter PAO on receipt of the claim shall issue a "C" Category Cheque in favour of the former PAO by classifying the paid amounts as Minus credit and not repeat not Debit to Major/minor heads" 7610-Loans to Govt. servants – HBA/MCA/Computer advance/Scooter advance per contra credit to Major/Minor Head "8670 Cheques & Bills – PAO cheques. The latter PAO thus will incorporate the Loan amount against the individual and take further action to regularize adjustment of loan/int. etc. as per LPC. In order to facilitate maintenance of adequate records the details of long term advances, may strictly be intimated to the PAO to whom the Govt. servant is transferred in the Proforma annexed to this letter.

5.1 The former PAO, on receipt of the Cheque shall afford the credit under Major Head-7610 (to the respective loan Head) thereby nullifying the debit balance in his books with suitable entries in all his books of Accounts like ledger, CAM-40/Broad Sheet/PBR., etc.

5.2 The details of all the transactions should invariably be entered in the Pay Bill Register/outward claim Register/Broad Sheet, etc. by both the PAOs by giving the claim number, Cheque number, Challan number, date of Credit etc. Both the PAOs should also maintain outward/inward claim Register for a close monitoring. The said register should be closed every month and the result should be incorporated in MIS II of Quarterly/MIS Report.

6. The above procedure will come into force with immediate effect. However, the PTA already received in the Principal Accounts Office is being accepted and processed at this end. All PAOs may ensure strict adherence of the procedure laid down above and the existing procedure of PTA be dispensed with immediately.

7. Please acknowledge the receipt of this letter.

A.R. Kale
Chief Controller of Accounts

To:
All Pay and Accounts Officers
All Head of Accounts Units

Annexure-XIV

(Referred to in para 5.2.1)
DAE PURCHASE PROCEDURE

**Government of India
Department of Atomic Energy**

Anushakti Bhavan
C.S.M. Marg
Mumbai – 400 001

No.10/3(47)/98-SUS/191

April 30, 2001

OFFICE MEMORANDUM

Subject : Revision of existing Purchase Procedure.

In supersession of the Purchase Procedure notified vide DAE Office Memorandum No.10/9(8)/84-SSS dated 13.08.1984 and the enhancement of financial limit notified thereto vide DAE Office Memorandum No.10/9(8)/84-SSS/1577 dated 12.05.1995, the following procedure shall be adopted for concluding contracts/purchase orders relating to all purchases, fabrication jobs including cases where supply of free issue material is provided by the Department, repairs, servicing, maintenance, transportation and other services to be rendered on behalf of the Projects/Constituent Units of the Department of Atomic Energy by the Central Purchase Unit or the Regional Purchase Units of the Directorate of Purchase & Stores and other independent Purchase Units attached to Centre for Advanced Technology, Indira Gandhi Centre for Atomic Research and Nuclear Fuel Complex.

1. Indenting, Funds availability and approval of Purchase

Indents covering the requirements for equipments, components, raw materials and all types of stores needed by the Projects/Constituent Units of the Department of Atomic Energy and also for the services (i.e. repairs, transportation of materials, etc.) shall be prepared in the format prescribed by the DPS and shall be raised on the Central Purchase Unit or the Regional Purchase Unit of the Directorate of Purchase and Stores depending upon the financial limit upto which the Regional Purchase Unit concerned is empowered to make purchase or the independent Purchase Units attached to CAT, IGCAR and NFC. Indents shall be approved by the authorities in the Projects/Units to whom appropriate powers have been delegated. Before the indents are approved and sent to the Purchase Unit concerned, the officer concerned approving the indent should satisfy himself and ensure that he has the authority to approve the indents to the extent of the estimated value of the items indented and also furnish the relevant authority number and date on the indent. Officers empowered to approve indents shall ensure maximum possible consolidation of their requirements against each item while raising indents. Indents for items of equipment and stores of proprietary nature (i.e. when a particular make/model of an equipment or product of a particular manufacturer is indented when items of similar or near equivalents are available from more than one source) should be supported with sufficient technical justifications for

choice of the proprietary make. Such indents shall be approved by only those officers who are delegated specific indenting powers for proprietary articles of stores.

The authorities empowered to approve the indent shall indicate in the indent the Head of Account number to which the expenditure for the purchase is to be debited, the financial sanction number and date and certification about the availability of fund for the purchase and also send the indents through their Stores Unit to ascertain whether indented items are available in the stock. DPS shall return to the Indenting Officer such of those indents which do not contain these details. The Indenting Officer should ensure that the specification of the items required to be purchased is complete in all respects and that no such material is available in stock.

In cases where the estimated value of an indent for proprietary stores exceeds the powers delegated to the Heads of the Projects/Units by the DAE, the Projects/units shall submit suitable proposal to DAE furnishing justification for choice of the proprietary make of the item proposed to be purchased and get the approval of the DAE/MF as is appropriate. The Projects/Units shall raise such indents on the Purchase Units concerned only after the proposal for purchase of the item on single tender basis is approved by DAE/MF. In such cases the Projects/Units shall endorse a certificate on the indent itself to the effect that prior consent of the DAE/MF has been obtained for indenting proprietary articles of stores and furnish the relevant authority number and date on the indent.

Projects/Units shall notify to the Purchase Unit concerned from time to time the names of various officers/committee empowered to approve indents/purchases.

The Purchase Unit concerned will ensure that approval/clearance for the purchase from the competent authority/committee in the respective Project/unit is available before purchase orders/contracts are concluded.

2. Mode of Purchase

On receipt of an indent in the Purchase Unit concerned, the Purchasing Officer concerned, after satisfying that the indent is complete in all respects, shall decide the mode of purchase and invite tenders by adopting any one of the following modes of purchase taking into account the history sheets and such other relevant data as may be available in respect of the item. In deciding the mode of purchase in respect of imported items, the F.O.B. value shall be the criterion for applying the prescribed financial limit. An invitation to tender should normally be issued only to the suppliers registered with the Purchasing Units in DAE, Directorate General of Supplies & Disposal, National Small Industries Corporation or those listed in the Hand Book of Indigenous Manufacturers published by the Development Wing of Ministry of Industry, Government of India. Selection of suppliers for sending invitation to tenders will be made on rotation except in the case of a few proven core suppliers who can be invariably contacted to ensure timely supplies. The Purchase Unit of DAE may register as many suppliers as possible who will be in a position to meet the requirements of the Projects/units of the Department of Atomic Energy. In case it is proposed to issue enquiries to unregistered firms which will normally be based on the recommendation of the Projects/Units in respect of some specialized requirements and also where the field is limited and the reputed suppliers do not get themselves registered with the Purchase Units under the DAE, prior approval of the Director, P&S, DPS/Heads of the Projects/Units who have been authorized to exercise the powers of Director, Purchase & Stores by DAE or the officers to whom such powers are specifically re-delegated by the Director, Purchase & Stores//Heads of Projects/Units who have been authorized to exercise the powers of the Director, P&S by DAE shall be obtained. For imported stores, however, the respective foreign manufacturers/ suppliers and/or Indian agents

shall be contacted.

2.1.1 Open Tender/Public Tender

Purchase shall normally be made by inviting Open Tenders in all cases where the estimated value of an item or items of similar nature covered by an indent to be purchased at a time exceeds Rs.10,00,000/- (Rupees Ten lakhs only)

Director, Purchase and Stores shall have powers to fix tender fee in respect of tender documents to be sold against public tenders invited by the Purchase Units and he shall lay down suitable procedures in this regard keeping in view the estimated value of items to be purchased as well as the man-hours and materials spent in the preparation of tender specifications and drawings. The tender fee can be waived and tender document supplied free of cost in respect of such of those suppliers/organizations who have been exempted by the Government of India from payment of tender fee by its orders from time to time.

‘Open Tender’ system can be dispensed with and limited tender system adopted as the mode of purchase even when the estimated value of an items of similar nature covered by an indent to be purchased at a time exceeds Rs. 10.00 lacs (Rupees ten lacs only) in the following circumstances in consultation with the Internal Finance of the Purchase Unit and with the prior approval of Director, Purchase & Stores// Heads of Projects/Units who have been authorized to exercise the powers of the Director, P&S by DAE provided detailed justification for dispensing with the issue of Open Tender is recorded :-

- a) When the requirement of stores is urgent and the desired delivery schedule cannot be met if Open Tenders are invited.
- b) When the sources of supply are definitely known and limited.
- c) When it is not in the public interest to call for Open Tenders.
- d) When stores are reserved for purchase from a specified category of industry as per the policy decision of the Government.
- e) When the field has already been explored by Open Tender for similar items during the period of about one year preceding the date of the indent.

In such cases, depending upon the estimated value of items, the field should be covered adequately by contacting as many suppliers as possible on the basis of the guidelines provided under para 2.1 regarding selection of suppliers.

2.1.2

Limited Tender

Purchase shall normally be made by Limited tender in case where the estimated value of an item or items of similar nature covered by and indent to be purchased at a time exceeds Rs.20,000/- but does not exceed Rs.10.00 lakhs (Rupees Ten Lakhs). It shall, however, be ensured that the field is covered adequately by contacting as many suppliers as possible depending upon the estimated value of the item subject to the condition that the tender enquiry is issued to at least five firms in the field when the value of the items to be purchased is between the range of Rs.20,000/- and upto Rs.2 lakhs and to ten firms when the value of the items to be purchased is above Rs.2 lakhs unless the source of supply is less than these minimum specified numbers. Selection of the suppliers will be done on the basis of the guidelines laid down under para 2.1 by the officers to whom powers are specifically delegated by Director, P&S and the suppliers should be contacted in rotation.

2.1.3 Single Tender

2.1.3.1A single tender may be invited in respect of the following cases :-

- a) When an item or items of stores covered by an indent is available from only a single source, e.g. where the stores are spare parts, attachments, accessories, etc., required for an existing equipment or the items of stores are the monopoly products of a single manufacturer, etc.
- b) When an item or items of stores covered by an indent is of a proprietary nature and it recommended to be purchased from a single source with sufficient technical reasons for choice of the proprietary make with the approval of the competent authority as provided in clauses 1.1 and 1.3.

2.1.4 'Ab-initio' Negotiation

The system of 'Ab-Initio' negotiation may be adopted with the prior approval of the Director, Purchase and Stores/Heads of Projects/Units who have been authorized to exercise the powers of the Director, P&S by DAE in exceptional circumstances, e.g. where there is no competition or where there is shortage of capacity or where it is in the public interest to adopt this system. In case the value of the stores to be purchased exceeds Rs.20.00 lacs, prior approval of the Department of Atomic Energy shall be obtained.

Where 'Ab-Initio' negotiation is adopted as the mode of purchase, a set of tender form including specifications, drawings and other allied details of the stores shall be forwarded to the supplier(s) concerned with instructions that they should go through the documents thoroughly and return it with an undertaking that they have fully studied and understood the requirements correctly and can meet the requirements. Techno-commercial negotiation (excluding price) shall be conducted with such of those suppliers who have agreed to meet the requirements by a committee consisting of the representatives of the Purchase Unit, Internal Finance of the Purchase Unit and the Indenting Officer. After holding the techno-commercial discussion with the supplier(s) concerned, the negotiating committee will draw up minutes of the meeting indicating the techno-commercial agreements reached with the supplier(s) (excluding the price) and get the minutes signed by all the members of the negotiating committee including the supplier's representatives who are present at the meeting. The representative of the suppliers who are present during the negotiation will be informed that they will be required to quote the price for the item in a sealed envelope superscribed with DPS Reference Number and the due date within the time and date specified by the Purchase Unit which will be fixed and intimated by the Purchase Unit to the suppliers concerned and open the price bid on the specified due date and time.

2.1.5 Post Tender Negotiation

Post Tender Negotiation should be discouraged except in respect of the following circumstances :-

- a) Purchase of items on single tender basis where the prices quoted by the only supplier are higher than the indent estimate subject to condition that the indent estimate is realistic.
- b) There is downward trend in the price of the item in the market after opening of the tenders and the number of technically suitable offers received is only one.

(Here, if the number of technically suitable/acceptable offers are more than one, all such bidders shall be given an opportunity to furnish their revised price bid in a sealed

envelope on a specified due date and time instead of holding any negotiation).

- c) When the quantities of the item to be purchased are large and the orders will have to be placed with more than one supplier and each of them has quoted varying rates in their offer and the intention is to reduce the price gap.

Director, Purchase & Stores or the Heads of the Projects/Units who have been authorized to exercise the powers of the Director, P&S by DAE shall have the powers to overrule the recommendation for price negotiation if they are satisfied that the recommendation made to hold the post-tender price negotiation by the approving authority in the Project/Units does not fall in line with the above guidelines

Rate and Running Contract/Annual Bulk Supply Contract.

In respect of stores for which there is recurring and regular demand the price of which is not subject to appreciable fluctuation and in cases of common user items required by the Projects/Units, the Purchase Unit concerned shall conclude annual bulk supply contracts based on Public Tender for an appropriate period not exceeding two years at a time. After conclusion of annual bulk supply contracts with the approved suppliers, the Purchase Unit will send purchase requisition against indents received from the user department (a specimen format of the purchase requisition will be drawn up and circulated to the Purchase Unit by the Director, Purchase & Stores) to the concerned annual bulk supply contract holding firms indicating the description of the items, quantity, price, percentage/quantum of statutory levies, payment terms, details of the consignee, etc. instead of placing individual purchase orders. As the original annual bulk supply contracts are released in favour of the suppliers only after completion of the pre-audit formalities, there is no necessity to get the individual purchase requisition pre-audited. However, the Accounts Unit attached to the Purchase Unit will debit the expenditure to the concerned Projects/Units based on the Accounts copy of the purchase requisition received by the Accounts Unit.

Where valid rate contracts concluded by the Directorate General of Suppliers & Disposals exist, the officer concerned in the Purchase Unit, provided he is declared as the Direct Demanding Officer, should make use of such rate contracts concluded by the DGS&D and place supply order on the rate contract holders if the delivery schedule prescribed by the Projects/Units can be met by the supplies against rate contracts. However, there will be no objection in making direct procurement from the rate contract holders by placing purchase orders provided they are willing to make supplies at the rate contract prices.

Emergency/Shut-down Requirements

In case of emergent requirements relating to any of the operating plants under the Department of Atomic Energy, Director, Purchase and Stores/Heads of Projects/Units who have been authorized to exercise the powers of Director, P&S by DAE may, at their discretion decide and authorize any mode of purchase in deviation to the normal procedure having regard to the canons of financial propriety. Such deviation should, however, be considered only against indents specifically marked as 'OPERATIONAL EMERGENCY' or 'SHUT-DOWN REQUIREMENT' and approved by the Head of the Plant/Unit provided the value of the item or items of similar nature to be purchased at a time does not exceed Rs.10,00,000/- (Rupees Ten lakhs only).

3. Dispensation of Tendering Formalities

No tenders need be invited for the purchase of stores in respect of the following cases and purchase shall be made by adopting any one of the following modes depending

upon the circumstances and the estimated value of items of stores covered by an indent.

3.1.1 Cash Purchase

When the value of an item or items of similar nature covered by an indent to be purchased at a time does not exceed Rs. 1,000/- purchase shall be made by cash.

In the following types of cases, even though the value does not exceed Rs.1,000/-, regular purchase order may be placed :-

- i. Foreign purchases
- ii. Purchase of materials from upcountry firms,
- iii. Where items to be purchased are required to be dispatched to out-station,
- iv. Where the sale procedure of a particular supplier does not provide for cash sale, and
- v. Where the nature of transaction makes it necessary to issue a regular purchase order.

3.1.2 Telephonic Quotation

Where the value of an item or items of similar nature covered by an indent to be purchased at a time exceeds Rs.1,000/- (Rupees One Thousand only) but does not exceed Rs.20,000/- (Rupees Twenty Thousand only), quotations by telephone shall be obtained from at least five firms (unless the source of supply is less than five). If, after obtaining quotations by telephone in respect of the indents where estimated value of the item(s) is shown as Rs.20,000/- or below, the actual price payable for the items is found to exceed Rs.20,000/-, such indents will be processed afresh by the Purchase Unit on Limited Tender basis.

Firms from whom telephonic quotations are obtained as per 3.1.2.1 above, shall be asked in writing to confirm that the quotation has been correctly recorded.

There shall, however, be no objection in inviting limited tenders instead of obtaining telephonic quotations wherever there are difficulties in processing purchases based on telephonic quotations, particularly in case of items of non-standard type and items not readily available, etc.

3.1.3 Repeat Order

If an indent is received for an item or items of stores of identical description for which an earlier purchase order has been placed, fresh tendering action may be dispensed with and purchase made on repeat order basis, that is, either by enhancing the quantity in the earlier purchase order or by placing a fresh purchase order on repeat basis provided that :-

- (a) the original purchase order was placed on the basis of a lowest technically acceptable offer and was not on delivery preference,
- (b) the new purchase order is placed within six months from the date of issue of the original purchase order,
- (c) the requirement is for stores of identical description
- (d) the supplier concerned is willing to accept a purchase order on identical terms and conditions.
- (e) There is no downward trend of the prices since the original purchase order

was placed which is to be certified by the Purchase Officer concerned.

- (f) The quantity to be ordered/purchased on each occasion on repeat order basis does not exceed 100% of the quantity as per the original purchase order or Rs.5.00 lacs (Rupees Five lacs only) in value whichever is less, and
- (g) Efforts are made to obtain a suitable rebate from the supplier concerned for the increase in quantity and the results of the efforts are recorded in writing before a repeat order is release

Director, Purchase & Stores shall have the powers to authorize and approve deviations to the value limit, quantity limit and time limit not exceeding 12 months from the date of the initial purchase order specified in this para in consultation with their Internal Finance in deserving cases subject to condition that there is no downward trend in the prices of the items in the market after placing the initial purchase order and he is satisfied that it is in the public interest to place a repeat order rather than inviting fresh tenders against the indent raised by the Projects/Units for similar items.

Two-Part Tenders

3.2.1 Whenever the estimated value of an item or items of similar nature covered by an indent to be purchased at a time is Rs.1.00 crore and above, such indents shall be processed by adopting Two Part Tendering system utilizing the appropriate tender documents approved by the Department of Atomic Energy for this purpose. In respect of such of those indents where the estimated value is less than Rs.1.00 crore but the indenting officer suggests processing of such indents on Two-part Tender basis due to the special/unfamiliar nature of the items needing detailed technical scrutiny of the offers before opening the Price Part of the tenders, such indents will also be processed by the Purchase Unit under Two-Part Tendering system. While Public Tenders shall normally be the mode of purchase for processing indents under Two-Part Tendering system, Director, Purchase & Stores/Heads of Projects/Units who have been authorized to exercise the powers of Director, P&S by DAE shall have the power to adopt Limited Tender system as the mode of purchase in consultation with their Internal Finance wherever considered necessary after recording satisfactory reasons in writing for the same. However, the Two-Part Tendering system can be dispensed with in respect of the following cases :-

- (a) Items to be purchased on single Tender basis.
- (b) Purchase of raw materials linked to certain established standards like Indian Standards, British Standards, German Standards, Italian Standards, American Standards such as Fine and Bold Chemicals, Mild Steel items, Pipe and Pipe Fittings, Sanitary items, Construction Materials, Public Health materials, Furniture & Fixtures and Consumables.
- (c) Items of spare parts and components required to be purchased for the Plant, Machinery, Equipment, Vehicles, etc. from the original manufacturers or their authorized distributors/agents as the case may be,
- (d) Items covered under the DGS&D Rate Contracts, Annual Bulk Supply Contracts for common user items concluded by DPS/other Purchase units of DAE.

- (e) Oils, Paints, Petrol and Lubricants
- (f) Drugs, Medicines and Diagnostic Tests Kits.

4. Purchase Powers

The Director, Purchase & Stores/Heads of Projects/Units who have been authorized to exercise the powers of Director, P&S by DAE shall have full powers to approve and sign purchase orders/contracts and amendments thereto, subject to the purchase being approved by the competent authorities/committees in the respective Project/Unit. In respect of common stock items of stores to be purchased on behalf of the Projects/Units of the Department of Atomic Energy, the Director, Purchase & Stores/Heads of Projects/Units who have been authorized to exercise the powers of Director, P&S by DAE shall exercise the powers to the extent delegated to them from time to time by the Department of Atomic Energy.

Purchase Orders/Contracts and amendments thereto shall be approved and signed by officers in the Purchase Units to the extent of financial powers delegated to them by the Director, Purchase & Stores from time to time.

5. Direct Purchase by Projects/Units

- 5.1 Heads of Projects/units of the Department of Atomic Energy shall have powers to make purchase of stores directly, independent of the powers delegated to them by DAE under 'Works Procedure', without utilizing the service of the Purchase Units for all purchases upto a value of Rs.50,000/- on each occasion except imported items.
- 5.2 Payment in respect of the above purchases made as per para 5.1 shall be effected by the Accounts Officers of the respective Project/Unit directly. Heads of Projects/Units shall ensure that the reasonableness of the price payable is established by obtaining quotations from a minimum of three suppliers wherever possible. Heads of Projects/Units shall introduce suitable procedures and system for this purpose in consultation with their Internal Finance/Accounts Officer having regard to the canons of financial propriety.
- 5.3 The Heads of Projects/Units may, in the normal course, make use of the above provisions to the maximum possible extent in consultation with their Internal Finance/Accounts Officer and may also delegate these powers to the extent considered necessary to their senior subordinate officers.

6. Pre-Audit

- 6.1 No purchase orders exceeding Rs.20,000/- in value and amendment thereto having financial implications where the value of the order after the amendment exceeds Rs.20,000/- shall be released by the Purchase Units unless these are pre-audited and certified to be in order by an officer at the appropriate level in the Accounts Units attached to the Purchase Units. However, the financial commitment in respect of the purchase orders below the value of Rs.20,000/- should be recorded by the Accounts Unit attached to the Purchase Unit. For this purpose, the officers concerned in the Purchase Unit will refer such cases after release of the purchase orders to the concerned Account Unit.
- 6.2 While pre-auditing and certifying the purchase orders, the officer concerned in the Account Unit shall ensure, inter alia, that :-
 - (a) approval of competent authority/committee, etc. in the Projects/Units exists for the purchase.

- (b) In case of proprietary items, detailed technical justification wherever necessary for the choice of the proprietary make are furnished by the Projects/Units.
- (c) Sufficient funds are available.
- (d) Head of Account to which expenditure is to be debited is correctly indicated.
- (e) Lowest quotation is accepted or satisfactory reasons have been recorded in writing for not accepting the lowest quotation.
- (f) Proper procedure for making purchase is followed.
- (g) Approval of the competent authority is obtained for deviation from the procedure and also from the standard terms and conditions of the contract where applicable.
- (h) Provision is made in the contract for safeguarding government property required to be entrusted to the contractor.
- (i) Paying authority has been correctly stipulated in the purchase order.
- (j) Price preference/purchase preference wherever applicable as per the government order is accorded.
- (k) In case of purchase orders proposed on unregistered firms, income tax clearance certificate is obtained and certified to be available in the purchase group concerned.
- (l) When a purchase order is proposed based on a single offer received against limited tender, adequacy of the coverage of field and reasonableness of the price are certified by the officer concerned in the Purchase Unit.
- (m) Whether the provisions of GFR particularly those relating to contracts, purchases and canons of financial propriety have been followed.
- (n) If the purchase order proposed to be placed is on ex-works or F.O.R. basis whether suitable provision has been made in the purchase order for safe delivery of the items by the contractor to the purchaser's site.
- (o) Whether suitable clause for proper packing is incorporated and whether name and address of the consignee, quantity, rate and other relevant commercial terms and conditions have been correctly reflected in the purchase order.
- (p) If previous purchase references is available, whether the rate stipulated in the purchase order are comparable with the previous purchase order.
- (q) Where advance payment has been agreed to, pre-despatch inspection clause has been incorporated in the purchase order and in cases where pre-despatch inspection is proposed to be waived, whether approval of Heads of Divisions/Plants exists.
- (r) Whether required and agreed to, whether liquidated damages clause has been incorporated in the purchase order.
- (s) Whether appropriate guarantee clause has been incorporated in the purchase order.
- (t) Whether documents to be presented for release or payment have been listed out properly.

- (u) In cases where free issue materials are to be provided by the Department to the Contractors, whether suitable provision for safeguarding the interests of the government, manner and method for delivery of free issue materials, furnishing safeguards by the contractor, accounting of free issue materials, the maximum permitted percentage of loss/wastage have been incorporated in the purchase order.
- 6.3 There shall, however, be no pre-audit of purchase requisitions irrespective of the value, released in favour of the suppliers based on the annual bulk supply contracts concluded by DPS and Accounts Unit concerned will debit the expenditure to the concerned Project/Unit based on the accounts copy of the purchase requisition received from the Purchase Unit.

7. Payment of Bills

- 7.1 Payments against purchase orders placed by the Purchase Units shall be released by the Accounts Units attached to the Purchase Units or the paying authority stipulated in the purchase order as per the mode and terms and conditions stipulated in the purchase order. Bills/invoices from the suppliers for payment against purchase orders placed shall be received in the Accounts Unit attached to the Purchase unit or any other paying authority as the case may be. The Pay & Accounts Officer concerned in the Accounts Unit shall, among all necessary checks :-
- (a) verify the bills/invoices received from the suppliers with reference to the purchase orders, amendment to the purchase orders, receipt voucher raised by the stores unit and other relevant records/communications, and
 - (b) ensure that the prescribed certificates relating to excise duty, sales tax, free issue materials supplied by the department, bank guarantee for security deposit, advance/progress payment, performance bond, etc. whenever asked or are available before the payment is released.
- 7.2 In respect of such of those purchase order where the contractors make either excess supply or short supply not exceeding plus/minus (+ / -) 10% of the quantity ordered in each purchase order, the paying authority will make payment to the extent of the quantity actually supplied by the contractors without a formal amendment to the purchase order subject to (a) availability of funds for the purchase, (b) the indenting officers agreeing to accept the short supply of excess quantity, (c) the total value of the excess supply not exceeding Rs.50,000/- in each case and (d receipt of Central Stores Receipt Vouchers for the actual quantity.

8. Deviations

- 8.1 Director, Purchase and Stores (DPS at Mumbai) has powers for approving and authorizing any deviation from the purchase procedure including standard terms and conditions of contract to the extent delegated by DAE, provided, however, that the reasons for such deviations are recorded in writing and Director, Purchase and Stores is satisfied of the necessity for such deviations. In all such cases, Director, Purchase and Stores shall take decision after consulting IFA, DPS.

Sd/ 27.04.2001

(B.D. Mishra)

Dy. Secretary to the Govt. of India

**Government of India
Department of Atomic Energy**

Anushakti Bhavan
C.S.M. Marg
Mumbai – 400 001

No.10/3(47)/98/SUS/453

January 23, 2006

OFFICE MEMORANDUM

Sub: Modification in the value for modes of Purchase – Reg.

Reference is invited to DPS ID No.DPS/IFA/CDN/10 dated September 22, 2005 on the above subject.

The case has been examined in detail in the Department in consultation with Finance taking into account the enhanced financial powers contained in GFR-2005 and the competent authority has approved the proposal for enhancing the financial limits for various modes of purchase contained in the DAE Purchase Procedure issued vide OM No.10/3(47)/98-SUS/191 dated 30.04.001 as follows :

- | | | |
|---|---|--|
| (i) Cash Purchase
(Clause 3.1.1.1) | : | Unto a value of Rs.5,000/- on each occasion without inviting quotations. For purchases upto Rs.10,000/- in value, quotations may be invited from a minimum of three firms (unless the source of supply is less than the minimum number). |
| (ii) Telephonic Quotation
(Clause 3.1.2.1) | : | Quotations by fax as per the procedure being followed in the Local Purchase Section/DPS for estimated value of above Rs.10,000/- and up to Rs.50,000/- provided the decision for purchase above Rs.10,000/- is taken in a Committee constituted within DPS consisting of minimum four members wherein a representative of Finance & Accounts is also involved. |
| (iii) Limited Tender
(Clause 2.1.2.1) | : | Above Rs.50,000/- and upto a value of Rs.25 lakhs |
| (iv) Public Tender
(Clause 2.1.1.1) | : | Above Rs.25 lakhs |

Sd/
(D. Surendran)
Under Secretary to the Govt. of India.

Annexure to PTA of House Building Advance/MCA/Scooter/Computer

1.	Name & Designation of transferred employee		
2.	IC/EC No.		
3.	Nature of Balance transferred		
4.	Amount originally sanctioned		
5.	Sanction No. & Date & Authority sanctioned the Advance		
6.	No. of installment in which advance to be received		
7.	Rate of installment		
8.a.	Date of Payment of motor car/scooter/computer etc, advance		
b.	In case of House Building Advance	Amount	Date of payment
	<u>1st instalmeent</u>	<u>Rs.</u>	
	<u>2nd installment</u>	<u>Rs.</u>	
	<u>3rd installment</u>	<u>Rs.</u>	
9.	Month & Year from which recovery of advance is commenced		
10.	Rate of Interest	% P.a.	
11.	No. of installment/amount already recovered.	No. of installment	Amount received
12.	No. of Installment/amount outstanding	No. of installment	Amount outstanding
13.	Date of mortgaging the property	Date of mortgaging	Date of Acceptance by C.A.
14.	Particular of Insurance		
	a. Date from which issued		
	b. Date up to which insurance is valid		
	c. Intervening period not covered by insurance	From	To

DA/AA

AAO

P & A O

Copy for information to the individual concerned.

Annexure-XV

[As referred in para 5.3.3 D(iv)]

Ref : INV/GEN/10/1587

September 18, 1980

Sub : Procedure for accounting and verification Of valuable materials handled in B.A.R.C.

Of late, with the increase in the Research and Development activities of BARC, there has been a substantial rise in the quantum of valuable materials such as Platinum wares, Gold, Silver etc.; handled by the various divisions and the need for utmost care in maintaining proper accounts of such materials needs no emphasis. Instructions regarding the verification thereof by the divisions themselves and by an independent committee were already issued earlier in Head Accounts Division's Circular No. INV/Gen/10/71-72/1393 dated 3/7/1971 and further reiterated in No. INV/Gen/10/70-72(ii)/835 dated 18.3.75. Though the above circulars bring out clearly, inter alia, the procedure to be adopted in the maintenance of suitable stock registers, custody of the valuable materials and their periodical physical verification of such materials, it is seen that those instructions are not being followed scrupulously in several divisions with the result the number of discrepancies between the book balance and the physical balance is on the increase. The following further instructions are issued with a view to avoid altogether such discrepancies.

1. Stock Account.

- (i) Each division/section entrusted with valuable materials shall maintain a separate stock register to record the transactions of all valuable materials handled by them in the form enclosed (NOT PRINTED). This may be preferably kept in a properly bound register instead of in loose sheets. The receipt and issue of the materials shall be handled by a single officer for a division/section as a whole, who will be nominated by the Head of the division/section, and all indents for the purchase of materials receipt or issue thereof shall pass through the nominated office from/to the divisional stores. The name of the officer so nominated and changes if any should be communicated to Accounts Division now and from time to time.
- (ii) Each valuable item shall be allotted a separate folio. If the materials are purchased from outside agencies, reference to the CSRV or Challan number shall be invariably furnished and in case they are obtained on transfer from other divisions/sections reference to the material transfer note is recorded in the stock register. Similarly, the issue of materials to other divisions on transfer basis or to outside agencies for reprocessing etc; shall be supported by the relevant issue number and accounted for on the issue column of the stock account. The account shall also provide for recording the quantity actually found during the internal physical verification by the division and for taking action for excess or shortage of valuable materials.

2. Movement Register.

Whenever the materials are issued within the division in connection with experiment etc., no entry shall be made in the stock account and the material shall not also be finally charged off. Instead, a few pages may be allotted at the

end of the stock register itself to record such transactions and to watch the receipt back of such materials or a separate register may if convenient, be opened for this purpose, if the frequency of such transactions is more.

3. Scrap/Reprocessing Account.

Due to constant use, some of the valuable materials may wear out and they may either be scrapped or issued for refabrication. Also the account of such scrapped items shall be maintained by the nominated officer and such materials are issued for final disposal or for reprocessing under the orders of the competent authority through the Divisional Stores, the quantity so issued shall be deducted from the closing balance in the stock account quoting reference to the credit voucher of the division/Central Stores. When such materials are received back duly refabricated or reprocessed, suitable entries may be made in the stock account giving reference to the CSRV No. and weight of the materials. Any material considered as surplus to the requirements or any division/section shall be identified as quickly as possible and returned to the Central Stores with the approval of the head of the Division and suitable acknowledgement or credit voucher obtained from the stores and the same entered in the Stock Account. A copy of such intimation to Central Stores should invariably be endorsed to Accounts Division.

4. Physical verification.

- (i) The division/section entrusted with the custody of valuable materials shall also arrange to verify the actual quantity of such materials every half year in the 1st week of January and July of each year with reference to the quantity of materials shown in the Stock Account and transmit the report of such verification the Accounts Division in the form enclosed showing clearly the shortage/excess noticed against each item during the physical verification. If the excess could be identified the same shall be taken as a receipt in the Stock Account and in the case of shortage, the reasons for such shortage shall be examined. If the shortage is not due to any theft, or defect in procedure or negligence or the part of any individual requiring disciplinary action but represents only actual wear and tear, suitable proposals for write-off, shall be sent to the Internal Financial Adviser for his concurrence, by the Head of the Division/Group or the Director of the Group and after getting his concurrence, sanction for such write-off shall be issued. The quantity so written off shall be shown as issues in the stock account giving reference to the sanction for write-off, so that the ground balance agree with the physical balance. Even if any of the Section/Division in BARC is not having any such item of valuable material in their custody a 'nil' report should invariably be sent to Accounts Division twice in a year i.e. on 15th January and 15th July positively. The concerned APOs or Officer nominated for the purpose should be asked to note the requirements carefully.
 - (ii) In addition to the above physical verification, the valuable materials handled by each division/section shall also be verified by an independent committee consisting of any Accounts Officer, a Stores Officer and a Scientific Officer once a year.
5. If any difficulty is experienced by any division in the maintenance of proper stock account on the lines indicated in the foregoing paragraphs, the Accounts Officer (Costing) of the Accounts Division shall be contacted for appropriate guidance.

6. The above instructions would be applicable to all Divisions/Sections in BARC and the report called for under para 5(ii) above should be sent by all the Divisional and Sectional Heads, irrespective of whether any valuable material is handled by them or otherwise. The existing report maintained by the Sections/Divisions should be reviewed and the correct position reported to Accounts Division by 1.10.1980 at the latest.
7. Receipt of this circular may please be acknowledged by all Divisional/Section Heads.

SD/-
(T A Lakshminarayanan)
Internal Financial Adviser.

All Heads of Divisions/Sections
Director's Office,
Controller's Office

Forwarded for the information and guidance to all staff members, Registers may please be maintained accordingly.

Annexure-XV-A

[As referred in para 5.3.3 D(iv)]

Bhabha Atomic Research Centre
(Inventory Accounts Section)

Central Complex,
Trombay, Bombay – 85.

Ref : INV/GEN/10/71-72/1393

3-7-1971.

Sub - Procedure regarding maintenance of stock
Account of valuable materials in BARC.

In supercession to the existing procedure ACA(207)/60 dated 23-9-1960 on the above subject, the following procedure may hereafter be followed by those divisions who handle valuable materials such as Platinum Wares, Gold, Silver etc. in respect of register of valuable required to be maintained to ensure correct account and verification of those items from time to time.

i) Maintenance of Register :

The register should invariably record reference to CSRV, Challan number where materials have been purchased from outside agencies, reference to issue voucher from whom materials have been received. When received from another division or if processed within the division it should invariably indicate the inspection note or challan reference of the section which processed the same together with number of items received and weight thereof as far as receipts are concerned. The issues to other division or outside parties for re-processing etc. should invariably be posted with reference to issue vouchers together with weight of the same. Every entry in the register has to be initialed by the Officer-in-charge for the custody of the above items. The balance should always be struck whenever transaction appears in the register. In order to give effect to the above procedure, a revised proforma enclosed (NOT PRINTED) may hereafter be adopted for maintaining the account. All supporting vouchers should bear serial number and should be filed chronologically in a file kept for the purpose. All losses in weight whether normal or abnormal should be exhibited in col. 10 as and when losses are noticed as a result of physical verification or otherwise and sanction of the competent authority obtained for writing off the loss or diminution. A reference to sanction No. and date may invariably be recorded in Col.10.

ii) Custody of valuables :

The register of valuable materials should be maintained by the person who is nominated for this purpose. The register should always remain under his personal custody. Any issues for regular use in the division have to be regulated by a movement register. A separate part of the register may also be utilized to watch the issues within the division and receipt back of such items so that the total quantity with the division and the identity of such stock can be immediately known. This record has to be maintained in addition to that maintained in the divisional stores where an account is kept of all valuable received in the division and issued to the Officer-in-Charge for use and safe-custody of the same together

with subsequent transfer of valuables to other divisions or issued to outside parties for re-processing etc. A copy of the procedure should also be brought to the notice of the custodian of valuables.3

i) Physical verification:

The stock holder should physically verify these items once in a year by actual count/weightment and record the result of such verification in the register. The result of such Physical Verification by the division should be reported to Accounts Division every year by 15th April at the latest. In addition to the above verification the Accounts Division will also verify these items once in a year when the register of valuable will also be checked with reference to the underlying and supporting vouchers/records to ensure that the book balance as exhibited in the register has been correctly arrived at.

If any difficulty is encountered in maintenance of these accounts, the Accounts Division may be consulted for guidance.

Sd/- 3.7.71
(S M Patankar)
Head, Accounts Division.

To
All Heads of Division
For information
Director's Office,
Controller's Office

(Referred to in Para 6.1.3)
No.4/1/87-PIC/I
Government of India
Ministry of Personnel, Public Grievances and Pensions
Department of Pension and Pensioners' Welfare

New Delhi, the 1st May, 1987.

OFFICE MEMORANDUM

Sub : Change over of the Central Government employees from the Contributory Provident Fund Scheme to Pension Scheme – Implementation of the recommendations of the Fourth Central Pay Commission.

The undersigned is directed to state that the Central Government employees who are governed by the Contributory Provident Fund Scheme (CPF Scheme) have been given repeated options in the past to come over to the Pension Scheme. The last such option was given in the Department of Personnel and Training O.M.No.F3(1)-Pension unit/85 dated the 6th June, 1985 . However, some Central Government employees still continue under the CPF Scheme. The fourth Central Pay Commission has now recommended that all CPF beneficiaries in service on January 1, 1986, should be deemed to have come over to the Pension Scheme on that date unless they specifically opt out to continue under the CPF Scheme.

2. After careful consideration the President is pleased to decide that the said recommendation shall be accepted and implemented in the manner hereinafter indicated.
3. All CPF beneficiaries, who were in service on 1.1.86 and who are still in service on the date of issue of these orders will be deemed to have come over to the Pension Scheme.
- 3.2 The employees of the category mentioned above will, however, have an option to continue under the CPF Scheme , if they so desire. The option will have to be exercised and conveyed to the concerned Head of Office by 30.09.1987 in the form enclosed if the employees wish to continue under the CPF Scheme. If no option is received by the Head of the Office by the above date the employees will be deemed to have come over to the Pension Scheme.
- 3.3 The CPF beneficiaries, who were in service on 1.1.86, but have since retired and in whose case retirement benefits have also been paid under the CPF Scheme, will have an option to have their retirement benefits calculated under the Pension Scheme provided they refund to the Government, the Government contribution to the Contributory Provident Fund and the interest thereon, drawn by them at the time of settlement of the CPF Account. Such option shall be exercised latest by 30.09.1987.
- 3.4 In the case of CPF beneficiaries, who were in service on 1.1.86 but have since retired, and in whose case the CPF Account has not already been paid, will be allowed retirement benefits as if they were borne on pensionable establishments unless they specifically opt by 30.09.1987 to have their retirement benefits settled under the CPF Scheme.

- 3.5 In the case of CPF beneficiaries, who were in service on 1.1.1986, but have since died, either before retirement or after retirement, the case will be settled in accordance with para 3.3 or 3.4 above as the case may be. Options in such cases will be exercised latest by 30.09.1987 by the widow//widower and in the absence of widow /widower by the eldest surviving member of the family who would have otherwise been eligible to family pension under the Family Pension Scheme if such scheme were applicable.
- 3.6 The option once exercised shall be final.
- 3.7 In the types of cases covered by paragraph 3.3 and 3.5 involving refund of Government's contribution to the contributory provident fund together with interest drawn at the time of retirement, the amount will have to be refunded latest by 30th September, 1987. If the amount is not refunded by the said date, simple interest thereon will be payable at 10% per annum for period of delay beyond 30.09.1987.
- 4.1 In the case of employees who are deemed to come over or who opt to cover to the Pension Scheme in terms of paragraphs 3.3, 3.4 and 3.5, the retirement and death benefits will be regulated in the same manner as in case of temporary/ quasi-permanent or permanent Government servant, as the case may be, borne on pensionable establishment.
- 4.2 In the case of employees referred to above, who come over or are deemed to come over to the Pension Scheme, the Government's contribution to the CPF together with the interest thereon credited to the CPF Account of the employees will be resumed by the Government. The employees contribution together with the interest thereon at his credit in the CPF Account will be transferred to the GPF Account to be allotted to him on his coming over to the Pension Scheme.
- 4.3 Action to discontinue subscriptions /contributions to CPF Account may be taken only after the last date specified for exercise of option viz. 30.09.1987.
- 5 A proposal to ex-gratia payment to the CPF beneficiaries, who retired prior to 1.1.1986 and to the families of CPF beneficiaries who died prior to 1.1.1986, on the basis of the recommendations of the Fourth Central Pay Commission is separately under consideration of the Government. The said ex-gratia payment, if and when sanctioned, will not be admissible to the employees or their families who opt to continue under the CPF Scheme from 1.1.1986 onwards.
- 6.1 These orders apply to all Civilian Central Government Employees who are subscribing to the Contributory Provident Fund under the Contributory Provident Fund Rules (India), 1962. In the case of other contributory Provident funds, such as Special Railway Provident Fund or Indian Ordnance Factory Workers Provident Fund or Indian Naval Dockyard Workers Provident Fund, etc. , the necessary orders will be issued by the respective administrative authorities.
- 6.2 These orders do not apply to Central Government employees who, on re-employment, are allowed to subscribe to Contributory Provident Fund. These orders also do not apply to Central Government employees appointed on contract basis where the contribution to the Contributory Provident Fund is regulated in accordance with terms of contract.
- 6.3 These orders do not also apply to scientific and technical personnel of the Department of Atomic Energy, Department of Space, Department of Electronics and such other Scientific Departments as have adopted the system prevailing in the Department of Atomic Energy. Separate orders will be issued in their respect in due course.

- 7.1 Ministry of Agriculture etc., are requested to bring these orders to the notice of all CPF beneficiaries under them, including those who have retired since 1.1.1986 and to the families covered by paragraph 3.5 of these orders.
- 7.2 Administrative Ministries administering any of the Contributory Provident Fund Rules, other than Contributory Provident Fund Rules (India), 1962, are also advised to issue similar orders in respect of CPF beneficiaries covered by those rules in consultation with the Department of Pension and Pensioners' Welfare.
8. These orders issue with the concurrence of the Ministry of Finance, Department of Expenditure vide their U.O.No. 2038/JS(Pers)/87 dated 13.4.1987.
9. In their application to the persons belonging to Indian Audit and Accounts Department, these orders issue after consultation with the Comptroller and Auditor General of India.
10. Hindi version of these orders follows.

Sd/-
(I. K. Rastogi)
Additional Secretary to the
Govt. of India.

To
All Ministries/Departments of the Government of India.

(Referred to in Para 6.1.3)
No.4/1/87-P&PW(PIC-II)
Government of India
Ministry of Personnel, P.G. & Pensions
(Department of Pension and P.W.)
New Delhi the 12.10.92

OFFICE MEMORANDUM

Sub : Change over of the Central Government employees from Contributory Provident Fund Scheme to the Pension Scheme-Formulation of policy for Scientific and Technical Personnel – Regarding.

The undersigned is directed to refer to para 6.3 of this Department's O.M. of even number dated the 1st May, 1987 on the subject mentioned above and to say that the proposal to formulate a uniform scheme for Scientific & Technical Personnel (hereinafter referred to as S&T Personnel) has been under examination in consultation with the Department of Space, Department of Atomic Energy and Department of Electronics.

2. The following uniform policy will apply to S&T Personnel in the Department of Space, Department of Atomic Energy and Department of Electronics.
 - i) All Scientific and Technical Personnel joining Department of Atomic Energy, Department of Space and Department of Electronics and such other scientific Departments as have adopted the system prevailing in the Department of Atomic Energy will initially be appointed on CPF Scheme.
 - ii) The Scientific and Technical Personnel will have one option to be exercised any time but not later than completion of 20 years continuous service to switchover from CPF to Pension Scheme or to retain the CPF Scheme as they may wish.
 - iii) Those who do not exercise any option within the period specified above will be deemed to have retained the CPF Scheme.
 - iv) The option once exercised will be final. Those who have opted in favour of Pension Scheme will not be allowed to re-opt in favour of CPF Scheme.
3. The new Scheme mentioned above will apply to all Scientific and Technical personnel who join the Department of Atomic Energy, Space and Electronics as fresh entrants after 31st July, 1992. As far as those already in service on 1.8.1992 are concerned, their cases will be regulated in the following manner:-

Those who have completed 20 years qualifying service on 1st August, 1992 and are still on CPF Scheme, will exercise the option referred to in the preceding paragraph within six months of the issue of these orders. The option once exercised shall be final. Those who do not exercise any option will be deemed to have retained the CPF Scheme.

- ii) The cases of those who have not complete 20 years qualifying service on 1st August, 1992 and are still under CPF Scheme on that date, will be regulated as for fresh entrants in terms of provisions of paragraph 2 above, provided that the case of those who will be completing 20 years qualifying service within six

months of the issue of these orders, the option may be exercised within the said period of six months.

- iii) Such of the S&T personnel as have already opted for pension Scheme under the instructions in force before issue of these orders shall continue to remain under the Pension Scheme. They will not have any further option to re-opt in favour of the CPF Scheme.
4. The Department of Atomic Energy etc. are requested to bring these orders to the notice of all S&T personnel working under them.
5. Hindi version of this O.M. is enclosed.

Sd/-
(Swarn Dass)
Deputy Secretary to the Govt. of India.

Department of Atomic Energy, Mumbai.
Department of Space, Bangalore.
Deptt. of Electronics, New Delhi.

(Referred to in Para 6.1.4)
CHANGE-OVER FROM CONTRIBUTORY
PROVIDENT FUND TO PENSION SCHEME

[G.I., Deptt. of Pen. & Pensioners' Welfare O.M.No.4/1/87-
P & P.W. (PIC-II), dated the 23rd July, 1996]

The undersigned is directed to refer to this Department's OM of even number, dated 12-10-1992 and to say that the Scheme of Pensionary/Terminal benefits for Scientific and Technical personnel, hereinafter referred to as S & T personnel, working in the Departments of Electronics, Department of Atomic Energy and Department of Space has been further reviewed by the Government in consultation with these Departments. As a result of this review, it has been decided to maintain the status quo ante, as prevailing prior to the issue of above-mentioned orders, in respect of the pensionary/terminal benefits admissible to Scientific and Technical personnel in the three Departments who were in service as on 1-8-1992. They will continue to be governed in the matter of their pensionary/terminal benefits by the orders issued by the respective Departments from time to time.

2. In the case of S&T personnel in the three Departments who joined service on or after 1-8-1992, it has been decided to follow the uniform policy as enumerated below:—

- (i) All S & T personnel joining Department of Atomic Energy, Department of Space and Department of Electronics and such other Scientific Departments as have adopted the system prevailing in the Department of Atomic Energy will initially be appointed on CPF Scheme.
- (ii) The S & T personnel will have one option to be exercised any time but not later than completion of 20 years' qualifying service to switch over from CPF to pension scheme or to retain the CPF scheme as they may wish.
- (iii) Those who do not exercise any option within the specified period will be deemed to have opted for switch-over to Pension Scheme.
- (iv) The option once exercised will be final. Thus change-over from Pension Scheme to CPF Scheme is not permitted.

3.***

4. The Department of Atomic Energy, etc., are requested to bring these orders to the notice of all S& T personnel working under them.

9(40)/2010/TA/ 461
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
Office of Controller General of accounts
Lok Nayak Bhavan, Khan Market
New Delhi-110 511.

Dated 10-7-2012

Office Memorandum

Sub:- Introduction of new e-payment schemes by Central Government Ministries/
Departments

Ministries/ Departments of the Central Government are taking new initiatives towards e-governance and they are in the process of implementing new schemes. Recently Reserve Bank of India (RBI) has brought to the notice of this office that a few ministries/ departments in consultation with their agency banks planned to introduce new models in e-mode or propose changes in the existing mechanism for handing government payments and for this purpose approached RBI directly for vetting of the schemes, without consulting CGA's office. RBI has advised such ministries/departments to consult CGA's office in the matter as many of the issues like accounting, reconciliation, monitoring etc. do not fall within the domain of RBI. RBI has also mentioned that in most of the cases these proposals did not exactly conform to the guidelines prescribed by CGA's office.

2. Reserve Bank of India has stated that such an approach leads to series of unnecessary and unproductive correspondence and therefore requested this office to direct all ministries/ departments to refer to the schemes to CGA's office for examination and recommendations.

3. All Pr. CCAs/CCAs/ CAs are requested to ensure that before finalizing proposals for new initiatives / schemes of their ministry/ department they may be initially examined at the level of Pr. CCA/ CCA/ CA and a procedure detailing therein the process flow of collection of govt receipts/ or payments, accounting thereof and reconciliation etc. drafted within the framework of the rules / manual may be sent to this office for further examination and approval by this office.



(A. K. Singh)

Dy. Controller General of Accounts

To
All Pr. CCAs/ ~~CCAs~~/CAs

del 7/12

Government of India
Department of Atomic Energy
Principal Accounts Office

Anushakti Bhavan,
C.S.M.Marg,
Mumbai 400 001.

No.Pr.AO/FAS/8(4)/10-11/293

25.07.2012.

**Sub: Introduction of new e-payment schemes by Central
Government Ministries/Departments**

A copy of O.M No.9(40)/2010/TA/461 dated 10.07.2012 received from Dy. Controller General of Accounts, Ministry of Finance, Department of Expenditure, Office of CGA, New Delhi on the above subject is forwarded herewith for information and necessary action.



(A.S. Sasikumar)
Dy. Controller of Accounts

Encl: as above

To

All Heads of Accounting Units

Copy to: All PAOS

- ✓ 2) DCA, IIW, DAE
- 3) AAO(Control),DAE




V.S. Bhavan
Anushaktinagar
Mumbai 400094

OFFICE ORDER NO. DPS/HQ/23/2011
DATED MARCH 18, 2011

Sub: Time Schedule for completion of various activities
of DPS functions.

The Time Schedule for completion of various activities for Purchase functions (Table 1), T&C functions (Table 2), Accounts functions (Table 3) and Stores functions (Table 4) have been defined in the attached tables. The primary responsibility for adherence to the Time Schedule rests with Assistant Purchase Officers, Assistant Stores Officers and Assistant Accounts Officers in respect of their area of work. While carrying out the activities, the problems faced with regard to the adherence with time frames shall be reported to the concerned Purchase Officers/Stores Officers/Dy Controller of Accounts for sorting them out. When the delays are due to reasons beyond the control of these officers, the same should be brought to the notice of Dy. Director, P&S, Jt. Director, P&S, Internal Financial Adviser, Regional Director, Regional Unit Incharge as is applicable for appropriate action.

All officers are instructed to strictly follow the above.


(H.C. Soni)
Director, P&S

Encl: as above

All Assistant Purchase Officers/Assistant Stores Officers/
Assistant Accounts Officers of DPS

- Copy to:
1. Regional Director, MRPSU/HRPSU/IRPSU/NRE
 2. Manager (Purchase), RPUM, Secunderabad
 3. Officer Incharge, AMPU, Hyderabad
 4. Jt. Director, P&S
 5. Internal Financial Adviser, DPS
 6. Dy. Director, P&S
 7. All Purchase Officers/Stores Officers of DPS
 8. Dy. Controller of Accounts, DPS

TABLE 1

TIME SCHEDULE FOR VARIOUS PURCHASE ACTIVITIES

Sr	Activities	Average time for Different activities of Purchase (in Days)			
		SE	LT	PT	TPT
1	Time taken for issuing enquiry after receipt of Indent in DPS	6	25	25	25
2	Time duration between issuing Enquiry and Tender Due date.	14	30	45	60
3	Time taken for preparation of Comparative Statement/Referring of the files to User Department with offer after due date	3	24	24	12
4	Time taken for commercial settlement, preparation and submission of Purchase Order to Pre-Audit after receipt of final recommendation.	14	25	25	30
5	Time taken for release of Purchase Order after Pre-Audit certification	3	7	7	9
6	Total time taken for releasing the Purchase Order from the date of Receipt of Indent in DPS	60	150	180	240

SE: Single Enquiry, LT: Limited Tender, PT: Public Tender, TPT: Two-Part-Tender

Note:-

1. The above time frames assume that the time taken for evaluation of offers and submission of recommendation to DPS is 15 days, 30 days, 45 days and 90 days respectively for SE, LT, PT and TPT and the time allowed for Pre-Audit certification of the Purchase Order is 5 days, 8 days, 9 days & 14 days respectively for SE, LT, PT and TPT.
2. In case of Single Enquiry (SE), where approval of purchase committee/council or DAE is required, the total time taken for release of the purchase order from the date of receipt of Indent in DPS may be more than that indicated above at Serial No. 6.
3. In case of Two-Part-Tender (TPT), where approval of DAE is required, the total time taken for release of the purchase order from the date of receipt of Indent in DPS may be more than that indicated above at Serial No. 6.

TABLE 2

TIME SCHEDULE FOR VARIOUS T & C ACTIVITIES

Sr. No.	Activities	Duration in Days
1.	Collection of documents from Carrier, obtaining cargo location details, preparation of CAN and handing over same to Consignee/Clearing Agents after the arrival of consignments.	01
2.	Collection of relevant files from Purchase, preparation of clearance documents and passing on to Clearing Agents on completion of (1)	01
3.	Completion of customs formalities, payment of relevant charges, arranging clearance of goods and delivery at Stores on completion of (2)	03
4.	If consignment is damaged externally/short landed, lodge provisional claim on completion of (1)	02. However efforts will be made to complete this within 1 day.
5.	In case of damaged/short landed consignment, collection of relevant document and lodging of final claim on completion of (1)	30

TABLE 3

TIME SCHEDULE FOR VARIOUS ACTIVITIES IN ACCOUNTS

Sl. No.	VARIOUS ACTIVITIES	DURATION IN DAYS (WORKING)
	ACCOUNTS FUNCTIONS	
1.	Pre Audit of Files	
(a)	SE	05 Days
(b)	LT	08 Days
(c)	PT	09 Days
(d)	TPT	14 Days
2.	Dianizing / bill entries into the System & Forward to Bill Section	02 Days
3.	Scrutiny and intimation to supplier regarding deficiency	07 Days
4.	Release of payment if document is in order	30 Days
5.	Preparation of Cheque and Credit (E-Payment) / Despatch of Cheques	02 Days

TABLE 4

TIME SCHEDULE FOR VARIOUS STORES FUNCTIONS

SR No	VARIOUS ACTIVITIES	Duration in Days
i	Receipt of materials, documentations, quantity inspection, arranging technical inspection and clearance of RV to Accounts in respect of purchase Orders by Central Stores Unit.	28
ii	Receipt of materials, documentations, quantity inspection, arranging technical inspection and clearance of RV to Accounts in respect of Local purchase Orders in Central Stores Unit.	26
iii	Receipt of materials, documentations, quantity inspection, arranging technical inspection and clearance of RV's to Central Stores Unit by Zonal Stores .	23
iv	Receipt of materials, documentations, quantity inspection, arranging technical inspection and clearance of RV's to Central Stores Unit by Zonal Stores in respect of Local Purchase Orders .	18
v	Receiving of Credit Vouchers of surplus/unserviceable/Obsolete items from Divisions and arranging Collections for placing before Survey and Disposal Committee.	60
vi	Movement of Heavy consignments between different divisions - Receipt of requisition and execution of work by using material handling equipments and trucks.	16
vii	Dispatch of material to outstations units involving Transport contract- Receipt of requisition and execution of work.	45
viii	Dispatch of material to outstations units without involving Transport contract- Receipt of requisition and execution of work	15
ix	Processing of Procurement files (Common user items) involving Stores procurement Committee (Above Rs.2 lacs.)	45
x	Processing of Procurement files (Common user items) without involving Stores procurement Committee (Above Rs.2 lacs.)	12

Government of India
Department of Atomic Energy
Directorate of Purchase and Stores

V.S. Blavan
Anushaktinagar
Mumbai 400094

CIRCULAR NO. DPS/HO/03/8-PERF. AUDIT/2011
DATED MARCH 18, 2011

Subject : Implementation of recommendations made in CAG Report.

Consequent on carrying out the Performance Audit on Procurement of Stores and Inventory Management functions in the Department of Atomic Energy (DAE) by the Principal Director of Audit (Scientific Departments), Comptroller and Auditor General (CAG) had submitted a report No. 13 of 2010-11 to the Parliament in August 2010. CAG in its report had brought out recommendations on various issues identified by them while carrying out the Performance Audit. In order to implement these recommendations in DAE, following modifications/ improvements need to be carried out in the practices and procedures followed in DAE while processing the procurements and Stores Management.

1.0 Planning for procurement .

- 1.1 All Units of DAE are requested to prepare annual procurement plans for every financial year and submit the same to DPS/Regional Units of DPS in the previous month of the financial year (i.e. by March). While preparing the annual procurement plan, consolidation of requirements may be made in order to prevent repetitive procurement of items and also to get best value for money. DPS/Regional Units of DPS after receiving the annual procurement plans from the Units will prepare the consolidated annual procurement plan. In relation to procurement of common user items, Stores Units will prepare annual procurement plans in consultation with respective Stores Purchase Committee and will submit it to the respective Purchase Unit.

- 1.2 All Indenting Officers are advised to plan their procurement after taking into account the schedule of the project, time required for approval of indent, processing time for placement of purchase order and delivery schedule. While doing so the Indenting Officers can take into account the following time frames for different modes of tendering in relation to time taken in placing the purchase order after receipt of indent in DPS.

Single Enquiry (SE)	-	60 days
Limited Tender (LT)	-	150 days
Public Tender (PT)	-	180 days
Two-Part-Tender(TPT)	-	240 days

Note : The above time frames assume that the time taken for evaluation of offers and submission of recommendation to DPS is 15 days, 30 days, 45 days and 90 days for SE, LT, PT and TPT respectively.

In addition to the above DPS is planning a fast track mode for processing of limited numbers of purchase files for the unforeseen requirements which could not be planned. The estimated time taken for such fast track files for Limited Tenders and Public Tenders is expected to be around 90 days. Number of purchase files which can be processed in Fast Track mode will be limited to 5% of total number of purchase files.

- 1.3 All Indenting Officers should indicate a realistic delivery schedule in the indent after accounting the above time frame and should not write the phrases like 'Urgent', 'Priority', 'Immediate', etc. The indents consisting of such phrases will be returned back to the Indenting Officers with a request for indicating the realistic time for delivery schedule.
- 1.4 The CAG in its report have observed large variation between estimated cost and purchase price in several cases. They have recommended that there is a need for carrying out realistic estimation of cost which will be considered as

benchmark for determining the reasonableness of quoted prices. The Indenting Officers are advised to follow the guidelines mentioned at Article 10.6 of the Purchase Manual of DAE while estimating the cost. The estimated cost so arrived at shall be supported with a back-up paper to show how the estimated cost has been arrived at.

2.0 Competitiveness and objectivity in tendering process and award of contracts :

- 2.1 The CAG Report has observed that 94% procurements in DAE were based on restrictive mode of tendering (Single/ Limited Tender). Thus the procurement process of DAE could achieve only limited competition. It may be noted that around 94-97% of indents received in DPS have estimated value of Rs. 25 Lakhs or less and therefore, the number of public tenders are quite less in comparison to total tenders floated by DPS. Even in case of indents with the estimated value of more than Rs. 25 Lakhs Public Tender Dispensation is sought by the Indenting Officers in about 20% of the cases on various grounds. It has been observed in the CAG Report that wherever Public Tender Dispensation was sought on the grounds of urgency, there were no matching actions on other aspects.

In view of the above, it has been decided that no Public Tender Dispensation will be granted by DPS except in the case of procurement of sensitive items.

All Project Authorities are requested to do the consolidation of the requirements as much as possible so that the number of indents having estimated value of more than Rs. 25 Lakhs is increased. This will have a dual advantage in terms of reducing the number of purchase files and also increasing competitiveness by way of public tender.

- 2.2 As recommended by CAG, the intention to split the quantity wherever necessary should be clearly brought out at the tendering stage itself and uniformity of prices shall be maintained while awarding the contract to more than one supplier. The guidelines mentioned at Article 15.15 of the Purchase Manual of DAE shall be followed while recommending splitting of orders.
- 2.3 All Indenting Officers shall follow the guidelines provided in Chapter 15 of the Purchase Manual during evaluation of tenders and providing purchase recommendations.
- 3.0 **Contract Management**
- 3.1 CAG has recommended that extensions in delivery schedules can be granted only in exceptional circumstances instead of allowing extensions as a matter of routine. In order to implement this recommendation it has been decided that the extensions in delivery schedules will be granted only in exceptional circumstances with proper justification duly approved by the Competent Authority. All Indenting Officers are advised to provide realistic delivery schedule while providing the purchase recommendation so that the need for such extensions can be avoided.
- 3.2 CAG has also recommended that DAE may review its General Conditions of contract regarding Liquidated Damages (LDs) to ensure that LDs are charged as deterrent to avoid delays. Indenting Officers shall invariably recommend for charging LDs from the supplier while recommending extension of delivery schedule. The guidelines mentioned at 19.3.40 of Purchase Manual of DAE shall be followed while recommending the LDs. It may be noted that a provision has been made for charging token LDs in the Purchase Manual in line with the practice followed in Ministry of Defence, Department of Defence Production and Supplies. It has been decided to implement the provision for charging token LDs from the financial year 2011-12.

- 3.3 The Project Authorities are requested to constitute Monitoring Committees comprising of Indenting Officers/ Project personnel and DPS personnel for proper contract management of high value procurements, to begin with.

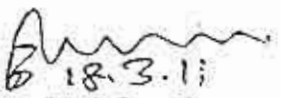
4.0 Post Contract Management

The CAG has observed, "in 20% of cases which were test-checked during performance audit, there were delays in installation, commissioning and acceptance of machinery/ equipment. Further non-installation/ commissioning of machinery /equipment was due to non-availability of site , improper site selection, non-compliance of criteria for functional tests, etc". They have recommended, "Given the fact that installation/commissioning of a large number of machinery/ equipment get delayed due to reasons like non-readiness of site etc.," DAE may direct its indenting Officers to lay down specific timeframes for installation/ commissioning of machinery/ equipment.

- 4.1 The Indenting Officers shall define realistic time schedules for inspection, installation, commissioning, acceptance etc. while providing recommendations for placing purchase orders. The Time schedules for replacement of defective/ damaged items, rectification of defects, etc. shall be defined by the Indenting Officers when the items are rejected during inspection.
- 4.2 In order to ensure that the site is ready for installation and commissioning when machinery/equipment is supplied, it has been decided that the Indenting Officer shall be asked to verify this during the approval of purchase recommendation in Stores and Equipment Committee (S&EC)/ Special Purchase Committees (SPCs), etc. The Chairmen of the S&EC/SPCs are requested to ensure that such verification is obtained from the Indenting Officer while approving the recommendation.

5.0 Inventory Management

- 5.1 CAG recommended that a mechanism may be put in place so that procurements are made only on the basis of assessed actual requirement. In view of this, the Project Authorities are advised to have a mechanism for realistic assessment of their actual requirement and raise indent accordingly.
- 5.2 In order to have timely declaration of surplus items, Stores Officer as a part of Stores Procedure, regularly send a list of items to concerned Authorities in a Unit for declaring them as surplus. The concerned authorities are requested to review the list objectively and provide suitable recommendations for declaring the items as surplus.


18.3.11
(H.C.Soni)
Director, P&S

All Heads of Units

Group Directors of BARC

Group Directors of IGCAR

- Copy to :
1. Chairman, AEC
 2. Additional Secretary, DAE
 3. Regional Director, MRPU/HRPU/IRPU/NRB
 4. Officer Incharge, AMPU
 5. Manager (Purchase), RPUM
 6. Jt. Director, P&S
 7. IFA, DPS
 8. Dy. Director, P&S
 9. All Purchase Officers of CPU
 10. Stores Officers of DPS
 11. Officer Incharge, Regional Purchase Units of DPS

Government of India
Department of Atomic Energy
Directorate of Purchase and Stores

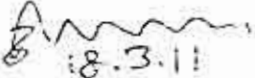
V.S. Bhavan
Anushaktinagar
Mumbai 400094

OFFICE ORDER NO. DPS/HQ/24/2011
DATED MARCH 18, 2011

Sub: Preparation of Annual Procurement plans for
Common User Items.

The Stores Officers responsible for procuring Common User items shall prepare an Annual Procurement Plan for the Common User Items for every financial year and submit the same to Regional Director, P&S/Jt. Director, P&S in the previous month of the financial year (i.e March).

The action as directed above should be followed strictly without fail for every financial year.


18.3.11
(H.C. Soni)
Director, P&S

All Stores Officers of DPS

Copy to:

1. Regional Director, MRPSU/HRPSU/IRPSU/NRB
2. Manager (Purchase), RPUM, Secunderabad
3. Incharge, AMPU, Hyderabad
4. Jt Director, P&S
- 5 Dy Director, P&S

Government of India
Department of Atomic Energy
Directorate of Purchase & Stores

V.S. Bhavan,
Anushaktinagar,
Mumbai - 400094

Ref DPS/04/MIC/40917.

23rd November, 2009.

Sub: Non-availability of site for erection and
commissioning

DPS is placing Purchase Orders on various suppliers for design, manufacture, testing, supply, erection and commissioning of large value equipments/machineries etc. After the supplies are made, erection and commissioning works get delayed due the fact that the site required for this purpose may not have been made available to the suppliers within a reasonable time. This results in blocking of Government money as well as the storage space in Stores. In such events, major portion of the payment to the suppliers remains outstanding for a long time. Suppliers also insist for release of balance payment, as there is no fault from the supplier's side towards the delay in erection and commissioning of the equipment.

Further, 'the warranty term' which in the purchases is generally for 18 months from the date of dispatch of the material, or 12 months from the date of final acceptance, whichever is earlier, gets vitiated. The Department is left with either no warranty or a very short period of warranty in such cases.

Delay in erection and commissioning and subsequent acceptance of the supplier's request for release of balance payment towards supply portion, without completion of the contractual obligations of erection and commissioning due to non-availability of site, have been severely criticised by the recent Performance Audit of DPS/DAE.

It is therefore, felt appropriate to draw the kind attention of Director, BARC to the above matter.

Chmn S&EC
Dir, DPS
Secy TC

Director
BARC,
Trombay

The following steps can be taken for avoiding this problem

- 1) Chmn S&EC should ascertain availability of space before placement of order.

[Handwritten signature]
25.11.09
V.S. BHAVAN
Director P&S

Practical requirements

Government of India
Department of Atomic Energy
Directorate of Purchase & Stores


V.S. Bhavan,
Anushakti Nagar,
Mumbai - 400 094.

Ref: DPS/DGP/2010

12th January, 2010.

Sub : Non-availability of Site for erection and commissioning.

Enclosed please find herewith a photocopy of letter dated 23rd November, 2009 from Director, P&S wherein Director, BARC has made certain observations in respect of case files where delays occur due to non-availability of site for installation and commissioning. This aspect should be taken care during the S&EC Meeting so that the site readiness is confirmed by the User Department before purchase decisions are conveyed by S&EC, BARC.


(D.G. PARDASANI)
Purchase Officer, DPS &
Member-Secretary, S&EC (BARC)

Encl: as above.

THE CHAIRMAN & MEMBERS OF THE S&EC COMMITTEE.

2917
02/03/2011
DAE

Government of India
Department of Atomic Energy

Arushakti Bhavan
C S M Marg
Mumbai - 400 001

Annexure - 6
1/2

No 10/3(2)/2008-SUS/1883

February 21, 2011

OFFICE MEMORANDUM

**Sub : Performance Audit of Procurement of Stores
and Inventory Management of DAE by CAG**

The Comptroller and Auditor General of India had conducted Performance Audit of Procurement of Stores and Inventory Management of DAE and submitted its Report to Parliament on 13.8.2010. The importance of having an efficient procurement and inventory management system in place is very critical to the functioning of an organization, and it has direct bearing on the Project Management activities of DAE. This aspect has prompted C&AG to undertake Performance Audit of Department of Atomic Energy.

2. It is observed that many a time, the constituent units of DAE are resorting to limited tenders/single tenders on the grounds of urgency. However, the same exigency is not shown in ensuring timely delivery and installation of the system. There is also lack of coordinated action by the agencies involved in the procurement process in ensuring site readiness, to match the delivery schedules of the equipment, which ultimately defeats the purpose of dispensing with the public tender. It is therefore reiterated that the dispensation of public tender should be adopted only in cases having sensitive / strategic implications or exceptional cases, with approval of Competent Authority.

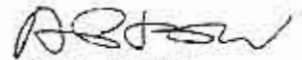
3. It is also noticed that delivery period is extended in a routine and casual manner even in cases that were processed on urgency, without levy of liquidated damages. Suitable provisions made in the purchase contracts to indemnify the purchaser for defective/short supply etc. need to be invoked, in time, in order to safeguard government interests. There are also instances, where it is certified that the delay was not attributable to the suppliers. In such cases, the onus of delay falls on the executing agencies/purchaser and the responsibility should be fixed on the officers concerned.

4. All the Indenting Officers/Project authorities may please be instructed to vigorously follow up with the suppliers, to ensure delivery of the items as per the schedules defined in the purchase order and to scrupulously comply with the ordered terms viz., approval of drawings, carrying out pre-dispatch inspection when called for, within a reasonable time frame, which will facilitate in identifying the reasons for delay, if any, and wherever the delays are attributable to the contractor, the LD clause as brought out in the contract should be invoked invariably. In order to invoke the LD clause effectively, the delivery period has to be assessed in a realistic manner at the indenting stage itself and further extensions given only with proper justification.

5. Procurement of a large number of machinery/equipment gets delayed due to non-readiness of the site which is largely dependent on the availability of site. A suitable time frame needs to be carefully assessed for installation and commissioning of machinery/equipment right from the indenting stage. Proposals seeking dispensation of normal mode of tendering on grounds of urgency could be backed by a certificate of readiness of site or commitment for readiness by a specified date, to ensure justification of such an action and concerned officers held accountable for delay.

6. All Heads of Units are, therefore, requested to invariably comply with the above requirements and draw up a precise time frame. It should be ensured that a proper monitoring mechanism is in place within the Unit to ensure that the time frames prescribed for processing and finalization of tenders are strictly adhered to by the implementing authorities.

7. The contents of the above note may please be brought to the notice of all concerned.



(A.P. Joshi)

Additional Secretary

All Heads of Units
All Joint Secretaries in DAE
All Internal Financial Advisers

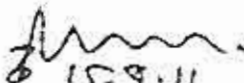
V.S. Bhavan
Anushaktinagar
Mumbai 400094

CIRCULAR NO. DPS/HQ/08/2011
DATED SEPTEMBER 15, 2011

Sub : Declaring the stores as surplus or otherwise

Stores Officers responsible for the respective stores shall prepare the list of slow moving stock items and put up to the concerned Authorities for recommending/ declaring the stores as surplus. In case an item is to be held in stock, the reasons thereof to be got recorded by the concerned Authorities.

The action as directed above shall be taken up immediately.


15.9.11
(H.C. Soni)
Director, P&S

All Stores Officers in DPS

Regional Director, MRP&SU, Chennai
Regional Director, HRP&SU, Hyderabad
Regional Director, IRP&SU
Jt. Director, P&S, DPS
IFA, DPS
Dy. Director, P&S

WORKS CONTRACT MANAGEMENT SYSTEM (WCMS)

INTRODUCTION

The use of organization specific software system for managing, monitoring, billing, financial accounting, material accounting is of prime importance. The inception of WCMS software was made on above ground primarily since most contracts generically adhere to the Works Contract guidelines laid down by some governing nodal agency.

FUNCTIONAL BASIS OF PACKAGE,

- ❑ Centralized software system based on CPWD, CPWA process flow.
- ❑ Introduction of computerised recording of measurement to dispense the time consuming, obsolete & uneconomical manual system.
- ❑ Easy and efficient traceability and increased accuracy & accountability.
- ❑ Discrete material management to avoid shortage or excessive surplus.
- ❑ Reconciliation of material and measurements across contracts.
- ❑ Cost control and budget management across expenditure heads.
- ❑ Easy incorporation of dynamic contract structure variations.
- ❑ Ready to use process compliant system without customisations.
- ❑ System with rich user interface and large data management capability.

TECHNICAL BASIS OF PACKAGE,

- ❑ Client - Server Architecture, works on Win NT/2000/XP/2003.
- ❑ Client system with enhanced user interface built on Visual Basic and .NET
- ❑ Server system is built on RDBMS: MS SQL Server
- ❑ Reporting and MIS system built-in.
- ❑ Client Server Three Tier System
- ❑ Multiple user environment
- ❑ Access control & Data security
- ❑ Centralized data availability with custom built Backup system
- ❑ Component based, version controlled & user-friendly

SCOPE & KEY FEATURES

- ❑ To maintain a department-wise master list of component rates / SOR.
- ❑ To prepare estimation of work based on the previous references.
- ❑ To issue tender, evaluate bids and award work orders.
- ❑ Complete recording of work done (measurements) by the vendors.
- ❑ To supervise, verify and approve the work completed.

: 1 / 4 :

- To keep up to date records of all types of advances paid to the Contractor.
- Approve invoices for payments & entire cycle of contract completion.
- To maintain records of materials & services issued to contractor.
- To generate reports required by the Executives & Management.
- Facilitates preparation of work order and estimate by import from text file.
- To monitor variation with respect to tendered quantities.
- Calculation of escalation as per month wise RBI WPI.
- Evaluate L1 standing during contract life-cycle.
- Support for the complete cycle of various Works / Service/ EPC contracts.
- MIS- Site wise, location wise, work order wise MIS Reports.

OPERATION AREAS	FEATURES
○ CIVIL WORKS	○ SERVICE & MAINT. CONTRACTS
○ MECHNICAL WORKS	○ EPC STAGE PAYMENT MODE
○ PIPING WORKS	○ ESCALATION COMPUTATION
○ ELECTRICAL WORKS	○ WEB EXPORTABLE REPORTS
○ INSTRUMENTATION	○ MIS & CUSTOM REPORTS

MODULES

The computerized Works & Contracts Management System of NPCIL as a whole is independent and self contained. All the modules are integral part of the larger system.

The system consists of the following modules:

- **Schedule of Rates (SOR)** : This module maintains up-to-date records of standard rates of all Items and Services, which is used by the system for further processing of estimation. Rate analysis can be made based on component master containing base rates and other derived components using material, labour and factors.
- **Estimation** : This module enables total cost estimation for the work. Items can be derived for respective departmental SOR and quantities as desired can be input to arrive at estimated cost. Direct /Manual entry of items is permitted in different schedules. It has feature of import of estimate & export of SOQ.
- **Tendering** It enables the user to enter the details of each agency and to generate a Comparative Statement (CST) based on these entries that help the authorities to choose the Lowest Bidder. Import of the agencies rates from their bids received in the exported SOQ file allows speedy generation of CST.
- **Schedule of Quantity and Rates (SOQR)** : It gives a description of all the work items with the rates quoted by the agency who is awarded the contract.

- **Work Order** : It allows the user to generate the work order to be issued to the contractor. AHR or conditional rates beyond certain % of quantity, extra items inclusion, time extension and qty extension configurations are available in work order configuration module.
- **Materials** : Materials module enables the user to make a database of all the materials that are used in the work. It also provides the facility for categorizing the materials as Free Issue, Chargeable and materials subjected to Secured Advance. Material Reconciliation can also be obtained during any stage of the work or package.
- **Advances** : This module allows the user to give two types of advances:
 - **Mobilization Advance**: It enables the user give installments of Mobilization advance and also to keep track of the Bank guarantees.
 - **Secured Advance**: It enables the user to give Secured Advance for the materials brought by the contractor to the site.
- **Measurements**: This Module allows the user to enter all the measurements including Standard, Reinforcement/Steel, EP modules along with material accounting is available.
- **Billings** : This module allows the user to generate the RA Bill every month based on the measurements. It also allows the user to generate the provisional RA Bill and allows the Part Rate facility or Stage Payments for EPC works.
- **Payments** : This module allows the user to make the Memorandum of Payment using latest RA Bill. Options are given to calculate deductions, additions, and advances for Periodic or Final Payment.
- **System Administration** This module allows the administrator to assign access rights to the user according to the department, modules and the documents that the user can access.
- **Reports** : Reports for almost all the above modules are available in printable format in the report section also with additional MIS reports for F&A and other engineering groups.
- **MIS** : ite wise, location wise, work order wise MIS Reports are available.

COST BENEFIT FACTORS:

Direct Benefits: There is a considerable reduction in man-hours spent in checking arithmetic accuracy of measurements and bills generated resulting in direct cost saving.

Indirect Benefits: Since computation of bills are automatic and accurate the speed of payments made to contractors is highly increased and thereby no delay can be attributed to payment delays and this adds significant contribution to timely project completion resulting in indirect savings.

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BASIC WORK FLOW

WORKS CONTRACT MANAGEMENT SYSTEM

