Army Local Audit Manual (Part –I)
Volume-I, II & III

PREFACE

This manual contains instructions for the local audit and inspection of store and cash accounts of Army Units and Formations (as distinct from those of M.E.S., Air Force, Navy and Factory). It consists of two parts viz: -

Part I-Containing instructions for the local audit of store accounts, railway warrants, credit notes, books of Form D and other concession vouchers, Service books, L.P.C. books etc.

Part II-Containing instructions for the inspection of Public Fund Accounts.

2. All Officers and members of staff should make themselves fully conversant with the contents of this Manual. Ignorance of its provisions will not be accepted as an excuse for any departure from these provisions or failure to comply with them.

3. This Manual is a departmental publication. The instructions contained therein are supplementary to Rules in the Civil and Defence Audit and Account Codes, Financial and other Regulations for the Army, Store Accounting Instructions, Scales of A.S.C. Supplies, the various departmental Regulations and Standing orders etc. When dealing with work in the office and in correspondence with other offices in the Department, the relevant paras of this Manual should invariably be cited. No change which involves a substantial departure from these instructions should be effected without the previous approval of the Controller General of Defence Accounts.

4. The Principal Controller of Defence Accounts (Southern Command) Pune will be responsible for keeping the Manual corrected upto date. For this purpose, he will propose corrections whenever necessary and send the draft amendments to the Controller General of Defence Accounts in duplicate for approval, quoting the orders on which the correction proposed are based.

5. This edition of the manual supersedes the 1977 Reprint Edition,

NEW DELHI

Dated: 27-11-91.

(R. K. MATHUR)

CONTROLLER GENERAL OF DEFENCE ACCOUNTS
For easy handling, this Part-I of the Army Local Audit Manual has been printed in three Volumes as under:

**Volume-I** Chapters I, II, III and Appendices
**Volume-II** Chapters IV, V, VI and VII
**Volume-III** Chapters VIII, IX, X, XI

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Army Local Audit Manual Part-I

VOLUME - I

DEFINITIONS

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<th></th>
<th>Consignor's LAO</th>
<th>The LAO, AAO/SO (A), ALAO, Local Audit Staff or station Auditors auditing the store accounts of the Depot, Unit of formation issuing the stores.</th>
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<tr>
<td>2.</td>
<td>Consignee's LAO</td>
<td>The LAO, AAO/SO (A), ALAO Local Staff or station Auditor auditing the store accounts of the Depot, Unit or- formation receiving the stores.</td>
</tr>
<tr>
<td>3.</td>
<td>ALAO (Group Superintendent)</td>
<td>The ALAO (superintendent) Local Audit staff.</td>
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<tr>
<td>4.</td>
<td>Manufacturing Establishment</td>
<td>An Army ordnance factory, an Army Clothing Factory, an Armed Forces Medical store Depot, including its factory and repair workshop, a Dairy Farm, a young Stock Farm and a Bakery.</td>
</tr>
<tr>
<td>5.</td>
<td>Stores</td>
<td>Include animals.</td>
</tr>
<tr>
<td>6.</td>
<td>Supply and store Depot</td>
<td>Includes an Arsenal, an ordnance Depot, Air craft Depot, Vehicle Depot, A.S.C. Supply Depots (including Base and station supply Depots) or Sub-Depot; Grain Crushing Depots and Government (Controlled Mills.</td>
</tr>
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<td>7.</td>
<td>Units</td>
<td>Means all units of the fighting services, Animal Transport Units, Mechanical Transport Units, Ordnance workshop Companies. Units of Territorial Forces and N.C.Cs. Hospitals, Squadrons of the Air Force and all others which do not come under the category of supply and Store Depot and manufacturing establishment.</td>
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<td>8.</td>
<td>A.A.O.</td>
<td>An AAO/SO (A) or clerk of the Defence Accounts Department attached to a unit for preparation of its pay accounts.</td>
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<td>9.</td>
<td>Issue Voucher</td>
<td>A voucher on which stores are issued.</td>
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<tr>
<td>10.</td>
<td>Receipt Voucher</td>
<td>A voucher on which stores are received.</td>
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Note 1: The "Receipt Voucher" of the consignee is the same as the 'Issue Voucher' of the consignor.

Note 2: Other definitions of restricted application, e.g., pairing, linking. Final receipts, Final Issue, etc., will be found in the relevant chapters or appendices in the body of the Manual

CHAPTER-I

GENERAL DUTIES AND RESPONSIBILITIES OF LOCAL AUDIT OFFICERS AND THEIR STAFF

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**Internal check by the Defence Accounts Department**

It is the duty of the Defence Accounts Department to conduct locally the internal check of the accounts, i.e., ledgers, returns, stock and due sheets, and/or such other records connected with the receipt and issue of stores, required to be prepared and maintained by the various Army supply and store depots and unit/formations as may be prescribed for the purpose in the various books of Regulations and other Government orders issued from time to time for each class of depot or unit/formation. This internal check is distinct from the statutory audit of these accounts and records conducted by the representatives of the Director of Audit, Defence Services.

**Agencies by which local audit is conducted**

2. The audit of store accounts is conducted locally by L.AOs acting under the orders of the LC.D.A./C.D.A. It is organised under two categories, viz.:
(a) Audit by the local audit staff: Local audit is normally carried out by a staff of Assistant Accounts Officer/Section Officer (Accounts) and Auditors/clerks placed under a local audit officer. A local audit staff is attached in some cases to large store depots. Local audit staff under the immediate charge of an A.L.A.O. (Group Superintendent) is located at important military stations/centers for the purpose of auditing the accounts of the Units at those stations/centers. At stations of senior Auditors the local audit staff consist of only one senior auditors or clerk, he is called a "station auditor". At stations where there is insufficient work for a full time station auditor, local audit is conducted by the local audit staff from the nearby station/centre.

(b) Review of local audit by an Indian Defence Accounts Semite Officer: This review is carried out in accordance with the rules laid down in Appendix II to Office Manual Part I.

Duties and responsibilities of LAO

3. (i) The responsibility of the LAO, is inseparable from that of his staff, final responsibility for the efficient conduct of Local Audit, therefore, rests always with L.A.O., A.FIn addition to the specific duties the L.A.O. is expected to conduct an intelligent review of the audit work of his staff and to apply surprise test checks periodically. The L.A.O., will in all cases investigate the reasons for the non-linking of vouchers selected for test linking by the Local Audit staff. He must ensure that the non-linking of vouchers is not due to a defect in the accounting system of the unit.

Note: Appendix I to the Office Manual, Part I, lays down the duties of the Accounts officer/Senior Accounts officer/ACDA In-charge Sections and ALA O of Sections. Unless otherwise stated, this Appendix applies equally to LAOS and AL-40 of Local Audit Groups.

(ii) During his periodical visits, the L.A.O., will by personal inspection and supervision, satisfy himself that the A.L.A.Os are carrying out their duties efficiently. He will examine the draft objection statements and see that they are correct and properly worded and will verify by test check that the corrections made in the accounts as a result of the objections raised have been properly carried out. He will take up all outstanding objections and points of a controversial nature which have been held over for his scrutiny and orders, and precede with their settlement in personal consultation with the Officer Commanding the unit or other officers concerned, where necessary. He will see that the settlement of objections more than three months old is not delayed by units and will, where necessary, report to Command Headquarters of other higher authorities with a view to obtaining their assistance in settlement thereof. Where he finds that there are no prospects of objections being settled, he will report the matter to the P.C.D.A./C.D.A.

Review of orders and sanctions

4. Local audit officers will examine all orders and sanctions affecting their work, issued by the Government of India and authorities subordinate to them, C.G..D.As letters
and Principal Controller's/Controller's office orders, etc., in order to ensure that they are correctly applied in audit. For this purpose, they will hold monthly conferences (or at longer intervals where so authorised by Principal Controllers/Controllers) with their S.O. (A)/A.A.O., senior auditors and clerks readily available at their headquarters stations. All important and doubtful points arising in the course of local audit will be discussed at these conferences. The results of the conferences will be recorded in a review register. All doubtful points connected with the interpretation or applicability of rules, instructions, etc., will be referred to the Principal Controller/Controller for orders.

A certificate of review of orders and sanctions will be submitted to the P.C.D.A./C.D.A. (Financial Advice Section) monthly by the L.A.Os.

**Note:** Such monthly conferences should also be held in sub-offices at outstations and a review register of orders discussed should be maintained and produced for inspection by the L.A.O. at the time of his visit. A certificate of review of the orders should also be rendered by the sub-offices to the L.A.O.

In order to ensure that the instructions issued by the L.A.Os have been correctly followed and carried out by their staff, a certain number of first issues, etc., covered by the orders will be reviewed by them. The result of review of such issues, etc., will also be recorded in a separate column of the review register.

### Duties of Assistant Local Audit Officers and Local Audit Staff

5. The A.L.A.O’s staff will perform, in the first instance; all the duties prescribed for the L.A.O., in regard-to the local audit. Original objection statements, re-audit remarks and correspondence of an important nature will be dealt with finally by the L.A.O. Re-audit remarks in respect of objections settled at unit level after necessary verification will, however, be issued by the A.L.A.O. Except when the L.A.O. is present, the A.L.A.O. will discuss all outstanding questions personally with the O.C. the unit or formation or with the officer deputed by the latter. In order to facilitate the work of L.A.O. he will also discuss and settle normal objections where possible. He will bring to the notice of L.A.O. during his periodical visits all objections of importance noticed during the course of his duties.

The L.A.O. however, remains personally responsible for seeing that the accounts which are audited have all been audited in strict compliance with the prescribed rule and orders.

### Discretions Vested in L.A.O. in Carrying Out Local Audit Duties and Programme of Work

6. In exercising certain test checks on the work of the local audit staff e.g., a test check of the verification of credits in store accounts, etc., the L.A.O. is given discretion in the matter of the extent to which his check is to be applied, but the check exercised should be substantial.
He is expected to carry out such discretionary test checks intelligently and in accordance with the spirit of the orders.

7. The L.A.O. is ordinarily expected to visit each unit/formation once every quarter for the review of local audit work. In the case of outstations where local audit is carried out on a half yearly basis, the review will also generally be carried out half-yearly. To enable the L.A.O. to devote more time to financial advice and to settling on the spot important local audit objections and points of controversial nature, he is allowed a certain amount of discretion in working out the quarterly programme. The exercise of this discretion is subject to the following conditions:

(a) If, in order to settle important objections on the spot, it is necessary to extend the time originally allowed for the review of fact to the E.C.D.A. /C.D.A. for confirmation of his action in extending the time.

If, however, special circumstances connected with a unit make a prolonged stay absolutely necessary, the L.A.O. should report the circumstances to the E.C.D.A./C.D.A. in detail by an express letter and obtain his prior concurrence (by wire, if necessary). In such cases, instead of dislocating the whole of his quarterly programme, the L.A.O. should miss out the next unit, the accounts of which as judged from his previous audit are in a good state and return to it later on, if possible. He should at the same time, address a courteous letter of regret to the unit explaining his absence on the date notified in the programme.

(b) In stations where a stationary local audit staff is located and/or continuous local audit is in progress, the L.A.O. need not necessarily visit all such stations or all units located in such stations every quarter. The elimination of the L.A.O.'s visit to any unit should depend on his being completely satisfied [from his personal knowledge or from information received from the Assistant Local Audit Officer (group superintendent) that the accounts of the unit are in a good state and that his visit can be safely postponed until the next quarter.

8. The L.A.O. should always bear in mind the fact that the detailed instructions given in this manual represent the general principles on which audit is to be conducted. The L.A.O. /A.L.A.O. (in the absence of L.A.O)/station auditor is expected to interpret the instructions intelligently.

**Frequency of local audit**

9. Accounts will be audited once in a quarter (half yearly in the case of certain smaller units, which are specifically notified by the C.G.D.A. to be as such, for this purpose). At each visit to a unit, the L.A.O. or his staff will complete the audit up to and including the accounts for the month preceding the visit or to the end of the penultimate month, if the visit takes place early in the month. In the case of small temporary formations which close down at hill stations alter the summer months (e.g., ration stands
hill depots, etc.), the audit of the accounts will be completed up to the date of their closing down. In the case of supply and store depots to which a local audit staff is attached, the audit will be conducted on a monthly (continuous) basis., i.e., the audit of a month's transactions will be commenced soon after the skeleton lists for the month (the last decade of the month in the case of supply depots) have been received. The audit of the accounts of smaller units located at a station, which in the ordinary course is visited quarterly by the local audit staff, may, if convenient, be conducted quarterly instead of half-yearly.

The audit of all NCC units will be conducted on an annual basis without involving any reduction in the quantum of audit e.g., four months accounts in a year will be selected for detailed check.

**Note 1:** The half yearly audit of the accounts of smaller units is subject to the condition that the accounts of such units are at all times maintained in a satisfactory state.

**Note 2:** Accounts audited quarterly but not audited within three months following the quarter of audit will be regarded as in arrears. Accounts audited half yearly but not audited within 6 months following the close of half year will be regarded as in arrears. Accounts audited annually but not audited within 9 months following the period of annual audit will be regarded as in arrears.

**Programme of local audit**

10. A quarterly programme of local audit, etc., for each station or group in his area will be drawn up by the L.A.O. The programme will provide for the completion within that quarter of the audit due to be carried out in the quarter. It will be submitted to the PC.D.A./C.D.A. for approval by the 20th of the second month of the preceding quarter. The standard time in man-days as approved and notified by the C.G.D.A from time to time for each class of unit represents the average period required for the local audit of the accounts of that unit, and should be adhered to by the L.A.O. in making out the programme. A separate programme for review of store accounts and inspection of cash accounts of units by the L.A.Os will be prepared and submitted to the PC.D.A./C.D.A. The review of the accounts of units and formations audited by local audit staff during the absence of L.A.O. from a station will also be included in this programme.

The L.A.Os will inform units/formations concerned of their impending programmes of audit, review and inspection sufficiently in advance under intimation to their station/formation headquarters.

**List of accounts and registers to be audited**

11. To ensure that no accounts are omitted in audit a list of all accounts and registers required to be maintained by each unit (including miscellaneous accounting units which have no settled organisations such as ration stands, schools of instruction, rest camps, embarkation staffs, etc.) in his area and which he has to audit will be made out by the
L.A.O. and sent to the P.C.D.A. /C.D.A. for approval. Any additions or alterations to this list will be carried out under the orders of the P.C.D.A./C.D.A.

The list will be kept up-to-date by the L.A.O. and will be handed over by him to his successor. At the time of his visit to a unit/formation, the L.A.O. will himself examine the list of ledgers, returns or other accounts, to be audited and see that each has been audited. He will also inspect the list maintained by his Assistant Local Audit Officer (group superintendent) and see that it is properly maintained.

Note: To help the L.A.O. in preparing these lists, a standard list of accounts, subsidiary documents and ancillary records generally maintained by the army units and formations, which are required to be subjected to audit or examination is given in Appendix `G' to this manual.

Financial advice

12. To enable the P.C.D.A./C.D.A. to bring to the notice of the administrative authorities unnecessary or avoidable expenditure of public money or stores and to indicate to those authorities the directions in which economies can be effected (vide Para 71 et seq., Defence Audit Code), the L.A.O. will during his review of audit, carry out an intelligent review of the consumption of stores issued on an as required basis in units (e.g., Conservancy and other A.S.C. Stores such as quicklime, oil, fuel, coal for ironing purposes, etc.). In the case of stores which are drawn according to fixed scales, the L.A.O. should see that the maximum quantities prescribed in the Regulations are not drawn as a matter of course (e.g., in the case of oil for lighting, although there is a fixed scale, the maximum quantity is not always required owing to the absence of men on leave, etc.). If they find that issues have been abnormal or that maximum quantities allowed have been drawn as a matter of course, they should enquire personally (without entering into correspondence with units) into the reasons for the issues and take up the matter with the unit authorities.

13. The L.A.O. will ascertain reasons for the transfer of large quantities of stores between depots, units etc. He should satisfy himself that the transfers were really necessary. He will bring to notice cases if he considers to be unnecessary expenditure of public money or stores, and he will point out ways and means of effecting economy. To assist him in this, he should study carefully the items of financial advice circulated by the C.G.D.A. from time to time, the reports of the Director of Audit, Defence Services on the Appropriation Accounts of the Defence Services, the administration reports of the departments concerned and the orders published by local military authorities, etc.

14. The L.A.O. should maintain personal touch with Ordnance Officers attached to Sub-Area Head quarters as technical advisers to units. He should discuss with them all matters relating to ordnance stores the technical or administrative implications of which are not clear to him.
15. Items of financial advice will not be included in objections statements. The L.A.O. will discuss these items with the O.C. Unit, Sub Area Commander, etc., as considered necessary, and report them, together with the result of discussion with the O.C. Unit, Sub Area Commander, etc., as considered necessary to the P.C.D.A. /C.D.A. for such further action on them as he may consider necessary. The reference made to the P.C.D.A. /C.D.A. on this account should be self-explanatory and contain all the relevant particulars so as to obviate the necessity for further correspondence with the L.A.O. Financial effect, where possible, should also be given.

In addition to the financial advice falling within the normal sphere of duty, suitable advice on all accounting matters should also be given to the Commanders of Area, Sub-Area, Station and Unit, located at stations other than those at which the main offices of the P.Cs.D.A./Cs.D.A are situated, by the L.A.Os. as and when their advice is sought. For this purpose, a workable programme of 'liaison' visits to Commanders by the L.A.Os will be arranged by the P.Cs.D.A./Cs.D.A. in consultation with the local Formation Headquarters. In matters which really pertain to functional Controllers, the advice of the L.A.Os will be only unofficial and personal opinions based on a general knowledge of the problem in question. For final opinions, the Commanders should be advised to refer to the Principal Controller/Controller concerned.

16. A record of items of financial advice and higher audit tendered to Os.C. Units and administrative authorities, and the result thereof will be kept by the L.A.O. in a register to be maintained for the purpose. A report in respect of the items so included will be sent to the PC.D.A./C.D.A. (Financial Advice Section) quarterly, who will compile and submit the same to the C.G.D.A. Quarterly.

**Local audit completion report**

17. The L.A.O. will submit to the PC.D.A. /C.D.A. a monthly completion report showing:

(i) the name(s) of the unit(s) the accounts of which have been locally audited during the period under report;
(ii) the dates of commencement and conclusion of local audit;
(iii) the month’s account locally audited;
(iv) the dates of the dispatch of the objection statements; and
(v) the major financial and accounting irregularities;

In the case of units in which local audit is in progress and has not been concluded during the period under report, the words "in progress" will be entered against items (iii) to (v) above.

**Note:** The periodicity of the above report is left to the discretion of the Principal Controllers/Controllers.

18. The L.A.O. will bring to the personal notice of the Principal Controller/Controller immediately by a special report, all cases in which:
(a) The prescribed accounts are non-existent or missing or have not been produced;
(b) the accounts maintained by a unit are in an unsatisfactory state; and
(c) the procedure adopted in maintaining the accounts is not in conformity with that authorised in rules or standing orders.

Important Financial Irregularities

19. Individual cases of serious irregularities detected in audit will be reported immediately to the P.C.D.A. /C.D.A. in the manner laid down in Para 515 Defence Audit Code Volume II.

Quarterly reports on, Major Financial and Accounting Irregularities

20. The L.A.O. will prepare and submit to the EC.D.A. / C.D.A. a quarterly report on the Major Financial and accounting irregularities (Report form : M.EAI report) dealing with matters relating to units and formations located in his audit area, in the manner laid down in Para 523 et seq. Defence Audit Code Volume 11 (1992 Edition), and other instructions issued by the C.G.D.A. and/or the Controller from time to time:

Annual Audit Certificate

21. Every L.A.O. will submit annually to the PC.D.A./C.D.A. so as to reach his office by the 25th July each year, the certificate as laid down in paras 535 and 541 Defence Audit Code and any other orders that may be issued by the EC.D.A./C.D.A. should be compiled with by the L.A.Os while submitting the certificate.

Appropriation Accounts

22. Each L.A.O. will maintain statistics in respect of losses of stores (excluding animals) in a register of losses, [I.A.E (C.D.A.) 341]. All losses in supply and store depots including quasi-commercial concerns and manufacturing establishments and those of Rs.500 and over in value in consuming units (which have actually been written off by the competent financial authority) appearing in the accounts covered by audit will be noted by the local audit staff in this register. For this purpose, the register of losses maintained by units and formations will also be consulted by local audit staff.

Similar statistics will also be maintained by each L.A.O. for losses of cash in respect of cases coming within the purview of his audit in a register in I.A.F. (CDA) 182. All losses of cash exceeding Rs.50 in each case which has actually been written off by the competent financial authority will be noted in this register by the Local Audit Staff at the time of audit.
Note 1: Losses relating to surplus and obsolete stores will not find a place in this register.

Note 2: Where penal deductions have been ordered for recovery, the net amount of loss will be noted for exhibition in appropriation accounts.

23. In the case of store losses (1) exceeding Rs.75,000 in each case due to theft, fraud or neglect, and (2) exceeding Rs.2,00,000 in each case due to other causes, and in the case of cash losses (1) exceeding Rs.25,000 in each case due to theft, fraud or neglect and (2) exceeding Rs.50,000 in each case due to other causes, the following information will be collected from the parties concerned and recorded in the register:-

(a) Name of unit or formation
(b) Particulars of the loss
(c) Exact period to which the loss pertains
(d) Amount
(e) Action, if any, taken towards its investigation
(f) Exact and detailed circumstances of the loss
(g) Recommendations of the court of inquiry
(h) Particulars of disciplinary action taken
(i) Remedial measures instituted
(j) Number and date of the loss statement or Government letter under which regularized
(k) Other remarks, if any.

24: The L.A.O. and the ALAO will test check a number of entries in the register of losses from the original sanctioned loss statements in possession of the depot/unit.

25. From the register of losses both Store and Cash, the L.A.O. will compile a statement quarterly in respect of important losses actually written off during the quarter and submit it to PC.D.A./ C.D.A. sufficiently early so as to enable him to consolidate and submit the statements together with 3 copies of the statements of cases received from the C.F.A. to the C.G.D.A. by 15th August, 15th November, 15th February, and 31St May in respect of the quarter ending 30th June, 30th September, 31St December and 31St March respectively. The statement will be accompanied by an annexure containing the details of important losses as mentioned in Para 23. In addition he will also furnish a consolidated statement of total losses written off during a year to the PC.D.A./C.D.A., to enable him to furnish the same duly test audited to the C.G.D.A. by 31St May each year.

Note 1: Losses not included in the statement relating to a particular quarter should be incorporated separately in supplementary statement for the next quarter.

Note 2: Losses of cash due to enemy action are to be regularised under normal rules in Financial Regulations Part I and such losses when regularised will be included in the main body of statement of cash losses.

RTC-KOLKATA
Cash losses due to enemy action awaiting regularisation by Government of India will be included in the proforma at (Annexure 'I' to Chapter 18 Defence Audit Code (1954 Edition)] for incorporation in the reservations of the CGDA's certificate.

26. The figures on account of losses of animals (other than those of Military Farms) for inclusion in the Appropriation Accounts are obtained by the C.G.D.A. from the administrative authorities at Army Headquarters. To test the accuracy of these figures the L.A.O. will, at the time of periodical visit for local audit following the 31st March, check from the office copies of the return showing casualties of animals during a financial year rendered by units, etc., to Area Headquarters that the figures shown therein agree with those shown in the register of animals of the unit concerned, and will report the result of check to the PC.D.A./C.D.A. not later than 15th July of each year. If the accounts of any outstation unit are not audited by the local audit staff by the 15th July, any other member of the Defence Accounts Department in the station will be instructed to carry out the above check on behalf of the local audit staff.

The figures (numbers only) in respect of the castings and casualties etc., of various classes of animals in farms will, however, be shown by Principal Controllers/Controllers as a foot note in their annual statements.

**List of Reports and Returns to be rendered and registers to be maintained by the local audit offices**

27. List of reports and returns to be rendered and registers, and books of Regulations to be maintained by LAOS (including group superintendents and station auditors) are given in Appendices C, D, and E respectively. The reports and returns rendered and the registers maintained will be inspected by the L.A.O. monthly: and at the time of his periodical visits in the case of outstations.

28. to 30. Blank
## CHAPTER II

### GENERAL RULES FOR THE CONDUCT OF LOCAL AUDIT

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GENERAL

31. The general principles for the local audit of all store accounts are:

(a) that the accounting procedure followed by units and formations does not differ from that prescribed by the rules or other Government orders issued from time to time;

(b) that all receipts and issues of stores by units and formations and transfers of stores between depots and/or consuming units have been duly accounted for in the store ledgers and returns, etc., of the parties concerned;

(c) that stores issued for consumption or use do not exceed the scales authorized in Regulations and Equipment Tables;

(d) that all losses and damages/deficiencies are dealt with under the orders of the competent financial authority in accordance with the rules laid down in Financial Regulations and other Government orders issued from time to time;

(e) that the balance of stores (other than A.S.C. Stores in supply depots where stock limits are not to be checked in local audit) shown in store ledgers etc., does not exceed the authorised limit and that suitable action is taken for the disposal of surplus or unauthorised stores;

(f) that stock verification has been carried out at intervals and certified as such on the relevant ledgers by the executive authorities, as laid down in rules. The results of stock verification have been recorded properly and action taken to adjust the deficiencies and surpluses;

(g) that no article has been supplied after the necessity for the supply has lapsed.

SCOPE OF LOCAL AUDIT

32. The various audit processes carried out during the audit of store accounts of Army units and formations fall generally under the following three main categories:

(a) Verification of "castings", "closing book balances" and "opening book balances".

Note: The term "castings" means vertical or horizontal totallings.

(b) "Linking", on the receipt side, of "transfers-inward" and of purchases and on the issue side, of "transfers-outward."

Note: "Linking" means bringing together an entry in a ledger, etc., and supporting voucher, to ensure that the entry in the ledger, etc., is strictly in accordance with the voucher, or vice versa.
(c) Audit of "final receipts" (surplus found on stock-taking, etc.) and of "final issues" i.e., issues for final consumption (as distinct from a transfer to some other store account also auditable by the Defence Accounts Department) or issue on payment or quantities charged off on loss statements etc.

33. The audit of store accounts will generally be carried out to the extent prescribed from time to time by the Controller General of Defence Accounts. The normal extent of local audit of such account during peace time is shown in Appendix 'W'. Other accounts not mentioned in this appendix will be audited to the extent prescribed in the relevant chapters of this manual.

34. The restriction of local audit to the extent shown in Appendix "A" will be dependent on the fact that the store accounts of the units have been kept reasonably well in the past and have been free from sericas or numerous audit objections. If during recent previous visits to a unit (or during the current visit), difficulty has been (or is) experienced in obtaining full and free access to any essential account or record, or in obtaining any important explanations, etc., or if, during the course of a test check, the L.A.O. (or the A.L.A.O. in his absence) feels that he is seriously "put upon enquiry", he should extend the scope of audit, using his discretion and judgement as to how this should be done and to what extent. In all such cases, the L.A.O. should report the facts specifically to the P.C.D.A/C.D.A. and record his reasons for enhancing the extent of the audit.

**VERIFICATION OF CASTINGS, CLOSING AND OPENING BOOK BALANCES**

**Castings**

35. In the case of ledgers, an account of each article is maintained on a separate page, the balance being struck after each transaction, where as in the case of returns prepared on a monthly basis, a number of articles are accounted for on one page, the balance being struck at the end of the month.

36. In order to prevent the possibility of alterations being made in the postings of ledgers, returns, etc., in respect of transactions, which, under the percentage system of audit (vide Para 33), will not be linked, the local audit staff will check arithmetically the totals leading up to the balances in the ledgers, returns, etc. This check will invariably be done before taking up any other audit process.

**CLOSING BOOK BALANCES**

37. To ensure that the final closing balance at the end of the monthly quarter/half-year under audit is correct, the total issues of each article will be struck and deducted from the aggregate total of receipts and the opening balance. If the balance is struck after
each transaction, the accuracy of the intermediate balance will not be verified. A line will be drawn neatly against the closing balance of each article in ledgers. The last audited closing balances both in ledgers and returns (other than ration and forage returns) will be initialed and dated in ink or coloured pencil by the local audit staff, an additional initial being affixed by them against every alteration to such balances. In the case of ration and forage returns, their final closing balances in the last audited return will be transcribed by the local audit staff into a ration return form. These balances will be attested by a responsible officer of the unit or formation concerned.

In the case of receipt transactions linked subsequent to the audit of the particular folio of the ledger or the audited monthly return, it will be seen that: -

(a) In the case of ledgers, the closing balances struck against the receipt item and against the next item are correct. Should there be any discrepancy in these balances, or if corrections or erasures appear in subsequent balances, the final closing balance of the folio will be fully checked, and

(b) In the case of monthly returns, the total(s) of receipts and issues as well as the closing balance(s) of article(s) affected is/are correct.

OPENING BOOK BALANCES

38. In the case of ledgers, stock and due sheets, etc., the last audited closing balances represent the opening balances. When a new ledger is taken into use, it will be seen that all opening balances therein have been initialled by the officer concerned as a guarantee that they agree with the closing balances in the old ledger. In respect of returns (other than ration and forage returns) prepared on a monthly basis, the opening balances in the return will be agreed with the closing balances in that for the previous month. It will be seen particularly that the last audited balances have not been altered or erased. In the case of ration and forage returns, the opening balances in the first month's return will be checked with the list of the last audited closing balances in possession of the local audit staff.

LINKING

General

39. The linking of receipt and purchase vouchers into the store ledgers, stock and due sheets, returns etc., of the consignees, is one of the most important functions of the local audit staff. The L.A.O. will watch that there has been no undue delay in the linking of such vouchers into the consignee's ledgers, etc. The extent and the manner of linking is described in the succeeding paras.

SUPPLY AND STORE DEPOTS
I. - Stores transferred from one supply or store depot to another depot or consuming unit.

*40. When stores are transferred from one depot to another depot or to a unit, the issue voucher (I.A.EZ.-2096 or its equivalent) is generally prepared in five copies. These are referred to as the "A" copy "B" copy "C" copy "D" copy and the "E" copy (except ordnance depot where they are referred to as No. _1, _2, _3, _4 and _5 copy) and are disposed of by the issuing depot as under: -

The "A" copy is the issuing depot's office copy.

The "B" copy is the copy which is sent to the consignee, receipted by him and returned to the consignor.

The "C" copy is the copy sent to the consignee and retained by him.

The "D" and "E" copies are sent by the consignor to his L.A.O. who pairs the two, retains the "D" copy and passes on the "E" copy to the consignee's L.A.O.

* For Cross referencing see Appendix I S.A.I.

41. The issuing depot will forward the following documents to the L.A.O. or A.L.A.O. These documents will be sent under a "skeleton list":-

(a) Two copies of transfer vouchers on account of stores transferred to other depots or units etc., and

(b) One copy each of issue (or expense) vouchers and of receipt vouchers pertaining to internal transactions (viz., final issues and final receipts).

Note: "Skeleton list" means the list with which vouchers are forwarded by the issuing depots to their L.A.Os., LA.Ea-1374 in the case of ordnance and store depots and a manuscript form in the case of supply depots is generally used for the purpose.

42. The skeleton list will be sent monthly, on the first working day of each month in the case of ordnance depots and store depots and by decades on the third day after the close of the decade in the case of supply depots.

43. In the case of ordnance and store depots, the skeleton lists are required to contain information as to why certain vouchers are not forwarded therewith. The L.A.O. should insist that this information is invariably given in the appropriate space provided for in the skeleton lists.

44. For ordnance depots, two separate skeleton lists, one for No. 3 copies of vouchers and the other in respect of No. 5 copies of vouchers are required to be prepared and forwarded to the L.A.O. pertaining to the period from 25th of the preceding month to 24th of each month.
45. In ordnance and store depots, the working month for the purpose of assigning numbers to vouchers will generally be from the 251st of one month to the 241st of the following month.

In supply depots, the decade will be for a series of 10 days viz., 1st to 10th, 11th to 20th and 21st to the end of the month.

46. If the skeleton lists and other documents are not received by the due date, they will be called for from the depot concerned and cases of abnormal delay reported to the PC.D.A./C.D.A. Who will take up the matter with the local administrative authorities and ensure that list are rendered on due dates.

47. Nominal vouchers in respect of stores which are not required to be struck off or brought on charge by the issuing/receiving formations as also those on which expendable stores are issued to the various Branches/Directorates/Sections of Army Headquarters for experimental and test purposes will not be sent for linking.

48. Nominal vouchers are also prepared in case of wrong receipt of stores by the store depots. In such cases the depot receiving the stores will redirect the stores to the appropriate consignee and on receipt of received copies for the same release the office copy of the nominal voucher to the dependent L.A.O. who, in turn will schedule it to the L.A.O. of the original consignor, the latter will link it with the original voucher of the consignor and watch for the revised vouchers showing the stores consigned to the ultimate consignee.

49. Nominal vouchers are also prepared by the stores depot to transfer superseded items which have been wrongly received by them, when such items are stocked by other depots or sub-depots. These nominal vouchers are controlled from normal issue control series and are disposed of in accordance with normal issue procedure. Such nominal vouchers will be dealt with like regular issue vouchers.

50. The local audit group will examine the skeleton lists to ensure that all vouchers included therein have been received correctly. The receipt of missing or wanting vouchers, if any, will be watched by means of a list to be prepared for this purpose. This list should be maintained in the form of a register or guard file, whichever is convenient and it should also show the progressive figures to the end of each month. (The register/guard file will be subject to inspection by the L.A.O every month and periodically by the reviewing officer at the time of review).

**Note:** At the time of his visit to a depot, the L.A.O. will personally scrutinise these lists and take all possible action to expedite the submission of missing or wanting vouchers. The depots will also furnish L.A.O.s on 1st April and 1st October or on next working day if these date fall on non working days with an up-to-date list of outstanding vouchers [with the monthly skeleton list (I.A.EO.-1374) which will be reconciled by the L.A.O.s with the lists of outstanding vouchers maintained by them.}
51. As and when the skeleton lists are received from the depot authorities, the "D" and "E" copies of vouchers received therewith will be paired by the consignor's local audit staff and the word "aired" endorsed on each "E" copy of the voucher under the dated initials of the auditor concerned. A test, check to this effect will also be carried out by the superintendent who will initial (with date) the vouchers so test-checked by him. The "E" copies of vouchers will then be sorted into bundles by units and formations. The local audit staff will prepare (in duplicate) an outward top list for each consignee's local audit group including the local audit superintendent's own group.

*The consignor LAO should personally select a minimum of 1% or 60 Vouchers, whichever is less of 'E' copies of vouchers in every batch of 'E' copies, to be scheduled to the consignee LAO, and pair them with the corresponding 'D' copies of vouchers under his dated initials. He will also mark on both 'D' and 'E' copies of the vouchers for personal linking by LAO. Selection of vouchers for personal linking by consignee LAO should be with reference to cost of the stores, their attractiveness and easy marketability. The particulars of the vouchers so marked for personal linking will be noted in the scheduling Top Sheet. These 'D' copies will be entered in a manuscript register and the issue audited during his review. The 'E' copies received by the consignee L.A.O. for personal linking will be entered in a manuscript register and will be linked and credit verified personally by the L.A.O.

A.LA.O. functioning at stations where no L.A.Os are posted will also follow the above procedure except during the periodical visits of the LAOs to their office, when the selection and pairing from the batches of vouchers awaiting scheduling will be made by the L.A.Os themselves.

*Substituted vide C.S. No. 4/93.

**Note 1:** "Pairing" means bringing together two documents which are supposed to be facsimile copies, one of the other, to ensure that they are in fact, identical.

**Note 2:** "To list" means the forwarding memo, on L.A.EZ.-2014 (or its equivalent) which shows the consignee units, the total number of vouchers for each unit and the grand total of vouchers on the list and is sent by consignor's LAO/CDA/PCDA to a consignee's L.A.O., with transfer central or local purchase vouchers for, verification of credits in the store accounts of the consignees. In respect of units or formations located in the audit area of the consignor's L.A.O., they are retained by him in his capacity also of consignee's L.A.Os.

The local audit staff will also prepare a simple reconciliation statement showing therein the total number of "E" copies of vouchers received with a particular skeleton list and the distribution thereof - to the consignee's local audit groups.

Both the upper and the acknowledgement portions of outward top lists and "E" copies of vouchers will be stamped with the L.A.O's. outward date stamp in the top right hand corner.
52. Skeleton lists, "D" and "E" copies of vouchers, top lists and reconciliation statements will be disposed of as under:

(i) skeleton lists with "D" copies of vouchers, office copies of outward top lists (including those for consignor's L.A.Os. own area) and reconciliation statements will all be recorded in the file maintained for the purpose for each of the issuing depots:

(ii) original copies of outward top lists and "E" copies of vouchers will be sent to the consignee's local audit groups within 10 days of the receipt of the skeleton list of the last decade/month and their acknowledgements obtained and pasted on the acknowledgement portion of the office copies of top lists. No separate despatch numbers need be assigned and no posting in a despatch register will be necessary. There is, however, no objection to the endorsement of file numbers on the acknowledgement portion of the outward top lists before they are dispatched, if this involves less labour in the aggregate than the alternative procedure of locating the files when the acknowledgements are received back. For units or formation in group superintendents own audit areas, top lists and "E" copies of vouchers will be dealt with as if they had been received from another local audit group.

Note: Transfer vouchers indicated in the skeleton lists as requiring prompt action will, however, be an exception and no undue delay should take place in dealing with these vouchers, which must be sent to the consignee's L.A.O. urgently.

53. The consignor's local audit staff will, at the time of audit of the consignor's store accounts, link from the issue entries in the consignor's ledgers etc., into the "D" copies of vouchers (and not vice versa to the extent as prescribed in Appendix "A' to this manual. They will enface the linked vouchers (or entries therein) accordingly. The LAO and the superintendent will also test link a number of issue transactions and add their initials to the vouchers (or the entries of the transactions) so test linked. Any corrections to the vouchers found necessary as result of the linking of issue transactions will be communicated to the consignee's L.A.O. and his acknowledgement obtained.

II - STORES RECEIVED IN SUPPLY AND STORE DEPOTS BY TRANSFER FROM OTHER DEPOTS OR CONSUMING UNITS

54. On receipt of top list and "E" copies of vouchers from the consignor's local audit groups (see Para 51), the top lists will be stamped with the inward date stamp and examined to ensure that all vouchers included in the lists have been received and that they correctly pertain to the units, etc., mentioned therein. After acknowledgement, the top lists will be filed in a file entitled "inward top lists of "E" copies of vouchers". The total number of vouchers received therewith will be noted in a "distribution statement" specimen given in Annexure "A". The distribution statement and the vouchers will, pending distribution, be kept in bundles in a loose jacket.
After a convenient interval (weekly, or by decades, or fortnightly, or monthly, depending upon the number of vouchers awaiting distribution) all "E" copies of vouchers noted on the distribution statement will be sorted by depots and units and simple sub-lists will be prepared separately for each depot or unit on I.A.E Z.-2014. The sub-lists will show the total number of vouchers only. The number of vouchers under the respective sub-list will be entered on the distribution statement to ensure that all vouchers received with the top lists and already noted thereon have been fully accounted for by distribution to units' jackets. The distribution statement will be filed eventually with the relevant top lists.

The sub-lists and "E" copies of vouchers will, pending local audit, be filed in the unit's or formation's jacket. The scheduling clerk will endorse in ink a simple serial numbers (1, 2, 3, 4, 5, etc.,) on each voucher attached to each sub list to facilitate the selection of vouchers for test linking.

In addition, copies of issue vouchers, in respect of issue made by consuming units, for which receipted copies have not been received by the consignors for over 3 months from the date of issue of stores will be received from the consignor LAOs concerned under a separate top lists (see Para 61). These vouchers are to be linked cent percent into the consignee's ledgers. They will not therefore be mixed up with the other "E" copies of vouchers referred to in the preceding sub-paragraphs. Separate distribution statements and separate sub-lists will be prepared in respect of these and the sub lists and the copies of vouchers will, pending local audit, be filed in the group/sub Depot jacket, for recording "E" copies of vouchers or separately as is convenient after endorsing the remarks. ("TO BE LINKED 100 %.")

Note: When credit has been verified the facts should be intimated to the consignor's L.A.O. in respect of each such voucher.

In case where, subsequent to the issue of stores, the consignor unit switches over to war system of accounting or is disbanded within three months, the time limit of 3 months prescribed above will not apply. In these cases extra copies of issue vouchers for all issues in which the receipted copies have not been received till the date of final audit, will be received from the consignor L.A.O. collected at the time of final audit for special linking.

55. The consignee's local audit staff will, at the time of audit of the store accounts, take the jacket containing IIE" copies of vouchers (or other equivalent documents), of the depot concerned, pair the vouchers selected for linking with the--corresponding consignee's receipt vouchers and the fact of pairing endorsed on the former with the number and date of consignee's receipt vouchers. Where a large number of consignee's receipt vouchers is not produced, L.A.Os. should personally contact executive officers and if no results are achieved, it should be viewed as a case of non production of primary or basic documents and included in the major financial and Accounting Irregularities as one of the serious irregularities.
After pairing, the local audit staff will link from "E" copies of vouchers (or other equivalent documents) into the consignee's ledgers (and not vice versa) to the extent prescribed in Appendix 'A' to this manual. The L.A.O. and the A.L.A.O. will also test link a number of vouchers and initial the vouchers so test linked.

56. If, in respect of any voucher selected for test check, credits have not been afforded in the ledgers, etc., the LAO will place that voucher under objection and will detach it from the relevant sub-lists and file it with the office copy of the objection statement. Necessary remarks to this effect will be given on the sub-lists concerned. Such vouchers will be allowed to remain with the objection statement even after final settlement.

At the same time, the L.A.O. will investigate reasons for the non-linking of vouchers selected for linking and ensure that the non-linking of vouchers is not due to a defect in the accounting system of the unit.

If credit for a large number of stores enumerated on "E" copies is not traceable in the unit's records, the desirability of including the case in the "Quarterly Report on Major Financial & Accounting Irregularities" will also be considered by the L.A.O.

57. In the case of those test linked vouchers on which no objection has been raised, necessary enfacement to show that such vouchers have been test linked will be made on the sub-lists concerned under the dated initials of the auditor and the superintendent.

58. With a view to ensuring that a record is kept in L.A.O's. office to show at a glance the number of vouchers received, the number of those rejected and the number, of those actually linked by the various categories of personnel (clerks/Auditors/Senior Auditors, A.L.A.Os. and L.A.O.’s), a statement (specimen given in Annexure "B") will be maintained by the L.A.O.'s of big sized stores depots. This statement will also serve the purpose of an inward register to diarise the receipt vouchers. These vouchers will be page numbered in serial order as and when they are diarised. They will not be kept in loose batches, but should be made secure by being stitched into a separate file maintained separately for each month. This statement/file will be subject to inspection by reviewing officers during their periodical visits.

CONSUMING UNITS

1- Stores transferred from one consuming unit to another or supply and store depots.

59. Four copies of issue vouchers are usually prepared instead of five copies as prepared in the case of supply/store depots, vide Para 40, the l'D" copy of the voucher being left out. The local audit staff will link the issue transaction in the consignor's
ledgers, etc., into the "A" copies of vouchers to the extent as prescribed in Appendix "A".

60. After the completion of audit of store accounts, the local audit staff will collect all "E" copies of transfer vouchers (including those relating to accounts which are not audited in full) duly paired with "A" copies and pair them again with the "B" copies of vouchers receipted by the consignees. The local audit staff will then prepare a detailed list on I. A. F. (CDA) 627-A of all such "E" copies of vouchers collected by them.

**Note:** Detailed list prepared by the consignor's local audit staff in respect of consuming units will ordinarily contain a small number of vouchers. The scheduling of such vouchers may, therefore, be postponed for a period not exceeding one month. At the end of each month at the latest, all such small detailed lists in hand will be collected and, for the purpose of scheduling outwards, will be dealt with as if they were one detailed list relating to one unit.

The SO (A)/AAO will see by comparing with I.A.F.O.-1347-E/I.A.F.Z.-2286-E (documents required for audit purposes) that the detailed list includes all transfer vouchers.

61. Where a receipted copy of a voucher, ("B" copy) is not available, an objection will be raised. The transaction will, however, be linked with the issue copy of the voucher meant for local audit staff (i.e., "E" copy) which will be removed and placed with the objection statement. Subsequently, when the receipted copy of the voucher is received by the unit, the "E" copy of the voucher will be paired with the former and transmitted to the consignee's L.A.O.

In respect of issue transactions, where the receipted copy of the issue voucher ("B" copy) is not received by the consignor unit for over three months from the date of issue of stores, the consignor's local audit staff will, during their visit to the unit for audit collect an extra copy of each of such issue vouchers and schedule them to the consignee's L.A.O. under a separate top list after pairing it with the "E" copy of the voucher held by him. Particulars of all such cases in which an extra copy of such vouchers have been obtained and scheduled to the consignee's L.A.O.s in the above manner should be brought to the notice of higher administrative authorities for investigation and necessary action under intimation to the PC.D.A. /C.D.A.

**Note:** In the case of issue to units in field or operational areas, whose store accounts are not subject to local audit, extra copies of such issue vouchers need not be collected and scheduled. However, particulars of such case where the received copy of the voucher has not been received for over three months from the date of issue of stores will be furnished to higher administrative authorities for investigation and necessary action under intimation to the PC.D.A. / C.D.A.
In cases where the consignee's L.A.O. is able to intimate credit verification in the consignee's ledgers, the consignor's L.A.O. may clear the objections against the units and they need not schedule the "E" copy of the voucher to the consignee's L.A.O.s.

In case where, subsequent to the issue of stores the consignor unit switches over to war system of accounting or is disbanded within three months, the time limit of 3 months prescribed above to furnish an extra copy of issue voucher to L.A.O. will not apply. In these cases, extra copies of issue vouchers will be collected by the LAW at the time of final audit itself for all issues in which the receipted copies have not been received till the date of final audit and scheduled to the consignee L.A.O.s for special linking.

62. In the case of stores transferred to Ordnance and store depots, the group symbol and the voucher number and date will be transcribed from the receipted copies into the "E" copies of vouchers. In cases where more than one receipt number has been allotted by the ordnance depot, etc., all the numbers will be transcribed on "E" copies. Vouchers in respect of issues to ordnance depots will be arranged according to vocabulary sections in the ordnance depots (as indicated by the group symbols) before they are scheduled to the consignee's L.A.O.

63. The remaining procedure in regard to the preparation and disposal of outward top lists "E" copies of vouchers and reconciliation statements will be identical with that laid down in paras 51 to 53 in the case of supply/store depots except that :

(i) There will be no "D" copies of vouchers;
(ii) The small detailed lists will all be filed in one file entitled as below: -
   "Month-(say June 1955) -Miscellaneous small detailed lists scheduled outwards" and file numbered (say 123 M);
(iii) Outward top lists will be prepared from detailed lists;
(iv) The reconciliation statement will be prepared on the following lines.

<table>
<thead>
<tr>
<th>Reconciliation Statement-June, 1955-Miscellaneous detailed list.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detailed list, President's Body Guard</td>
</tr>
<tr>
<td>Detailed list, AHQ. Signal Regiment</td>
</tr>
<tr>
<td>Detailed list, 227, Supply Platoon</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

(Initialled with date)...................................

(Auditor)

Initialled with date)...................................

SO(A) /AAO

(v) the detailed lists, reconciliation statements and office copies of outward top lists will all be filed in the file mentioned at sub clause (ii) above, but a brief note, as indicated below, will be recorded on a half sheet of paper and filed in the file of the consignor unit concerned :-

RTC-KOLKATA
"Detailed lists for the month of (say March to May 1955) filed and disposed of in file No. 123 M (June 1955).

(Initialled with date).........................................................

(Auditor)

II - Stores received in a consuming unit by transfer from supply and store depots and other consuming units.

64. The procedure for dealing with inward top lists, the preparation of sub lists and the linking of "E" copies of vouchers, etc., for stores received by transfer in a consuming unit is generally that prescribed for depots in paras 54 to 57.

BAKERIES

65. The top lists together with "E" copies of vouchers for stores issued to bakeries, will be sent by L.A.O.s to the P.C.D.A./C.D.A. concerned for verification of credit in the store accounts rendered to the latter. The P.C.D.A.'s/C.D.A.'s acknowledgement will be obtained and pasted on the acknowledgement portion of the office copies of top lists.

Credit for stores to be accounted for in the fixed dead stock return which is to be audited locally, will be verified in accordance with the procedure for the verification of credits in the accounts of consuming units.

Similarly, vouchers for stores transferred by bakeries to units or formations will be sent by the E.C.D.A./C.D.A. with a top list to the consignee's L.A.O. for verification of credits in the consignee's ledgers, etc. They will be further dealt with in accordance with the procedure prescribed for verification of credits in the accounts of consuming units.

MILITARY FARMS

66. The procedure detailed in paras 40 to 58 with regard to issues to and from supply or store depots will be followed generally in linking the store transactions of dairy farms except that in respect of dairy produce linking will be carried out to the extent laid down in Appendix "A".

66A. In the case of Military Farms the following procedure will be followed for daily products issued to Units.

(i) IAFS-1520 should be considered as an issue voucher in which the receipt by the unit should be taken on the Military Farms portion and the Military Farms representatives should insert entry in the unit portion of IAFS 1520. Monthly totals on
IAFS 1520 will be shown in figures as well as in words and the same will be signed preferably by an officer or at least by JCO as representative of the unit to avoid dispute.

*(ii) As per Administrative Instructions vide AHQ letter No. 87544/001/Q/MF3 Dated 21-12-90 it will be seen in the local audits that:

(a) A certificate on all the portions of IAFS 1520 is endorsed by both I/C Dairy and the Dairy Clerk that daily figures of DP as shown in TAPS 1520 and the totals thereof are correct with reference to the daily demand furnished by the unit and DP actually supplied to them.

(b) A certificate to the effect that the daily figures/quantity shown in IAFS 1520 and the total of IAFS 1520 tallies with the quantity of DP supplied to them is obtained from the unit concerned on the two portions of IAFS 1520 returned to the farm.

(c) All the Forms of IAFS 1520 for the month are forwarded in one bunch to the concerned LAO by 3011, of the following month for linking/audit purposes.

(iii) Abstract portion of IAFS 1520 along with another facsimile copy (abstract portion only) of IAFS 1520 (which will be prepared by the Military Farms authorities) duly signed by the Farms officer will be sent to the concerned L.A.O. who will pair the two copies and schedule the abstract portion to consignee L.A.O. retaining the facsimile copy for audit.

*Sub paras (ii) and (iii) deleted and a new sub Para (ii) added and the erstwhile Para (IV) renumbered as sub Para (iii) vide C.S. No. 2/92.

LOCAL PURCHASE VOUCHERS

67. In the case of stores purchased locally, credits in the ledgers, returns etc., of the receiving units will be verified by means of abstract of vouchers etc. These documents will be sent by the disbursing PC.D.A./C.D.A. to the L.A.O. or S.O. (A)/ A.A.O. by the lo10th of the month following that to which the paid vouchers relate, duly accompanied by a sub-list for each unit or formation showing therein the serial number and date of the vouchers and a top list.

68. Sub-lists, top lists (both on the upper and the acknowledgement portions). Abstract of vouchers etc., will be stamped with the outward date stamp of the PC.D.A. /C.D.A. (Stores Contract Section) in the top right hand corner. The abstract of vouchers etc., attached to each sub-list will indicate specifically all vouchers of Rs.1000 or over in value and will be assigned simple serial numbers, e.g. 1, 2, 3, 4, 5, etc., to facilitate selection of vouchers for test linking. These serial numbers will be entered in ink.

Vouchers for stores purchased by hospitals, schools etc., which are dealt with in an audit section other than the Stores Contract Section/Store Section will be scheduled.
by the audit section to the L.A.O. or S.O. (A)/A.A.O. concerned monthly, for the section as a whole, after the close of the month. In the cases of non-expendable stores of the value of Rs.25 and under purchased out of fixed allotments (training grants, etc.) a list of all such items will be furnished by the audit section to the L.A.O. or S.O. (A)/A.A.O. concerned.

69. On receipt, the top list will be stamped with the local audit/groups inward date stamp, checked with the sub-lists and abstract of vouchers etc., to see that all Abstract of vouchers etc., have been received and that they correctly pertain to the unit mentioned in the sub-lists and acknowledged forthwith. The top list will be filed in the file entitled "Top lists of local purchase vouchers" suitably sub-divided if sub-divisions are more convenient. The sub-lists together with the Abstract of vouchers etc. will be filed in the units' jackets for subsequent verification into the receiving units, ledgers, returns, etc.

70. At the time of local audit of store accounts, the local audit staff will take with them the jacket relating to the unit and will link the purchase vouchers with the store ledgers, tallies, returns, etc., to the extent as prescribed in Appendix "A'. The items linked will be ringed round, initialed and dated in red ink or red colored pencil by the auditor in the ledgers, etc., and the relevant Abstract of vouchers etc., enfaced "test linked" and initialed.

71. The group SO (A)/AAO will also check 25 per cent of the vouchers of Rs.1,000 or over in value actually linked by his staff and will affix his dated initials against such items in ledgers, etc. The enfacement of test linking on the Abstract of vouchers etc., so checked will also be initialled by him. The fact that all vouchers selected for test linking have actually been linked will also is enfaced on the sub-lists, under the dated initials of the auditor and the A.L.A.O.

**Note:** *The linking enfacement will only be made in a ration return which either, has already been audited or is under audit and should, in no case, precede audit.*

72. The L.A.O. will check personally a number of the vouchers test linked by his staff and also some of those not linked by them. The vouchers selected should invariably be those in respect of costly or portable and marketable articles and those which are frequently received and issued. If the L.A.O. is not satisfied with the linking done by his staff, he should, at his discretion, increase it suitably.

The vouchers selected by the L.A.O. for verification will be initialled as having been checked with the ledgers, returns, etc., by the LAO himself. The relevant entries in the ration returns, ledgers, etc., will also be initialled by him.

73. Vouchers (including the Abstract of vouchers) selected for test check in respect of which credits have not been afforded in ledgers, etc., will be, dealt with in the manner indicated in Para 56.

74. And 75. -- Blank.
PAID TRANSPORT INDEXTS

76. The procedure laid down in paras 67 to 73 will apply mutatis mutandis to paid transport indents (IAFZ-2150) in respect of vehicles hired by units from contractors. The extra copy of the hired transport indent (IAFZ-2150) received by the PC.D.A./C.D.A. will be scheduled to the L.A.O. for linking in the same manner as Abstract of Vouchers.

CENTRAL PURCHASE VOUCHERS

77. Central purchase vouchers relate to stores purchased through the agency of Director General of Supplies and Disposals. There are three different main kinds of payments made to contractors by the P.A.O. Works, Housing and Supply, viz: -

(i) Final 100% payments.
(ii) Advance 90% payments and connected balance 10% payments.
(iii) 100% advance payments.

The vouchers relating to the above payments are scheduled by the PC.D.A./C.D.A. to the L.A.O. These vouchers are supported by inspection notes duly receipted by the consignees, except in the case of advance 90% payments. In the latter case, the receipted copy of the inspection note for the balance 10% payments will be scheduled to the L.A.O. after quoting the number and date of memo, under which the vouchers for the original 90% payments were scheduled to him.

The procedure to be followed for linking test check, etc., of these vouchers will be the same as laid down in paras 69 to 75.

Note: Credits for Stores in the ledgers etc., will be verified by the L.A.O. with the help of the No. & date of receipt vouchers of the Consignee quoted on the receipted copy of the inspection note. If for any reason (i.e.) for want of CRV number of the consignee a voucher relating to 90%/195% advance payment cannot be linked, it will be kept separately pending receipt of the voucher for balance 10%/15% payment. All the balance 10%/5% payment bills will be scheduled by the 'S' section of the PC.D.A.'s/C.D.A.'s office to the L.A.O.'s. The matching of balance 10%/5% payment bills with the corresponding 90%/95% payment bills will be done in L.A.O.'s offices with necessary follow up action where matching is not possible. Thereafter matching the hills, it is seen that the 90%/95% vouchers were not already linked with the credit in the ledger, the same will be linked with the help of the receipt details contained in the inspection note. In these case where 90%/195% payment vouches credit had already been verified no separate credit verification of balance 10%/5% payment bills will be necessary.

A register in the proforma as per Annexure "E" to this chapter will be maintained to watch for the wanting 10% or 5% vouchers and matching the same with 90 per cent or 95 per cent advance payment bills.
IMPORTED STORES

78. The packing accounts in respect of imported stores are forwarded in duplicate by the officer responsible for landing stores to the consignee concerned. The consignee checks the stores with the relevant entries in the packing accounts and prepares the necessary C.R.Vs. for the stores received and notes on both the copies of packing accounts the numbers and dates against the items concerned, of C.R.Vs. as well as any damages and deficiencies discovered. The original and duplicate packing accounts are then forwarded by the consignee together with C.R.Vs to his L.A.O.

79. The L.A.O. will:

(a) compare the damages and deficiencies noted on the original and duplicate packing accounts;
(b) pair the receipt vouchers with the original and duplicate packing accounts in full;
(c) link the receipt vouchers into the ledgers, etc., to the extent as prescribed in Appendix 'A';
(d) return the original packing accounts of the consignee; and
(e) forward the duplicate copy to the R.C.D.A. / C.D.A.

Both the copies of packing accounts and the receipt vouchers will be suitably enfiled as paired and linked and initialled.

It is likely that in some cases packing accounts are not received by the L.A.Os for various reasons and consequently the pairing of invoices with packing accounts is outstanding in the P.C.D.A.s/C.D.A.s Main Office. With a view to expediting pairing of these invoices with packing accounts, the invoices registers maintained in the Main Offices of the P.C.D.A. / C.D.A. are reviewed at the end of every quarter and those invoices in respect of which the returnable copies of Packing Accounts have not been received from the L.A.Os., are sent to the L.A.Os by the P.Cs.D.A./Cs.D.A quarterly for linking with any copy of the Packing Account that may be available with the unit and/or the C.R.V. On receipt of the invoices from the P.Cs.D.A./Cs.D.A the L.A.O.'s will enter them in a manuscript register maintained for the purpose. They will then take prompt action to carry out verification of credit for the stores shown on the invoices after pairing and linking the entries in the invoice with any one copy of the Packing Accounts that may be available with the unit and with the C.R.V. or in the absence of any copy of the Packing Account with C.R.V. only and return them to the P.Cs.D.A./Cs.D.A under registered post with the C.R.V. Numbers and discrepancies, if any noted on them. They will, however, watch vigorously, the receipt of the returnable copies of the Packing Accounts through the register mentioned above. As and when the returnable copies of Packing Accounts are received, the L.A.Os will link and endorse them with the C.R.V Numbers noting discrepancies, if any, and forward them to the P.Cs.D.A./Cs.D.A. In addition they will render a monthly report to the P.Cs.D.A./Cs.D.A. Indicating:
(a) Those invoices in respect of which credit for stores, could not be verified due to non-receipt of stores, diversions or other reasons.
(b) Those invoices for which corresponding returnable copies of packing accounts have not been received but credit for the stores have been verified.
(c) Cases in which stores have been brought on charge but no corresponding Packing Accounts or invoices have been received:

Note: 1. (a) Where no discrepancies have been noticed after linking of the invoice with the C.R. Vs. and/or retention copy of Packing Accounts, objections regarding non production of the returnable copy of the packing accounts may be submitted to the Principal Controller/Controller for waiver.
(b) In other cases where discrepancies have been noticed after linking it should be ensured that the same have been reported to the L.S.D. by the Consignee. Thereafter the case will be dealt with as at (a) above.

Note: 2. In the case of imported A.S.C. Supplies, the food inspection unit at the port of landing is responsible for the regular accounting in detail and their despatch to different consignees on regular issue vouchers in accordance with the despatch instructions issued by Army Headquarter. The food inspection unit will note all damages and deficiencies discovered on the consignment received on both copies of the packing accounts which together with the certified receipt vouchers (C.R.Vs.) prepared by it will be forwarded to the L.A.O. for verification of credits. The L.A.O. will, after comparing the two copies of the packing accounts with each other and with the C.R.Vrs., return one copy of the packing accounts (copy marked "for retention ill India") to the food inspection unit and forward the other copy to the P.C.D.A./C.D.A. concerned.

IMPORTED SERA AND VACCINE

80. (a) In respect of imported sera and vaccine supplied free to military hospitals by the Central Research Institute, Kasauli, the Accountant General Punjab will forward to the P.C.D.A./C.D.A. concerned, triennially a list showing numbers and dates of vouchers appearing in the two month's accounts of the institute selected for audit by him, as also quantities borne out by each such voucher. The list or an extract there from will be passed on with sub-lists and a top list to the L.A.O. concerned for verification of credits in the hospitals ledgers, returns, etc., and receipt thereof will be acknowledged by the L.A.O.

(b) In the case of imported sera and vaccine supplied on payment or by book debit to Military Hospitals by the Central Research Institute, Kasauli, Haffkine Institute, Parel Mumbai, Pasteur Institute, Kasauli, the King Edward Memorial Institute, Shillong Assam, U.P. Government Vaccine Depot., Patwadnagar Nainital, Vaccine Institute Belgaum, King's Institute, Guindy, Chennai, West Bengal Vaccine Institute, Kolkata, the Government Vaccine Institute, Namkur (Ranchi) and the M.P. Vaccine Institute, Nagpur, a copy of the issue voucher is received by the P.C.D.A./C.D.A. Similarly in respect of supplies made to various anti-rabic treatment centres by the Pasteur Institute of India, Kasauli, an extract from the list of supplies is received by the P.C.D.A./C.D.A. These
vouchers or extracts will be transmitted by the PC.D.A./C.D.A. with sub-lists and top lists to the L.A.O. concerned for verification of credits in the hospital's ledgers. After acknowledgement, the top lists, sub lists and vouchers or extracts will be dealt with by the L.A.O. under the procedure prescribe for dealing with central and local purchase vouchers received from the PC.D.A./C.D.A.

**STORES ISSUED FROM ARMY (INCLUDING FACTORIES), TO NAVY/AIR FORCE/M.E.S.**

81. (i) When stores are issued from Army (including factories) to Navy/Air Force, the consignor's L.A.O. will receive from the issuing depot, etc., three copies of un-receipted vouchers in respect of each transaction en funded "payment book debit issues to Navy/Air Force", as the case may be. The L.A.O. will indicate on one copy the relevant head of account to which the cost of issues made- is creditable and the amount involved and then transmit it to the consignee's PC.D.A./C.D.A. (Accounts Officer-in-Charge, in the case of factories). He will transmit the second copy of the voucher to the consignee's L.A.O. for verification of the necessary credits in the quantitative store accounts of the consignee units and retain the third copy for use in his office for audit, etc., of the consignor's accounts. With a view to ensuring that a copy of every voucher is received by the consignee's L.A.O., a copy of the covering schedule under which the vouchers are forwarded by the consignor's L.A.O., to the consignee's L.A.O. should also be endorsed to the consignee's PC.D.A./C.D.A./Accounts Officer-in-Charge, in the case of factories.

The consignee's EC.D.A./C.D.A. (Accounts Officer-in-Charge, in the case of factories), will, after necessary accounts adjustment, forward the duplicate copy of the punching medium to the consignor's L.A.O. for his information (citing reference to the related voucher and the number and date of the communication with which it was received). With a view to ensuring that the transaction has been adjusted, the consignor's L.A.O. will be responsible to watch that the duplicate copy of the punching medium is received from the consignee's PC.D.A./C.D.A.

(ii) Transactions between Army and M.E.S:-

(a) **Store transactions**: In the case of stores issued by Army to M.E.S. the priced copy of the voucher will be sent by the consignor's L.A.O. to the A.A.O.G.E., M.E.S. for necessary action as laid down in M.E.S. Unit Accountant's Manual.

(b) **Transport**: The consignor's L.A.O. will forward the transport indents and orders duly priced (with indication as to the relevant Army Head to which the credits are to be afforded) to the A.L.A.O. /A.A.O.G.E. M.E.S. for necessary action.
(iii) The detailed procedure to be followed by the consignor's L.A.O. for scheduling etc., of vouchers will be the same as prescribed in Paras 51 & 52.

FILING OF VOUCHERS ETC., RECEIVED FOR LINKING

82. The following files, jackets, etc., will be maintained by L.A.Os. in connection with the recording of vouchers, etc., received for linking:

(a) Consignor's L.A.O: -
(i) A file for each depot, containing skeleton lists "D" copies of vouchers, outward top lists and reconciliation statements.
(ii) A file containing miscellaneous small detailed lists scheduled outward, outward top lists and reconciliation statements.

(b) Consignee's L.A.O: -
(i) A file for each depot/consuming unit, containing inward top lists of "E" copies of vouchers and distribution statements.
(ii) A jacket for each depot, containing sub lists and `E' copies of vouchers.
(iii) A separate jacket for each unit:
   (1) for sub-list and "E" copies of vouchers, lists (or extracts) on account of imported Sera and Vaccine supplied free to military hospitals.
   (2) For vouchers in respect of imported sera and vaccine, etc., supplied on payment or by book debit to military hospitals, and
   (3) For sub-lists of central or local purchase vouchers.
(iv) A file containing inward top lists of local purchase vouchers.
(v) A file containing inward top list of central purchase vouchers.

Note 1: All files and jackets mentioned above will be kept under lock and key; when not in use and will be under the personal custody of the A.L.A.O.

Note 2: The files, etc., will be maintained separately for each month or each quarter according to the period covered by audit.

Note 3: As regards filing of vouchers placed under objection, the procedure laid down in Para 58 will be followed.

STOCK VERIFICATION

*83. The responsibility for carrying out stock verification as prescribed in departmental regulations and standing orders rests primarily and solely with the executive authorities concerned. The L.A.O. during his periodical visit, will verify that stock-taking has been carried out as it falls due that, wherever possible, the staff actually employed in verifying stock is independent of the staff responsible for the physical custody of the stock or for keeping accounts thereof.

He will further see that:
   (i) the system of stock-taking adopted is adequate and proper:
(ii) the results of stock-taking are recorded in the ledgers, account cards or other prescribed documents by a responsible officer under his dated Initials;
*(For cross referencing please see Pares 294 & 295 S.A.I.)*

(iii) all the discrepancies detected during the stock-taking are properly investigated, that all surpluses found on stock taking have been credited to government and the deficiencies have been dealt with under the orders of the competent financial authority;

(iv) the vouchers received (and binned) prior to the date of stock-taking have not been brought into the balance after stock-taking.

The L.A.O. will bring to the notice of the local administrative authorities concerned through the PC.D.A./C.D.A. any cases of failure on the part of the executive 'authorities to carry out periodical stock verification or cases of heavy discrepancies or other serious irregularities noticed in stock-taking.

84. In cases where, from the state of accounts produced for audit or otherwise, the L.A.O. is "put upon enquiry" and has sufficient grounds to doubt the accuracy of the stock actually in possession of a unit, he may carry out an actual stock verification, after obtaining the prior concurrence of the PC.D.A./C.D.A., in the manner described in the succeeding paragraphs. An intimation to that effect will be sent by the PC.D.A./C.D.A./L.A.O. to the C.O. of the unit/formation, who will make suitable arrangements for the verification of the stock by the L.A.O. The L.A.O. will be provided with sufficient departmental assistance for carrying out his work and the store holder or his representative will be arranged to be present during the process of stock taking.

85. The L.A.O. will then verify the stock by actual counting, weighment or measurement and enter the results in the stock verification report [I.A.F (C.D.A.)-531] which will be prepared in duplicate and, obtain thereon the initials of the stock holder or his representative in token of having accepted the figures. The L.A.O. will thereafter proceed to work out the ledger balances for insertion in the stock verification report. After completing the stock verification report and after it is signed by him (L.A.O.) and the store holder, he will get both the copies of the report signed by the C.O., hand over one copy to the C.O. for his record and retain the other for further action. The C.O. will arrange for an investigation of the discrepancies, if any, revealed in the stock verification report and take suitable action for their adjustment. The fact that the stock verification has been carried out by the L.A.U. will also be noted by him in the stores ledger, return and/or other accounting document under his dated initials.

86. The following general principles will be observed by the L.A.O. when stock verification is undertaken by him: -

(i) He will generally be guided by past experience in the matter of selection of stores which he intends to verify. However, costly stores and those which are frequently received and issued and are easily saleable in the market will, in general, be given preference over other stores of less importance.

(ii) In the case of bagged supplies, a certain number of bags will be weighed and the weight of each bag ascertained. If the surplus or shortage on the number of bags weighed is 1.25 per cent, or less from the invoiced weight, such bags will be accepted as...
containing the correct quantity. Bags, which appear, to have been tampered with, will be weighted and the correct quantity verified.

- (iii) Stock of petrol M.T. stores in petrol tanks will not be verified.
- (iv) The actual stock of coal in coal stacks will not ordinarily be verified. He will, however see that:
  - (a) the receipt and issue of coal in respect of each consignment have been properly accounted for in the register maintained for the purpose;
  - (b) there are as many stacks as are indicated by the stack tally sheets;
  - (c) the stacks are suitably marked to prevent pilfering;
  - (d) issues are not made from more than one stack at a time;
  - (e) the percentage of the coal written off in each case is not abnormally high. Instances of abnormally high percentage of loss should be brought to the notice of the Principal Controller/Controller.

PAYMENT ISSUES

87. The rules relating to the issue of stores on payment are laid in the relevant departmental regulations.

88. All payment issue vouchers, with the exception of the following categories, will be priced by L.A.Os./Cs.D.A./PCs.D.A.
   - (i) Vouchers pertaining to payment demands from Officers and others located in stations where no officer's shop/cash payment issue section exists.
   - (ii) Payment issues from officer’s shops/cash payment issue sections.
   - (iii) Payment issues made from A.S.C. Retail shops and unit ration stands.
   - (iv) Payment work orders in R.S.S.D. Work-shop.

   In all the above four cases, the pricing in done by the executive authorities and is subject to a test check by L.A.Os.

**Note:** The P.C.D.A./C.D.A. Will, where necessary, notify in Area, Sub Area orders the pricing party (i.e. L.A.O. or P.C.D.A. /C.D.A.) to whom vouchers should be sent for pricing by the depots, units and formations located in his audit area.

89. The rates to be adopted in pricing the payment issue transaction are defined in Store Accounting Instructions.

   Whilst pricing the payment issue vouchers pertaining to ordnance mechanical transport, medical and clothing stores, if it is found by the L.A.O. that a particular item is not traceable in the priced vocabulary, he should insist on the depot concerned for obtaining the payment issue rate of that item from Army Headquarters.
In other cases, the rate will be ascertained by the L.A.O. from the PC.D.A./C.D.A., who may, if necessary obtain it from the Ministry of Defence (Finance). To facilitate prompt communication of the rate and to reduce delay in initiating recovery action, the L.A.O. should furnish information regarding correct nomenclature and catalogue/ pattern number etc., which should be written clearly, preferably in block letters.

90. Payment issue vouchers which are required to be priced by the L.A.O. will, after pricing, be returned by him to the unit or formation concerned from whom they are received.

91. The following action will be taken by the L.A.O. on payment of issue vouchers; -
(i) The issue of stores will be linked in the units' store accounts in the usual manner.
(ii) It will be seen that payment issue made are authorised.
(iii) In the case of payment issues (irrespective of the fact as to whether the vouchers have been priced by the executive authorities or the PC.D.A./C.D.A. or the L.A.O.) the bank/treasury receipt (original duly receipted by the bank/treasury) will be forwarded to the PC.D.A./C.D.A. direct by the unit/formation under the standard proforma (introduced by A.O. 407/70). The P.C.D.A./C.D.A. will return the duplicate and triplicate copy of the unit's forwarding memo, to the O.C. unit and L.A.O. respectively in acknowledgement of the bank/treasury receipt (s). The audit of the accounts of the Units/Formations will be conducted by the L.A.Os in due course with reference to the office copy (triplicate copy) of the M.R.Os and the triplicate copy of the unit's forwarding memo received at his end direct from the PC.D.A./C.D.A. duly acknowledged. In case of non-receipt of triplicate copy of the unit's forwarding memo from P.C.D.A./C.D.A. the L.A.O. will carry out audit with reference to the duplicate (unit's) copy of the acknowledgement. Simultaneously, the L.A.O. will obtain PC.D.A.'s/C.D.A.'s confirmation regarding the receipt of the relevant M.R.Os with reference to the particulars available in the unit's copy of the PC.D.A.'s/C.D.A.'s acknowledgement. The L.A.O. will watch the receipt of the confirmation form PC.D.A./C.D.A. through relevant objection statement file. He will not raise an objection unless required to do so after correspondence with the RC.D.A./C.D.A. In the case of issues made to units and formations where the charges are debitable against their grants/allotments, [I.A.F. (CDA)-615.] will be sent to the PC.D.A./C.D.A. in whose audit area such units/formations are located. The schedule I.F.A. (CDA)-615] will be prepared separately for each category of payment issue and the category endorsed on each schedule from the marking on the payment issue vouchers. They will be supported by vouchers and by treasury receipts where advance payments, are required to be made. In the case of payment issues which are adjustable by book debit, adjustment should be carried out by the P C.D.A. /C.D.A. against the consignee unit's budget allotment in consultation with the "Accounts" Section under intimation to the consignee unit and the L.A.O. of the consignor Depot as and when payment issue schedule I.A.F. (CDA)-615 are received by P.Cs.D.A./Cs.D.A from the F.A.S. of the consignor Depots. The consignor F.A.S. will verify the adjustment and clearance of items on receipt of receipted copy of vouchers from the issuing units before recording the vouchers with them.
Receipted copy of Issue Vouchers will not be sent to the P.C.D.A. /C.D.A. for adjustment purpose.

**Note:** Debits for the cost of stores issued on payment to the Civil Departments of the Government of India (including the formations under their control), State Governments and Union Territories will be raised against their Accounts Officers on the basis of unreceipted copies of issue vouchers and proof of despatch. For this purpose, the L.A.O should ensure that details regarding proof of despatch, such as reference and date of the relevant Railway Receipt, Postal Acknowledgement or receipt of local representative according as the stores are sent by rail/post/local delivery respectively are noted by the consignor on the issue vouchers before transmitting them to the P.C.D.A./C.D.A. for adjustment.

(iv) It should be verified in local audit that cash on realisation is accounted for on the receipt side of cash book and charged off when remitted into treasury. Such items after verification/check should be initialled by local audit staff.

**LOSS STATEMENTS**

92. Loss statements in respect of losses of stores occurring in depots and units are prepared on I.A.EA.-498 in accordance with the procedure laid down in the various departmental regulations. The following parties are responsible for pricing the loss statement:

(i) Loss statements for losses in respect of which penal recoveries from are involved L.A.O./C.D.A./PC.D.A.

(ii) Loss statements for losses chargeable to state:

<table>
<thead>
<tr>
<th>Depots/Units</th>
<th>Nature of Stores</th>
<th>Pricing Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>Ordnance/Inspection and M.T. Depots</td>
<td>Ordnance, Clothing and M.T. Stores</td>
</tr>
<tr>
<td>(b)</td>
<td>Supply (A.S.C.) Base Depots, Medical Stores, Sub-Depots, Medical Stores, and Veterinary and other units.</td>
<td>Ordnance, Clothing and M.T. Stores</td>
</tr>
<tr>
<td>(c)</td>
<td>All Units and formations</td>
<td>Supply A.S.C. stores</td>
</tr>
<tr>
<td>(d)</td>
<td>Base Depots, Medical Stores, Sub-Depots Medical Stores and Veterinary Units.</td>
<td>Medical and Veterinary Stores</td>
</tr>
<tr>
<td>(e)</td>
<td>All other units and formations</td>
<td>Medical &amp; Veterinary stores</td>
</tr>
</tbody>
</table>

Pricing done by the executive at (a), (c) and (d) above, will, however, be subject to a post-scrutiny by the L.A.O.
**Note 1:** The P.C.D.A. /C.D.A. will where necessary, notify in the Area/Sub-Area orders the "pricing party" (i.e., L.A.O. or C.D.A. /P.C.D.A.) to whom loss statements should be sent for pricing by the units and formations located in his audit area.

**Note 2:** The rates to be adopted in pricing the loss statement are defined in Store Accounting Instructions. See also Para 89

93. Where pricing is done by the P.C.D.A./C.D.A. The triplicate copy of the loss statement is forwarded by the R.C.D.A./C.D.A. to the L.A.O. responsible for the audit of store accounts. Where pricing is done by the executives, the triplicate copy of the loss statement is received by the L.A.O. along with other issue vouchers forwarded periodically by the executive authorities. The triplicate copy of the loss statement is retained by the L.A.O. where pricing is done by him. These triplicate copies will be compared by the local audit staff at the time of local audit of store accounts with the corresponding original copies of loss statements in possession of the depot/unit.

Loss statements will be audited by the local audit staff to the extent as prescribed in Appendix "A". In auditing Loss statements, it will be seen that:

1. The original copy of the loss statement signed by the competent financial authority in ink is invariably produced for audit as the document supporting the issue transactions in ledgers, etc. It should also be seen in audit that the loss statement which has been sanctioned by the C.FA bears evidence to the effect that it has been scrutinized by the P.C.D.A. /C.D.A. where the scrutiny falls within the purview of the P.C.D.A./C.D.A.

**Note:** Loss statements for amounts not exceeding Rs. 500/- whether due to theft fraud or neglect will* [not] be subjected to prior scrutiny, but they will, after sanction by the C.FA be scrutinised in full by the L.A.O. during local audit.

*Inserted vide C. S. No. 4/93.

2. The sanctioned loss statements in respect of losses involving penal recoveries bear an endorsement to the effect that the amount of penal recovery has been recovered/noted for recovery by the P.C.D.A./C.D.A. or the Pay Account Officer (O.Rs), as the case may be, and their acknowledgement obtained and recorded;

3. Losses are not written off piece-meal to avoid obtaining sanction of a higher financial authority;

4. Prompt action has been taken by all concerned in dealing with deficiencies and that surpluses are not taken as a set-off against deficiencies (for exception, see Financial Regulations);
(5) If the same reasons are repeated every time for the write off of losses (e.g. Shortage of accommodation), the attention of the authorities concerned is drawn to the fact;

(6) They do not disclose any defect of system or breach of accounts rules and that proper step have been taken to prevent recurrence of such losses;

(7) Losses of arms, ammunition and explosives have been immediately reported to the Sub-Area/equivalent Headquarters by signal, a simultaneous report being made to the Superintendent of Police; a court of enquiry has been held on all such cases and proceedings thereof have been sent to Army Headquarters not later than three months from the, date of the loss.

94. The L.A.O. himself should also examine a percentage of loss statements particularly those involving large amounts. Losses provisionally struck off from the ledger pending receipt of loss statements duly sanctioned by the competent financial authority will be placed under objection.

95. Cases of defect in system or breach of accounts rules will be brought to the notice of the administrative authority concerned through the P.C.D.A./C.D.A.

Any tendency to charge off losses to the state as a matter of course or to treat the maximum loss u to the prescribed percentage as a normal one should also, if necessary, is brought to the notice of the PC.D.A./C.D.A.

96. The loss statement audited by the L.A.O. and/or his staff will be suitably endorsed to indicate that necessary check has been exercised.

AUDIT ENFACEMENT

97. All accounts, registers, documents, vouchers, etc., which are audited will be enfaced "Audited", "Linked", "Test Checked", "Objected to", "Remarked on", as the case may be. The L.A.O., the A.L.A.O. and the auditors will affix their dated initials and designation to each of those accounts, etc., in token of their having conducted that part of the examination, audit, scrutiny or test-check for which they are personally responsible. Only red ink or red coloured pencil will be used by the local audit staff for the above purpose. All marks and initials must be small and neat, care being taken to avoid the obliteration of figures and other details entered in the accounts, registers, vouchers, etc.

LOCAL AUDIT CERTIFICATE

98. On the completion of audit, the auditor concerned will append a certificate to the office copy of the objection statement issued on the accounts of each unit or formation on the lines indicated below. The certificate should be examined by the A.L.A.O. with
the list of accounts to be audited and countersigned by him. Before countersigning the certificate, the A.L.A.O. will exercise such checks over the auditor's work as will satisfy, him that the audit has been efficiently carried out and that he can take complete responsibility for the audit done and for the statements made in the certificate.

**AUDIT CERTIFICATE**

1. Name of the unit or formation.................................................................
2. Period of audit..............................................................................................
3. Month's accounts selected for full audit (vide selection orders attached)....
4. Date of audit............................................................................................... 
5. Number of man-days authorised.................................................................
6. Number of man-days taken.........................................................................

Certified that: -

(i) The following accounts which are required to be audited have been audited to the extent and in accordance with the instructions laid down in Army Local Audit Manual and other orders issued from time to time

<table>
<thead>
<tr>
<th>Name of register of accounts</th>
<th>Number of volumes</th>
<th>Period of Accounts detailed checked</th>
<th>Name of auditor</th>
<th>Signature of the auditor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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</tbody>
</table>

**Note:** If a separate list of registers and accounts is attached to the certificate, the necessary remarks to this effect should be given in the certificate.

(ii) All documents, vouchers, etc., audited, test-checked or scrutinised have been enfaced "Audited" "Objected to", "Test Checked", "Test Linked", or "Remarked on" as the case may be, and initialled.

(iii) Items (including office notes) outstanding on previous objection statement(s) have been dealt with and the objection register has been completed up-to-date. The relative registers, e.g., Register of losses, have been completed and linked, vouchers and other documents etc., have been properly filed.

SO(A)/A.L.A.O. dated signature......................
L.A.O's. signature............................................

**RAISING/PURSUIT OF OBJECTIONS**

99. (a) The detailed instructions contained in Appendix 'B' to this manual will be observed scrupulously with regard to the raising of objections, maintenance of audit progress, register etc.
(b) The audit progress register will be reviewed monthly by the L.A.O. In the case of Units/Formations located at the Headquarters of the L.A.O./A.L.A.O., a continuous watch should be kept on the position of outstanding objections, and replies to the objection statements dealt with as and when they are received. In the case of outstation units/formations, a list of outstanding objections/observations will be sent to the units/formations sufficiently in advance, requesting them to keep the replies to the outstanding items ready, to facilitate verification at the time of audit. In the case of local as well as outstation units, particular attention will be paid to objections pending at unit level. Effective steps will be taken to ensure that the replies are not delayed, and prompt action is taken by the unit for regularisation etc., wherever necessary.

(c) Before taking up current audit of units/formations, the local audit staff will peruse the replies received from the unit authorities to the objections/observations relating to the previous quarters, and ensure during the course of audit that the defects/omissions pointed out earlier, stated to have been rectified/adjusted, have actually been rectified/adjusted to the satisfaction of audit. If not, it will be ensured that necessary action is taken during the period covered by the current audit. The L.A.O. at the time of review/inspection of the accounts, will also discuss the outstanding objections/observations with the unit authorities with reference to the list of objections/observations which warrant discussion as already sent in advance to the units/formations concerned vide (b) above.

100. to 110.  Blank.

Fly leaf instructions for the maintenance of register to record the central purchase stores where advance balance payment made.
(Referred to in Para 77 of ALAM PART I)

1. Object to record all C.P. vouchers coming to notice for credit verification including vouchers in respect of advance payment with balance payment.
2. The register will be maintained in the attached proforma.
3. All the advance/balance C.P. vouchers will be entered in this register and linked with the balance/advance payment CP vouchers. All the columns are self explanatory.
4. The register will be submitted to the L.A.O. on the 10th of each month.

ANNEXURE `A`
(Referred to in Para 54)
Distribution statement of inward "E" copies of voucher received from ........................................... to ...........................................

<table>
<thead>
<tr>
<th>Inward top lists from</th>
<th>Page of file</th>
<th>Number of vouchers</th>
<th>Sub-lists of units</th>
<th>Number of vouchers</th>
</tr>
</thead>
<tbody>
<tr>
<td>L.A.O., Ranchi</td>
<td>15</td>
<td>49</td>
<td>President's Body Guard, New Delhi</td>
<td>28</td>
</tr>
<tr>
<td>L.A.O., Lucknow</td>
<td>16</td>
<td>32</td>
<td>A.H.Q. Signal Regiment, New Delhi</td>
<td>15</td>
</tr>
<tr>
<td>L.A.O., Ambala</td>
<td>17</td>
<td>15</td>
<td>Supply Platoon, New Delhi</td>
<td>38</td>
</tr>
<tr>
<td>L.A.O., Mumbai</td>
<td>18</td>
<td>24</td>
<td>Military Hospital, Delhi Cantonment</td>
<td>17</td>
</tr>
<tr>
<td>L.A.O., Mhow</td>
<td>19</td>
<td>16</td>
<td>A. O. C. Officer's Shop, Delhi</td>
<td>54</td>
</tr>
<tr>
<td>L.A.O., Meerut</td>
<td>20</td>
<td>25</td>
<td>Security Troops, New Delhi</td>
<td>9</td>
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<td></td>
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<td>161</td>
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<td>161</td>
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</tbody>
</table>

Initialled with date......................................................
(Scheduling Clerk)

Initialled with date......................................................
(A.L.A. O.)

ANNEXURE "B"
(Referred to in Para, 58)
Statement showing the receipt and disposal of receipt voucher for the month of ..........20……..
<table>
<thead>
<tr>
<th>SI. No.</th>
<th>From whom received</th>
<th>Number and date of memo</th>
<th>Number and date of receiving memo</th>
<th>Details of vouchers rejected or forwarded to other L.A.Os</th>
<th>Balance of vouchers</th>
<th>Initiating L.A.O.</th>
<th>Formula selected by L.A.O.</th>
<th>Date of completion of linking and initials of auditor</th>
<th>Details of vouchers test checked by L.A.O. and his initials</th>
<th>Remarks</th>
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<tbody>
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</tbody>
</table>

ANNEXURE "C"
(Referred to in Para 77)

RTC-KOLKATA
REGISTER TO RECORD THE CENTRAL PURCHASE WHERE ADVANCE/BALANCE PAYMENT IS MADE

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Bill No. and Date</th>
<th>Amount of the Bill</th>
<th>Name of contractor/supplier</th>
<th>Name of consignee and place</th>
<th>Brief description of stores.</th>
<th>RR No./Challan No. under which stores have been despatched</th>
<th>No. &amp; date of Inspection note quoted on the advance payment bill</th>
<th>AT No. &amp; date SO No. And Date.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. &amp; date of PCDA's/CDA's memo under which received</th>
<th>Particulars of objection raised when the Voucher could not be linked</th>
<th>Receipt Vr. No. &amp; date</th>
<th>Connected balance payment amount of the bill</th>
<th>Nature of Deficiency/discrepancy</th>
<th>LAO's letter reporting Discrepancy</th>
<th>Manner of Settlement</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
<td>17</td>
</tr>
</tbody>
</table>

CHAPTER-III
GENERAL RULES FOR THE AUDIT OF STORE ACCOUNTS OF SUPPLY AND STORE DEPOTS

RTC-KOLKATA 44
<table>
<thead>
<tr>
<th>Para</th>
<th>Documents to be audited</th>
<th>Stores issued to Foreign Governments</th>
<th>Para</th>
</tr>
</thead>
<tbody>
<tr>
<td>111</td>
<td>Stores issued to Foreign Governments</td>
<td></td>
<td>128</td>
</tr>
<tr>
<td></td>
<td>General rules to be observed in audit</td>
<td>Indents</td>
<td>129</td>
</tr>
<tr>
<td>112</td>
<td>Indents</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>PAYMENT ISSUES:</strong> - Audit of indents</td>
<td></td>
<td>130</td>
</tr>
<tr>
<td></td>
<td>Pricing of payment issue vouchers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>113</td>
<td>Audit of indents</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Payment issue schedules</td>
<td></td>
<td></td>
</tr>
<tr>
<td>114 &amp; 115</td>
<td>Payment issue schedules</td>
<td>LOSS STATEMENTS: - Entry in the register of loss statements</td>
<td>131</td>
</tr>
<tr>
<td></td>
<td>Loss statements relating to tinned Provisions in A.S.C.</td>
<td></td>
<td>132</td>
</tr>
<tr>
<td>116 &amp; 117</td>
<td>Loss statements relating to tinned Provisions in A.S.C.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Progress of missing and receipted copies of payment issue vouchers and treasury receipts</td>
<td>Loss statements-A.S.C. stores due to deterioration or degradation</td>
<td>133</td>
</tr>
<tr>
<td>118</td>
<td>Loss statements-A.S.C. stores due to deterioration or degradation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AUDIT OF FINAL RECEIPTS: - Verification of stock</td>
<td>Loss statements-stores disposed of under orders of Director General of Disposals</td>
<td>134</td>
</tr>
<tr>
<td>119</td>
<td>Loss statements-stores disposed of under orders of Director General of Disposals</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stores returned by units</td>
<td>Loss statements-loss of stores in transit in India</td>
<td>135</td>
</tr>
<tr>
<td>120 &amp; 121</td>
<td>Loss statements-loss of stores in transit in India</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stores returned by Civil Departments, M.E.S., Navy and from payment/loan/hire issues</td>
<td>Stores received from England or overseas stations-transit loss in India</td>
<td>136</td>
</tr>
<tr>
<td>122</td>
<td>Stores received from England or overseas stations-transit loss in India</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Surplus, obsolete and waste (including Unserviceable) stores</td>
<td>Conservancy Stores</td>
<td>137</td>
</tr>
<tr>
<td>123</td>
<td>Conservancy Stores</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Audit of issues</td>
<td>Ration and forage returns, equipment and clothing ledgers and P.O.L. Accounts etc.</td>
<td>138</td>
</tr>
<tr>
<td>124</td>
<td>Ration and forage returns, equipment and clothing ledgers and P.O.L. Accounts etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issues on payment</td>
<td>125</td>
<td>TENDERS:-</td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>-----</td>
<td>-----------</td>
<td></td>
</tr>
<tr>
<td>Register of tender forms issued for A.S.C., A.O.C. and Farms contracts</td>
<td>139</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactions relating to army (including Factories, Navy and Air Force)</td>
<td>126</td>
<td>Register of tenders check by L.A.O.</td>
<td></td>
</tr>
<tr>
<td>140</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactions relating to M.E.S. on one hand and/Army (including Factories)/Navy/Air Force on the other</td>
<td>127</td>
<td>Post audit of check rolls</td>
<td></td>
</tr>
<tr>
<td>141</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**DOCUMENTS TO BE AUDITED**

111. All the original records such as ledgers, stock and due sheets, returns, etc., prescribed in the Departmental Regulations to be maintained by depots for the purpose of accounting for stores will be subjected to audit.

**GENERAL RULES TO BE OBSERVED IN AUDIT**

112. In addition to the rules down in Chapter-II it will be ensured in audit that:

- (1) the ledgers, etc., are maintained in the prescribed forms and in accordance with the instructions printed thereon and that they are supported by the requisite vouchers (duly marked original, duplicate, triplicate and so on, where necessary) and certificates;
- (2) stores have been brought on or struck off charge under the designation and L-1 catalogue or part numbers (if any) shown in the vocabularies or part lists;
- (3) stores have been accounted for according to the measure adopted in the stock book rate list/vocabularies, i.e., by number, weight, volume or measurement, as the case may be;
- (4) receipt and issue entries are supported by regular receipt and issue (including expense) vouchers, transfer notes, loss statements, etc.;
- (5) number and date assigned to the issue voucher by the consignor is invariably quoted in the ledger, return, etc., in addition to the receipt number allotted to those vouchers by the consignee;
- (6) all entries in the ledgers and returns, etc., are made in ink;
- (7) there are no erasures and that alterations, if any, have been carried out neatly and attested by the officer concerned under his dated initials;
(8) whenever, in order to save freight charges, stores are sent direct by units to factories under instructions from ordnance depots, such transactions pass through the ledgers of the ordnance depots concerned;

(9) issue and receipt vouchers have been kept in two separate files and numbered from 1 upwards and that all receipt/issue vouchers are serially entered in the list of receipt/issue vouchers appended to respective ledgers indicating inter alia the parties from/to whom received/issued;

(10) vouchers, ledgers and returns have been signed by the persons authorised to sign under rules;

(11) every voucher is posted to the appropriate ledger the date of issue voucher being the date of selection of stores, the date of receipt voucher being the actual date of binning of stores and the date of adjustment vouchers being the date of adjustment control numbers. The entry in the ledger and the voucher should both be initialled to show that the entry in the ledger agrees with the voucher.

PAYMENT ISSUES PRICING OF PAYMENT ISSUE VOUCHERS

113. In supply and store depots all payment issue vouchers with the exception of the following categories will be priced by respective L.A.O's. in accordance with the vocabulary rates, stock book rates and other relevant Government orders etc., and where rates are not available, these will be obtained from the P.C.D.A./ C.D.A.

(i) Vouchers pertaining to payment demands from officers and others located in stations where no officers' shops or cash payment issue section exists.
(ii) Payment issues from officer's shops/cash payment issue sections/O.M. stores.
(iii) Payment demands made from retail shops A.S.C.
(iv) Payment work orders in R.S.S.D. work shops.

In the above cases the pricing is done by the executive authorities and is test-checked by the local audit staff.

PAYMENT ISSUE SCHEDULES

114. In the case of store depots payment issue schedules [I.A.F (CDA)-615] will be prepared in duplicate by the L.A.O. separately for each of the following "categories" (with the "category" endorsed on each payment issue schedule from the markings on payment issue vouchers) : -

(i) Payment issue by book debit to non military departments.
(ii) Payment issue to military units and formations other than M.E.S. for book adjustment against grants/allotments.
(iii) Payment issue to civil institution on advance payment.
(iv) Issues to U.K and other foreign Governments.

Note: Inter-services stores transactions will not be included in the payment schedule. See also Para 126.
115. The details of value etc., of payment issues will be entered in [I.A.F (CDA)-615] from the priced payment issue vouchers before returning them to depot duly priced. On receipt of vouchers from depot authorities with monthly skeleton lists, priced vouchers [i.e., No 5 copy ("E" copy)] will be paired with No. 3 copy ("D" copy) when the priced copy No. 5 ("E" copy) has not been received back from the depot, a note "to follow" will be made in the remarks column against the relevant entry in the payment issue schedule. One copy of payment issue schedule together with the payment issue vouchers will be forwarded to the P.C.D.A. /C.D.A. by the lots' of the following month.

RECONCILIATION STATEMENT

116. To ensure that all priced payment issue vouchers received with monthly skeleton lists have been included in the payment issue schedules a monthly reconciliation statement will be prepared by the L.A.O. showing :-

(i) the total number of vouchers received with the monthly skeleton lists from the store depot;
(ii) the distribution of these vouchers to the :-
(a) Principal Controllers/Controllers of Defence Accounts of the issuing store depot with payment issue schedules [I.A.F (CDA)-615].
(b) AAO GE, M.E.S. Formation in the case of issue to M.E.S.
(c) Principal Controllers/Controllers of Defence Accounts/ Accounts Officer-in-Charge, Factories in the case of issue to Air Force/Navy/Factories.
(d) Consignee L.A.Os in the case of Military Farms.

117. The missing payment issue vouchers, if any, will be of the following two types: -

(i) Vouchers for stores not dispatched and shown as "to follow" in I.A.F (CDA) - 615; and
(ii) Vouchers held up in L.A.Os office for want or rates.

These missing vouchers will be progressed as under:

RECONCILIATION OF MISSING PAYMENT ISSUE VOUCHERS

<table>
<thead>
<tr>
<th>Vouchers</th>
<th>Vouchers</th>
</tr>
</thead>
<tbody>
<tr>
<td>B.F.................</td>
<td>50</td>
</tr>
<tr>
<td>Total missing vouchers shown in current skeleton list</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
</tr>
<tr>
<td>(X) &quot;to follow.........</td>
<td>40</td>
</tr>
<tr>
<td>&quot;Awaiting pricing.........</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
</tr>
</tbody>
</table>
PROGRESS OF MISSING AND RECEIPTED COPIES OF PAYMENT ISSUE VOUCHERS AND TREASURY RECEIPTS

118. Every effort will be made by the L.A.O, to forward the missing vouchers to the P.C.D.A. /C.D.A. as early as possible.

A progress register is maintained by store depots for progressing return of priced received copies of vouchers and treasury receipts by the consignees and their submission W the L.A.O. who will examine it periodically to ensure that the return of received copies of vouchers and treasury receipts are vigorously progressed by the depot authorities and that there is no unusual delay in their submission.

AUDIT OF FINAL RECEIPTS

VERIFICATION OF STOCK

119. The L.A.O. during his periodical visit, will ensure that the provisions of Para 83 have been followed. In addition he will see that: -

(i) The two separate registers maintained in ordnance depots for surpluses/losses are kept up-to-date and complete in all respect item-wise and stock taking-wise in respect of each item of surplus/loss noticed during stock-taking. Where deficiencies are attributable to stores having been brought to account erroneously during a previous stock-taking, it should be ensured that a remark "linked with the L.S. No....................... Dated ..............." is made in the remarks column of the registers of surpluses against the relevant surpluses and also a suitable remark in the register of losses. It should further be ensured by some intelligent scrutiny that the loss statement in question has a direct relation to previous surpluses or C.R.Vs. cited in support and that it can reasonably be presumed to have had a direct bearing on the so-called loss and caused an error in the earlier stock-taking; and

(ii) In A.S.C. depots/installation stock-taking is done once in a month (spread evenly throughout the month few items being checked daily) and results recorded in the stock verification register which is kept up-to-date and complete in all respects.

STORES RETURNED BY UNITS

120. In the case 'of the following categories of stores returned by a unit to a supply or store depot, the former shows only the quantities of returned stores on the vouchers. The latter, on receipt, classifies them as shown below and brings them on charge according to the conditions at the time of receipt: -

(a) ASC packing material  Serviceable, Repairable, Unserviceable
(b) AOC Stores Vrs  Serviceable, Retrievable, Repairable
(c) AOC Stores MT  Doubtful, Unserviceable.
(d) Medical Stores. Serviceable, Second-hand, Unserviceable

121. (i) The condition thus determined by the depot will not normally be noted on received copies of vouchers returned to the unit, except where a refund is due or where the value of stores returned is required to be adjusted or where the change in condition is due to causes other than fair wear and tear. In the latter case, the condition will be endorsed in red ink on all copies of the voucher.

(ii) When field equipment, instrument cases, etc., are brought on charge the receipt voucher has been cross-referenced with the expense voucher showing the articles issued to complete the equipment and the expense voucher with the number and date of the receipt voucher bringing the articles on charge.

STORES RETURNED BY CIVIL DEPARTMENTS, M.E.S., NAVY AND FROM PAYMENT/LOAN/HIRE ISSUES

122. It will be seen that:

(i) the relevant vouchers for returned stores have been enfiled "returned from payment/loan/hire issue" according whether the stores were originally issued on payment/loan/hire and that the number and date of voucher on which the stores were originally issued on payment/loan/hire is cited on the relevant voucher;

(ii) the vouchers for returned stores are linked by the local audit staff with the vouchers on which the stores were issued on payment/loan/hire in the first instance;

(iii) all receipt vouchers (in duplicate) irrespective of the condition of such stores, received from civil departments have been sent to the PC.D.A./C.D.A. for further adjustment and acknowledged by the latter; and

(iv) in the case of stores returned by Air Force, Navy and Factories, the procedure laid down in Para 126(c) will be followed.

SURPLUS, OBSOLETE AND WASTE (INCLUDING UNSERVICEABLE) STORES

123. It should be seen that stores transferred to these categories have been declared as such by the competent authority and are accounted for in a separate ledger;

AUDIT OF ISSUES

124. It will be seen in audit that:

(a) no stores have been struck off charge, unless the charge off is covered by regulations or by the sanction of the competent financial authority;

(b) the stores issued for internal use or consumption are of expendable nature likely to be expanded for the purpose stated and that the authorised scales, where fixed, have not been exceeded;

(c) no stores have been struck off charge on duplicate or true copies of vouchers without satisfactory reasons;
(d) the charge off of stores is supported by an expense voucher when:
   (i) the articles on stock are condemned owing to fair wear and tear;
   (ii) the articles are issued for authorised purposes;
   (iii) the articles from stock are issued for chemical analysis;
   (iv) the articles are issued as samples to guide purchases (the voucher bearing
       the endorsement "issued as samples to guide purchase-no adjustments");
   (v) "Experimental equipments" or "stores for trials" are consumed or destroyed
       during the experimental period;
   
   (e) the disposal of condemned stores has been noted on the expense voucher; and
   
   (f) all stores issued for temporary purposes (i.e., on loan or on hire) to other units
       or factories have been struck off ledger charge and their return watched through a loan
       book.

ISSUE ON PAYMENT

125. (a) In addition to the linking of payment issue entries contained in the portions of
       the ledgers, returns, etc., selected for detailed audit with the supporting payment issue
       vouchers, the local audit staff will see that:
       (i) the payment issues are authorised;
       (ii) there are no erasures or unattested alterations in the vouchers supporting
           payment issue transactions in the portion of ledgers, etc., selected for detailed audit;
       (iii) payment issues have not been made of officers and others mentioned in A.O.
           No. 376 of 1955 from depot stock direct, but stores for issue to officers on payment have
           been issued to units/formations concerned on regular issue vouchers marked "for sale to
           officers";
       (iv) special packing materials used in connection with payment issues have
           invariably been distinctly shown on payment issue vouchers and the cost thereof
           included in the recoverable amount of the vouchers;
       (v) departmental and additional charges whenever leviable, have been correctly
           charged at the prescribed rate on the cost of articles (including special packing
           materials); and
       (vi) N.I.V. items are not issued on payment, prior to the rates being obtained from
           the Ministry of Defence (Finance).

Exceptions: (1) Stores required for experimental and trial purpose the cost of which is
       debatable to A-in-U or such other monetary allotment, when the issue is authorised by
       the Army Headquarters;

       (2) Stores for payment customers such as Factories, M.E.S., Farms and State
       Governments under issue order emanating from Army Headquarters with the prior
       approval of the Ministry of Defence, a copy of which, it should be seen, has been
       endorsed to P.C.D.A./C.D.A. Connected.

       (b) In the case of issues on payment or on book-debit in ordnance depots, it
           should be seen that:-
           (1) The register is maintained in the prescribed proforma; and
(2) 100% audit is conducted to ensure that all M.R.Os/ receipted copies are forwarded to the PC.D.A. /C.D.A. by the depot.

TRANSACTIONS RELATED TO ARMY (INCLUDING FACTORIES) NAVY AND AIR FORCE

126. (a) The L.A.O. will, on receipt from the issuing depots of three copies of unreceipted issue vouchers duly enfaced "inter service adjustment" in respect of stores supplied to Air Force/Navy ensure that the vouchers are identical in all respects and that the prices charged include terminal tax, if any, leviable. He will indicate on one copy of the vouchers the relevant head of account to which the cost of the issues made is creditable, and the amount involved and then transmit it to the PC.D.A. /C.D.A. of the receiving service for necessary adjustment through punching medium. The duplicate copy of the punching medium will be forwarded by the 4th PC.D.A. /C.D.A. of the, receiving service to the L.A.O. of the consignor for his information (citing reference to the related voucher and the number and date of the communication with which it was received). The L.A.O. of the consignor will watch through the medium of a suitable manuscript register that this has been received by him in order to ensure that transaction has been adjusted in the Defence Accounts.

(b) The consignor's L.A.O. will transmit the second copy of the voucher to the consignee L.A.O. for verification of necessary credits in the quantitative store accounts of the consignee units and retain the third copy for use in his office for audit, etc., of the consignor's accounts. A copy of the covering schedule under which the vouchers have been forwarded (by the consignor's L.A.O.) to the consignee L.A.O. will be endorsed to the consignee EC.D.A./C.D.A. to ensure that a copy of every voucher received by consignee PC.D.A./C.D.A. has also been scheduled to consignee L.A.O.

(c) The return of the stores by the receiving service to the original supplying service will be treated as an independent transaction, and dealt with accordingly in the manner indicated in clauses (a) and (b) above. Such vouchers are to be prominently marked "returned stores". The responsibility for pricing these vouchers devolves on the L.A.O. of the service receiving the returned stores, as the returned stores are required to be priced according to the condition of the store, at the time of their receipt back.

Note: The existing procedure for the half yearly adjustment of the cost of vehicles supplied to or returned by one service to another will continue to be followed.

TRANSACTIONS RELATING TO M.E.S. ON ONE HAND AND ARMY (INCLUDING FACTORIES) NAVY/AIR FORCE ON THE OTHER

127. In the case of stores issued by ARMY/NAVY/AIR Force to M.E.S., and the priced copy of the voucher will be sent by the consignor's L.A.O. to the A.A.O, GE M.E.S., who, on receipt of the voucher, will link the particulars of stores, etc., with the receipt voucher prepared by the M.E.S. authorities and pass on the same to the S.D.O. (M.E.S.) for allocating the expenditure against the work, etc., head concerned, and by
credit under deduct value of stores issued on payment to M.E.S. etc. In case of supplies by M.E.S. to Army/Navy/Air Force, two copies of priced vouchers will be sent by the executive (S.D.O.) to the A.A.O.G.E., M.E.S., who will classify the vouchers to the Army/Nary/Air Force head and adjust it in his accounts.

STORES ISSUED TO FOREIGN GOVERNMENTS

Stores Issued to Foreign Governments (other than to the U.K. Government and its Overseas Commands)

128. (a) The demands for supply for stores to foreign Governments are sponsored by the Ministry of External Affairs. The accounting procedure and various checks to be exercised by the L.A.O. with regard to these transactions are indicated in special instructions issued by the C.G.D.A. from time to time.

STORES ISSUED TO U.K. GOVERNMENT AND ITS OVERSEAS COMMANDS

(b) The issuing depot will forward un-priced copies to issue vouchers to the L.A.O. concerned, who will price and transmit them to the P.C.D.A. /C.D.A. concerned for raising the necessary debit against the U.K. Government.

INDENTS

129. Indents are not required to be checked and linked with issue vouchers except in the case of:

(a) issues to individuals who do not maintain equipment or other ledgers or returns

(b) issues of petty stores supplied annually or periodically from ordnance depots which are not accounted for in the equipment ledgers of units; and

(c) issues made direct to the units in an operational area as no audit for such units is carried out.

AUDIT OF INDENTS

130. The following points will be observed in auditing these indents:

(i) the indent has been preferred on the prescribed form and the sanction of the competent financial authority has been furnished in the case of demands which are not covered by special or general orders of government;

(ii) the number or quantity demanded is correct with reference to the authorised scale and that the strength and other data is furnished on the indent;

(iii) no article has been supplied after the necessity for the supply has lapsed; and

(iv) indent for stores supplied annually or periodically with reference to the indent on which the last supply was drawn and the quantity shown as remaining on charge of the units has been deducted from the authorised annual allowance.

LOSS STATEMENTS
ENTRY IN THE REGISTER OF LOSS STATEMENTS

131. It should be seen in audit that all losses and damages to stores which require to be dealt with by the competent financial authority have been entered in the register of loss statements maintained by the depots (including manufacturing concerns) as soon as they come to notice and that no delay takes place at any stage in dealing with the losses. Cases of avoidable delay will be brought to the notice of the administrative authorities through the P.C.D.A./C.D.A.

LOSS STATEMENTS RELATING TO TINNED - PROVISIONS IN A.S.C

132. In the case of loss statement relating to loss of tinned provisions in A.S.C., it should be seen that:

(i) deterioration has not occurred within the warranty period. When the case is otherwise, it should be seen that in the case of consignments of a particular variety held in a depot against any one contract, all losses of tinned food stuffs within the warranty period were reported to Army Headquarters; and
(ii) relevant particulars of losses wherein claims lie against suppliers have been collected by the L.A.O. during audit and sent to the EC.D.A./C.D.A. concerned for watching credit from the PA.O Ministry of Food and Agriculture.

LOSS STATEMENTS-A.S.C. STORES DUE TO DETERIORATION OR DEGRADATION

133. In the case of loss of A.S.C. stores due to deterioration or degradation, the net value of the loss (viz., gross value of the stores as held on charge originally less the total value of the stores degraded after classification) has been shown on the loss statement but for determining the CRA competent to deal with the loss, the gross amount will be the criterion.

LOSS STATEMENTS-STORES DISPOSED OF UNDER ORDERS OF THE DIRECTOR GENERAL OF DISPOSALS

134. No loss statement is necessary for:
(a) difference between the book value and sale proceeds of stores disposed of by or under orders of Director General of Disposals; or other orders, and
(b) transit losses recoverable from the carrying company which have been made good the company concerned;

LOSS STATEMENT-LOSS OF STORES IN TRANSIT IN INDIA

135. In the case of losses of stores in transit in India (except in the case of stores received from England or overseas stations): -
(i) supply and store depots bring on charge in their ledgers the full quantities as recorded in the vouchers sent to them and conditioned by the consignor and simultaneously make out loss statement for deficiencies and damages in transit (not considered to be attributable to the consignor), which are struck off from the ledger provisionally pending sanction by the C.F.A. vide *[Rule 483 (i) (a), ER. part II].

*Requires-amendment.

(ii) deficiencies and damages considered to be attributable to the consignor, are, in the first instance, adjusted by means of provisional loss statements and are finally supported by the loss statements sanctioned by the C.F.A. where the discrepancies are not admitted by the consignor; and (ii) deficiencies and damages considered to be attributable to the consignor, are, in the first instance, adjusted by means of provisional loss statements and are finally supported by the loss statements sanctioned by the C.F.A. where the discrepancies are not admitted by the consignor; and

(iii) when the discrepancies are admitted by the consignor, the consignee will convert the provisional certified issue vouchers into regular ones and the consignor will also adjust his ledgers by the preparation of adjustment documents.

**STORES RECEIVED FROM ENGLAND OR OVERSEAS STATIONS-TRANSIT LOSSES IN INDIA**

136. In the case of stores received from England or overseas stations.

(i) the number or quantities actually received at the ports of landing (or at the destinations in the case of consignments unopened at the port of landing and received in tact at destinations) or by post parcel have been brought on ledger charge by the supply and store depots, losses occurring during rail journeys from the port of landing to destinations being dealt with as losses of stores in transit in India; and

(ii) the discrepancies or deficiencies found to exist between the quantities or description of stores actually charged off by the Indian Government as issues to His Majesty's Imperial Government and to other foreign Governments and those received by His Majesty's Imperial Government will be dealt with in India by the consignor.

**CONSERVANCY STORES**

*137. All conservancy stores are issued free to units and cost thereof is not debitable to any allotment.

The LAO should see that the limits for conservancy stores required by units/formations during a year as fixed by the Station Commander are not exceeded.

*For cross referencing please see Para 47 S. A. I.

**RATION AND FORAGE RETURNS EQUIPMENT AND CLOTHING LEDGERS AND POL ACCOUNTS ETC.**
138. In respect of stores issued for depot use of consumption by depot personnel, the depots will function as consuming units and keep quantitative ledgers and returns, etc., in the same way as other consuming units. These ledgers and returns will be audited in accordance with the general rules laid down in Chapter V.

TENDERS

REGISTER OF TENDER FORMS ISSUED FOR A.S.C., A.O.C. AND FARMS CONTRACTS

139. A fee is levied on all tenders for regular contracts and informal agreements issued by the A.S.C., A.O.C. and Farms authorities. These authorities will maintain a manuscript register showing: -

(i) the details of tenders issued including articles, period and station covered by it;
(ii) basis on which the fee for the tender has been fixed;
(iii) to whom issued;
(iv) number and date of communication under which tender was issued;
(v) number, date and amount of treasury receipt forwarded by the contractor as fee for the tender, together with the name of the treasury at which lodged;
(vi) number and date of the communication under which the treasury receipt was forwarded to the P.C.D.A./C.D.A. concerned; and
(vii) number and date of P.C.D.As./C.D.As acknowledgement.

CHECK OF REGISTER OF TENDERS BY THE L.A.O.

140. The register will be checked by the L.A.O. to see that fee has been correctly levied on all the tenders issued except where it is not recoverable under Government Orders issued from time to time and that treasury receipts for the amount of the fees have been sent to and acknowledged by the PC.D.A./C.D.A.

POST AUDIT OF CHECK ROLLS
141. The audit of temporary labour bills will be conducted as under:

(i) Comparison of current month's check rolls with those of the previous month in regard to the correctness of names and the rates of pay (according to categories and grades).

(ii) Check to see that the number of men for whom pay is drawn agrees with those present according to the daily strength statement (I.A.F.O. 1398) and morning report (I.A.F. O. 2388).

Note: In case of station workshops E.M.E. the above check as also check over the number of hours for which pay is drawn will be exercised with reference to the Attendance Register ’S37’ (maintained in lieu of I.A.F.O. 2388 and LA.EO. 1398) and Gate Pass I.A.F.O. 2387.

(iii) Check of first appointments, and discharges, leave of absence with or without pay from the daily orders/sanctions and recovery of fines from the fine register and of adjustment of overtime pay from detains found in I.A.F O. 2398. All credit entries will be checked 100% from check rolls into the daily orders and other documents, etc., and all debit entries (also 100%) from daily orders and other documents into the check rolls.

(iv) Check the rates of pay and allowances (including dearness allowance) and overtime allowance to see that:

(a) they do not exceed those authorised by regulations or orders laid down by the competent authority;
(b) they are not drawn for periods in excess of those sanctioned; and
(c) scale of mandage handled by each labourer does not fall below the percentage prescribed in the rules.

(v) Check to see that the grant of leave with pay to the industrial personnel is in accordance with the prescribed rules, that proper leave records have been maintained and that entries regarding the grant of leave have been made therein. For this purpose, test check to the extent of 10% cases of the grant of leave with check rolls will be made.

(vi) Check to see that a certificate (duly signed by a commissioned or a gazetted officer) to the effect that the payments have actually been made in his presence is endorsed on the last page of the check roll (pay bill).

(vii) The bills will be subjected to an intelligent general scrutiny by the L.A.Os./A.L.A.Os. and it will inter-alia be seen that:

(a) the check rolls have been prepared in the prescribed form;
(b) all alterations are duly attested by the executive and that there are no erasures or overwriting;
(c) the payments by money orders are supported by money order receipts and that a check register for money orders is maintained;
(d) un-disbursed pay is correctly credited to Government and that the amount claimed from un-disbursed pay for subsequent repayment is properly linked and recorded; and
(e) there is no accidental or fraudulent inclusion of incorrect or factious names in the check rolls. For this purpose the monthly man-hour statistical returns should be test checked to the extent of 10% by verifying the hours booked in selected section daily statements of a particular production group with the hours recorded in the summary of work orders prepared in the compilation group of the workshop and the man-hours booked in selected work orders of that production group with the hours posted in the section daily statements pertaining to it. It should also be seen that the total man hours booked against the various work orders in that production group during the month agree with the hours shown in the monthly man-hour statistical return and that the total monthly man-hours booked under the productive and non-productive groups invariably agree with the available man-hours shown on the top of the return.

142. Audited temporary labour bills will be submitted by the L.A.Os to the P.C.D.A./C.D.A. together with the fund recovery schedules and other supporting documents so as to reach him by the 25th of the month following that to which the bills relate.

143. to 145. Blank.

APPENDIX `A'
(REFERRED TO IN PARA 33 OF THIS MANUAL)
EXTENT OF AUDIT

The normal extent of local audit of stores accounts during peace time is given in the table on page numbers 78 to 82.

Note 1. : Typical possible methods of selecting .33⅓ percent of "E" (Receipt) voucher or 'purchase vouchers' for test linking into consignee's ledgers and returns, and ledger entries or test linking into the "D" copies of issue vouchers are shown in Annexure 1 to this Appendix.

Note 2. : Methods of selecting, for the purpose of audit, 33⅓ percent, of "Final Receipts" and "Final Issue" transaction are shown in Annexure 2, ibid.

Note 3. : Methods of auditing the individual ward .sheets, etc., are shown in Annexure 3.
### TABLE

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Particulars</th>
<th>Extent of Check</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Army Units and formations, other than Military Farms (Including Young Stock Farms) and Cantonment Funds Accounts.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(A) Verification of: -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Castings</td>
<td>33 1/3 percent of “E” vouchers in consignee's ledger and returns.</td>
<td>(b) Issue vouchers of consuming units for which receipted copies have not been received by the consignor unit for over three months from the date of issue of Stores and scheduled by consignor's L.A.Os under a separate top list (see para 61) will, however, be linked to the extent of 100%. In cases, where the number of vouchers are large and involve such extra work, all the extra copies of such vouchers may be included by the L.A.O.s within the prescribed percentage of selection of vouchers for linking.</td>
</tr>
<tr>
<td>2</td>
<td>Closing Book Balances</td>
<td>Cent per cent, (also see Chapter II)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Opening Book Balance</td>
<td>Cent per cent with reference to the proceedings of Survey Board.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(B) Linking of receipts: -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Transfers-Inward</td>
<td>33 1/3 percent of vouchers and all vouchers of Rs.1000/- and over or over and above the 33 1/3 percent of</td>
<td>(c) Over and above the complete audit applied to the 33 1/3 percent. Selected or full audit, all remaining &quot;Final Receipts&quot; and &quot;Final Issues&quot; transactions should also be scrutinised briefly from a “common-1</td>
</tr>
<tr>
<td>5</td>
<td>Stores brought by units/formations from concessional /field area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Centrally purchased stores</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Locally purchased stores</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Imported Sera and Vaccine supplied by the Director, Central Research Institute,</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Kasauli etc., either on payment or book debit
6. Imported Sera and Vaccine supplied free by the Director, Central Research Institute, Kasauli to Military hospitals. Quantity supplied by the Institute during two months as mentioned in the lists

7. Stores purchased in England or received from overseas stations (including stores delivered against C.I.F. contracts and paid for in sterling in London by High commissioner for India.) received periodically from the A.G., East Punjab.
   (i) Pairing of receipt vouchers with both the copies of the packing accounts cent percent.
   (ii) Linking of receipt vouchers into the ledger, etc., 33 ⅓percent.

8. Receipts of India Army Form in Command Stationery Depots. 33 ⅓percent, of vouchers a copy of which will be supplied to L.A.O. by Manager, Forms Store, Kolkata.

9. Linking of Issues Transfers outward 33 ⅓percent of ledger entries into transfer vouchers.

10. Stores taken away by units/formations to Field or Concessional Area Cent percent with reference to the proceedings of Survey Boards.

(C) Audit of
1. Final Receipts 33 ⅓percent (b)....................
   100% verification of credits to Government will be carried out in respect of payment issue of rations, as the other stores and loss statements not chargeable to State. statements

2. Final issues including issues on payment and quantities charged off on loss ------- Ditto. -------

3. Ward Diet Sheets (I.A.F.M-1282) of hospitals. Entries for 3 days (selected at random) in the month, the accounts of which are audited in details

4. Daily Diet and Extras Summary 10 days (selected at random) in the month,

RTC-KOLKATA
(I.A.F.M.-1266) Store-keepers Diet Record the accounts of which are audited in details (I.A.F.M.-1267) and monthly summaries of diets and extras (I A F.M.-1268).

### II Military Farms (including young Stock Forms)

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>(A)</td>
<td><strong>Verification of:-</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Castings.................................</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Closing Book Balance , , .................</td>
<td>Cent percent as in the case of Army units</td>
<td></td>
</tr>
<tr>
<td>(B)</td>
<td><strong>Linking of-</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Receipts (including purchases) and issue transactions on account of stores appearing in-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Cash Accounts.........................</td>
<td>33 ⅓ percent and in addition every voucher of Rs. 1000 or over in value in respect of stores purchased centrally or locally as in the case of Army units and formations vide item I (B) above</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Store Accounts : ................</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Miscellaneous Accounts ..................</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(C)</td>
<td><strong>Audit of final receipts and final issues of stores appearing in-</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Store Accounts .....................</td>
<td>33 ⅓ percent, in general as in the case of Army units and formations, vide item I(C) above except where a smaller percentage is rescribed in Chapter VII of this manual.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Miscellaneous Accounts except items 3 mentioned below</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

RTC-KOLKATA 62
3. Miscellaneous Accounts - Items -
   (i) Rent returns..............................
   (ii) Register of conservancy charges due from non-entitled persons.
   (iii) Register of electric charges due from non-entitled persons.

4. Annual Trading and Profit and Loss Account and the connected statements

5. Cash Accounts

6. Establishment Accounts

7. Daily Produce Accounts

   Cent per cent or percentage audit as laid down in Chapter VII of this manual.

III. Cantonment Funds Accounts

   All Accounts

   The accounts should be audited half-yearly.
   Detailed audit of one month's account in Six months or two months accounts in a year and a general scrutiny of the accounts of the remaining months as prescribed for the various accounts detailed in Chapter VIII of this manual.
GENERAL NOTES

The rules in this Appendix apply to all numerical Store accounts of Army units and formations except where stated otherwise in the Army Local Audit Manual or special orders issued on the subject. They do not supply to:

(a) the workshop Accounts of Ordnance Depots, etc.
(b) the accounts prepared annually or occasionally e.g., Annual Ammunition Accounts and Train Ration Returns.
(c) In the case of units moving within Indian limits, the Ration Returns for the months in which the move take place.
(d) In the case of units moving to or arriving from Concessional/Field area station, all the stores accounts for the last and first quarter respectively (including the month of departure and arrival).

Note 1: In cases (a) to (d) above, the linking of "transfer" transaction will, in General is, carried out to the extent of 33 ⅓ percent only.
Note 2: The accounts mentioned at items (b), (c) and (d) will be audited in hell.

ANNEXURE 1 TO APPENDIX `A'

A. RECEIPT VOUCHERS-CHECK OF

Typical possible methods of selecting 33 ⅓ percent of `E' vouchers or purchase vouchers for test-linking into consignees' ledgers and returns

Note 1: In this Appendix 'schedule' means I.A.EZ-2014 or only other suitable form in manuscript;

Note 2: `D' and E' copies of vouchers are described in Chapter If of this manual.

1. Select every third voucher on each schedule commencing from serial No. 1 or 2 or 3.
2. Select every alternate voucher commencing from any specified serial number of each schedule till you get the required number, viz., 1/3rd of the total number of items in the schedules, if necessary, (to get 1/3rd of the total) on reaching the end of the schedule, restart at the beginning.
3. Select the required number (1/3rd of the total) by taking all consecutive numbers commencing from a specified serial number of the schedule (and recommencing at the beginning again, if necessary, to complete the total number required).
4. Select the first 2 (or 3 or 4 or 5) items, omit the next 2 (or 3 or 4 or 5) then select the next 2 (or 3 or 4 or 5) and so on till you get the required number.
5. Select the first 2 (or 3), omit the next 4 (or 6), then take the next 2 (or 3) and so on.
6. Select 16 2/3 percent of the total number of vouchers according to method No. 1 above and the remaining 16 ⅔ per cent according to method No 2 above, etc.
7. As an exception to general rule, in the case of big vouchers containing a large number of items, as for example, "annual indents" of the hospitals on A.F.M.S. Depots, one-third of the "items" on each voucher will be selected for test linking.

**B. ISSUE ENTRIES**

The following method of selecting 33 ½% of ledger entries for test linking with `D' copies of vouchers will be adopted:

(i) A complete audit of all issue transactions for one month in a quarter will be carried out by the auditor and an intelligent scrutiny of the other two months' accounts by the L.A.O. and A.L.A.O. where the accounts are normally audited on a quarterly basis. When the accounts audited cover a period more than a quarter, the period of detailed audit should be proportionately chosen. In the case of store depots where the audit is conducted continuously on a monthly basis, a continuous period comprising 1/3 of the month will be selected for detailed audit.

(ii) Scrutiny of accounts not selected for detailed audit:-

While scrutinizing the accounts, particular consideration should be paid to the defects brought to light in 'detailed audit, if they are likely to have repercussion in other months' accounts. The scrutiny should, wherever possible, inter alia include a comparison of the total issues in the various months and where wide fluctuations in the issue are disclosed by such comparison, investigation should be made to ensure that the variations are satisfactorily accounted for.

(iii) with a view to securing greater degree of surprise, the selection of the month for full audit should be arbitrary and the same month should not be selected for all the different accounts. In other words, different months should be selected for different types of accounts such as rations, P.O.L., Clothing equipment, etc., so that the element of surprise is enhanced.

(iv) The selection referred to above is made personally by the L.A.O. And the selection order communicated to the A.L.A.O. in a sealed cover.

**Note:** In the case of issues the test linking must, in effect, proceed from the ledger-to voucher and not vice versa.

**C. GENERAL NOTES**

The vouchers to be test checked (both transfer vouchers and purchase vouchers) and the ledger entries should be selected personally by the L.A.O. immediately prior to the commencement of the test check and his selection orders should be recorded by him in clear terms. If, at the time local audit is due to commence, the L.A.O. is away from the station, he should intimate his selection by post to the Group Superintendent, in time to reach him the day before the commencing day of the audit. The Group Superintendent should keep these orders confidentially in his personal custody and not communicate them to any one, until the process of "linking" is actually taken up. A precise record of the particular vouchers, items or accounts selected and the method adopted for theirs election will be kept to enable any independent authority (like test audit) to identify and review every item selected by the Defence Accounts Department.
The method of selection should be arbitrary, so that the particular method cannot possibly be pre-supposed by the store keeping staff or by local audit staff. Occasionally, the same formula of selection may be adopted in two consecutive visits (or months).

**ANNEXURE 2 TO APPENDIX `A`**

Methods of selection of 33 $\frac{1}{3}$ percent of "Final Receipts" and "Final Issues" transactions to be audited a full.

Apply any suitable or convenient method (e.g.,) select:

(i) number of "items" in each month's account; or
(ii) one month's accounts out of three; or
(iii) one ledger account out of three.

**GENERAL NOTES**

The selection should be made personally by the L.A.O. and communicated confidentially to the Group Superintendent immediately prior to the commencement of the audit. A precise record of the particular items of accounts selected and the method adopted for their audit and test check will be kept to enable any independent authority (like "Test Audit") to identify and review every item selected by the Defence Accounts Department. If, at the time local audit is due to commence, the L.A.O. is away from the station, he should intimate his selection by post to the Group Superintendent, in time to reach him the day before the commencing day of the audit. The Group Superintendent should keep these orders confidentially in his personal custody and not communicate them to any one until the local audit is actually taken up.

In selecting portions of accounts for full audit, the selection should be completely free and arbitrary, so that the store-keepers, etc., cannot in any way forecast or calculate before hand, which particular portions are likely to be selected for full audit. Local Audit Officers should be particularly careful, if, when they have selected the portion, the excuse is made that the particular month selected is not quite ready and some other month's account is suggested instead.

**ANNEXURE 3 TO APPENDIX `A`**

In the case of Diet Returns of hospitals, examine in detail in the month the accounts of which are audited in full:

(a) "Entries in ward diet sheets" (I.A.F.M.-1282) for 3 days (selected at random) in the accounts of the month audited in detail will be checked, to see that:

(i) the totals are arithmetically correct;
(ii) the extras prescribed by the Medical Officer-in-charge are not in excess of the authorised scales; and
(iii) the totals of the different diets and extras have been correctly carried over to the Daily Diet and Extras Summary (I.A.EM.-1266).
(b) "Daily Diet and Extras Summary" (I.A.FM.-1266) for 10 days selected at random in the following respect: -

(i) Castings in "Daily Diet and Extras Summary" (I.A.FM.1266.)
(ii) Posting from "Daily Diet and Extras Summary" (I.A.RM.1266) into Store keeper's diet record (I.A.FM.-1267).
(iii) Casting in "Store-keeper's Diet Record" (I.A.FM.-1267).

(c) Finally a cent percent, check over the castings in the "Monthly Summaries of Diets" and in the "Monthly Summaries of Extras", (I.A.FM.-1268) should be carried out.

APPENDIX 'B'  
(Referred to in Para 99 of this manual)

1. **Local Audit Objections**: Objections and observations arising out of audit should be written up in ink concurrently with the progress of audit, so that they may be recorded at a time when they can be most clearly and readily stated. The nature of the items objected to and the reasons for objecting to the expenditure will be briefly described but the objection should, as far as possible, be fully descriptive so as ordinarily to obviate the necessity for any further reference to the vouchers or accounts concerned. It is not sufficient to quote the rule or the order violated; the actual or the possible effect of the deviation on the financial interest of Government should also be explained intelligently. All primary objection statements, which contain a proper (indisputable) statement of facts and a relevant reference to the applicable rules, will be signed by the A.L.A.O. Items of doubtful character will not be incorporated in the objection statement as a 'try on' but will be placed before the L.A.O. for orders before their issue and in a few cases, when necessary, incorporated in a supplementary objection statement. Original objections will be reviewed and replies thereto scrutinised by the L.A.O. whose action at that stage should be forceful and aim at finality. Repeated evasive and dilatory notes between the L.A.O. staff and the executive authorities will be avoided.

2. The under mentioned irregularities should be classified as "objections" and money values should also be given in respect of them.

(i) Unauthorized free issue of stores
(ii) Stores issued in excess of prescribed scales
(iii) Stores issued to a unit or formation for which credit are not traceable in the accounts.
(iv) Want of receipted copies of issue vouchers from the consignee units.
(v) Non-maintenance/improper maintenance of auditable documents.
(vii) Unauthorized use of Government transport.
(ix) Irregular use of Railway Warrants/credit notes, etc.
Note 1: Money values need not be shown in respect of objections to which money value cannot suitably or conveniently be assigned.

Note 2: For the purpose of the C.G.DA.'s monthly progress reports only those items are classified as "objections" and such of the items under "Audit Observations" (see infra) as disclose unsatisfactory features and need further action, are to be shown as outstanding.

3. Instructions, enquiries, etc., of the following nature or on the following subjects will be classified as "observations" and given in red-ink note. They will be entered after the "objections" and will be recorded separately under the heading "Audit observations". Money values involved need not be entered in the case of these "Observations". The following are examples of items which should be treated as "observations": -
   (i) A simple direction for future guidance or a call for a document, the absence of which is not likely to affect the admissibility of a charge.
   (ii) Delays in the submission of accounts or returns.
   (iii) Fictitious adjustments and manipulations in accounts unless an actual loss has occurred.
   (iv) Deviations from rules which are indicative of a disregard or evasion of rules but do not result in charges being incurred without proper sanction.
   (v) Errors in accounts, vouchers, etc., which do not indicate any deficit or surplus.
   (vi) Instructions and other remarks regarding the form of accounts, etc.
   (vii) Demands for information not received.
   (viii) Enquiries and remarks in respect of doubtful points.
   (ix) Remarks calling attentions to minor errors of procedure;
   (x) Want of vouchers.

   If, as the result of observations, any unusual or doubtful feature regarding an item is brought to light or the information or document considered essential for admitting an item finally in audit is not forthcoming, such an item should then be treated as an "objection" and thereafter dealt with accordingly. Similarly, 'office notes' remaining unsettled until the next visit should be embodied in the objection statement as objections or observations as the case may be. They should, in no case, be left as 'office notes' thereafter.

4. Objections statements on the store accounts of Ordnance depots, Supply and Store Depots and M.T. Units should be divided into separate sections each relating to a particular group or section of the formation. The complete objection statement for the Ordnance or Store Depot, etc., as a whole must, however, be sent to the C.O.O. Or O.C. and be returned under his signature; but the replies to the items included in the various sections may be signed by the officer-in-charge of the group (s) or section (s) of the Ordnance or Store Depot, etc.

5. Great care and tact should be exercised in the wording of the objections and in the subsequent correspondence with the executive and administrative authorities. Objections and observations should be couched in language, which is courteous and
impersonal, so that no offence may be taken. The objection should be closely scrutinized by the Group Superintendent and reviewed by the L.A.O.

6. The local auditor will raise all objections and the L.A.O. will exercise his powers of waiving them, where appropriate. The L.A.O. will, however, keep vigilant eye on trivial and trifling objections and will ensure that the irregularities they waive are not of such a nature as would lead to fraud and misappropriation, etc. If such irregularities still persist in any unit, the matter will be reported to the EC.D.A. /C.D.A. through Major Financial & Accounting Irregularities Report.

Note: Items of financial advice will not be included in the objection statement but reported to the PCDAX.D.A. A separate record will be kept of all items of financial advice tendered.

7. The office copy of the objection statement of rough notes (in which all objections and observations made during the course of audit should be recorded in ink) should be shown to the O.C. the unit or formation concerned and the various items contained therein discussed either with him or with an officer detailed by him for the purpose. Every endeavor should be made to settle on the spot as many items as possible and the items settled on the spot should be marked in the objection statement as such, the reasons for the settlement being recorded therein. The signature of the O.C. or the officer detailed by him in token of his having agreed to the reasons recorded therein for dropping an objection or observation should be taken at the foot of the objection statement. Unsettled objections will then be fair copied in the objection statement. (I.A.F.A.-568) which will be issued to the O.C. within a week of the completion of audit further remarks will be dealt with on I.A.F.A.-526. The despatch of the objection statement will be recorded in I.A.F.A.-579. A time limit should be given for replies to the objection depending on the size and nature of the objection statements. The maximum time limit allowed should not in any event exceed one month. If no satisfactory reply is received even after issue of timely reminders, the L.A.O's should not hesitate to bring the matter to the notice of the Sub-Area authorities to ensure quick replies.

Note 1: In respect of objections of a very important nature or those involving a financial irregularity oil the part of the unit etc., a special report should be sent by the L.A.O. to his P.CD.A./C.D.A./Assistant Accounts Officers/Section officers (Accounts) are empowered to settle objections waived by them under the delegated powers as also other objections of routine nature such as:

(i) Non-verification of credit of stores.
(ii) Awaited receipted copies of vouchers.
(iii) Overdrawal of rations.
(iv) non -production of D.O. Part 11/vouchers/documents etc., based oil verification of factual data, while settling the objections of above nature AAO/S.O. (A) should be personally satisfied that the point of objection has been suitably answered, audit requirement has been fully completed and there is no defect or lacuna in the system and procedure. He should record the reasons for the settlement of an item in the office copy of settlement
memo. However, objections personally raised by the LAOs shall not be settled by AAOs/S.O.s (A). The LAO may also specifically take out any particular objection observations in a unit/formation out of AAOs/SOs (A) jurisdiction if considered necessary.

**Note 2:** Audit of accounts...... (Name of the accounts and unit/units) has been conducted for the period..... and there are no objections/observations.

8. When an objection once raised has been withdrawn (after the despatch of the objection statement) either on reconsideration or in the light of information which was not available previously the O.C., to whom the objection statement was originally addressed, should be informed forthwith, either separately or through the re-audit decision.

9. In respect of units to which A.A.Os (GE) are attached, the office copy of the objection statement will also be shown to the A.A.O.G.E. to enable him to watch after receipt of the objection statement by the unit that there is no avoidable delay on the part of the regiment authorities in replying to the objection statement. If required the A.A.O.G.E. will render advice to the unit authorities to enable them to deal with the objections quickly but he is in no case to take upon himself the duty of replying to of clearing objections. This responsibility rests solely with the unit authorities. The objection statement duly replied to will be returned by the unit to the L.A.O. through the A.A.O.G.E. who will verify the adjustments, etc., made as a result of the objections and will pass on the objection statement to the L.A.O. with his remarks regarding the verifications made by him. Items in the objection statement regarding adjustments, etc., made by the unit which has been verified by the A.A.O.G.E. will not be considered as finally settled until the verification of adjustments, etc., has been made by the Local Audit Staff.

10. No objection or audit observation will be considered to have been finally settled unless it has been adjusted, satisfactorily explained, or specifically withdrawn.

11. The office copies of the finally settled objection statements together with the Local Audit Officer's or Group Superintendent's note of objection settled on the spot and the linked vouchers will be recorded separately in different jackets.

12. The office copies of the finally settled objection statement over a year old and all records beyond the immediate needs of the L.A.O.'s/ALAO should be listed out in a register of records I.A.F. (CDA)-244 and kept in safe custody. On the expiry of period fixed for the retention, these would be disposed of in accordance with the provisions of paras 521 to 524 Office Manual Part 1 (1979 Edition).
## APPENDIX `C'

(Referred to in Para 27 of this manual)
(List of Reports and Returns due to Local Audit Officers and ALAO)

<table>
<thead>
<tr>
<th>SI. No.</th>
<th>Name of Return</th>
<th>From whom due</th>
<th>Authority</th>
<th>Due to each L.A.O's Office</th>
<th>Form on which to be submitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. (a)</td>
<td>Skeleton List of (a) Ordnance and Store Depots</td>
<td>(a) Ordnance and Store Depots</td>
<td>Chapter II, Army Local Audit Manual, Part I</td>
<td>(a) Ist of the following month</td>
<td>I.A.F.0-1374</td>
</tr>
<tr>
<td></td>
<td>Detailed Vouchers (b) Supply Depots</td>
<td>Ditto</td>
<td>Ditto</td>
<td>(b) 3rd day after the close of the decade</td>
<td>Manuscript Form</td>
</tr>
<tr>
<td>2. (a)</td>
<td>Certificates of linked vouchers A. A. 0.</td>
<td>Ditto</td>
<td>Ditto</td>
<td>20th of each month</td>
<td>Manuscript</td>
</tr>
<tr>
<td>(b)</td>
<td>List of outstanding receipt vouchers for which copies of corresponding issue vouchers have not been received within four month of the receipt of stores from the consignor's L. A. O.</td>
<td>Ditto</td>
<td>Ditto</td>
<td>I. A. F.(CDA)-628</td>
<td></td>
</tr>
</tbody>
</table>
List of Reports and Returns due from Local Audit Officers and A.L.A.O. to the Principal Controller/Controller of Defence Accounts

<table>
<thead>
<tr>
<th>SI. No.</th>
<th>Name of Return</th>
<th>Authority</th>
<th>Date of Submission to P.C.D.A./C.D.A.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Monthly progress report</td>
<td>C. G. D. A's No. 9928/A. N. dt. 5-9-58.</td>
<td>5th of every month.</td>
</tr>
<tr>
<td>2</td>
<td>Schedules of payment issues I.A.F. (CDA)-615 when pricing is done by a party other than the P. C. D.A. /C. D.A.</td>
<td>M.A. G's No. 6362-AT/D dated 10th January 1940.</td>
<td>10th of each month.</td>
</tr>
<tr>
<td>3</td>
<td>Certificate of review of orders</td>
<td>M.A. G's No. 3825-AT/C, 250. dated 13th June, 1935</td>
<td>14th of each month</td>
</tr>
</tbody>
</table>

**Monthly**

**Quarterly**

<table>
<thead>
<tr>
<th>SI. No.</th>
<th>Name of Return</th>
<th>Authority</th>
<th>Date of Submission to P.C.D.A./C.D.A.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Programme of Local Audit</td>
<td>Para, 150. O.M. Part II Vol I, and Para 10, Chapter 1, Army Local Audit Manual, Part I Volume I.</td>
<td>20th of the second month of the preceding quarter.</td>
</tr>
<tr>
<td>2</td>
<td>Extra expenditure incurred in connection with aid of civil power.</td>
<td>C.G.D A. No. A/8604 dated 18-6-46.</td>
<td>15th of the month following the quarter.</td>
</tr>
<tr>
<td>3</td>
<td>Returns showing the book value of surplus, condemned or obsolete, A.S.C. stores disposed of by sale or otherwise.</td>
<td>C.G.D A. No. 9025/AT-S dated 6-12-43.</td>
<td>15th of the month following the quarter.</td>
</tr>
<tr>
<td>4</td>
<td>Financial Advice Report</td>
<td>C. G. D. A. No. 3071/AT-III, dated 7-4-1954</td>
<td>1st April, July, October, January</td>
</tr>
</tbody>
</table>
5. List of units or formations, the local audit of whose store accounts was in arrears at the end of 30th September/30th April each year. C.G.D.A's No. 12014/AT-Report dated 16-5-58. 15th July, 15th October, 15th January, 30th April,

6. (a) Details of important cash losses exceeding Rs. 2,500 in each case due to theft, fraud or neglect sanctioned by authorities lower than the Government of India, C.G.D.A's. 12014/AT-Reports dated 16-5-58.

(b) Details of important stores losses exceeding Rs. 5,000 in each case due to theft, fraud or neglect and exceeding Rs. 15,000 in each case due to other canes.


10th July, October, January & April each year for the quarter ending June, September, December and March respectively.

**Half-yearly**

1. Information concerning local audit for the preparation of the half-yearly report on the administration of Controllers, offices. M.A.G.'s No. 160-AN/E, dated 2nd August 1938 10th April and 10th October.

**Annually**


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<tbody>
<tr>
<td>3.</td>
<td>(a) Statement showing details of &quot;losses of stores&quot; in Army supply and store Depots (including Quasi-commercial concerns and manufacturing establishment) and of Rs. 500 and over in consuming units, written off during the year.</td>
</tr>
<tr>
<td></td>
<td>(b) Statement showing details of cash losses written off by authorities lower than the Government of India.</td>
</tr>
<tr>
<td>4.</td>
<td>Report on the check of the office copies of returns showing casualties of animals rendered by units to Area or Command Headquarters for inclusion in the Appropriation Accounts.</td>
</tr>
<tr>
<td>5.</td>
<td>Annual audit certificate on the accounts of Army</td>
</tr>
<tr>
<td>6.</td>
<td>List of Fixed dead stock on charge</td>
</tr>
<tr>
<td>7.</td>
<td>Lists of books in the possession of L.A.Os including ALOs and Station Auditors.</td>
</tr>
</tbody>
</table>

### REMARKS

1. A.A.O./S.O.(A) will submit the Reports and Returns to their L.A.O., who will send a consolidated report for his area to the P.C.D.A./C.D.A. the dates on which the Reports and returns should be sent to the L.A.O. will be arranged locally.
2. The weekly progress of periodical report or other returns may at the discretion of the P.C.D.A./C.D.A., be sent direct to the Main office by A.A.O./S.O. (A) who will send at the same time a copy to the L.A.O. concerned.
3. P.C.D.A./C.D.A. may also require their L.A.0s. to render to the Main office at shorter intervals than yearly any statements shown under the heading "annually" as are due to the C.G.D.A. once a year, e.g., item 3.
4. In addition to the Reports and Returns mentioned above, A.A.O./S.O. (A) will prepare weekly outstanding lists of letters. These will be inspected by the L.A.O. during these periodical visits.
APPENDIX 'D'
(Referred to in para 27 of this manual)

List of register etc., to be maintained by Local Audit Officers, including SOs (A)/AAOs and Station Auditors.

REGISTERS

1. Attendance Register
2. Inward register of important letters
3. Register of secret and confidential documents.
4. Despatch register with postage account
5. Register of specimen initials of AAOs/SoS (A) and clerks attached to units and formations and in the Local Audit Group.
6. Casual Leave register
7. Master Note Book
8. Instructional Order Book
9. Review Register
10. Register of Objection Statements (Audit Progress Register).
11. Register of 'Losses of Stores' which are required to be published in Appropriation Accounts of the Defence Services [I.A.F. (C.D.A.) 341].
12. Register for maintaining list of D&E copies of vouchers not received from Store Depots for scheduling in local audit.
13. Register of Financial Advice
14. Register of Records, [I.A.F. (CDA)-244].
15. Register of Stationery (S.-41)
16. Register of Identity Cards
17. Register showing items for inclusion in the Annual Audit Certificate.
19. Register showing details of units included in the MFAI report.
20. Register showing sanction accorded by authorities lower than the Government of India.
21. Register of I.O.F. W.P.F. Account numbers
22. Demand Register
23. Register for watching I.D. transactions between Navy and Air Force.
24. Cash Book
25. Telephone Trunk Call Register.

For fly leaf instructions see O.M. Part II (vol. II).

LISTS

1. Detailed list of accounts, etc., of each unit or formation to be audited,
2. List of Books of Regulations on charge.
3. List of dead stock articles.
4. List of Reports and Returns "due in" and "due out".
5. Visual chart for watching progress of local audit.
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(Referred to in para 27 of this manual)

List of register etc., to be maintained by Local Audit Officers, including SOs (A)/AAOs and Station Auditors.

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21. Register of I.O.F.W.P.F. Account numbers
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Fly leaf instructions given at the end.
For fly leaf instructions see O.M. Part II (vol. II).

LISTS

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5. Visual chart for watching progress of local audit.

APPENDIX `E'
(Referred to in para 27 of this manual)

List of books of regulations that are ordinarily required for use by Local Audit Officers'/AAOs/SoS (A). Resident and stationery Local Audit Staff and Station Auditors in connection with local audit work.

I GENERAL

1. Regulations for the Army in India (Rules)
2. Regulations for the Army in India (Instructions)
4. Financial Regulations, Part II.
6. Scales of Rations and Supplies issued by the A.S.C. ("S R.S.").
7. Medical Services Regulations, India.
8. Tentage Regulations, India
9. Barrack and Hospital Schedules (India) (according to the Arms of Service in the Local Audit Area).
10. Regulations for the Equipment of the Army in India part I (including appendices).
11. Peace Establishment (India) volumes I, II and III (according to the Arms of Service in the Local Audit Area).
12. Clothing Regulations, India.
14. Priced Vocabulary of Clothing and Necessaries, India.
15. Store Accounting Instruction (S.A.I.)
16. Defence Audit Code, Volume I & II.
17. Mechanical Vehicle Regulations, India.
18. Equipment Regulations, India, part II (various sections according to the Arms of Service in the Audit Area).
19. Army Local Audit Manual, Parts I and II.
21. Defence Accounts Department, Office Manual Part II.

II. Additional Books if M.E.S. audit is conducted by the group superintendent or station auditors.

1. Regulations for the M.E.S.
2. M.E.S. Local Audit Manual.
4. Barrack Synopsis, India with appendices.
5. Command Schedule of M.E.S. Rates.
III. Additional Books required if the units or formations noted against each are located in the audit area of the group superintendents or station auditors.

1. A.O.C. regulations, (if Ordnance Clothing Depots etc., are located in the audit area).
2. Provision Instructions A.O.C. (if Ordnance Clothing Depots, etc., are located in the audit area).
3. I.TF Regulations (if I.TF units are located in the audit areas.)
4. Veterinary Regulations India (if Veterinary Hospitals are located in the audit area).
5. Priced Vocabularies of Ordnance Stores (for Local Audit Staff employed on Residential Local Audit in Ordnance Depots).
6. Priced Vocabularies of Medical Stores for the Depot concerned as prepared locally by the D.A.D.G.A.FM.S.
7. Medical Store Depot Manual (for Local Audit Staff employed on Local Audit of Medical Store Depots).
8. Standing Orders Military Farms Department (for Local Audit Staff dealing with Dairy Farms).
10. Remount Regulations, India and Remount Depot Standing Orders (for Local Audit Staff dealing with Remount Depots and District Remount Officers).

IV Additional books for Local Audit Officer's use in connection with inspection work

2. Regimental Accounts of Indian unit.
3. Regimental Standing Orders, A.S.C.
5. Instructions relating to the procedure of work in the Accounts Section of units and formations.
The list is not exhaustive and may be increased or decreased by P.Cs.D.A./Cs.D.A according to actual requirements.

APPENDIX `F'

(Referred to in Para 21 of this Manual)
Detailed Instructions for the preparation of Annual Audit Certificate

While preparing the Annual Audit Certificate the following instructions and the contents of the various circulars on the subject issued by the PC.D.A./C.D.A. and the C.G.D.A. will be kept in view:

(i) Certificate proper

(a) The certificate proper should, as far as possible, be rendered in the form in which it has been printed in the Appropriation Accounts. Any other particulars considered necessary for communication to the PC.D.A./C.D.A. should be furnished in the form of notes in the margin or separately by inclusion in the memo forwarding the certificate.

(b) If an unqualified certificate cannot be given, it should be qualified on broad lines. The qualifications should be substantiated by citing important cases so as to make the certificate self-contained and comprehensive. Specific instances in support of the qualification should also be given separately.

(c) The relative position as compared with the immediate preceding years in regard to certain features such as state of accounts, position of stock verification, outstanding on account of payment issues, outstanding issue vouchers for audit, non linking of "E" copies of vouchers, etc., should be brought out in the certificate proper and should invariably be supported by details which should be separately furnished, so as to give an idea at a glance of the extent of improvement or deterioration noticed.

(d) A separate Para in respect of, the accounts of Special Grants-in-Aid made to Cantonment Boards will be included in the Annual Audit Certificate on the lines indicated in Chapter VIII "on the accounts of Cantonment Funds".

(ii) Statement of items awaiting Government sanction

(a) This statement should include only those items which require Government sanction and not those which can be dealt under orders of the lower authorities. It will be in two parts:

1. Statement showing items of expenditure incurred in the accounts of the year to which the audit certificate relates in respect of which Government sanction is awaited. If the unauthorized expenditure continued even in the subsequent year/years for which an audit certificate has not yet been rendered, the entire period to which the expenditure
relates and the total amount involved (including that for the previous year/years) will be shown in this statement.

2. Statement showing items of expenditure incurred during previous years in respect of which the required certificate cannot be given for want of Government sanction.

   (a) Items of losses of stores, building etc., which require the sanction of the Government of India and which ultimately, find a place (after sanction by the C.F.A.) in the statement of losses will not be included in these statements. Transactions which normally require the sanction of the Government of India, prior to their occurrence, viz., items involving extra/irregular expenditure, transactions like unauthorized free conveyance, extra issue of rations, stores, etc., will, however, be included therein.

   (b) Only items of expenditure of Rs.50,000% and above placed under objection for want of the sanction of Government, of India will be included in the statements.

   (c) Cases in which ex-post-facto sanction of the Government has been refused will be included in the body of the certificate proper and not in these statements.

   (d) The circumstances in which the payment was made or expenditure incurred without obtaining Government sanction will be clearly stated in the statements. In cases where full particulars are not available at the time of rendition of the certificate, it should be indicated in the remarks column against the item that they are being obtained and will be furnished later.

(iii) Units whose accounts could not be audited

   The following particulars in respect of such units will be furnished: -
   (a) name of units/formations
   (b) period of accounts
   (c) reasons for non-auditing the accounts
   (d) whether the accounts have since been audited.

(iv) List of more important cases in which consignees of Defence Services Stores should not in practice link the items actually received against particular consignments notified as having been despatched to them and wherein it could not also be verified in audit that the stores were satisfactorily brought to account by the consignees :

   The list will be prepared under the following headings: -
   (a) Name of consignee unit/formation.
   (b) Name of consignor unit/formation.
   (c) Number and date of issue voucher of consignor.
   (d) Details of stores (quantity etc.) included in the issue voucher.
   (e) Details of stores brought on charge by the consignee.
   (f) Details of stores not linked or not brought on charge in full or in part.
   (g) Approximate value of stores mentioned at item
   (f)
   (h) The reasons for failure to such linking such as non-receipt of consignor’s vouchers or wrong identification of stores.
(i) The difficulties, if any, experienced by the authorities at the consignee's end to carry out the linking and the remedial measures considered necessary.

Note: - In addition to the above mentioned particulars regarding more important cases the total number of unlinked vouchers will also be mentioned in the list.

(v) (a) Non production, (b) Non-maintenance, and (c) improper maintenance of accounts:

Particulars in respect of the above will be mentioned under the following headings

(a) Non-production of accounts
1. Name of unit/formation.
2. Name of account and period for which accounts were not produced.

(b) Non-maintenance of accounts
1. Name of unit/formation.
2. Period of account.
3. Name of particular account not maintained.
4. Latest position in each case-whether subsequently maintained, if so, from which date.
5. Comparative position, viz., number of units and accounts affected last year should also be shown.

(c) Improper maintenance of accounts
1. Name of unit/formation.
2. Period of account.
3. Name of particular account not maintained properly.
4. Particulars in respect of which account was unsatisfactory.
5. Latest position in each case stating whether subsequently set right.
6. Comparative position in regard to previous year should also be shown in the certificate.

(vi) Stock Verification

A self contained explanatory note giving the generals position and results of stock verification carried out during the year will be submitted in the form of a note to the annual audit certificate. The "Stock Verification note" will be in two parts, one in respect of Army units/formations and the other for M.E.S. and substantiated by factual data on the following points: -

(a) Name of units/formations in which stock verification was either not conducted at all or was incomplete.
(b) Whether the results of stock-taking revealed a satisfactory state of affairs or unsatisfactory.
(c) Whether the discrepancies between ground and book balance were considerable and it so, their extent and value.
Note: A copy of the note will be endorsed to the Os.C. of all the units and formations the stock verification of which has been commented upon, so that the Os.C may have any opportunity to challenge, if they do not agree with any facts/remarks made therein.

(vii) Unauthorised use of Government transport

A statement showing specific instances of unauthorized use of Government transport under the following headings will be submitted along with the annual audit certificate;

(a) Name of unit/formation.
(b) Details of transport used unauthorised.
(c) Period of use.
(d) Type of vehicle used.
(e) Mileage runs.
(f) Purpose-for which used.
(g) Action taken for regularization.

(viii) Items of outstanding payment issues for which debits could not be raised against State Departments for want of receipted copies of vouchers

The approximate number and value of vouchers outstanding for raising debits against each category, viz., Civil, M.E.S., Air Force, etc., will be furnished as an Annexure to the annual audit certificate. Information regarding the action taken to obtain the wanting vouchers and number of items cleared so far with monetary value in each case will be mentioned therein.

APPENDIX ‘G’
(Referred to in Note below Para 11)

List of Accounts, Subsidiary Documents and Ancillary Records Maintained by Units/Formations which are to the Audited or seen in Course of Local Audit.

Index

TYPES OF FORMATIONS
1. Consuming Units,
2. Supply Depots/Supply Points,
3. Petroleum Depot,
4. Remount Depot,
5. A. O. C. Depot,
6. Research & Development Establishments,
7. Inspection Organisations,
8. Station Workshops EME,
9. Engineer Stores Depot,
10. Training Centers,
11. Military Hospitals,
12. Vet. Hospital,
13. Military Dental Centers,
14. Station Health Organisation,
15. Family Welfare Centers,
16. Military Farms,
17. Cantonment Boards,
18. Recruiting Offices,
19. Transit Camps,
20. T.A. Units,
21. N.C.C. Units,
22. Station Headquarters/Station Transport Office,
23. Embarkation Headquarters,
24. Military School,

**Note:** Medical Depots: List of auditable documents at Annexure A' of Section 3 to Chapter IV.

### 1. CONSUMING UNITS

**Ration Accounts**

1. Ration & Forage Return (IAFS-1519),
2. Ration Strength Statement (IAFZ-3033),
3. Ration Payment Register (ASC articles),
4. Ration Entitlement Register (payment issues),
5. Cash Memo Register,
6. Cash Memos,
7. Acknowledgements for TRs received from P.C.D.A./C.D.A.

**Clothing equipment and other accounts maintained by OM**

1. Units equipment Ledgers,
2. Public Clothing Ledger (serviceable),
3. Public Clothing Ledger (in use),
4. Public Clothing (Fire fighting personnel) (if any),
5. Personal Clothing Ledger,
6. E.I. Clothing Ledger,
7. Special item of water/snow clothing and equipments,
8. Officers payment Clothing Ledger,
9. Officers Camp Kit Ledger,
10. Repair book-Boot maker,
11. Repair book-Tailor,
12. Dhobi book,
13. Condemnation Board Proceedings/Survey boards/KDCs kit inventories,
14. Reconciliation Register-Public Clothing (C.Bs),
15. Reconciliation Register Personal Clothing,
16. Salvage store ledger/Retention store ledger,
17. Station Stores Ledger,
18. Fire Fighting/ledger/equipment,
19. Ammunition and explosive ledger,
20. Arms and weapons ledger,
21. Tentage ledger,
22. Loan stores ledger,
23. Register of losses,
24. Gift stores ledger,
25. Medical stores ledgers (M.I. Rooms);
   (i) Expendable stores, (ii) Non-Expendable stores,
26. Controlled Stores ledger (if held),
27. Bicycle. Ledger and log books,
28. War Trophy ledger (if held),
29. Register of animals (where applicable),
30. Anti-malaria equipment and stores ledger,
31. Hygiene & chemical ledger,
32. Hot & cold weather appliances ledger,
33. Packing material ledger,
34. Conservancy stores ledger,
35. Expendable stores ledger,
36. Field practice and training grant ledger (where applicable),
37. Amenity stores ledgers,
38. Education Training Grant ledgers,
39. Annual Training Grant ledgers,
40. Literature grant ledger,
41. Incidental & Miscellaneous Grant ledger,
42. Vocational Grant ledger (if held),
43. Office equipment and Dead Stock Register,
44. Stationery register (local purchase),
45. Register of books and forms,
46. Road/Rail warrants & Military Credit notes,
47. Service Book Register of civilians,
48. Register of liveries
49. Register of overtime Allowance,
50. Register of compulsory deposit accounts ledgers,
51. Maps Control ledger (if held),
52. Deserters ledger,
53. Telephone Trunk Call register,
54. Issue vouchers control register,
55. Receipt vouchers control register,
56. Land Register,
57. Register of Usufructs.

**M. T. Accounts.**

1. Unit vehicle register,
2. POL stock register,
3. POL payment register and cash memos,
4. POL entitlement register,
5. Amenity Transport ledger (free and payment),
6. Mileage cards for all vehicles,
7. Car diaries for all vehicles,
8. Vehicle log books (for reference AI 167/70),
9. Packing material (POL, stores),
10. Expendable stores ledger (MT stores),
11. MT spare parts ledgers,
12. Kit and Tools ledgers,
13. EDRA for charging sets and other static engines,
14. Register for use of Government vehicles after office hours,
15. Hired transport ledger,
16. Register for used and waste oil,
17. POL indents/requisitions,
18. Register of tractor Fire pumps (if held),
19. VDRA Tractor Fire pumps (if held).

**Supply Depots/Supply Points**

1. Central ledgers,
   (a) Basic, (b) Necessary, (c) Fresh supplies, (d) Grain, (e) Fodder, (f) Fuel, (g) Hospital (excluding medical comforts), (h) Packing Material, (i) Petrol oil and lubricants, (1) Hygiene chemicals, (k) Inspection register (medical comforts), (l) Miscellaneous,

2. Variety percentage register,
3. Distribution registers and invoices (IAFS-1555),
4. Daily Balance statement,
5. Register of supply orders,
6. Register of Depot contingencies,
7. Depot contingent return,
8. Labour Attendance register, Distribution register and Maundage register,
9. Register of Railway claims,
10. Register of losses/Register of Transit losses,
11. Book debit payment issue register,
12. Stock verification register,
13. Monthly statement of POL on replacement register,
14. Indent control register,
15. Register of hired labour,
16. Butchery Accounts,
17. Skin Account,
18. Bakery Accounts,
19. Bread Account,
20. Winter stock register,
21. Discrepancy in register,
22. Register of risk and expenses,
23. Train ration return (where applicable),
24. Variety cum inspection register,
25. Supply coys.

*Rations, clothing and equipment and MT accounts-
Documents as per consuming units*

**Petroleum Depot**

1. Central ledgers (of various groups including packing material),
2. POL Requisitions,
3. Issue orders/vouchers,
4. Daily Balance statement,
5. Daily stock report of MT/Aviation Gasoline,
6. Daily summary of POL,
7. Register of stores losses,
8. Register of Transit losses,
9. Stock verification list,
10. Depot contingent Return (monthly),
11. Register of Depot contingency,
12. Attendance Register (Labour),
13. Labour distribution register,
14. Maundage register,
15. Loan register,
16. Register of Railway claims,
17. Register showing quantity of POL returned to Trade and its replacement,
18. E.D.R.A. (Air Compressor if held),
19. Register of stock received/despatch by road/rail,
20. Dunnage ledger.

*Ration Accounts-as per consuming Units
MT accounts-as per consuming Units
Clothing and equipment ledgers-as per consuming Units*

**Remount depot**

*Farm Account*

1. Ledger of Bullocks,
2. Seeds ledger,
3. Farm's account,
4. Local purchase expendable and non expendable 'ledger,
5. Tree Register,
6. Dry & Green fodder ledger,
7. Loan ledger,
8. Lease ledger.
**Live Stock Section**
1. Register of MA Mules,
2. Register of GS Mules,
3. Register of Horses,
4. Register of young stock Horse/Mules.

**Main office**
1. Register of Books and Forms,
2. Railway warrants and G. Notes,
3. Workshop Accounts-QM,
4. List of Articles made in workshop,
5. Register of losses,
6. Service Books Civilians,
7. CDS Accounts

**Vet. Section**
1. Medical Non-expendable ledgers,
2. Medical expendable ledgers.

**Cash Account**
1. Cash book public Impress & Assignment,
2. Receipt and payment vouchers,
3. Cheque book and cheque slips,
4. Annual Returns,
5. Stamp Account,

**Q. M. Branch**
1. Ordnance Equipment Ledgers,
2. Ordnance Stores Ledgers,
3. ASC Stores Ledgers,
4. Ordnance P.M. Ledger,
5. ASC P.M. Ledger,
6. Public Clothing Ledger New & PWS,
7. Special Clothing Ledger,
8. El Clothing Ledger,
9. Ammunition ledger,
10. Army ledger,
11. Amenity ledger,
12. Office equipment ledger,
13. ETG ledger non-expendable,
14. Station store ledger,
15. Personal Clothing Ledger,
16. Loan ledger A"I" cards,
17. Reconciliation register (Public & personal Clothing),
18. Officers Clothing Payment ledger, 
19. Ration & forage returns, 
20. Ration accounts IAFZ-3033, 
21. Payment issue register (rations), 
22. Grain stock ledger, 
23. Loan ledger Tentage, 
24. Salvage ledger, 
25. ETG Expandable (RD school) ledger, 
26. ATG Expandable Non expendable ledger, 
27. Local purchase pon expendable ledger, 
28. Local purchase expendable ledger, 
29. Grant-in-aid dead stock ledger, 
30. Loan Tentage ledger, 
31. Entitlement registers ASC Articles, 
32. Hot weather Establishment Ledger, 
33. Annual occupation return, 
34. Stock verification, 
35. Register of losses and Railway claims. 

**MT SECTION**
Documents as per consuming units.

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**Ordnance Depots Including Vehicle Depots,**
**Ammunition Depots and FODs**

1. Ration Accounts, clothing and equipment ledgers and M.T. Accounts of Military Establishment-as per consuming units. 
2. Accounts cards ledgers. 
(MT stock summary and vehicle-registers in respect of vehicle Depot) and their indices for items held in stock by the depots. 
Separate set of account cards/ledgers to be maintained for various types of stocks vide Paras 17, 18 and 25 SAI. 
3. Receipt control register, 
4. Issue control register, 
5. CRV control register, 
6. CIV/Expense control register, 
7. Adjustment voucher control register, 
8. Stock-taking, sheets, 
9. Registers of losses: -store losses, cash losses, transit losses, stock taking losses 
10. Register of surpluses, 
11. Register of Railway claims, 
12. A-in-U Monetary allotment register,
13. A-in-U Non expendable stores ledgers,
15. Packing Material ledger,
16. Discrepancy reports register (IN),
17. Loan issue register,
18. Loan sample register,
19. Payment issues register,
20. Hire issue register,
21. POL accounts in sub depots for vehicles/static plants/fire tenders,
22. Timber sawing register showing record of scrap wood and saw dust,
23. Payment issue scrap wood and saw dust,
24. Milk Accounts register (for painters).

**E.S.G./M.S.D.**
1. Expendable store ledgers,
2. Non-expendable store ledger,
3. A-in-U monetary, allotment register,
4. Loan register,
5. Payment issue registers.

**Traffic**
1. M.C. Notes register,
2. Wagon register,
3. Railway shunting register,

**Workshop**
1. Expendable ledger,
2. Work order register,
3. Payment work order register.

**R.S.S.D. and Salvage sub-Depots**
1. Account cards and indices,
2. Conditioning forms,
3. Work orders, job cards & completion reports,
4. A-in-U/Expendable stores,
5. Stock-taking sheets,

*Vehicle Depots (Additional): Please see list attached.*
*Ammunition Depots (Additional): Please see list attached.*

**Check Rolls**
1. Monthly check rolls/supply check rolls,
2. Absentee payment register,
3. Gate passes,
4. Leave cards,
5. Muster in/out forms,
6. D.O. Part II,
7. Demand registers,
8. Schedules of recovery of Advances/GP Fund etc,
9. Service documents,
10. Temporary labour bills,
11. C.D.S. ledgers.

**E.D.P. Section (in COD Delhi Cantonment only)**
1. DOS EP special forms,
2. Special forms and stationery ledgers,
3. Technical books ledgers,
4. Special stationery ledgers,
5. Office equipment and furniture locally purchased by EDP,
6. Technical equipment ledgers.

**Vehicle depot**
1. Vehicle registers and vehicle stock summary with Index,
2. Disposal progress register,
3. Sale progress register,
4. Register of adjustment in respect of stores sent to IAB,
5. Register for No. 2 copies of Issue vouchers,
6. Loan issue progress register,
7. Issue register for chassis sent to Base workshop for Body Building,
8. Progress register by payment by book debit,
9. Receipt control register (Un-serviceable vehicle),
10. Disposal progress register (Un-serviceable vehicle),
11. Battery stores ledger,
12. Expendable ledger,
13. Packing material.

**AMMUNITION DEPOT**
1. Ammunition ledgers (control),
2. Secret ledgers (control),
3. Payment issue registers (control),
4. Loan issue registers (control),
5. Proof/Test registers (control),
6. Receipt and issue control registers,
7. Explosive registers (ATA),
8. Non explosive ledger (ATA),
9. Empty's ledger (NES),
10. Non-expendable ledger A-in-U,
11. Expendable ledgers A-in-U Monetary allotment register,
12. Register of work order,
13. Loan issue register,
14. Expendable ledger (NES),
15. Account/Cards (NES),
16. Register for recovery of hire charges,
17. Issue and ordnance stores of War System of Accounting,
18. Loan sample issue register,
19. Salvage ledger,
20. Ammunition repair ledger.

Research and Development Establishment

Main Office
1. Register of Books and Forms,
2. Railway Warrants & Military credit notes,
3. Trunk call Register,
4. Register of service book-civilians,
5. Service Book/Leave account,

Technical
1. Non expendable store ledger,
2. Expendable stores ledger,
3. Register of Losses,
4. Advance payment of subscription register (new papers),
5. Advance payment of subscription register (periodical),
6. Register of losses,
7. Technical Manuals ledgers,
8. Register for ISS/BSS/ICE specifications,
9. Register for miscellaneous specifications.
10. Register for patent specifications,
11. Ordnance ledger,
12. Register for liveries,
13. Scientific stores/Equipment ledger,
14. Sample register,
15. Expendable stores (various types) register,
16. Foreign stores,
17. First aid appliances,
18. Valuable and attractive items,
19. Office Equipments,
20. Hot weather stores,
21. Scrap Materials,
22. Loan ledger,
23. Loan Receipt control register,
24. Loan issue control register,
25. Manufactured items non-expendable,
26. Register for watching return of gas,
27. Issue control register,
28. Receipt control register,
29. Conservancy register,
30. Project registers.

**Check Rolls**
1. Monthly & Supplementary check rolls,
2. Guinty forms,
3. Gate passes,
4. Daily orders part II,
5. Temporary labour bill,
6. Absentee payment register,
7. Fine register,
8. Register of specific kind of leave granted to civilians,

**M.T. ACCOUNTS**
1. Documents as per consuming units, 2. E. D. R A For static plants/Log books.

**Workshop**
1. Register of work orders,
2. Milk register (for painters.),

**Inspection Organisation**

1. Non-expendable store ledger,
2. Expendable stores ledger,
3. Receipt control register,
4. Issue control register,
5. Milk register,
6. DR. register,
7. Adjustment vouchers register,
8. Loss statement register,
9. Issue vouchers register,
10. Accession register,
11. Subscribed periodical publication register,
12. Renewal subscription register,
13. Service books,
14. Leave record (Non industrial),
15. Register of non official priced publication,
16. C. D. S. Accounts,
17. Register of SWOs,
18. Expendable stores register,
19. Register of EWOs,
20. Loan ledger,
21. Loan vehicle register,
22. Loan receipt control register,
23. Loan issue control register,
24. Issue voucher control register,
25. Receipt voucher control register,
26. Conservancy stores exp. Register,
27. Payment issue registers for clothing,
28. Payment issue registers for scrap wood,
29. Nominal receipt register,
30. Special stationery, ledger,
31. Local purchase stationery, ledger,
32. Rubber stamp register,
33. Register of Books and Forms,
34. Railway warrants/ M.C. Notes.

Station workshop EME

**Main Office**
1. Service books,
2. Railway warrants,
3. Register of Books & Forms,
4. Loss statement Register,
5. Leave records,
6. Local purchase of stationery register,
7. Packing material ledger,
8. Dead stock ledger,
9. Purchase from Miscellaneous grant.

**Tools Stores**
1. Plant & Machinery ledger,
2. S. M. T. Ledger,
3. Engineer Tools Ledger,
4. General Hand tools ledger,
5. Armourer component ledger,
6. Instrument component ledger,
7. Telecommunication component ledger,
8. T. T. G. Manufactured stores ledger,
9. T. T. G. Expendable stores ledger,
10. T. T. G. Books & Publication ledger,
11. Packing Material ledger,
12. R. V. Control register/I. V. Control register,

**Technical stores**
1. Stores ledger for various MT spares,
2. Engineer Equipment ledger,
3. Propriety item ledger,
4. Electrical Equipment ledger,
5. Expendable ledger of MT spares,
6. Major Assemblies ledger,
7. Register of catalogues/publications,
8. Expendable stores small arms,
9. Expendable stores signal wireless,
10. Non expendable stores signal wireless,
11. R. V. Control register/ I. V. Register,
12. Loss statement registers.

**Check rolls**
1. Monthly public supplementary check book,
2. Daily orders for part II,
3. Muster in/out register,
4. Gate passes,
5. Periodical Increment certificates,
6. Absentee payment register,
7. Auditable Documents for Rations, clothing and equipments and MT accounts as per consuming units.

**Engineer Stores Depot**

**E-in-C Stock**
1. Dispersed stock ledger,
2. Allocated stock ledger,
3. ETSR stock ledger,
5. DGW stock ledger,
6. Loan ledger,
7. Losses register,
8. Railway claims register,
9. Payment issues register,
10. Book debit register,
11. Adjustment vouchers control register,
12. Issue vouchers control register,
13. Ledger & Folio control register,
14. Issues to civil bodies register,
15. Receipt vouchers control register.

**Command Stock**
1. Stores ledger,
2. Loan register,
3. Losses register,
4. Payment & Book debit register,
5. Railway claims register,
6. Ledger & Folio control register,
7. Receipt control register,
8. Adjustment vouchers register,
9. Issue control register,
10. Packing material register.

**Disposal Section**
1. Issue control register,
2. Command stock unserviceable stores register,
3. E-in-C stock unserviceable stores register,
4. Disposal ledger E-in-C & Command,
5. E-in-C stock ledger,
6. Command stock ledger,
7. Spares ledger,
8. Ledger control register (E-in-C stock),
9. Ledger control register (Command stock),
10. Receipt control register (Command & E-in-C stock),
11. IW and command stock register.

**Headquarters**
1. Packing Material Register,
2. Contingencies register,
3. Losses register,
4. L. P. C. Register (Industrial & Non Industrial),
5. Office Equipment register,
6. Trunk call registers (Military & Civil.),
7. Fines register,
8. Railway warrants & credit notes,
9. Security pass, form & issue register,
10. Troops amenity register.

**I. W. Section**
1. Expendable stores ledger,
2. Non-expendable stores ledger,
3. Fire brigade stores ledger,
4. Register of payment issues/scrap wood,
5. Register of loss statement,
6. Register of Milk Distribution,
7. Register of lands,
8. Register of Usufructs,
9. Register of receipt control vouchers,
10. Register of Issue control vouchers,
   M. T. Spares Register.

**M. T. Section**
1. Vehicle kit register,
2. Cycle log Books,
3. Mileage cards register (IAFZ-2212 Revised),
4. Car diaries register,
5. Vehicle register,
6. Ledger stock & supplies register,
7. POL retail issue register,
8. Requisition of POL register,
9. Vehicle Log Books,
10. Payment amenity register/free amenity register,
11. Payment of POL registers.

**Repair Shop**
1. Saw mills register,
2. Register of work orders,
3. Work orders with store cards register,

**Test House**
1. Register of work orders,
2. Work orders with stores cards register.

**Fire Brigade**
1. POL stock register,
2. Mileage cards,
3. Log books,
4. Fire pump running card register,
5. POL requisition register,
6. Register of uniforms.

**TRAINING CENTRES**

**Establishments Section**
1. Register of Books and Forms,
2. Railway warrants, M. C. Notes/concession Vouchers etc,
3. Register of books & publication (payment).

**Library section**
1. Typewriter & Duplicators ledger,
2. Register of contingencies,
3. Register of Journals/periodicals.

**Grants Ledgers**
1. Annual Training grant,
2. Amenity & Literature grant ledger,
3. Sports ledger,
4. Training typewrite ledger
5. Weapon training ledger
6. Signal equipment ledger
7. F.P.T.G. ledger/T.T.G.
4-7 are according to the type of training centre.
8. Issue & receipt control register,

**Education Branch**
1. Register of stationery (Local purchase),
2. Register of forms for accounting journals books etc. for which advance payments of subscription is made,

**Headquarters Office**
1. Register of Books and Forms,
2. Railway warrants,
3. Register of service books (civilians),
4. Service Books,
5. C.D.S. Ledgers.

**Ration Accounts**
Ledgers as detailed for consuming units

**MT Accounts**
As per consuming units

**Clothing & Equipment**
As per consuming units

**Technical Equipments (According to type of Training Centre)**
1. Machinery ledger,
2. Non-expendable stores ledgers,
3. Expendable stores ledger (spare parts),
4. Tools ledgers.

**F, P. T. G; Ledgers**
1. General tools ledge,
2. Plant & Machinery ledgers,
3. Printing stores,
4. Books and publications,
5. Signal stores ledger,
6. Scientific stores ledgers,
7. Water supply stores,
8. F. E. stores,
9. Photographic stores,
10. M. E. Spares, 11. Welding stores,
12. Electrical stores,
13. Stationery stores,
14. Ledger for Timber/building/metal stores,
15. Salvage stores,
16. Instructionally made articles,
17. Ordnance Maintenance grant,
18. Charts/Models,
19. Training films,
20. Equipments etc.

**Signal Grant**
1. Various Technical equipment, spares and tools ledgers

**Military Hospitals**
1. Hospital Admission and Discharge Book,
2. Hospital Stoppage rolls,
3. Hospital Clothing ledger,
4. Medical stores Expense Books (including control stores and short life items),
5. Expense Books Locally purchased stores,
6. Medical and surgical equipment ledger (non-expendable),
7. Crisis stores ledger, Emergency ledger,
8. Register of losses,

**X-Ray**
1. X-ray medical Equipment ledger,
2. X-ray expense book,
3. List of X-ray Examination,
4. List of work done on payment (non-entitled)

**Laboratory**
1. Laboratory medical equipment and instrument ledger,
2. Expense Book,
3. Register of chemical and Bacteriological Examinations,
4. List of work done on payment.

**Physiotherapy Department**
1. Treatment registers for entitled persons,
2. Treatment registers for non entitled persons.

**Rations**
1. Ration and Forage return,
2. Ration strength statement (IAFZ-3033),
3. Ration payment register,
4. Ration Entitlement register (payment issues),
5. Cash memo registers,
6. Cash memos,
7. Ward's Diet sheets,
8. Daily ward requisition,
9. Daily requisition for diet and extra charges,
10. Monthly summary of diet and extra charges,
11. Other documents in respect of clothing and equipment and MT accounts as per consuming units.

**Veterinary Hospital**

1. Medical Veterinary Instruments ledger,
2. Veterinary Reference Book ledger,
3. Animal State Register Hospital,
4. Medical stores (expense book),
5. Register of losses.

**Documents in respect of RATION, CLOTHING AND EQUIPMENT AND MT ACCOUNTS as per consuming units.**

**Military Dental Centres**

1. Dental Medical Equipment ledger,
2. Instrument/Non Expendable stores ledger,
3. Medical stores ledger (Expendable),
4. Dental Treatment Books,
5. Dental Appliance Books,
6. Registers for Treatment of Non-entitled patients,
7. Receipt book,
8. Medical, surgical and X-Ray Equipment ledgers,
9. Gift ledgers/Red Cross Stores ledger,
10. Short life medical stores ledger,
11. Register of Treatment Officers,
12. Dental Appliance Book at Government Expense,
13. Dental Appliance Book on payment,
14. Breakage Book,
15. Other documents in respect of RATION, CLOTHING AND EQUIPMENT ledgers, MT Accounts as per consuming Units.

**Station Health Organisation**

1. Ordnance Stores ledger,
2. Medical Stores ledgers (expendable),
3. Medical Stores ledgers (Non-expendable),
4. Packing Material ledger,
5. Hygiene Chemical ledger,
6. Arms ledger,
7. Ammunition ledger,
8. Amenity ledger,
9. ATC ledger,
10. Expendable stores Ledger/Incidental and Miscellaneous Grants Stores ledger,
11. Station Stores ledger,
12. Local purchase stores ledger,

**MT Documents**
1. Unit vehicle Register,
2. Mileage Cards,
3. Car Diaries,
4. POL ledger,
5. MT tools ledger,
6. Log Books,
7. Amenity Transport ledger,
8. Engine Daily Running Account Sprayer (if any held),
9. Fire Fighting Equipment ledger,
10. ETG ledger,
11. Stationery Register (Local purchase).

**Main Office**
1. Register and Books of forms,
2. Railway Warrants, Credit Notes and Concession Vouchers,
3. Service Books-Civilians,
5. Telephone Trunk Call register.

**Family Welfare Centres**
1. Expendable stores ledger,
2. Non-expendable stores ledger,
3. Local purchase Register,
4. Packing Material Register,
5. Family planning Register (male),
6. Family planning Register (female),
7. Service books-Civilians,
8. CDS Accounts-Civilians.

**Military Farms**
1. Cash book,
2. Manager's coupon Register,
3. Cashier's coupon Register,
4. Redeemed coupon Register,
5. Bank balance Statement,
6. Money order Register,
7. Advance Registers (Demand Register),
8. Receipt Books,
9. Unpaid Wages Register,
10. Bank pass Books,
11. Register of Cheques received,
12. Telephone Trunk call Register,
13. Register of Security Deposit,
14. Paid vouchers/Paying in slips/MRO/TRs/ Invoices/Bills/Cheque slips,
15. Journal,
16. Classified letters -Administration, Fodder, Dairy cultivation, Cattle yard (Cow/Buff-
Adult/Young stock),
17. Simple ledger,
18. B. T. Cash book,
19. Inventory of land and building,
20. Inventory of Plant and Machinery,
21. Inventory of live stock,
22. Wages Books (group C & D),
23. Service Books,
24. CDS Registers,
25. Railway Warrants and Credit Notes,
26. Register of Books and forms,
27. Register of Books and Publications,
28. Register of Losses,
29. Register of over time,
30. Sales Ledger,
31. UPI's (Office and other Sub sections),
32. Ammunition Ledger, 33. Postage Account Ledger,
34. Revenue Ledger (licence Fee etc., recovery ledger) and occupation references,
35. Meter Reader Books-Electricity and Water,
36. Rent Assessment Ledger,
37. Conservancy charges Register,
38. Annual Trading, Profit and Loss Accounts and Balance Sheets (vide Para 350 ALAM
Part-I),
39. Fines Registers,
40. Register of Expenditure Proforma.

**MT/Workshop Section**

1. Unit Vehicle Register,
2. MT Tool Register,
3. POL Stock Ledger,
4. Issue Order,
5. Mileage Card,
6. Car Diaries,
7. Log Books Vehicles/Engines,
8. Expenditure Register,
9. Works Ledgers,
10. UPI MT,
11. UPI Building,
12. UPI Workshop,
13. UPI Plant and Machinery,
14. Register of Attendance and Work done (R/17).

**Cultivation Section**
1. Land and Cultivation Register,
2. Tree Register,
3. Tractor's/Engines/DRA Log Books and POL Stock Register,
4. UPI cultivation,
5. Expenditure Register,
6. Ration/Fodder Statement of Bullocks/Stable,
7. Weight book Green Fodder and silage,
8. Issue Register for Green Fodder,
9. Team Register,
10. Manure/Fertilizer Register(s),
11. Seed Register,
12. Stock and silo Register,
13. Bullock Shoeing Register,
14. Registers of Attendance and work done,
15. Lease Land Register.
16. UPI Anti Malaria,
17. Grazing Register,

**Stock Yard Section**
1. Fodder Store Return,
2. Stock and silo Register,
3. Weigh Books (Bailing and Loose Hay),
4. Bailing Material Register,
5. Bailing Press Log Book,
6. UBI Stock yard,
7. Oil Account Register,
8. Expendable Register and Store Issue orders,
9. Register of Attendance and 'work done.

**Store Section**
1. Inward Day Book,
2. Outward Day Book,
3. Daily Balance sheet and Store issue order,
4. Stock Ledgers (separate volumes various stores),
5. Register of Losses,
6. Railway Receipt Ledger,
7. Un-priced Inventory Book,
8. Un-priced Inventory Books (unserviceable store) condemnation stores,
9. MC Note/Officers,
10. Rate list,
11. Unserviceable Part Register of Machinery,
12. Bulls Account Register,
13. Expenditure Register,
15. Register Attendance and work done,
16. Veterinary ledger.
17. Engine log Book,
18. Anti Malaria Conservancy Register,
19. Weigh Book Dry,
20. Auction Register.

**Dairy Section**
1. Credit sales Register,
2. IDB Dairy,
3. ODB Dairy,
4. Daily stock sheets, Morning, Evening,
5. Consolidated stores sheets for the day,
6. Salesman check sheets (IAF forms 876),
7. Boiler log book,
8. Stock ledger of Miscellaneous stores dairy,
9. Expenditure Register and Issue orders,
10. Bill books and issue vouchers,
11. Dhobi Account Book,
12. UPI (Dairy),
13. Compilation Register,
14. Can Register,
15. Cattle yard Invoice to Dairy,
16. Cattle yard stock sheets,
17. Un-priced Inventory Book,
18. Register Attendance and work done.

**Cattle Yard Section**
1. Live stock Record Book,
2. Daily Herd Statistics Register,
3. Un-priced Inventory Cattle Yard,
4. Ration/Fodder statement (Buffs/Calves),
5. Expenditure Register and Store Issue Order,
6. Milk record Book,
7. Register of Attendance and work done,
8. Dhobi Book,
9. K. Oil log book,
10. ISR (Buffs)

**Young stock/Calves section (it maintained separately)**
1. Live Stock Register,
2. Daily Herd Statistics Register,
3. UPI,
4. Daily Fodder Statement,
5. Expenditure Register and store Issue Order (fodder, gram etc.),
6. Daily Ration/Fodder statement,
7. Daily ration/Fodder in cultivation section.

**Veterinary/Stock Live Section**
1. Stock ledgers of medicines/sera Vaccines,
2. UPI Books,
3. Expenditure Register/Issue Orders/Expenditure Vouchers

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**CANTONMENT BOARD**

**Account Section**
1. General cash book 100% receipts and subsidiary cash and payments with bills and
cheques,
2. Bank Statements comparison with cash book,
3. Permanent advance account,
4. Classified abstracts (Receipt and Expenditure),
5. Transfer entry Register,
6. Provident fund ledger,
7. Provident Fund ledger (Broad Sheet),
8. Post office pass book,
9. Personal ledger,
10. Pay scale register,
11. Register of loan,
12. Register of investment,
13. Register of advance and deposit,
14. Register of security deposits,
15. Pay bills,
16. Payment vouchers,
17. Budget estimates comparison with abstracts (Receipt and Expenditure),
18. Re-appropriation statement sanction thereof,
19. Proposition statement,
20. Telephone Trunk Call Register,
21. Service and leave accounts,
22. Contracts with P.C.D.A. /C.D.A. conservancy,
23. Contract with P.C.D.A. /C.D.A. for supply of stores,
24. Minimum balance 10% on 31st March,
25. Overtime Register,
26. Annual consolidated account,
27. Grant-in-Aid Central and Provincial,

**Toll**
1. Toll Tax Cart Road,
2. Permanent Advance.

**Tax Section**
1. Subsidiary Cash Book receipt from challans and receipt books,
2. Cheque register [Not provided in CAC but necessary with reference to rule 25 (b) (ii).],
3. Register of un-disbursed amount,
4. Stamp Account (Revenue),
5. Assessment list,
6. Demand and Collection Register-Water tax,
7. Demand and Collection Register-House tax,
8. Miscellaneous Collection and Demand Register (short rent, toll tax, market rent, fee, job porter licence fee and contribution),
9. Dog tax register,
10. Auction sale register (shop and market),
11. Scavenging fee and dhobighat fee register,
12. 'C' land realization of recovery register,
13. Scavenging tax register,
14. Motor parking register,
15. Ground rent register, schedule (III),
16. Trade licence fee register,
17. Fines and penalty register,
18. Warrant and notice fee register,

**Record Section**
1. Composition fee register (forest and other than forest),
2. Postage stamp account register,
3. Auction sale register of trees etc.

**Store Section**
1. Stock books moveable property,
2. Stock books water supply,
3. Stock books expendable store,
4. Stock book condemned article register,
5. Vehicle log book,
6. Driver's car diary,
7. Mileage card,
8. Petrol Account register,
Stationery Account
1. Register of stationery,
2. Cantonment B forms register,
3. Register of land forms,
4. Register of Miscellaneous books/forms,
5. Register of stationery (non-expendable articles),
6. Register of toll receipt book,
7. Register of Library books.

Overseer Account
1. Register of works,
2. Account of original works,
3. Measurement Book,
4. Contract agreements,
5. Tender for works and supplies,
6. Stock Book immovable property,
7. GLR Register.

S.I.’s Account
1. Fine book,
2. Cattle pound register,
3. Slaughter house fee register,
4. Conservancy moveable property register,
5. Cash Book Cattle pound.

Hospital Accounts
1. Hospital stock books medicines,
2. Diet register,
3. Admission register,
4. Maternity fee and birth register,
5. Receipts and challans,
6. Register of permanent advance of MO,
7. OPD book.

School Account High School
1. Moveable property register,
2. Stamp Accounts,
3. Fee Accounts,
4. Science Register,
5. Library Register,
6. Attendance Registers (class-wise),
7. Art and Book craft Register.

Primary School Company Bagh
1. Moveable property Register,
2. Fee Register,
3. Attendance Register.

*Primary School Kalagarhi*
1. Movable property Register,
2. Fee Accounts,
3. Attendance Register.

*Resin Account*
1. Monthly weight Register,
2. Consumption of solder and flux,
3. Monthly import of resin,
4. Monthly account Register,

*Public Library*
1. Stock Book Library.

**Recruiting Offices**
1. Publicity stores ledger,
2. Medical Equipment ledger,
3. Medicine Expenses ledger,
4. SP testing material ledger,
5. Contingent Grant ledger,
6. Other documents in respect of Rations, Clothing and Equipment ledgers, MT Accounts as per consuming Unit.

**Transit Camps**
1. Arrival and Departure Book/Register for transients,
2. Arrival and Departure Book/Register for parties in convoys,
3. Other Documents in respect of Rations, Clothing and Equipment ledgers, MT Accounts as per consuming units.

**TA UNITS**

*Clothing*
1. Personnel clothing-Regular Army Personnel,
2. Personnel clothing-TA Personnel,
3. Special clothing for Unit Cooks etc.
4. Public clothing and Equipment ledger,
5. Officer's payment clothing & Equipment ledger,
6. List of Books and Forms,
7. Railway Warrant./Credit Notes,
8. Losses Register,
9. Repair Book Tailor/Boot Repair,
10. Expendable stores ledger,
11. Loan Register,
12. Condemnation Board Register for clothing and personal Equipments; Ration, MT Accounts as per consuming units.

**Equipments**
1. General Stores and Equipment ledgers,
2. Small arms ledgers,
3. Ammunition Register,
4. Cooking Utensils,
5. Tools ledger for Barber, Washer man, Tailors, Carpenters, Blacksmith and Lime men,
6. Signal Equipments and Radio sets,
7. Expendable stores,
8. Armourers tools,
9. Gauges small Arms,
10. Armourers spare parts,
11. Non-expendable stores MI Room,
12. Expendable stores MI Room,
13. PT Equipments,
14. Packing Material ledger,
15. Tentage Stores Loans,
16. Station stores,
17. Training stores,
18. Trophies ledger,
19. Hygiene and Chemicals ledger.

**Adjutant Branch**
1. Annual Training Grant Ledger,
2. Office Equipment ledger,
3. Incidental charges ledger,
4. Payment stationery ledger.

**PRI Branch**
1. Amenity stores ledger. 2. Educational Training Grant Ledger.

**N.C.C. Units**

1. Clothing ledger-Senior Division,
2. Clothing ledger-Junior Division.
3. Equipment ledger,
4. Arms ledger,
5. Ammunition ledger.

**P. l. Stock**
1. Personal clothing and necessaries,
2. Public clothing and necessaries,
3. FI clothing ledger,
4. Amenity and Literature grant ledger,
5. Condemnation Board Register,
6. Deserter Register.

**Miscellaneous**
1. Register of losses,
2. Expendable stores ledger,
3. Salvage stores ledger,
4. Packing Material ledger,
5. Repair Book (Clothing/Boot),
6. Loan Stores Register,
7. Office contingencies stores ledger,
8. Tentage ledger,
9. Station stores ledger,
10. Fire Fighting Equipment ledger,
11. Education Training Grant ledger,
12. Map register (if held),
13. Register for fuel for warming purposes,
14. Register of Books and Forms,
15. Railway warrants, credit notes and concessional vouchers,
16. Cycle ledger/log books,
17. Unit vehicle ledger/Register,
18. MT Tools and kit stores ledger,
19. Log books,
20. Free/payment amenity transport ledger,
21. Officer Camp Kit ledger.

**Additional for Armed SQN**
1. Vehicle gunnery tools and Equipment ledger,
2. A vehicle fitted arms,
3. Equipment and tools ledgers of special equipment i.e., Wireless, Wireless ground set, chain carriers, Arty guns, charging sets etc., (if held),
4. Telephone set (wireless set ground ledger),
5. Charging sets EDRA & Log Books,
6. POL ledger-charging set,
7. Camp stores ledger.

**Additional For Medical Units**
1. Medical non-expendable stores ledger,
2. Medical expendable stores ledger.

**STATION HEADQUARTERS AND S.T.O.**

**Station Transport Officers**
1. Transport Indent Register (MT & AT),
2. Transport Indents,
3. Weekly return of available transport in units (MT & AT),
4. Hired transport register,
5. Amenity transport register,
6. Payment transport register.

**Station Headquarters**
1. Office contingent Grant ledger,
2. Local purchase stationery Register,
3. Packing Material ledger,
4. Amenity ledger.

**Retail shops/Ration Stands of units**
1. *Central stock ledger:* Basic, Necessary, Fresh supplies (Vegetables, Fruit, Mutton and Bread etc.), Green, Fodder, Fuel, P.M., P.O.L. etc.
2. Entitlement Register,
3. Cash memos,
4. Register of Books and Forms,
5. Stock verification Register,
6. Variety percentage Register,
7. Register of losses,
8. Reconciliation statement Register (Dry & Fresh Reins),

**EMBARKATION HEADQUARTERS**

**MAIN OFFICE**

**Shipping Branch**

1. Import transit ledger, (Defence Consignments),
2. Import transit ledger (HAL Consignments),
3. Register of claims,
4. Air Freight register,
5. Register of claims written off by Commandant,
6. Register of Notice of Liabilities.

**Packing Accounts Section**

1. Register of packing accounts-IAF,
2. Register of packing accounts-Navy,
3. Register of packing accounts-Freight cases IAF,
4. Register of packing accounts-Freight cases Army,
5. Register of packing, accounts-Freight cases Navy,
6. Register of packing accounts-ISM London.

**Passage Section**

1. Register of Books and Forms,
2. Railway Warrants,
3. Register of claims for refund of CD for short-landed/ Damaged/Missing packages.
Chhappa Section
1. Register of Refund claims,
2. Register of chhappas forwarded top P.C.D.A. (S.C.), Pune,
3. BPT Receipt Books for receipt of cheques issued by P.C.D.A. (S.C.),
4. Pass Book for various Docks,
5. Reconciliation statements-Imprest Account-BPT.

ITC Section
1. Register of unlinked packages,
2. Register of credit Notes for packages cleared without documents.

Administration Branch
1. Packing Material Register (Main office),
2. Packing Material Register (T. R. O. V. T.),
3. Register of Books and Forms,
4: Railway Warrants,
5. Telephone Trunk Cali Register,
6. Office equipments register of N/Official Books and publications,
7. Public Fund Stock Ledger-Miscellaneous Contingencies,
8. Service Books,
9. Register of special leave,
10. Register showing advances payments for periodicals/periods,
11. Index ledger-CDS w.e.f. 1975,
12. Register of Service Books (Civilians),
13. Overtime Register,
14. Register of Service Books for Industrial personnel.

MFO (LABOUR SECTION)
1. Labour Register to summary for Army, Navy, and IAF,
2. Muster Rolls,
3. Attendance Register (Casual labourers),
4. over time Register,
5. Control Register for convey notes (Import Section),
6. Register of Books and Forms,
7. M.C Notes/Railway Warrants,
8. Control Register of convey notes (Export Section),
9. Register of Sea/Air Freight parcels (Export Section),

Quarter Master and M.T. Branch
Documents as listed against RATIONS, CLOTHING and EQUIPMENT AND M.T. ACCOUNTS for consuming units.

List of Auditable documents: Military School

RTC-KOLKATA
**Ration**
1. Ration Return,
2. IAFZ-3033,
3. Payment Issue Register,
4. Entitlement Register.

**POL Accounts**
1. Unit Vehicle Register,
2. VDRA,
3. Log Books,
4. Duty Slips,
5. IAFZ-3020,
6. Amenity Payment Register,
7. POL Payment Register,
8. POL Register and Requisitions.

**Clothing**
1. Boys Clothing Ledgers,
2. Followers Clothing ledger,
3. Personnel Equipment and Public Clothing ledger,
4. Repair Books: Tailors, Mochi (Boot maker) and Dhobi,
5. Expense Book,
6. Condemnation Board Register.

**Equipment and Stores**
1. Contingencies ledgers,
2. Station store ledgers,
3. Small Arms and Ammunition ledger,
4. MT stores ledgers,
5. Unit Equipment ledger,
6. Unit Equipment expense stores ledger,
7. Conservancies store ledger,
8. Muscatery store ledger,
9. PM ledger,
10. Boys Mess ledger,
11. Register of losses,
12. MT ledger (New),

**Main Office**
1. Office Equipment ledger,
2. Office Stationery ledger,
3. Principal's fund ledger,
4. Register of Books and Forms,
5. Railway, warrants and Credit Notes,
6. Tuition fee registers,
7. Service Books Register,
8. Service Books,
9. Caution Money Accounts,
10. Scholarship Register,
11. Escort fee Register,
12. Supply of Books and stationery to day scholars and Boarders Registers,
13. Cheques/Draft Register (From parents)

_Hobbies and Handicrafts_
1. Hobbies and Handicrafts ledgers,
2. Hobbies and Handicrafts Expense store ledger,
3. Photographic stores ledgers,
4. Music store ledgers,
5. Dramatic store ledgers,
6. Art Material ledger.

_Library_
1. Text books ledgers,
2. Library books ledgers,

_Sports Ledgers_
1. Sports Ledgers,
2. Sports expense ledger,
3. P & T equipment ledger,

_NCC Stores_
1. NCC stores ledger (Army Wing),
2. Repair Book Army Wing,
3. NCC (Air Wing Troops) ledger expendable and non-expendable.

_Science Section_
1. Mechanics,
2. Hydrostatics,
3. Heat,
4. Light,
5. Sound,
6. Electricity,
7. Magnetism,
8. Physician and Miscellaneous stores,
9. Glass ware,
10. Chemistry ledger,
11. Charts,
12. Biology and General,
13. Biology apparatus,
14. Biology (Zoology),
15. Biology (Botany),
16. Biology Glass Wares,
17. Biology Chemicals,
18. Packing Material,
19. Furniture,
20. Ordnance Stores,
21. Project/IP,

Miscellaneous
1. Scouting ledger,
2. Geographical ledgers, (maps & charts),
3. Cultural Grant ledger,
4. Prize ledger,
5. Cinematographic equipment ledgers.

SERIAL NO. 8
Fly Leaf Instructions for instructional order book

Object: - To record orders relating to the detailed work of the L.A.Os office and/or in amplification of the orders issued by a higher authority.

Authority: - Appendix D' of Army Local Audit Manual Part I.
(1) Each L.A.Os office will maintain a book of instructional orders issued by the L.A.O. relating to the detailed work of the section or in amplification of the orders issued by a higher authority. The book will contain the details of distribution of work in the office, orders relating to attendance, discipline, administration, etc.
(2) It will also contain subsidiary instructions issued by the L.A.O. on the A.Is, A.Os, Command orders, Part I Office Orders and circulars issued by the Main Office.
(3) All such instructional orders will be noted and initialled by the A.L.A.O. and clerks of the LAO's office.
(4) The book will be submitted to the L.A.O. each time an order is issued and also monthly on the 5th.

SERIAL NO. 9
FLY LEAF INSTRUCTIONS FOR REVIEW REGISTER

Object: - To record the result of review of orders and sanctions which have to be discussed in a conference to be held by the R.A.O. / L.A.O. monthly on a convenient date/dates.
Authority: - Para 4 of Army Local Audit Manual, Part I.

The register will be maintained in the proforma given below:-

(2) It should be ensured that no order/circular which bears a directive of the L.A.O. /R.A.O. for entry in the review register is filed without its having been entered in this register and the serial No, of the entry entered therein.

(3) The register will be submitted to the R.A.O./ L.A.O. by the 7Lh of every month.

<table>
<thead>
<tr>
<th>Reference to the letter/ order/A.O. A.I., C.O. etc.</th>
<th>Subject</th>
<th>Point discussed in the conference</th>
<th>Results of discussion</th>
<th>Directions of LAO/RAO</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
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</tbody>
</table>

SERIAL NO. 11

Fly Leaf Instructions for register of stores losses
(for L.A.O's/A.L.A.O's., offices only)

Object: - To facilitate preparation of quarterly statement of stores losses for eventual inclusion in Appropriation Accounts.

Authority: - Para 22 of Army Local Audit Manual, Part I.

The register will be maintained in form I.A.F. (C.D.A.)-341 and the various columns will be completed as and when transactions occur.

2. As the statements are being compiled quarterly instead of annually column 15 of the form may be amended to read as 'quarterly statement in which included'.

3. Except in the case of losses NIT Accidents, vide Exception (ii) under Rule 160 F.R. Part I amount actually written off by the competent financial authority should be indicated in columns 4 as this amount alone has to be included in the statement of store losses.

4. Classification of the loss category-wise, vides Annexure 'C', Para 553 of Defence Audit Code is most important and a loss statement will have, therefore, to be correctly noted in the category to which it belongs. The printed instruction on I.A.F. (C.D.A.)-341 should also be borne in mind.

5. The entries in the register will be test checked by the A.L.A.O. and the L.A.O. The entries should be made concurrently with audit or immediately after completion of Audit of each unit/formation.

6. Notes of important losses (i) those exceeding Rs.75,000 in each case due to theft, fraud or neglect and (ii) those exceeding Rs.2,00,000 in each case due to other causes will be kept 'in the register for purpose of annotation, vide paras, 550 & 553 of Defence Audit Code.

RTC-KOLKATA
NOTE: Losses below Rs.500 in respect of consuming units will not be included in the register. The register will be submitted to the L.A.O./R.A.O. on the 10th of each month.

SERIAL NO. 17
Fly Leaf Instructions for register of items of expenditure over Ross. 50,000 in each case incurred without the sanction of the Government of India, for inclusion in Annual Audit Certificate.

Object: To facilitate inclusion of item of expenditure exceeding Rs.50,000 in each case in the Annual Audit Certificate.

Authority: Para 554, Defence Audit Code.

The register will be maintained in the proforma given below:

2. The items entered in the register will be constantly reviewed and Government sanctions wherever received will be entered therein so as to avoid their inclusion in the Audit Certificate.
3. Where no progress has been made by the executive as seen from the remarks in column 10, action has to be taken to report the details of the case to the next higher authority where necessary.
4. The register will be completed in all respects to facilitate the preparation of the annexure to the Annual Audit Certificate without having to address the executive authorities for factual information time and again.
5. The register will be submitted to the L.A.O./R.A.O. by the 10’th of each month.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Brief particulars of item</th>
<th>Exact period during which the expenditure was incurred</th>
<th>Amount (Financial) Year-wise breakup to be noted in case the expenditure relates to more than one financial year.</th>
<th>Head of account</th>
<th>Circumstance in which the expenditure was incurred and/or admitted without the necessary authority.</th>
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</thead>
<tbody>
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</table>
SERIAL NO. 18

Fly Leaf Instructions for the maintenance of compensatory leave register.

Object: To ensure that compensatory leave is granted only to those who are entitled for it.

Authority:-Para 247, 248 and 249, Once Manual, Part I.

This register is maintained to show the particulars of the individuals who are entitled to compensatory leave and also the days on which such leave is granted when applied for by them. The names of only those members who are required under the orders of the Officer-in-Charge, section to attend the office on a Sunday or Gazetted holiday under Negotiable Instruments, Act, for work of urgent and special nature, will be shown in this register. Applications from those who attend the office either of their own accord or under orders to clear off arrears pertaining to their legitimate work will not be recorded in this register.

2. Whenever members of the establishment are ordered to attend the office on Sunday or on a Holiday as stated above, the names of those individuals with the dates on which they have attended the office will be noted in this register and with reference to these entries, leave in compensation to the duty performed on these days will be granted when applied for by them. To ensure uniformity in the procedure, the register will be maintained in the following proforma:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the individual</th>
<th>Date on which duty performed</th>
<th>Initials of the Senior Superintend /Officer-in-Charge</th>
<th>Date on which compensatory leave is applied for</th>
<th>Orders of the sanctioning authority</th>
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</table>

3. The register will be submitted to the Officer-in-Charge duly completed on the 101h of each month.
SERIAL NO. 19

Fly leaf instructions for the register showing names of units/ formations included in the report of MFAI

Object: To keep a record of and watch the progress of settlement of items included in the report on MFAI.


The register will be maintained in the following proforma:-

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name and location of unit</th>
<th>Details of irregularity</th>
<th>Period</th>
<th>When first detected &amp; included in the report</th>
<th>Progress</th>
<th>When finally settled showing the No. &amp; date of the P.C.D.A./C.D.A. communication</th>
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</table>

2. As soon as an irregularity comes to notice which merits inclusion in the report on MFAI [ride Para 523 Defence Audit Code (1992 Edition)] a detailed report should be submitted to the main office for obtaining their concurrence for the inclusion of the item in the report. After the concurrence of the main office has been received the item will be included in the report. The report on MFAI report should not be made a vehicle for notifying trivial and unimportant items of irregularities and lapses which are susceptible of settlement locally.

3. The register will be completed with reference to the data contained in the report on MFAI. The cases should be pursued vigorously with Administrative authorities with a view to expedite the final settlement acid the progress noted in the quarterly report on MFAI and in the register.

4. When sanction for the condonation or regularisation of an irregularity is received, it will be seen whether it covers all points of irregularity included in the MFAI item. The item will then, be deleted from the MFAI report after obtaining the concurrence of the main' office and No, and date of P.C.D.A's/C.D.A's communication noted in the register.

5. The register will be submitted to the L.A.O. / R.A.O. on the 10’th of each month.

SERIAL NO. 23

Fly Leaf Instructions for register for watching the receipts of duplicate copies of the punching media in respect of inter-service transactions.
Object:- To watch the receipt of duplicate copy of the punching media from the Principal Controllers/Controllers of the receiving services.

Authority:- C&D.A's Important Order No. 3/53.

1. This register will be maintained in a manuscript form in the proforma given on the next page (No. 124) by all L.A. O's/ALAO's/Station Local Auditors.

2. Columns 1 to 6 of the register will be completed as and when the vouchers in respect of stores issued to other services are received and dealt with column 7 will be completed on receipt of the duplicate copy of the punching media from the parties concerned.

3. The entries will be reviewed monthly and prompt action taken to obtain the duplicate copies of the punching media in respect of the outstanding items.

4. This register will be submitted to the L.A.O, by 5th of each month for his inspection.

Proforms for the maintenance of the register of inter services transaction between Army, Navy and Air Force

<table>
<thead>
<tr>
<th>SL No.</th>
<th>Name of the Consignor</th>
<th>Number and date of the issue Voucher.</th>
<th>Amount Rs. P.</th>
<th>Principal Controller/Controller of the receiving service to whom scheduled.</th>
<th>Number and date of letter under which forwarded</th>
<th>Number and date of the communication under which the duplicate copy of Punching Media was received from the Principal Controller/Controller of the receiving service</th>
<th>Remarks</th>
</tr>
</thead>
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VOLUME II
(Incorporating Amendments upto and including Amendment No. 4)

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<tbody>
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<td>1.</td>
<td>The LAO, AAO/SAO (A), ALAO, Local Audit Staff or station Auditors auditing the store accounts of the Depot,</td>
</tr>
</tbody>
</table>
Unit of formation issuing the stores.

2. Consignee's LAO
The LAO, AAO/SO (A), ALAO Local Staff or station Auditor auditing the store accounts of the Depot, Unit or formation receiving the stores.

3. ALAO (Group Superintendent)
The ALAO (superintendent) Local Audit staff.

4. Manufacturing Establishment
An Army ordnance factory, an Army Clothing Factory, an Armed Forces Medical store Depot, including its factory and repair workshop, a Dairy Farm, a young Stock Farm and a Bakery.

5. Stores
Include animals.

6. Supply and store Depot
Includes an Arsenal, an ordnance Depot, Aircraft Depot, Vehicle Depot, A.S.C. Supply Depots (including Base and station supply Depots) or Sub-Depot; Grain Crushing Depots and Government (Controlled Mills).

7. Units
Means all units of the fighting services, Animal Transport Units, Mechanical Transport Units, Ordnance workshop Companies. Units of Territorial Forces and N.C.Cs. Hospitals, Squadrons of the Air Force and all others which do not come under the category of supply and Store Depot and manufacturing establishment.

8. A.A.O.
An AAO/SO (A) or clerk of the Defence Accounts Department attached to a unit for preparation of its pay accounts.

9. Issue Voucher
A voucher on which stores are issued.

10. Receipt Voucher
A voucher on which stores are received.

**Note 1:** The "Receipt Voucher" of the consignee is the same as the 'Issue Voucher' of the consignor.

**Note 2:** Other definitions of restricted application, e.g., pairing, linking. Final receipts, Final Issue, etc., will be found in the relevant chapters or appendices in the body of the Manual.

**CHAPTER-IV**
# AUDIT OF ACCOUNTS OF SOTRE DEPOTS

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<td>Article-in-use</td>
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SECTIONS 1-ARMY SERVICE CORPS SUPPLY DEPOTS

GENERAL

146. In addition to the general instruction in chapters II and III of this manual the points mentioned in the succeeding paragraphs should be specially borne in mind in auditing the accounts of A.S.C. Depots.

CENTRAL LEDGERS-IAFZ 2109

147. These will be audited to see that:
   (a) a separate ledger is maintained for each group of articles.
   (b) receipt entries are made in red ink and initialled by the Officer-in-Charge Supplies
   (c) issue entries are made in black ink and they represent the totals of the issues as shown in the Daily Balance Statements (I.A.RS.-1531)

Note 1: Casting of Daily Balance Statements will be checked in full only in respect of the periods accounts selected for detailed audit. When, however, this check reveals an appreciable number of mistakes and consequently an unsatisfactory state in totaling the Daily Balance Statements and the posting of Central Ledgers there from, a cent per cent check should be carried out.

Note 2: In the case of small depots, where Daily Balance Statements are not required to be prepared, issue entries in the ledger will be linked direct into the issue vouchers and original copies of sanctioned loss statements.
(d) all articles of A.S.C. supply are indented for issued and accounted for according to the scales of measure adopted in the Stock Book Rate List, etc., by weight, volume or number.

(e) all issues of supplies have been made in full bags or cases, broken quantities demanded being met to the nearest bag or case.

(f) sugar is accounted for and issued at actual weight.

(g) supplies once made to a unit are not ordinarily received back by the depots. Supplies in the possession of a unit moving out without relief and packing material may be returned by units and taken into depot stocks.

(h) samples issued from Supply Depots to the Composite Food Laboratory are charged off on expense voucher.

(i) none but the authorised articles are issued on payment and such issues are not ordinarily made by the Supply Depot direct to the categories of individuals (including Supply Depot establishment) given under group in Para 894 Regulations for the Army 1962 Edition as they should obtain and draw the articles through a ration drawing unit the are attached to.

Note 1: As an exception to the above, credit sales of fodder may be made to the President, the C.A.S. and their personal staff.

Note 2: Issue of hay on payment from the A.S.C. to the Commandant, President's Body Guard for issue to cattle of the President's Body Guards is limited to 13065 kilograms approximately monthly.

(j) food supplies which have been declared by Composite Food Laboratory as unfit for human consumption but recommended for issue to animals are so issued in lieu of the standard articles of grain ration, if agreed to by the veterinary authorities. If otherwise, it should be seen that the supplies have been destroyed in the presence of an officer and a certificate to this effect has been appended to the Board Proceedings or other documents supporting the write off in the accounts.

(k) in accounting for petrol, the quantity at standard temperature (S.T.) as furnished by the 'Trade, is adopted.

(l) the accounting procedure for the receipt and accounting of 70 M.T Gas on replacement basis as laid down in Army Headquarters, QMG.'s Branch letter No. 72126/Pc-7/Q/ST-2 dated 17-4-.56 (appended as an Annexure to this section) is followed. The submission of accounting documents prescribed in this letter will be watched for in local audit and the quantities checked in the prescribed manner. In addition it should be seen that:

(a) the totals for the month under column 5 of Appendix `D' are correct;

(b) the details of column `5' of appendix `D' agree with the quantity shown in the acknowledgement slips mentioned in Para 4 of the Annexure to the Army Headquarters letter. The copy of the acknowledgement slips received will be retained by the L.A.Os. for linking into the central ledgers maintained by the Supply/P.O.L. Depot;
(c) the difference, if any, between the quantity as voucher by the O.C. Petroleum platoon Company and the quantity as per receiving slip as certified by the O.C. Supply/P.O.L Depot is supported by a loss statement sanctioned by the C.F.A.

148. Losses in transit in the case of wheat products and grain despatched to Supply Depots etc., from Controlled Flour Mills, or from Grain Depots under the Ministry of Food will be dealt with in accordance with the provisions laid down in Rule 483 (i) F.R. part 11 and Defence Services Regulations 'Regulations for the Army' Paras 1043, 1101, 1102, 1103, but a copy of the loss statement duly sanctioned by the competent financial authority will be endorsed to the Director General of Food, Ministry of Food.

MEDICAL COMFORTS

149. It should be seen that articles of medical comforts including wine, beers, etc., which are normally purchased on an 'as required' basis and supplied to hospitals are accounted for in I.A.F Z.2112 (Inspection Register).

PACKING MATERIALS

150. It should be seen that:

(a) the packing materials received in or issued from the depot full with stores, is accounted for in the ledger for the group concerned, whereas that received in or issued from the depot empty is accounted for in the ledger of the P & M group.

(b) empty packing material to the extent of that short received from units is voucher to them in their indents and that the surplus received is acknowledged on a separate voucher and brought on charge.

(c) issues of serviceable packing material required for working purposes other than as containers for ration stores are supported by a monthly voucher.

(d) the percentage of serviceable baling material returned by units or by the supply depot to the Military Farms Department, is not less than-

<table>
<thead>
<tr>
<th>Material</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Wire Ties</td>
<td>85%</td>
</tr>
<tr>
<td>Hoop Iron Ties</td>
<td>90%</td>
</tr>
<tr>
<td>Hessian Covers</td>
<td>90%</td>
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(e) 'tea chest with lining' when received or issued with other contents are accounted for as one item and that after issue of tea from the chests for consumption they are accounted for separately, i.e., 'Tea chests' in numbers and 'lining' by weight.

*Requires amendment in the light of Para 105 (b) (vi) of SAT as amended vide C.S. No. 29/111/83.

** (f) the lining, lead or aluminum, of tea chests returned by units is accounted for separately.

**Requires amendment in the light of Para 105 (b) (vi) of SAI as amended vide C.S. No. 29/111/83.
(g) ordinary/packing material issued with articles supplied on payment, if subsequently returned by the purchasers, to its source is treated as surplus and taken on charge free of cost.

(h) ghee boxes are accounted for under three separate component heads, viz., (a) sides (b) ends and (c) tops and bottoms, instead of by complete boxes and that serviceable component parts thereof are returned to the Ghee Heating Centre irrespective of whether they form complete boxes or not.

REGISTER OF DEPOT CONTINGENCIES

(IAFS-1582)

151. In this register all expendible articles (from whatever source received), required for use in connection with the receipt and despatch of stores and for general interior economy, are accounted for by the quarter-master of the Depot.

The register will be examined to see that:

(a) any stores required for the above purposes, which are obtainable from Military Supplying Departments, are obtained free from them on an "as required" basis.

(b) stores are not obtained in excess of requirements, unnecessary accumulation is avoided as far as possible.

(c) acme steel seals are accounted for by weight and not by numbers, 500 seals being taken as equivalent to one pound.

DEPOT CONTINGENT RETURN (IAFA-173)

152. The various items which are ordinarily covered by the term 'contingencies' are given in A.S.C. Regulations and Financial Regulations. In auditing the Depot Contingent Return it will be seen that:

(a) only such charges as are properly debitable to Depot Contingencies have been accounted for in the return and not those which should be met from office contingencies.

(b) there are no abnormal variations between the hired labour and transport employed. This check will be exercised through the register or other suitable record maintained for the purpose in supply depots.

Note: Vouchers for payments made to contractors, etc., by the PC.D.A./ C.D.A. on account of labour and transport which are required to be accounted for in the Depot Contingent Return, will be sent by the PC.D.A./C.D.A. to the L.A.O. for necessary verification.

(c) Pay and Allowances of regular labourers (both permanent and temporary) will be reflected in the Depot Contingent Return for the limited purpose of guiding the CFA
to judge the necessity of employment of casual labourers and will not be taken into account for determining the CFA to accord sanction of the return.

(d) separate statement showing expenditure on account of contingencies incurred in each bakery are prepared and attached to the contingent return of the Supply Depots concerned to facilitate the inclusion of the charges in question in the relevant Production Account.

(e) each item of contingent expenditure detailed in the contingent return has been sanctioned by the competent financial authority.

Note: In war or at any other period, when for special reasons supply units are administered direct by Army Headquarters the Q.M.G. exercises the powers of a G.O.C.-in-Chief Command or G.O.C. Area, with the consultation of the D.F.A. (Q). At such a time the Q.M. G.'s sanction will be accepted in audit, if the D.F.A. (Q) has informed the RC.D.A. / C.D.A. concerned that it has received his prior concurrence.

TRAIN RATION RETURN

153. "Train Ration Returns" will be prepared on IAFS-1519 for rations issued to and consumed by units or detachments of troops moving by rail or troop trains to which kitchen cars are attached. In the case of movements of complete units/ formations, the Officer Commanding unit/formation, is responsible for the preparation of Train Ration Return, while for movements of mixed troops, detachments, leave parties, etc., it will be prepared by a train Quarter Master, appointed for the purpose and maintained by the Officer Commanding, Station at which the troop train starts. The procedure for drawing Train Rations and accounting thereof is laid down in para 234, A.S.C. Training, volume 11 and Paras 159 and 160 SAI 1965 Revised Edition, as amended. The audit of Train Ration Returns will devolve on the L.A.O. at the detraining station in the case of moves of complete units, and on the L.A.O. auditing the accounts of the Officer Commanding, Station at the entraining station in the case of moves of detachments, leave parties, etc. Besides carried out the checks laid down in Chapter V of this manual for the audit of Ration Returns, the L.A.Os' concerned will ensure that-

(i) In the case of movement of complete units: -
   (a) 'E' copies of issue vouchers for all issues by the Supply Depot at the entraining station and by others en route are scheduled to the L.A.O. at the detraining station for verification of credit in the Train Ration Returns.
   (b) the balance of the unit's last Ration Return at the entraining station upto the date of entraining, attested by a responsible officer of the unit vide Para 37 of this manual, are communicated to the L.A.O. at the detraining station as an enclosure to the special report prescribed in Para 311 ibid.
   (c) the balances intimated as in (b) above are correctly brought forward by the unit in its Train Ration Return, and
   (d) the balances in the Train Ration Return are brought forward to the first month's Ration Return of the unit in the new station.

(ii) in the case of movement of detachments, leave parties etc.
(a) "E" copies of all issue vouchers for issue of rations to the parties moving by the train are scheduled to the L.A.O. of the Officer Commanding, Station at the entraining station for verification of credit in the Train Ration Return.

(b) A copy of issue vouchers (duly receipted by the Officer Commanding, Supply Depot) for the balances of stores handed over to him by the Officer Commanding, Troop Train at the detraining station will be scheduled by the L.A.O. auditing the Train Ration Return to the L.A.O. of the Supply Depot for verification of credit in the ledgers of the Supply Depot.

The return will inter alia be examined to see that:

(a) Rations have only been drawn for such of the personnel as are included in the movement orders issued by the authorities concerned.

(b) Expense vouchers supporting the issues of ration made as detailed below are invariably signed by the Officer Commanding the train of the party:

(i) Train Rations and/or part of reserve rations of tinned meat and tinned biscuits in troop train to which a kitchen car is attached.

(ii) Hot meals and/or part of E.T. rations in troop train to which a kitchen car is not attached.

154. For parties of twenty or less, the A.S.C. makes no arrangements and no reserve rations are loaded, but units arrange to give the party money allowance in lieu of rations.

155. The L.A.O./L.A. group auditing the Train Ration Returns will intimate, separately for each unit, the number of men for whom, and period for which train rations have been issued, to the respective L.A.O./L.A. group for verification of non drawal of ordinary rations in the Ration Return of the unit concerned.

RATION AND OTHER RETURNS, EQUIPMENT, CLOTHING AND OTHER LEDGERS AND P.O.L. ACCOUNTS, ETC.

156. The provisions of Para 138 of this manual equally apply to Supply Depots.

DISPOSAL OF SURPLUS, OBSOLETE AND WASTE STORES

157. The detailed instructions in respect of the above are laid down in Appendix I to A.S.C. Regulations, 1950. It would be seen in audit that surplus, obsolete and waste stores are disposed of according to these instruction as amended from time to time.

HIRED LABOUR

158. Hired labour is one of the items covered by the term "Contingencies", and the amount paid on this account is accounted for in Depot Contingent Return, vide Para, 152 of this manual.

While auditing register of hired labour, it will be seen that:

(i) Each group of R & D section maintains records to show how the labour has been employed.

(ii) Labour has been employed on any of following duties;
(a) loading and stacking stores received and despatched and on other duties mentioned in Appendix III of A.S.C. training, Vol. II,
(b) station duties in connection with the working of Supply Depots,
(c) for stores preservation work/pest control duties.

(iii) labour employed in connection with duties mentioned at (ii) (a) above is within the scale laid down in Appendix III of A.S.C. training Vol. II.

REGISTER OF SUPPLY ORDERS (I.A.F Z-2135) AND (IAFS-1520)

159. A register is maintained by every officer authorised to issue these forms, which gives date and source of receipt, the date on which each book is brought into use and completed and a record of all transfers supported by the receiving officer's acknowledgement. It will be seen in audit that:

(i) the above register has been maintained and the particular mentioned above entered therein;
(ii) the officer receiving the forms has certified on the cover of each book as to the correctness of its contents;
(iii) all books whether in use or not have been kept under lock and key;
(iv) if a change in charge takes place, the relieving officer has signed a certificate as to the correctness of the balance of books in hand, and of the unused forms in the books in current use at the time of relief;
(v) the forms have invariably been used in the order in which they were machine numbered;
(vi) at the time of issue, the forms have been entered in a separate register, showing the number of form, date of issue and name of the supplier/contractor to whom issued.

ACCEPTANCE OF MILITARY FARM PRODUCE BY THE A.S.C.

160. It will be seen in audit that:-
(i) Military Farm Produce has been given preference over contractor's supply;

(ii) not only those varieties/articles, which are included in a contract or for which a contract exists, are accepted, but all varieties/articles produced by Military Farms are accepted provided that:

(a) their issue is catered for in the scales of ration of troops and they strictly conform to the relevant A.S.C. specifications;
(b) the provisions governing the percentage of various varieties are adhered to;

(iii) the prescribed procedure of notifying by the Manager, Military Farms at least three days in advance, the estimated quantity of the articles/varieties which will be available for issue on a particular day and of intimating by O.C. Supply Depot, in writing to the Manager, Military Farms daily by 1200 hours, the requirements for the next day's issue, has been followed.
RETAIL SHOPS, A.S.C./RATION STANDS OF UNITS AND FORMATIONS ACCOUNTING PROCEDURE

161. All issues of A.S.C. articles from Retail Shops, A.S.C. / Ration Stands of units and formations will be on prepayment in cash. The detailed accounting procedure is given in appendix to A.I 3/S/54. *(and Appendix XIV to S.A.I. (inserted vide C.S. No. 5/VII/70)) The main documents required for this purpose are:
   (a) Cash memo
   (b) Reconciliation statement
*Inserted vide C. S. No. 3/92.

PRICING

162. Cash memos on which the stores are issued are priced by the officer in charge, Retail Shop/Ration Stand at the following rates as may be applicable:
   (a) Central purchase articles At stock book payment issue rates
   (b) Local purchase articles against regular contracts At. the latest rates published in Area/Sub-Area orders.

   (c) Octroi charges, if any, payable to Local Board authorities under Para 1045 Regulations for the Army 1962 Edition will be charged in addition. These charges will be shown separately in the cash memo.

   (d) The total amount representing the value of articles issued including the octroi charges, if any, will also be shown in words at the bottom of the cash memo.

POINTS TO BE SEEN IN AUDIT

163. In addition to the general instructions in Chapter I to III and Para 147 of this manual, it will be seen in audit that:-
   (i) the store accounts in a Retail Shop have been maintained on Central Ledgers, and stores obtained from Station Supply Depots for payment issues to entitled personnel have been taken on charge in these ledgers;
   (ii) Issues of A.S.C. stores have been made only to entitled individuals on prepayment in cash, within the monetary limits of purchase laid down in A.I. 104 of 1965 as amended from time to time.
   (iii) a register showing details of entitled customers authorised to draw rations from the Retail Shop showing the monetary limits, etc., upto which they are allowed to draw rations has been maintained by the shop;
   (iv) cash memos have been correctly priced. For this purpose these will be subjected to an effective test check;

   Normally the person receiving cash should be different from the person preparing cash memos and the former should be of the rank of a commissioned officer or at least a JCO in terms of Para 810, Regulations for the Army.

   (v) All cash memos issued during the course of the day have been correctly posted in the daily reconciliation statements, both as regards the cash realized and the quantities of articles charged off in the cash memos;
(vi) The totals of reconciliation, statements are correct;

(vii) The total of the quantities of articles arrived at in the reconciliation statements have been correctly posted in the ledger;

(viii) In the case of Retail Shops, the daily realizations have been credited into the local treasury on the day of receipt or the following day on a military receivable order and that in the case of unit ration stands in non-operational areas, the amount of daily realizations has been daily accounted. For in the unit's cash book and such collections remitted into the treasury at longer intervals, say weekly or fortnightly;

(ix) In the case of unit ration stands located in operational areas, the cash realized has been credited into a Government treasury where one exists and at stations where no Government treasury or a branch of the Reserve/State Bank is located, it has been credited to Government through the Field Imprest Accounts;

**Note:** After the periodical audit a list of remittances to the Field Cashier/Imprest Holder during the period covered by audit, with full particulars of the amount remitted and numbers and dates of receipts given by the Field Cashier/Imprest Holder, etc., will be prepared by the L.A.O. separately for each Field Cashier or Imprest Holder and forwarded to the C.D.A. (O) or the P.A.O. (ORs) concerned respectively, under registered cover and his acknowledgement obtained and recorded.

(x) cash memos in use are machine numbered, a set of four bearing the same number;

(xi) (a) cash memos are accounted for in the same way as supply orders, railway warrants and like documents and kept under safe custody.

(b) at the time of audit of payment issues the register of books and forms maintained by the units should be carefully examined and the information contained therein regarding cash memo books completed during the period covered by audit and the cash memo books issued for the use but not yet completed is taken note of and that all those cash memo books are produced to audit for check.

(c) the books shown in the register, as not in use (whether issued the quarter master/MTO or in stock) should also be called for and verified that they have actually not been brought into use.

(d) blank cash memo books to meet one month's requirement only are issued to the Quarter Master/Retail Issue Shop/MTO and 'those are, used in continuous Series.

(xii) (a) no cash memo has been cancelled except under the personal signature of the Officer Commanding, Supply Depot or an Officer acting on his behalf and that the cancelled cash memo has under no circumstances been destroyed.

(b) the entries in the register of books and forms regarding completed books should be ticked and initialled for facility of subsequent audit.

(c) the last cash memo in partially used books should be enfaced under the dated signature of the official (with designation) auditing the cash memos as "last cash memo checked for quarter ending ..... " on the reverse of the office copy of the memo.

(d) the checks prescribed at clause (xi) (b), (c) & (d) above are test checked by the A.L.A.O. and the L.A.O.
(e) a note regarding numbers of the cash memo books in use should be kept with the office copy of the objection statement.

(xiii) the In-charge, Retail shop A.S.C. has carried out a cent percent check of ground balance of all items of rations held on his charge at least fortnightly or often and that a record to this effect has been maintained with the discrepancies if any, discovered.

*(xiv) The provisions contained in Appendix XIV to S.A.I. as inserted vide C. S. No. 5/VII/70 in so far as A.S.C. supplies-issue on payment are followed mutatis mutandis by Units/Formations.
*Added vide C. S. No. 3(92.

SPECIAL RATION STANDS

163-A. No audit will be carried out over the documents maintained by the Specially Constituted Ration Stands vide Rule 897 (b) Regulations for the Army (DSR) Revised Edition (1962) (and Para 6 of Al 3/S/54). It will, however, be seen in audit by the LAOS auditing Supply Depots that:
(a) the Ration Stand is constituted under proper authority and the relevant sanction is on record for verification;
(b) basic requirements for payment issues at prescribed Scales, with reference to the date given on indents, have been complied with;
(c) the indents from the Special Ration Stands bear a certificate that the demands relate to entitled personnel;
(d) the issues are in bulk strictly on pre-payment basis; and
(e) no extra expenditure is incurred on account of establishment, accommodation, equipment and transportation by the Ration Stand. In addition a broad review of the registers maintained by the Supply Depots indicating monthly the quantities and the value of rations drawn on payment will be carried out periodically to ensure that there has been no marked or persistent increase in the total quantities issued on payment and any unusual features noticed are subjected to further investigation and reported to PC.D.A./C.D.A. where necessary.

PO.L. DEPOTS

ORGANISATION

164. The following P.O.L. units exist in peace: -
(a) Reserve/Bulk Petroleum Depots.
(b) Petroleum Depots or Petroleum Platoons.
(c) Petroleum Contract Platoons.

ACCOUNTING

165. P.O.L. is accounted for as under:-
(a) POL in pack-in-gallons, except grease which is accounted for by weight.
(b) P.O.L. In bulk at the standard temperature of 85° F viz., all stock when accounted for are to be converted to the gallonage they would measure their temperature 85°F.

PROCEDURE TO BE FOLLOWED IN THE CASE OF P.O.L. DEPOTS OPERATING THE STANDARD TEMPERATURE (S.T) SYSTEM OF ACCOUNTING

166. Procedure to be followed in the case of P.O.L. Depots operating the standard temperature (S.T) system of accounting for M.T/Aviation Gasoline will be as laid down in Appendix II, A.S.C Regulations, 1950.

FORMS IN WHICH P.O.L IS ACCOUNTED FOR

167. In the case of other P.O.L. Depots, POL is accounted for on the following forms
   (i) I.A.FZ.-2206-Requistion for E.O.L.
   (ii) I.A.FS.-1619-Issues Order
   (iii) I.A.F.S.-1531-Daily Statement
   (iv) I.A.F.Z.-2109-Central. Ledger

POINTS TO BE SEEN IN AUDIT

168. In addition to the general instructions in Chapter II and III and the checks prescribed in Para 147, it will be seen in audit that
   (i) Reserve/Bulk Petroleum Depots-the standard temperature (S.T) system of accounting' for, petrol has been adopted wherever military bulk installations exist.
   (ii) Daily Transactions have been correctly accounted for in the relevant documents (I.A.FZ.-2.255, I.A.FZ.-2256 and I.A.FZ.-2257). And that these documents have been correctly posted in I.A.EZ.-2258 (ledger).
   (iii) I.A.EZ.-2258 (Ledger) has been initialed daily by the stock officer and signed by Officer Commanding the Depot at the end of each month.
   (iv) The principles laid down in appendices II to V of A.S.C. Regulations 1950, for operating S.T system of accounting for petrol, have been followed in the conversion from natural to standard temperature, in the calculation of losses and verification of stock, etc.,
   (v) When P.O.L in bulk is broken up into packed stock, viz., Into various forms of containers, the latter with their contents have been accounted for at their natural gallonage, losses sustained in "filling" having been accounted for when in bulk at standard temperature.
   (vi) Other P.O.L Depots separate ledger (I.A.EZ.-2109) has been maintained for each group, viz., aviation, gasoline/lubricants, etc.
   (vii) Daily transactions have been correctly posted in the Central Ledger (receipt entries being in red ink and duly attested by the Officer-in-Charge) from the entries recorded in the daily statement (I.A.ES.-1531).
   (viii) The transactions recorded in I.A.ES.-1531 (daily statement) are supported by issue orders (I.A.ES.-1619) and the individual indents.
(ix) Payment issue of POX to individuals has not been made from P.O.L. Depot.

(x) **Packing materials**: Empty P.O.L. containers received back, from consuming units have been periodically classified by A.S.C. authorities as returnable (serviceable), non returnable (unserviceable), and repairable and adjusted accordingly in the Central Ledgers by means of an expense voucher, if the change in condition is certified to have been due to fair wear and tear, otherwise loss statement for the loss involved due to change in condition has been sanctioned by the CEA.

(xi) Prior approval of Army Headquarters has been obtained for disposing of unserviceable containers locally where large surplus stock exists and that these containers, before disposal, were examined by a Board of Officers.

**Note:** Where large surpluses of unserviceable containers exist, the wine should, if considered, economical be despatched to the nearest Salvage Depot.

(xii) **Losses**: The register of losses has been correctly compiled from transit and bulk stock losses, as shown in I.A.F.Z.-2258 and packed stock losses as charged off on I.A.EZ. 2257 and that the register has been signed by Officer Commanding the Depot at the end of each month.

(xiii) the losses have been correctly classified in accordance with instructions laid down in Paras 42 to 46 of Appendix II (section 6) A. S. C. Regulations and that promote action taken for the regularization of losses.

(xiv) losses of P.O.L. in containers have been supported by a certificate to the effect that these occurred despite carrying out the instructions laid down in Para 12 (a) of Appendix V and Para 211, A.S.C. Regulations, 1950.

**Note:** The above mentioned instructions are intended to prevent losses of P.O.L. in containers. In case the above certificate is furnished in support of the losses, contributory causes of the losses should be intelligently ascertained. In case these were due to arty neglect on the part of the depot authorities, those should be dealt with accordingly.

(xv) the loss statements on which the stores have been charged off contain all the particulars mentioned in Para 218 (a) and are supported by the documents stated in Para 218 (b), A.S.C. Regulations, 1950.

(xvi) all losses exceeding the percentages laid down in Para 219 (a) (i) and (ii) of A.S.C. Regulations, have been investigated by a Court of Enquiry, unless the Depot/Installation Commander has got sufficient and sound reasons, which justify dispensing with a Court of Enquiry and the C.F.A. on the basis of these reasons has decided that a Court of Enquiry is not necessary.

(xvii) in the case of transit losses in respect of petrol tank wagons, relevant records exist to show that before taking delivery of tank wagons from the railway authorities, the wagons were thoroughly inspected with particular reference to the points mentioned in Para 2 Appendix V of A.S.C. Regulations, 1950.

(xviii) **Contingencies**: Only such items of contingent expenditure as are peculiar to P.O.L. units, such as noted below have been charged in the monthly contingent return:
(a) expenses on account of repairs to packing material.
(b) labour for handling P.O.L.
(c) expenditure incurred in the receipt and despatch of P.O.L. or dead stock.
(d) expenditure incurred on bulk and kerbside petroleum installations, viz;
   (i) stores required and expenses incurred in connection with petty repairs, alterations and improvements, and;
   (ii) cost, including departmental charges, of works and repairs carried out by the M.E.S.
(e) expenses at trade installations by officers operating the P.O.L. contracts of the D.G.I. & S.

**FOOD INSPECTION UNITS**

FUNCTIONS

169. A Food Inspection Unit; Composite Food Laboratory has the following main functions:
   (a) Operation of contracts for centrally purchased items placed by the Ministry of Food in that command.
   (b) Inspection of the goods tendered by contractors against Ministry of Food Contracts in that command.
   (c) Acceptance of consignments tendered, if upto A.S.C. specifications and their despatch according to despatch instructions issued by Army Headquarters.
   (d) Advise on pest control.
   (e) Categorization of command stocks.

POINTS TO BE SEEN IN AUDIT

170. In addition to the general instructions in Chapter II and III and the check prescribed in Para 147 of this manual, it will be seen in Audit that: -
1. all accepted consignments including packing material such as gunny bags, tea chests, lining and ghee boxes, have been taken on charge, supported by the relevant Inspection Note [F.D. (M)-60] the figure shown under "Total Accepted" being a recurring total so that on completion of the contract, the total quantity accepted against the contract can be seen clearly,
2. the quantities of stores despatched to Q.M.G's Depots have been shown as issued supported by the relevant receipt and issue vouchers,
3. receipt and issue vouchers and expense vouchers have been numbered according to the standard method as per inspection notes.
   (a) Code number of Inspection Sub-Area.
   (b) File No.
   (c) Prefix 'Eh' in the case of expense voucher (d) Serial number of vouchers.
4. consignments of different commodities or two or, more consignments of the same commodity from different contracts have not been entered on the same receipt and issue vouchers;
5. Re-conditioned consignment has been re-tendered within the delivery period, and if the delivery period has expired, the inspection of the consignment has not been carried out without extension of delivery period by the Chief Director of Purchase, Ministry of Food.

6. No consignment, which has been recommended by the Composite Food Laboratories to be accepted on reduction in price has been despatched or taken on charge till the reduction in price is fully decided and intimated by the Chief Director of Purchase.

7. The books of Inspection Notes [FD (M)-60] have been kept under lock and key and have been accounted for in a register showing when each book is brought into use, and that in the event of loss of the forms, the Ministry of Food have been notified.

8. The quantity of stores charged off as 'Samples' is supported by an expense voucher (I.A.EZ. 2096) signed by the O.C Food Inspection Unit on which the details of the distribution of the sample have been shown as under:
   (a) ORIGINAL SAMPLE to be sent to Composite Food Laboratory for test
   (b) DUPLICATE-Return to Contractor.
   (c) TRIPLICATE-Taken on charge on Remnant Sample Register.
   (d) QUADRUPLICATE to be sent to the Chief Director of Purchase, Ministry of Food, in cases where required under the terms of contract.

9. The triplicate sample has been taken on charge in the Triplicate Sample Register duly supported by relevant expense voucher.

10. The triplicate samples of both accepted and rejected consignment have been retained by the inspecting Officer's unit for not more than three months and that on the expiry of this period these have been disposed of as under :-
    (a) samples of accepted consignments handed over to the nearest Supply Depots on an issue voucher, a copy of which is to be sent to L.A.O. concerned.
    (b) samples of rejected consignment against which no appeal has been preferred have been destroyed under the supervision of an officer and a certificate to the effect recorded.

11. Triplicate samples from rejected consignments (against which an appeal has been preferred) have been sent to Army Headquarters/ ST 7.

12. The despatch of samples by air has been sanctioned by the Officer Commanding/Officer-in-Charge, Food Inspection Units under their financial powers or by the next higher authority only in special cases, where the distance between the place of inspection and the Composite Food Laboratory concerned is more than 800 K.Ms and where delay is likely to occur by despatch of samples by post.

13. Composite Food Laboratory-the composite Food Laboratory has maintained:
    (a) Remnants Ledger showing the disposal of remnants.
    (b) A separate accounts ledger showing the daily receipts of money by sale of remnants.
    (c) A proper sample registers.

14. Remnants from original samples of accepted consignments and from samples sent for periodical sampling for estimated storage life have been sent to the nearest
Supply Depot on I.A.F.Z.-2096 and those in opened tins have been disposed off by sale to entitled personnel at prices fixed by the laboratory in the light of the local conditions.

15. Remnant’s from original samples of rejected consignments and those unfit for consumption have been destroyed by incineration.

16. Only those articles, for which there is no demand on payment and which are likely to go bad unless disposed of early, have been issued free to laboratory personnel.

17. The sales have been accounted for in a sale register which should be checked with reference to the cash receipts (I.A.F.A.-175). 18. The daily cash realized has been accounted for in cash book and credited into Government treasury without any delay.

**Note:** The procedure mentioned at items 13 to 18 above is also applicable in respect of A.S.C. samples received from various station Supply Depot composite platoon A.S.C. for categorisation.

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**ANNEXURE**

[Referred to in Para 147 (1)]

**COPY OF AHQ QMG’S BRANCH LETTER NO. 72126/PC-7/ST2**

DATED 17th APRIL, 1956

**ACCOUNTING PROCEDURE FOR DRAWING 70 MT GAS EX TRADE ON REPLACEMENT BASIS**

**AGREEMENT**

1. Agreements have been entered into with the three oil companies for the supply of 70 MT GAS to various stations ex their main installations at MUMBAI, KOLKATA, KANDLA, TINSUKIA and COCHIN (ERNAKULAM) on replacement basis. Copies of the agreements have been/will be sent to BsASC and OsC SUPPLY/POL Depots concerned.

**DRAWING EXPORTS AND ONWARD**

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RTC-KOLKATA
DESPATCH TO SUPPLY/PO.L. DEPOTS

2. Supplies of 70 MT GAS will be made in Rail Tank Cars ex trade's main installations at MUMBAI, KOLKATA, KANDLA, TINSUKIA and COCHIN (ERNAKULAM) under arrangements of Petroleum Contract Platoon. They will be consigned to the SUPPLY/ RO.L. Depot concerned but booked to the OIL COMPANY Installation at that station except in the case of Mhow where Rail Tank Cars will be booked to the Oil Company Installation at Indore. After the despatches have been affected, inspection notes will be prepared and handed over to the oil company concerned by O.C. Petroleum Contract Platoon who will bring the same on charge in their Transit Accounts. The quantities so despatched by Officer Commanding, Petroleum Contract Platoon will be vouchered over to Supply/P.O.L. Depot concerned and struck off Transit Account Charge on I.A.F.Z./2255.

RECEIPTS OF STOCK AT OIL COMPANY INSTALLATIONS AT DESTINATION STATION

3. Immediately on the arrival of Rail Tank Car at the Oil Company Installation at destination station, the Depot Superintendent of the Installation will inform the Officer Commanding, Supply/P.O.L. Depot of the arrival of the Rail Tank Cars. On arrival of the Officer Commanding or his representative at the installation, the Rail Tank Car seals will be broken and receiving dip of the Rail Tank Car taken in the presence of the Depot Superintendent. Such quantity as per receiving dip of the Rail Tank Car will be the actual quantity received by the installation on military account and will be decanted and stored in the installation storage tanks by the installations Officer Commanding. Supply/P.O.L. Depot will draw quantities from the installation in Rail Tank Wagons as and when required. The quantities received in the installation from the Trade's Main Installations will be handed over to the Depot Superintendent on a joint Certificate (Appendix "A") for storage, in the Trade Storage Tanks. The certificate will be made out in triplicate, one copy of which will be returned by the Depot Superintendent after signing the same as a token of receipt. Any difference between the quantity despatched by the Petroleum Contract Platoon/authorised representative and the quantity received at the installation will be charged off on a provisional loss statement and regularized in accordance with the normal rules by Officer Commanding, Supply/P.O.L. Depot.

DRAWING OF STOCKS EX-INSTALLATION

4. Officer Commanding, Supply/P.O.L. Depot will draw quantities of 70 MT Gas from the installation as and when required. The Depot Superintendent will prepare an acknowledgement slip (Appendix "B") which will be serially numbered, for quantity drawn by Officer Commanding, Supply/P.O.L. Depot. Two copies of the acknowledgement slip will be signed by the representative of Officer Commanding Supply/P.O.L. Depot at the time of drawing the quantities as a token of receipt of the quantities. Four copies of the slip will be sent by the Depot Superintendent to the Officer Commanding, Supply/P.O.L. Depot through the Officer Commanding representative. The Officer Commanding will sign all the four copies and return two copies to the Depot.
Superintendent within seven days from the date of receipt. Of the two copies retained by
the Officer Commanding, one copy is for records of the Supply/P.O.L. Depot and the
other for the audit staff for linking into the central ledgers maintained by the
Supply/P.O.L. Depot. The quantities taken over from the TRADE at UP-Country Depots
will be taking up on charge of the central ledger.

**COMPENSATION FOR HANDLING AND OTHER INCIDENTAL CHARGES
INCURRED BY THE TRADE**

5. The Government has agreed to pay the Trade a flat rate of Rs. 10 for every 22730
liters drawn by SUPPLY/P.O.L. Depots from the Trade Installations to cover handling
and other incidental charges. At the end of each month, the Oil Company concerned will
prepare bill for the compensation and forward it to the Supply/P.O.L. Depot. The Officer
Commanding, Supply/P.O.L. Depot, will countersign this bill after having checked it
with statement on APPENDIX `C' and submit the same through the Local Audit Officer
of the Depot to the Controller of Defence Accounts concerned for payment.

**COMPENSATION FOR DECANTING AND OPERATING LOSSES
INCURRED BY THE TRADE**

6. The Government have agreed to allow the Trade compensation against decanting
and operating losses at the rate of 0.74 percent (this is subject to variation from time to
time as per terms of the agreement) in quantity on actual receipt of 70 MT-GAS on
Military Account at the Trade's Depots. This will be accounted for in the monthly
statement as explained below.

**MONTHLY STATEMENT**

7. The Trade Installation will maintain a statement (APPENDIX `C') showing
relevant particulars in respect of stocks received, quantities delivered by them to
Supply/P.O.L. Depot, decanting and operating losses on the basis given in Para 6 above
and balance of stocks held in the Trade storage tanks. At the end of each month, the
Trade will forward such statements in triplicate to the Officer Commanding,
Supply/P.O.L. Depot, to have same duly verified. The Officer Commanding,
Supply/P.O.L. Depot will certify such statements, and, after retaining one copy, return
the other copies to the Trade. Officer Commanding Supply/P.O.L. Depot will record
these statements in the form of a ledger supported by the statement itself. An example of
a correctly filled monthly statement is at Appendix `D'. These will be produced for audit
at the Supply/P.O.L. Depot as and when required.

**ACCOUNTING OF MT GASOLINE ON
STANDARD TEMPERATURE**

8. (a) The Petroleum Contract Units at ports on despatch of an RTC will voucher the
quantity of I.A.FZ.-2225, showing gallonage at ST and NT the ST gallonage only will be
taken on ledger charge by the consignee depot.
(b) On receipt at destination the RTC will be dipped, temperature recorded and its contents converted to ST. The ST gallonage will be handed over to the trade and difference, if any, between this quantity and the ST quantity vide (a) above will be written off as loss in transit.

(c) The trade will fill containers and RTWs for issue and will intimate to ASC the quantity issued at NT and its converted figures at ST at the temperature at which fillings are carried out.

(d) The ST gallonage vide (c) above is charged off from the ledger. The transfer voucher is then prepared showing: -

"........... gallons at ST equal to ........... gallons at NT filled into RTWs Barrels/Jerricans and taken on ledger charge page...."

(e) The quantity at NT vide (d) above will then be vouchered over to the unit concerned on I.A.F.Z.-2096.

(f) Loss in store, if any, while the stocks are held in pack, will be adjusted in the normal manner by a loss statement. QUERIES

9. Queries with regard to the levying of any local fax by the State Government or the Municipality of the station on military stock received by the trade and any queries pertaining to supply or payment of 70-MT GAS will be promptly referred to Army Headquarters by Officer Commanding, Supply/P.O.L. Depot for necessary advice.

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APPENDIX 'A'

JOINT CERTIFICATE

Petrol tank wagon No................................................................. Shipped ex................................................................. As per P.D.O. No. ................................................................. on.................................................................

Shipping particulars Receiving Particulars

---

RTC-KOLKATA
APPENDIX `B'

Motor spirit stock transaction between Messrs....... and military Depot at...........

Acknowledgement Slip

Received from Messrs.................................. Petrol Depot as.................................. the supplies of motors spirit as under: -
P.O.L. Tank Lorry No..........................................................
P.O.L. Tank Truck Capacity ................................................. litres
Quantity delivered.................... Litres at Natural Temperature.
Quantity delivered............................................... Litres at 85° F.
Date of delivery........................................

Received the goods mentioned above.

............................................................... Signature of the Tank Truck Driver

............................................................... Signature of the Officer Commanding
P.O.L. Depot

APPENDIX'C'

Statement of Receipts, Deliveries, Decanting and Operating Losses and closing balances of stock held on Military Account

Name of Depot................. Product : Petrol litres............. Month.........
<table>
<thead>
<tr>
<th>Date accounting reference</th>
<th>Consignor’s issue voucher No. &amp; date</th>
<th>Quantity received as per receiving dip of Tank / Wagon Certified by O.C.</th>
<th>Quantity delivered as per acknowledgment slip</th>
<th>*Decanting operating losses at 0.74% on Quantity receive</th>
<th>Balance of stock held on Military Account</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total for month

Prepared by...........................................  
Certified correct..............................................  
O.C. P.O.L./Supply Depot at......  
Bulk Depot Operation

Location...........................................  
Dated...........................................

*The percentage of loss is subject to variation as per terms of the agreement.

APPENDIX ‘D’

Statement of Receipts, Deliveries, Decanting and Operation Losses and Closing Balance of stock held on Military Account

RTC-KOLKATA
Product: Petrol in litres at 857 temperatures.

Name of Depot...................................... Month...........................................

<table>
<thead>
<tr>
<th>Date</th>
<th>Accounting reference</th>
<th>Consignor’s issue voucher No. &amp; date</th>
<th>Quantity received as per receiving dip of Tank/Wagon Certified by O.C.</th>
<th>Quantity delivered as per acknowledgement slip</th>
<th>Decanting operating losses at 0.74% on Quantity receive</th>
<th>Balance of stock held on Military Account</th>
</tr>
</thead>
<tbody>
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<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

1. 2. 3. 4. 5. 6. and so on

**Total for month**

Certified correct.........................................

O.C. P.O.L./Supply Depot at.........................

Prepared by: -

M/s......................................................... Depot Superintendent

Location.....................................................

Dated.......................................................
Note: The various account books/ store ledgers’ required to be maintained by Remount Depot, Saharanpur are detailed in standing orders for Saharanpur Depot.

POINTS TO BE SEEN IN AUDIT

172. In addition to the general instructions laid down in Chapter 11 and III of this manual, the points mentioned in the succeeding paragraph should be specially observed in auditing the store accounts.

STRENGTH RETURN OF ANIMALS

173. In should be seen that:-
(a) the animals struck off charge agree with those shown in the requisite vouchers received with skeleton lists, casting rolls, sale accounts or loss statements;
(b) reclassification of animals from one class to another is connected with the depot orders and in the case of transfer of higher to lower class sanction of the Director, Remount, Veterinary and Farms is on record;
(c) casting of animals as remount cases, veterinary cases, worn out cases etc., has been carried out under proper authority. The destruction of deceased and injured animals which are declared to be incurable, is carried out on the authority of a certificate from the Veterinary Officer or the senior officer present in the station, if no Veterinary Officer is available the proper authority should be looked for in each case;
(d) sanction of the Director of Remount, veterinary and Farms is available for :-
   (i) the employment of cast animals on cultivation work;
   (ii) the sale of cast and under sized horses and rejected cattle;
(e) castings of animals under R.A.I. have been reported to the Director of Remount, Veterinary and Farms annually for necessary regularisation;
(f) in the case of sale of cast animals, it should be seen that the instructions contained in Para 971 Regulations, for the Army 1962 Edition have been complied with and no unnecessary expenditure incurred on the maintenance of unwanted animals;
(g) check of live-stock is carried out monthly and a certificate to the effect is recorded on the monthly return of live-stock;
(h) the disposal of hides in the case of animals which have died or have been destroyed (except those suffering from infectious disease) is noted on the roll from which the animals have been struck off charge;
(i) in the case of horses issued on hire to officers, etc., under the Regulation for the Army 1962 Edition intimation has been sent to the PC.DA./C.DA. and his acknowledgement obtained. It would also be seen that charges on account of insurances fees, vide Para 979 Regulations for the Army 1962 Edition are recovered and credited to Government.
(j) in the case of boarders necessary register is maintained in accordance with Para 988 Regulations for the Army 1962 Edition and recovery of insurance fees and charges referred to in clause 8 of the agreement published in Appendix ‘Q’ to Regulations for the Army 1962 Edition is effected and credited to Government. The total number of boarders shown as outstanding in a register should agree with the number shown in animal register as boarders.
RATION AND FORAGE RETURN AND OTHER LEDGERS AND RETURNS

174. The procedure for audit will be similar to that prescribed for similar documents maintained by consuming units and formations. It will further be seen that:-
(a) all issues from stores are supported by the written order (I.A.FA.-1619) of the O.C. and all transactions are recorded daily by the go-down overseer in I.A.FR.-1484, except in the case of articles purchased for a particular work and delivered direct to that work, which are recorded only in I.A.F.R.-1486 and I.A.F.R.-1487;
(b) the daily receipts and issues of grain and fodder are recorded also in I.A.F.R.-1483;
(c) forage has been correctly drawn for the number of animals actually on charge;
(d) vouchers for fodder rations issued to officer's charges purchased from Remount Depots for consumption on journey to destination are priced at the payment issue rate of the Military Farm in whose supply area the Remount Depot is situated;
(e) in the case of extra issue of grain to animals in poor condition such issues do not exceed 450 grams per diem per animal and issues are made with the sanction of G.O.C., Area, or equivalent commander for such period as may be recommended by A.D.R.V & F/D.A.D.R.V 

MUSTER ROLLS (I.A.FA.-42)

175. The rolls of daily labour for one month in a quarter will be completely audited and it will be seen that pay has been drawn only for the number of days the labourers have actually worked as shown , in the Depot records.

DEPOT CULTIVATION FARM I

176. The records maintained by Remount Depots in connection with the cultivation of lands in their possession (including Farm's land) either by tenants (Batai System) or by daily labour (Home farming) should be examined to see that the produce realized there from has been brought to account.

CULTIVATION BALANCE SHEET

177. This should be examined to see that the yearly account has been prepared correctly in the prescribed form. In order to see that the expenditure incurred is reasonable and the production of fodder by Remount Depots is economical, the figures in respect of Remount Depots should be compared with those of the nearest Military Farms. Abnormal variations between the production rates of the Remount Depots and the nearest Farms should be brought to the notice of the Remount authorities for any action they may consider necessary.
ACCOUNTS OF HOSPITALS

178. (a) There is veterinary hospital and also a follower's hospital attached to Remount Depot. The follower's hospitals are maintained as "non-dieted departmental hospitals". The accounts maintained by these hospitals will be audited in accordance with the general rules laid down for consuming units and hospitals in Chapters V and VI of this manual.

(b) In the case of local purchase of veterinary stores and equipment which are considered essential for the treatment of animals in hospital in urgent circumstances upto Rs. 20, authority of Assistant Director of Remount, Veterinary and Farms should be looked for.

WORKSHOP ACCOUNTS

179. The instructions laid down in Section 6 of this Chapter for E.M.E. Workshops will be followed generally in auditing the accounts of Remount Depot Workshops. It will also be seen that deposit vouchers are used for stores sent by the Remount Depot proper or Cultivation Farm or the Breeding stud to the Depot Workshop for repairs.

ANNUAL SUPPLIES

180. In the case of annual supplies of A.S.C. Stores it should be seen that the scales laid down in TABLE 25, SEC VIII SRS 1967 reprint have not been exceeded.

SECTION-3 MEDICAL DEPOTS

Armed Forces Medical Store Depot

GENERAL

181. The main function of the Armed Forces Medical Depots which are now running as non commercial concerns like other store depots is to supply medical stores to Army Units, Navy Air Force, M.E.S. Military Farms, Sainik Schools, Civilian Medical Store Depots, U.K. Government, Armed Forces Family Welfare Centres, and Red Cross Homes for disabled soldiers and Hindustan Air Craft, Bangalore. 

Note: No stores to be issued to private parties except with the sanction of the Government.

ACCOUNTS

182. The accounts which are subject to audit are maintained in the prescribed ledgers and account cards are detailed in Annexure ‘A’ to this section.

POINTS TO BE SEEN IN AUDIT

183. In addition to the general principles laid down in Chapters II and III of this manual the following important points should be looked for in audit:
(i) when medical equipment, instruments etc., are drawn for manufacturing purposes, see that T.I.V.s are cross linked with the T.R.V.s on which completed stores have been taken on charge.

(ii) see that authorities for all demands are invariably quoted on the indents on which the stores are issued.

(iii) see that stores issued to the establishment under orders of the D.T.D. for being utilised as sample to guide purchases, etc., are written off on expense vouchers endorsed with the following remarks:
"issued as samples to guide purchases, etc., No adjustments".

**PAYMENT ISSUES**

184. Payment issues will be made to the following indentors. In the case of class (I) payment indents, it will be seen that indents are countersigned by the authorities mentioned against them. In the case of classes (II) and (III) payment indents, it will be seen that they are routed through the authorities show against each.

**= CLASS I PAYMENT INDENTS**

<table>
<thead>
<tr>
<th>Unit</th>
<th>Competent authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navy....................</td>
<td>D.M.S. (Navy)/S.M.O. West.</td>
</tr>
<tr>
<td>Air Force...............</td>
<td>D.M.S. (Air) P.M.O. Comd.</td>
</tr>
<tr>
<td>M.E.S....................</td>
<td>A.D.M.S. Area</td>
</tr>
<tr>
<td>Military Farms ..........</td>
<td>V.O./V.A.S.I/c Military Farms</td>
</tr>
<tr>
<td>Sainik School...........</td>
<td>D. G. A. F. M. S.</td>
</tr>
</tbody>
</table>

**= CLASS II PAYMENT INDENTS**

| Civil Medical Store Depots.... | Ministries of Health & Defence & D.G.A.F.M.S. |
| U. K. Government............ | Ministry of Defence & D.G.A.F.M.S.            |

**= CLASS III PAYMENT INDENTS**

| Armed Forces Family Welfare Centre. | A.D.M.S. Area concerned and D.G.A. F.M.S. |
| Red Cross Homes for disabled soldiers | Director hospital services section Indian Red cross society (who will furnish a certificate to the effect that the stores are required exclusively for the use of disabled ex-service personnel) & DGAFMS. |
| Hindustan air craft ............... | D.G.A.F.M.S.                                |

**Note 1:** In the case of class I indents they will be marked "Inter Departmental Adjustments" and the cost of the stores will be adjusted in the manner prescribed in...
Para 81 of this manual. In the case of Sainik schools the cost of the stores will be adjusted by book debit recoverable from in the Incidental and Miscellaneous Grant allotments of the school concerned.

**Note 2:** In the case of issues made to U.K. Government (for Gorkha units on U.K. Government roll) the cost of stores supplied will be recoverable from H.Q. British Gorkha Troops, Barrackpore, Kolkata, who will Deposit the amount in the government treasury after the stores have been supplied and forward the treasury receipt to the supplying depot for onward transmission to the P.C.D.A. /C.D.A. concerned.

**Note 3:** In the case of class III indents the cost of the stores will be deposited in a Government Treasury and the treasury receipt furnished before the stores demanded are removed from A.F.M.S. Depots and other stock holding medical units.

**Note 4:** Issues to J & K State Forces and Militia will be governed by Governments orders issued from time to time.

**Note 5:** Issues to foreign Governments (other than U.K.) will be made in accordance with the procedure for such issues prescribed by the Ministry of Defence from time to time.

**Note 6:** Issues to other than those mentioned above will require Government sanction.

**PRICING OF VOUCHERS**

185. Pricing will be done by the L.A.O. of the depots and the issue vouchers will be dealt with as per Appendix to SAI (1965 Edition)

**SURPLUS, OBSOLETE AND WASTE STORES**

186. The following points will be observed in auditing ledgers in which surplus, obsolete and waste (including unserviceable) stores are accounted for:

(I) **Receipts:** It should be seen that stores transferred to these categories declared as such by the competent authority are accounted for in a separate ledger, e.g., Surplus stores ledger, N.I.V and unserviceable stores ledger.

(ii) It will be seen that the items declared obsolete by the D.G.A.E.M.S. are accounted for in the N.I.V Ledger on a transfer voucher. These are eventually transferred to surplus group.

As for unserviceable (waste) stores where items (e.g. medical stores and equipment declared unserviceable or condemned from stocks or receipts within the medical stores installations) have been transferred to a salvage group under their respective P V M.S. numbers and after final orders of the C.F.A. have been obtained, they will be accounted for in the ledger in quantities and in addition by total (except containers). Extendible items seen as drugs received in Salvage Group for destruction under orders of the CFA. and which are in containers which can be utilized for further packing, will be accounted for in ledger. Accounting of non-medical items will also be carried out in the same manner. While auditing, it should be ensured, that these requirements are complied with.

(iii) (a) Issues of Surplus and Obsolete Stores :-Salvage stores required for use in the depot will be transferred to different sections directly on a regular voucher. Those intended for Salvage Depot will similarly be sent on regular voucher.
b) In the case of stores accounted for in the surplus and NIV Section it will be seen that issues of surplus either free or on loan or on payment is approved by the D.G.A.EM.S or D.G.S. & D and that issues are supported by an issue voucher/loan issue voucher.

c) The procedure as for serviceable stores will be followed in the case of Army, Navy, Air Force and M.E.S. for stores issued free.

d) It will be seen that the issue of sample either free or on loan or on payment is approved by the D.G.A.EM.S./D.G.S. & D. and that such issues are supported by an issue voucher/loan issue voucher (I.A.EO-2459) or triplicate copy of the sale account as the case may be.

e) Disposal of surplus stores including sale are classified in the depot as follows:
   (1) Sale by auction by the D.G.A.EM.S.
   (2) Sale of auction by the D.G.S. & D.
   (3) Resale of stores to private indentors.
   (4) release of stores by cash payment by D.G.S. & D. and D.G.A.EM.S.

f) Sale accounts will be sent to the regional PC.D.A/C.D.A. as per instructions contained in the C.G.D.A. Letter No. 9981/At dated 16-10-1951. It will be seen in audit that stores shown on sale accounts have been correctly charged off the ledger.

ARTICLES-IN-USE

187. The same rules governing the audit of A-in-U allotment as laid down in Para 211 (N) below relating to Ordnance Depots will apply. In the case of A.F.M.S Depots the competent authority for sanctioning this allotment is the D.G.A.F.M.S.

ISSUE ON LOAN

188. Register of loan issues is maintained by the depots on M.S.D.-30. It will be seen in audit that:
   (i) the transactions are posted in the ledgers as they occur;
   (ii) issues are authorised and supported by C.F.A.’s sanction;
   (iii) no undue delay occurs in returning the articles to the depot;
   (iv) stores lost or damaged beyond repairs or returned unserviceable due to fair wear and tear, will be dealt with by the user unit. In the case of class (II) indents, on receipt of documents necessary debit at full book value is raised;
   (v) issue of non expendable medical stores and equipment on temporary loan to State Governments, civil authorities and others not administered by the Defence Services, will be governed by the following conditions:
      (a) The cost of packing and freight in both directions and any other incidental charges incurred will be borne by the Indentor.
      (b) All losses due to change in conditions at the time of its receipt whether due to fair wear and tear or otherwise, will be charged against the user, when the stores are returned.

The loss in such cases will be the actual cost incurred in putting the stores equipment into serviceable condition where reconditioning by repair or by replacements
of components/spare parts is required or the full value where the item has been received in an unserviceable condition. 

**Note:** loan issues are not made to civil institutions.

**REPAIR AND RETURN REGISTER**

189. It will be seen that:
(i) repairs are executed without any undue delay
(ii) items are correctly transferred from repairable to serviceable ledger after receipt of the items duly repaired from the workshops
(iii) the deposit repair register is maintained properly and periodical reminders are issued for the return of the stores.

**SHORT LIFE ITEMS**

190. It should be ensured that: -
(i) there is no overstocking of these items beyond the authorised levels;
(ii) the records for such items are maintained strictly according to the directives for such items;
(iii) the items which are not likely to be consumed within their lives, proper action is taken for their disposal, well before their lives are due to expire.

**STOCK VERIFICATION**

191. Stock verification is carried out periodically as laid down in departmental directives. Stock verification reports are received as and when stock verification is carried out and discrepancies coming to notice are promptly adjusted under *Rule [474, ER., Part II] as amended by Government of India, Ministry of Defence No. 02546/Pt-II/DGAFMS/DG-2B/4711/D (IS & Med.) dated 11-10-1951]* Requires amendments.

**AUDIT OF TEMPORARY LABOUR BILLS**

192. The instructions laid down in Para 141 of this manual will be observed in audit of the temporary labour bills of A.F.M.S. Depot.

**ISSUES TO THE DISPENSARIES ATTACHED TO DEPOTS**

193. The scale of initial equipment will be as laid down in I.A.FW 129/97 A (as amended from time to time).

Drugs and other expendable stores required for use in a small dispensary at each A.EM.S. Depot for medical treatment of the employees of the depots will be issued from the depot stock on an as required basis as and when necessary. In the audit thereof it will be seen that drugs and other stores issued for the above purpose are properly accounted for in the dispensary expense book. Expendable and medical stores are charged off as usual on expense voucher.
RATION RETURNS AND QUANTITATIVE LEDGERS

194. Ration Returns and quantitative Ledgers as prescribed for the consuming units will be audited in accordance with the instructions contained in chapter V of this manual. In addition it will be seen that receipt and issue of full and empty bottles and containers are being carried out in the basis of directives issued by the D.G.A.F.M.S with the concurrence of the associate financial authorities and Para 568 RMSAF 1962 Edition. The stores issued for consumption in the depot on an as required basis are obtained from the normal supply depots of the Defence Services and that their consumption is normal. Any abnormal consumption will be brought to the notice of the D.G.A.F.M.S.

SPECTACLE GROUP

195. It should be ensured that:
   (i) free issue of spectacles has only been made to the authorised personnel under the conditions laid down in A.I. 80 / 48 as amended;
   (ii) prescriptions for the issue of spectacles have been countersigned by the Eye Specialist,
   (iii) in the case of replacements of spectacles the prescription is supported by a loss statement/treasury receipt for the amount recovered from the individual concerned if the loss is due to his fault, otherwise it should be issued under C.O.'s certificate stating the circumstances of the case. Copies of I.A.EM.-4 should be collected by local audit staff during periodical visits when spectacles are issued on payment.
   (iv) in the case of issue of spectacles to officers on payment, cash recovery has been effected and the treasury receipt sent to the C.D.A. concerned for adjustment.

SUB DEPOT/BASE DEPOTS MEDICAL STORES

196. In addition to the general instructions laid down for the audit of store accounts of other store depots such as ordnance depots, etc., the following special points will be observed while auditing the store accounts of Sub Depot/Base Depot Medical Stores.

POINTS TO BE SEEN IN AUDIT

197. It will be seen that in order to reduce losses of medical stores due to time expiry, deterioration to the barest minimum, the following steps have been taken by the authorities concerned:
   (i) All the perishable items have been classified under the following three groups:

   Group `A': Items with a life of two years or less.
   Group `B': Items with a safe life ranging from two to five years.
   Group `C': Items requiring cold storage.
(ii) Records of all such items have been maintained in a register on the proforma as shown in Appendix 'C' to the D.G.A.F.M.S., Ministry of Defence, letter No. 3516/24/DGAfMS/ DG-2, dated 20-11-52.

(iii) The register has been checked and sheets initialled at least once a week by the Officer-in-Charge, Stock Group, and scrutinised and initialled once a month by the O.C. to ensure that the prescribed instructions for the maintenance of the register are being followed.

(iv) To guard against any possible errors in the posting of entries in the register, the particulars of dates of manufacture have been shown both on the receipt as well as on the issue/expense vouchers/loss statements.

(v) It will be seen that all items of Group 'A' and 'B' have been divided into the following categories and dealt with as under on approaching their time expiry dates

**CATEGORY 'A' (i)**

The items indicated with asterisk have been treated as unserviceable as soon as the stocks reach their expiry date and orders of the C.F.A. on loss statements obtained before actual destruction is carried out unless these stores become unfit for issue owing to deterioration while a stock and the change in condition not being due to lack of suitable storage accommodation or failure to look after the articles properly while in stock, is adjustable on I.A.F.O. 2715.

**CATEGORY 'A' (ii)**

Representative samples of batches held in stock, which are approaching their expiry date have been forwarded to the M.S.I.D. six weeks before the expiry date. Samples for subsequent periodical tests have also been sent six weeks in advance of the extended expiry date until such time as they are consumed or declared unfit for medical use as the case may be.

**Note:** Issues after the time expire will be made only on the strength of the report of fitness by the M.S.I.D.

**CATEGORY 'B'**

Items under this category have been sent for test on approaching their expiry date and thereafter at regular intervals as in the case of category 'A' (ii) items.

**Note:** In case of these items the issues will continue to be made to the twits even while the item has become time expired and is under test. Until such time as the test report received from the M.S.I.D. declares the items as 'unfit'.

**ISSUES**
(vi) It will be seen that the stocks with earliest dates of expiry have been issued first and that until these stocks are completely exhausted, no issues from the next batch have been made.

TURN OVER

(vii) The stocks which are held as 'Reserve' or as component parts of complete sets or outfits have been turned over from 'Reserves' to 'Maintenance Stocks' for issue to the consuming units after the prescribed period indicated against each article in the register.

PERIODICAL REVIEW OF STOCK POSITION

(viii) The stock of all items of groups A and 'B' which have limited period of useful life has been kept to the absolute minimum compatible with anticipated requirements to ensure their consumption within the period of their potency and to achieve the purpose periodical statements of surplus stores have been sent by the depots to A.H.Q.

LOSSES

(ix) It will be seen that losses occurring in these store holding medical units due to evaporation of drugs, stains and chemicals, as shown in the Annexure 'AN '13' and 'C' to Government of India letter No. 3514/16/DGAFMS/DG-2/2861/D-9 dated 22-6-50, does not exceed the percentages mentioned against each in the above quoted letter and these losses have been struck off charge after each cycle of stock verification duly supported by expense vouchers.

STOCK VERIFICATION

(x) Stock verification has been carried out in the cycles and under the heads as indicated below, all components even though held separately on charge being checked along with the main items

1) Short life items vide D.G.A.F.M.S, letter dated 20/11/52 referred to above
   (a) Group 'A..... ...... Quarterly April-June-July, September-October, December-January, March.
   (b) Group 'B............ Half yearly April-September, October, March.
   (2) Controlled . . . . . . Quarterly As in (1), (a) above items
   (3) Valuable and attractive items Half yearly As in (1), (b) above
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(4) All other items Annually Financial year.
Surplus stock N.I.V., A.-in-U, including
Dead stock, Ordnance stores and salvage
articles. . . .

MEDICAL WORKSHOPS

GENERAL

198. As the store accounts are maintained on the same lines as in the A.F.M.S. Depot, the instructions contained in this chapter regarding the audit of store accounts in A.F.M.S. Depot will generally apply. It will be seen that:
(i) store accounts are maintained in "Stores Section Ledger Cards" separately for serviceable and repairable stores,
(ii) N.I.V Items are accounted for on I.A.F.M.-1224,
(iii) ordnance items are accounted for on I.A.F.Z. 2286 A.

POINTS TO BE SEEN IN AUDIT

199. It will be seen that equipments, machinery and tools maintained by the workshops are authorised in the workshops peace equipment tables and that they are accounted for in the proper ledgers. Issue of stores and equipments to other medical units on loan are made on the authority of D.G.A.F.M.S. and that the stores are received back on the expiry of loan period.
200. It will also be seen that:
(i) a register of work orders is maintained to control all work orders;
(ii) work orders contain details of the jobs;
(iii) stores required for carrying out these work orders have been demanded by requisitions signed by the Technical Engineer Officer or other engineer officer authorised for the purpose;
(iv) these requisitions are posted into an expense voucher; and (v) stores drawn for the purpose of repair in the workshops as also petty expendable stores like oil, paints, etc., are correctly charged off on consolidated monthly expense vouchers approved by the Officer Commanding with a certificate that the stores charged off have actually been expended in workshops.
201. It will be seen that the various components stripped from unserviceable items of equipment for use in connection with repairs of other repairable equipment are taken on ledger charge and are issued to workshop on regular expense vouchers as and when necessary. It will also be seen that scraps or by-products of various classes obtained during the process of repair as well as unserviceable articles of equipment, plant and tools are held on ledger charge. The disposal of such articles; will also be seen.
202. It will be seen that periodical stock taking of the stores and equipments are carried out in accordance with the procedure of stock taking in the A.F.M.S. Depot and that any surplus and deficiencies found during the stock taking are adjusted by means of
C.R.Vs., adjustment vouchers or loss statements as may be applicable after due investigations.

203. It will be seen that:
   (a) with the exception of minor items required for the execution of a particular job and special boxes for packing, no manufacture or outside work is undertaken except with the prior approval of the D.G.A.F.M.S.
   (b) in cases of such manufacture/outside work the cost of the item has been correctly assessed (with the approval of the D.G.A.F.M.S.) and recovered and credited to Government.

ARTIFICIAL LIMB CENTRE, PUNE

GENERAL

204. The principles of store accounting applicable to E.M.E. Workshops generally apply to this centre.

AUDIT POINT REGARDING EQUIPMENT, MACHINERY AND TOOLS AND STORES DRAWN FOR MANUFACTURE

205. It will be seen in audit that equipment, machinery and tools maintained by the Artificial Limb Centre are authorised in the peace equipment tables of the centre and that they are accounted for in the proper ledgers, viz. A-in-U tools equipment one IAFZ-2286-A and limb components and other expense stores on, I.A.F O. 1347-13.

   The audit of stores drawn for the manufacture of artificial limbs/components is confined to seeing; that the stores like leather, willow wood and wax, etc., are charged off on a consolidated weekly expense vouchers approved by the Commandant with a certificate to the effect that the materials charged off were required for the manufacture of artificial limbs/components during the period from .......... to....... 

ISSUES

206. The centre issues artificial limbs and surgical appliances as under: -
   (a) Free Issues:-To Officers, J.C.Os. And O.Rs. N.Cs (E) whose injuries or disabilities are attributable to or are aggravated by military service. It will be seen in audit that entitlement certificates are on record in respect of such free issues and that the free issues are authorised.
   (b) Payment Issues:-
      (1) At full rates to officers in cases not covered by (a) above.
      (2) At 50% of the normal rates to all J.C.Os., O.Rs and N.Cs (E) not covered by (a) above.
      (3) At full rates to other non entitled personnel including civilians provided the supply is sanctioned by the D.M.S.

RENEWALS/REPAIRS
207. The renewals/repairs are free in cases where initial issues were free. In all other cases these will be on payment. The register of work orders will be scrutinised to see that work orders are controlled on a running serial and have distinguishing suffix "MIL' or "CIV" according as the issue is free or on payment. From this, issues on payment will be picked out and it will be seen in audit that the issues are authorised by D.M.S. and estimated cost has been recovered in advance from non-entitled civilians/Defence Services personnel (subject to recovery/refund of difference due on final assessment and delivery to the individuals concerned) and credited to Government on M.R.Os., the treasury receipts being forwarded for necessary adjustment to the PC.D.A. /C.D.A. through the L.A.O. In the case of serving personnel of the Defence Services where the estimated cost has not been recovered in advance, it will be seen in audit that an acknowledgement from the C.D.A. (O)/PA.O. Concerned to the effect that the amount involved has been adjusted in the individual's I.R.L.A. has been obtained. It will also be seen in audit that in cases where the initial issues were not free, the cost of renewal/repair has been recovered in advance and credited to Government. In case of serving personnel of the Defence Service where the initial issues were not free, it will be ensured that the amount of renewal/repair has been adjusted in the individual's I.R.L.A. and acknowledgement to that effect has been obtained from the C.D.A (O)/PAO concerned.

STOCK-TAKING

208. It will be seen in audit that stock taking of the stores, equipment and components, etc., is carried out in accordance with the procedures followed in Army Units and formations and that any surpluses/deficiencies found out during stock taking are adjusted by means of C.R.Vs/loss statements.
ANNEXURE `A'
List of auditable documents

**Quartermaster Branch**

1. Public clothing ledger,
2. Personal clothing ledger,
3. E.I. Clothing ledger,
4. Expendable ledger,
5. Ammunition ledger,
6. Unit equipment ledger,
7. Repair book (Boot and Clothing),
8. Amenity stores ledger,
9. Dead stock ledger,
10. Station stores ledger,
11. Arms ledger.
12. M.T. Tools ledgers, volumes, I & II,
13. Unit vehicle register,
14. P.O.L. Stock ledger and used engine oil account,
15. Requisition slip for P.O.L.,
16. Vehicle daily running account,
17. Trailers fire pump daily running account,
18. Duty slips,
19. Cars diary,
20. Log book of vehicle and T.F.P.,
21. Anti-malaria stores ledger,
22. Register of conservancy charges,
23. Hire transport register,
24. Amenity transport register,
25. Ration return,
26. I.A.F.Z.-3033,
27. Consolidated payment register.
28. Entitlement register,
29. Cash memos,
30. K.P.L. Return,
31. Loss statement register,
32. Typewriter and duplicator register.

**Establishment Section**

1. Check rolls.
2. Musterling in and out reports (A.F.O.-1398),
3. Leave account records.
4. Absentee statements,
5. Register of unpaid wages,
6. Service books,
7. Register of books and forms,
8. Railway warrants and credit notes,
9. Office equipment ledgers,
10. A-in-U ledgers,
11. Gate passes.

**Medical Groups**

**Group 1-P.V.M.S./N.I.V--drugs**

1. P.V.M.S. Index register,
2. N.I.V. Index register,
3. Store accounts cards.

**Group 11-P.V.M.S./N.I.V-Instrument and Spectacles**

1. P.V.M.S. Index registers.
2. N.L.V Index register.
3. Store accounts card.
4. Spectacles ledgers.
5. Indent and prescriptions for spectacles.

**Group III - P.V.M.S. / N.I.V.-Surgical**

1. P.V.M.S.
2. MIX. 16.
1&2, index register
3. Store accounts cards.

**Group IV-P.V.M.S./N.I.V-Packing**
1. P.V.M.S. 1. Index register.
2. N.I.V. 1.
3. Store accounts cards.

**Repairable Group-P.V.M.S./N.I.V.**
1. P.V.M.S. Index registers.
2. N.I.V.
3. Store accounts cards.
4. Deposit register and transfer voucher.
5. Repairable store ledger.

**Surplus Group – P.V.M.S./N.I.V.**
1. P.V.M.S.
2. N.I.V. Index registers.
3. Post march
4. Issue voucher register.
5. Receipt voucher register.
7. Store account cards.

**Salvage Group**
1. Salvage ledgers
   Register of Losses, (a) Transit (b) Stores (c) Surplus.
2. Loan Issues.
3. Railway Claims.
4. Railway Receipts.
5. Receipt and Issue Central.
6. Payment Issue.

**Dispensary**
1. Expendable ledgers 2 volumes,
2. Non expendable ledgers,
3. Issue control ledger.
4. A-in-U register,
5. Out door patient register.

**Voucher for linking**
1. 'E' copies.
2. 'OP' copies.
SECTION 4. - ARMY ORDNANCE CORPS DEPOTS

1. ORDNANCE DEPOTS

GENERAL

209. Ordnance depots are primarily responsible for storage and supply of stores of A.O.C. Supply [V.O.S. (1), clothing and N.I.V Stores of A.O.C. Supply] to military units and formations. In addition to these normal free issues, stores are also supplied on hire, loan and payment.

ACCOUNTS

210. The stock held on charge in groups and branches is accounted for in account cards of the group or branch concerned in I.A.F.O. 2706 or I.A.F.O.-2645-B, where VUDEX cabinet equipment is not available, except machinery and all tools and other accessories which are accounted for in ledgers on I.A.RZ.-2286-A.

POINTS TO BE SEEN IN AUDIT

211. In addition to the general instructions in Chapters I to III of this manual, the following points will also be seen in audit

211. (A) ACCOUNT CARDS

211 (A) (i) Separate sets of account cards have been maintained for the following type of depot stocks: -

211 (A) (i) (a) Central Depot or Ordnance Depot's own stock.
211 (A) (i) (b) Dispersed stocks held on behalf of Central Depots.
211 (A) (i) (c) Command 'pools' of stores.
211 (A) (i) (d) Surplus stores after declaration to Director General of Disposals as such.
211 A (i) (e) Old pattern.

211 (A) (ii) when stores of different condition (serviceable, repairable, unserviceable and part-worn) are held on charge, separate account cards for store of each condition have been maintained and numbered in the following order:

<table>
<thead>
<tr>
<th>Condition</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serviceable</td>
<td>72</td>
</tr>
<tr>
<td>Repairable</td>
<td>72.01</td>
</tr>
<tr>
<td>Uns Serviceable</td>
<td>72.02</td>
</tr>
<tr>
<td>Part-Worn</td>
<td>72.03</td>
</tr>
</tbody>
</table>

Note: Doubtful cards are opened in respect of stores of very technical nature and which cannot be accounted for in any stock group and that prompt action has been taken to condition these items within a period of 3 months.
211 (A) (iii) Account cards have been kept separately for each item, arranged to conform to the section in V.A.O.S. in the alphabetical order and numbered serially within each Vacob sub-section such as G1, G2.

211 (A) (iv) (a) Separate indices have been prepared for each COS/MT section on the form given in Appendix I to A.H.Q. Letter No. 55931/MG/OS-II dated 3-2-1958, the card serial No. in each series starting from 1 onwards.

211 (A) (iv) (b) These sheets have been signed by the officer in-charge in the case provided for;

211 (A) (iv) (c) All fresh insertions/removals in these indices have been supported by entries in the "cards added and removed sheets"- I.A.F.O-2347, referred to in sub Para (vii) below.

211 (A) (iv) (d) The indices securely tied together and I.A.F:O-2437 (cards added and removed sheets) are held in a folder and that this folder has been kept under the personnel custody of the Officer-in-Charge, Accounts/Shed.

211 (A) (iv) (e) On renumbering of account cards at the beginning of financial year or due to insertion of new account cards the entries have been made in the columns provided for and these have been signed by the Officer-in-Charge, Account's/Shed.

211 (A) (v) All transactions in account cards have normally been posted in chronological order according to the date of receipt/issue viz., date of selection in the case of issues and date of beginning in the case of receipt and the date of adjustment control number in the case of adjustment vouchers.

211 (A) (vi) An account card for a new item has been inserted in its proper place by reference to its part number, the page number to be allotted to the new account card in between existing numbers being restricted to two decimal places as under : 7.48, 7.72, 7.96, 7.24 and so on.

211 (A) (vii) A record of pages added and removed has been maintained on I.A.F.O.-2437 on which the page number and the heading of the cards added and removed have been entered and that the entries have been initialled by the G.O. /A.G.O.

211 (A) (viii) Account cards have been renumbered each year at the commencement of the financial year and necessary entries have been made in the indices mentioned in sub Para (iv) above.

211 (A) (ix) The opening balance of the new card agrees with the closing balance of the completed card and that the opening balance of the new card has been initialled by the officer-in-charge in token of his verification of the balance carried over.

211 (A) (x) Account cards in regard to items no longer stocked in the depot and to those obsolete stores which have been disposed of, and completed cards have been removed from the cabinets, and kept separately to be produced for audit when required.

211 (A) (xi) Account cards whose stock balances have been 'NIL for the last two stock-taking cycles, and which have no 'dues in' have been transferred from 'Live' series to 'Dead' series and that the transferred cards have been maintained in the same original card as before.
211 (A) (xii) N.I.V. Articles brought on charge in the account card have clearly been marked as such.

211. (B) ACCOUNTING UNIT

Stores have been accounted for by number, weight or measurement except as under:

211 (B) (a) Where the accounting unit is in metric Tonnes or Quintals, stores have been accounted for to the nearest 100 grams (50 grams and over being reckoned as 100 grams and lesser quantities ignored).

211 (B) (b) Where the unit is in grams, stores have been accounted for to the nearest unit of grams (weight less than 5 grams should be ignored and 5 grams and over be taken as 10 grams). In the case of issues, this fact will be endorsed on the relevant issue vouchers. This will not apply to precious metals, in which case actual weight in grams Troy will be charged.

211 (B) (c) Timber is accounted for in accordance with the instructions contained in Appendix 2 RAOs (II) 1965 Edition and the procedure laid down in A.H.Q. Letter No. 56966/MG-OS/10-B/900-D (O & D) dated 28-1-55 and 56966/PC-1/MG-OS/10-B dated 20-5-58.

211 (B) (d) Hides, ingots and similar stores are accounted for by the number as well as by weight.

211 (B) (e) Soap Yellow is accounted for by numbers of bar only.

211 (B) (f) Stores or Components sentenced "serviceable for drill purposes" have been accounted for separately, the designation in the stock record being followed by "D.P"

211 (B) (g) Special packing cases have been accounted for by designation and catalogue L.I. or part numbers, if any. Non special packing cases, crates, etc., in material group have been accounted for by sizes in accordance with Appendix I RAOs (II) 1965 Edition.

211 (B) (h) Accounts for stores purchased for Baby-crèches (where maintained) will be audited in the usual manner vide G. of I. M. of D. NO. 53752/AG/Org 4 (c)/10364/B (Lab.), dated 9-12-52.

211. (C) STORES ISSUED AS SAMPLES, FOR TEST, IDENTIFICATION OR EXAMINATION.

211 (C) (i) Stores issued as samples, for test, identification or examination has been dealt with as under:

Issues to TD.Es/A.H.S.PIPC. & P. Section ordnance depot.

211 (C) (i) (a) Stores requiring test, identification and examination are issued to TD.Es., PC. & P. Section on I.A.FO.-1651, controlled in the normal series, two copies being sent to the L.A.O. of the consignor depot who will forward one copy to consignee L.A.O.

211 (C) (i) (b) I.A.EO: 1651 is posted in the consignor's ledger.

211 (C) (i) (c) The return of the stores is being watched through a loan register maintained in the form given in Para 3 of A.H.Q. Letter No. 40141/OS-10-B dated 29-8-64/11-9-64 and produced for audit. Packing materials as shown in I.A.FO-1651 will also

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be charged off at the time of issue, but the return will not be watched through the loan register. The details will be indicated on I.A.E.O.-1651.

211 (C) (i) (d) The stores expended during the test, etc. is shown on the reverse of I.A.F.O.-1651 and certified as having been expended in test and the balance of quantity returned is posted in the relevant column of the loan register. The packing containers and packing materials received with the stores will be accounted for in accordance with the instructions contained in Para 89 to 94 of section V to A.H.Q. Letter No. 73043/OS-II dated 2-8-67/30-9-67.

211 (C) (i) (e) Consignees are being expedited after a period of three months from the date of issue of samples.

Note 1: Stores will not be issued on loan issue vouchers when issues are made for identification by the stock groups/sub-depots to the P.C & P Section of their own depots and the P. C & P, section to the Technical Cells attached to the depots. In such cases P. C & P For7r1-16 will be used and change of location indicated on the relevant bin cards and the return of such items will be watched through a simple register maintained for the purpose.

Note 2: In the case of A.H.S.P the quantity of controlled samples held by A.H.S.P will be treated as accepted and inspection notes cleared accordingly.

Note 3: Stores issued to A.H.Q. as samples should be on regular issue vouchers and their return should be watched through the loan register maintained for the purpose.

211 (C) (ii) Issues of samples to the D.G.O.F. and Ordnance factories to guide manufacture and to the inspectors have been treated as free issues and vouchers for such issues scheduled to the accounts officers concerned.

211 (C) (iii) The issue of samples to contractors/private firms to help guide manufacture of articles has been treated as on loan and their return watched through the loan register. In the case of private firms it should be seen that the cost of samples not exceeding Rs. 100 has been deposited by the firm and refunded only on receipt back of samples without destruction or damage through neglect and in case of loss or damage the cost of samples or cost of repairs has been deducted from the deposit and credited to Government.

211 (C) (iv) Stores issued to inspector, Army Headquarters, etc., have been treated as nominal transactions on loan and their return is watched through I.A.F.O.-2459.

211 (C) (v) Such stores as are destroyed in test, the strike off is supported by a certificate from the inspectors, etc., concerned and that packing materials accompanying such stores is struck off charge in the account card, duly supported by regular, transfer vouchers.

211 (C) (vi) Issue of samples to Officers of the Development Wing, Ministry of Commerce and Industry has been treated as on loan, a record of which is kept on the loan register to enable progressing of the return of such stores (samples). On receipt of samples back into respective issuing ordnance depots, if any, change in condition is noticed or any portion of the sample is expended, a certificate to this effect from the consignee will be looked for in audit and it will be seen that necessary adjustment based on this certificate has been made by means of a transfer voucher.
211 (C) (vii) Stores delivered by contractors and expended in test have been supported by Inspector's certificate and that these stores have not been taken on charge if the consignment is not accepted, the cost of stores expended in test in the case of rejected consignment being borne by the contractor.

211 (D) Endorsements to be made on vouchers and work orders in connection with certain services To facilitate work in the Defence Accounts Department, vouchers and work orders in connection with the following services have been endorsed as shown below :-

211 (D) (a) Introduction of new stores "I.L.C's"
211 (D) (b) Experiments and Test "Experiments and Test"
211 (D) (c) Repairs to plant and machinery-"Plant and Machinery"
211 (D) (d) Stores for internal use-"Articles-in-Use."
211 (D) (e) Fitting ups-"Fitting Up"
211 (D) (f) Care-taking and custody-"Care-Taking and Custody'
211 (D) (g) Stores required by inspectors and P & E. O., Balasore- "purpose for which required as shown on the indent"

211 (E) Signing of Vouchers

Vouchers for store transactions in the following respects have been signed by Officers-in-charge of A.O.C. establishments;

211 (E) (a) Issues of stores for internal use in A.O.C. establishments, the cost of which is debitable to a monetary allotment.
211 (E) (b) Adjustment vouchers prepared for the adjustment of the stock record in accordance with *[Rule 474, RR. PART II.]*

*Requires-amendment.*

**Note:** In partial modification the Officer-in-Charge of A.O.C., establishment is permitted to authorize the signing of adjustment vouchers prepared in respect of transfer of stores from one vocab section to another vide Rule 474, sub-para (iv) of F.R-Part II by gazetted/commissioned officer' serving under their control. The gazetted/commissioned officers do not; however include the junior commissioned officers.

211 (E) (c) Issues on payment including such issues made to individual persons, private bodies, but excluding payment issues for which a book debit is raised which are signed by an individual authorised under *[Rule 72 (ix) F. R. Part II]viz., Shore holders etc.

211 (E) (d) Refund vouchers prepared in respect of stores returned to A.O.C. establishments, the value of which is refundable to the party concerned.

211, (F) LOSSES/SURPLUSES DISCOVERED AT THE TIME OF STOCK-TAKING

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211 (F) (i) the amount of losses shown on stock taking sheet (I.A.F.O- 2655) received by L.A.O. for pre-scrutiny falls within the financial powers of Commandants/C.O.Os./O.Os.

211 (F) (ii) the stock-taking sheets are cross referenced with the corresponding serial number of losses/surpluses from the register of losses/surpluses respectively and are supported by:

211 (F) (ii) (a) A certificate that no theft, fraud or neglect is involved, and
211 (F) (ii) (b) Précis of the case supporting the discrepancy together with any remedial action taken to prevent recurrence

Note 1: Regular loss statements (A. F. G. 1049/I.A.EO.-2715) will be prepared in respect of losses involving theft, fraud or neglect even though they fall within the financial powers of Commandants C.O.Os/O.Os. All stock taking sheets in respect of losses the monetary value of which falls within the financial powers of Commandants/C.O.Os /O.Os will be pre-scrutinized by the L.A.O. before the losses are written off subject to the provisions of Note under sub-Para 2 (1) of Para 93.

Note 2: The surpluses/deficiencies discovered at a stock-taking in respect of similar items can only be adjusted/set off against each other when they can be linked with original receipt/issue vouchers. In all other cases surpluses/deficiencies will be adjusted oil C.R.Vs. and losses regularized ill the normal manner.

Note 3: "When clothing articles are accounted for by sizes, discrepancies in sizes shall be adjusted by transfer vouchers and no loss statement will be necessary, but the change in condition discovered in clothing stores transferred from one A. O. C. establishment to another should be adjusted by loss statement only.

Note 4: In the case of losses due to drayage in respect of coir fiber and cotton waste no adjustment is necessary in respect of complete marked bundle until the bundle is broken for retail issue. For losses arising out of breaking the bundles, they will be written off by means of expense -voucher if the loss falls within the limits laid down in Government orders issued from time to time. When issues are made in complete bundles, surpluses/deficiencies in such complete bundles will not be taken note of and the quantity marked on the bundle and vouchered off will be the criterion for acceptance by the consignee. No discrepancy report is, therefore, necessary for deficiency in such complete bundles so long as they are within the prescribed limits and the consignee unit can adjust the same under the provisions of the Government orders. As regards stock-taking the basis of verification will be the markings on the bundles in so far as unopened packages are concerned, while the loose stock of the broken bundles, which is checked for the first time only will be weighed. If any discrepancy is discovered during this check, the same will be adjusted in accordance with the provisions of the Government orders on the subject.

211. (G) LOSS OF ACCOUNT CARDS
211 (G) (i) As soon as the loss of account cards is revealed a special stock-taking of items involved has been carried out, a new account card for the item with the last stock-taking figure as opening balance opened and all subsequent transactions in respect of the items entered on the card by referring to office copies of issue vouchers, receipt vouchers, bin cards and other documents.

211 G (ii) A departmental Court of Inquiry has been convened to:
211 (G) (ii) (a) Investigate the circumstances under which the account card was lost;
211 (G) (ii) (b) Investigate whether any loss of stores is involved and if so whether it was due to theft, fraud or neglect; and
211 (G) (ii) (c) Fix the responsibility for the loss

211 (G) (iii) The case has been reported to A.H.Q. through the P.C.D.A./C.D.A. for obtaining Government sanction for condonation of the loss of the account card, and acceptance in audit of the last stock-taking figure as the opening balance in the new account card.

211 (G) (iv) Necessary disciplinary action has been taken against the person(s) concerned in case the responsibility for the loss of account card has been pinpointed.

Note: Discrepancy, if any, arising between the special stock-taking figure and the book balance arrived at after reconstruction of the account card will automatically be regularized in the normal manner under the orders of the appropriate C.F.A.

211. (H) STORES SENT TO WORKSHOP (INCLUDING T.R.S. & LAUNDRY) FOR REPAIRS AND CONVERSION

Vouchers (I.A.F.O.-1391-A) transferring stores for repairs have been numbered in a separate series and that A.RG.-1049 (modified) has been used to readjust stock record on receipt back of stores duly repaired.

211. (I) DISPOSAL OF SURPLUS STORES

211. (I) (i) Surplus stores of the value below Rs. 5,000 per single category have been disposed of under the orders of D.O.S. while those of and above Rs. 5,000 per single category by D.G.S. & D. The items and quantities declared surplus and taken on disposal ledger correspond of those shown in the approved copy of the form D.G.S. & D.A-I received from the P.C.D.A./C.D.A.

Note: The provision of this para will apply mutatis-mutandis in the case of disposal of stores by other units and formations.

211 (I) (ii) Surplus stores of small value [viz., those stores whose vocab./estimated rate is Rs. 5 or below per accounting unit, and total stock (of an item) value Rs. 20 or less], issued to Salvage Section/Sub-Depot for disposal, bear the concurrence of the local D.F.A. (O).

211 (I) (iii) Surplus stores have been issued to other than Army units in accordance with the procedure laid down in Appendix V to Salvage Procedure, 54, except that : -
211 (I) (iii) (a) The financial adjustments in respect of surplus stores; of "War Time Origin" transferred between the different branches of Defence Services (viz. Navy, Air Force and M.E.S.) have been made at 50 per cent of the current vocab, rates;
211 (I) (iii) (b) Surplus stores other than those of "War Time origin" have been issued at normal rates to Navy and Air Force;
211 (I) (iv) Stores charged off Account Cards as auctioned agree with those shown in the sale accounts received from the stock holding depots.
211 (I) (v) Entries in sale accounts received from Stock Holding Depots agree with those in sale accounts received from the PC.D.A./C.D.A. concerned (in the case of surplus stores of the value below Rs. 5,000 per single category) and from the D.G.S. & D. (in respect of stores of and above Rs. 5,000 per single category).

211 (J) AUDIT OF BREAKING UP MEMORANDUM" (I.A.EO.-1400)

211 (J) (i) Sanction by D.O.S. has been accorded for the break up of all fire arms and barrels.

211 (J) (ii) All fire arms and barrels which have been struck off ledger charge as sent for breaking up have been correctly shown in column 3 of the form.

211 (J) (iii) The difference between the weight of the stores prior to the break-up, and after break-up (viz., between Column 8 sub-head 3 and Column 11 of the form) has been explained.

211 (J) (iv) A certificate of destruction has been given in respect of stores buried under rules.

211 (J) (v) Acknowledgements in columns 7 and 9 of "Breaking up Memorandum" have been given by the supervising officer.

211 (J) (vi) The stores shown in column 8 of the form as (1) returned to group and (2) handed over to Salvage Section have been vouchered to that group and section and the numbers and dates of the vouchers quoted in column 10 of the form.

211 (J) (vii) Components recovered from break-up, unserviceable or repairable small arms have been accounted for in accordance with Para 66 RAOs Part 11 1965 Edition.

211 (K) PACKING MATERIALS

211 (K) (i) Packing Cases or crates which are unserviceable or not of standard material or design and which cannot be utilized, have been transferred to Salvage Section/Sub-Depot where they are broken down and brought to account as "timber, pieces of sorts" by weight and issued to groups and branches for the manufacture or repair of packing cases.
211 (K) (ii) Dismantled racking, when broken down has been brought to account by weight as "timber scantling of sorts", and utilized for the repair of racks or packing cases.
or if not required, transferred to Salvage Section from where it will be issued as required by groups.

211. (L) ISSUES ON LOAN

211(L) (i) Issues are authorised and sanctioned by the competent authorities mentioned in (1) paras 88 and 89 of Equipment Regulations 1965 Edition Part I, in the case of Ordnance Stores, except tentage in regard to which see Tentage Regulations (2) Government of India, Ministry of Defence letter No. 54094/MG/TD. 15/9848/D, dated 16-12-1951, in the case of uncontrolled stores to Technical Development Establishment for exploring possibility of indigenous manufacture.

211 (L) (ii) The stores charged off from the stock record (account cards) agree with those shown on issue vouchers marked "issues on loan".

211 (L) (iii) An additional copy of "Loan Issue" voucher has been received by the L.A.O. of the issuing depot from depot authorities with a copy of the forwarding memo under which a copy of "Loan Issue" voucher was forwarded by the issuing depot to R.S.S.D. for transmission to the L.A.O., R.S.S.D.

Note: R.S.S.D. maintains Loan Issue Register, Forwarding memos under which copies of loan issue vouchers are forwarded to R.S.S.D. by issuing depots are serially numbered to enable the R.S.S.D. to detect the. Non-receipt, if any, of a previous batch of loan issue vouchers, this also enables the L.A.O. of R.S.S.D. to ensure that all copies of loan issue vouchers have been received by him as copies of the forwarding memos are sent to him along with copies of loan issue vouchers.

211 (L) (iv) The stores issued on loan have been correctly entered in the Loan Issue Register by R.S.S.D.

Note: The audit check will be exercised by L.A.O., R.S.S.D.

211 (L) (v) In the event of loan issues not being returned to the A.O.C. at the termination of the sanctioned period, the C.O.O. or 0.0. concerned has expedited their return and in cases where the return or the stores has been unnecessarily delayed, the matter has been reported by the C.O.O. or 0.0. to the sanctioning authorities.

Note: (a) The loan period will commence from the date the stores/vehicles are dispatched by the depots or delivered in the case of local delivery/collection.

(b) The loan period will expire on the date the, stores/vehicles are dispatched or delivered in the case of local delivery by units to Ordnance. The transit period for the return journey will not count towards the loan period.

211 (L) (vi) Losses and repair charges involved by loan issues due to fair wear and tear have been dealt with in accordance with the rules in Financial Regulations, Part-I.
211 (L) (vii) Stores issued on loan to unit have been transferred to another unit with the sanction of the competent authority and the C.O.O. or the 0.0 concerned informed accordingly.

211 (L) (viii) The issues of A.O.C. stores (other than tentage in regard to which see Tentage Regulations) on temporary loan to local Governments, civil authorities and others not administered by the Ministry of Defence have been governed by the following conditions and rules

211 (L) (viii) (a) The cost of packing and freight in both directions has been borne by the indentor.
211 (L) (viii) (b) Losses due to change in condition, whether due to fair wear and tear or otherwise, have been charged against the user of the stores when the stores are returned to the A.O.C.
211 (L) (viii) (c) The full values of the stores has been charged against the department etc., concerned, if the stores issued on loan were not returned to the A.O.C. within a period of six months from the date of issue. In such cases it will be seen that the latest rates prevalent at the time when the loan issues are converted into payment issues are charged against the parties concerned. It should also be ensured that the latest rate charged is for the same pattern of article as was originally issued on loan. In the case of N.I.V. items, it should be verified that the estimated rates approved by the Ministry of Finance (Defence) have been adopted.

211 (L) (ix) Conversion of "Loan Issues" to units into "Free Issues"-The deletion of entry from the loan issue register in consequence of the conversion of the stores from the "Loan Issues" to "Free Issues" is supported by the No. and date of intimation received to this effect from the issuing depot and that a copy of that intimation has also been received by L.A.O., R.S.S.D., from the issuing depot.

211 (L) (x) Conversion of 'Loan Issues' into 'Payment Issues'- After exercising audit check prescribed above in the case of conversion of 'Loan Issues' to 'Free Issues', it will be seen that an intimation regarding the conversion of stores into payment issues has been sent by the depot to the unit concerned and to its L.A.O., and that the same has been acknowledged by them.

Note: The L.A.O. of the unit concerned will watch the recovery of the payment issues in the normal manner

211. (M) ISSUE ON HIRE

211 (M) (i) Two registers of hire, one for 'Hire Issues' where recovery is to be made by the regional P.C.D.A./C.D.A. or pay authorities, and another where hire charges are to be recovered by the depot authorities have been properly maintained and posted up-to-date.
211 (M) (ii) Hire charges as priced by local audit staff in accordance with para 16 of Tentage Regulations (India) and other particulars relating to hire have correctly been entered in the relevant column of these registers.

211 (M) (iii) Proper action has been taken to effect recovery in respect of all issues on hire in the same way as payment issues. For this purpose the L.A.O. will ensure that:

211 (M) (iii) (a) In case of issues made to officers of the Defence Services, acknowledgements for received copies of vouchers and payment schedule have been received from the pay accounting authorities concerned.

Note: On return of the stores, the L.A.O. will intimate the date of their receipt back to the pay accounting authorities concerned [CDA (O) PUNE] in order to stop the recovery of hire charges.

211 (M) (iii) (b) In case of issues made to civil department received copies of vouchers have been forwarded to the EC.D.A./C.D.A. concerned for raising necessary debit and acknowledgements in respect thereof have been received.

211 (M) (iii) (c) In case of issues made to private persons, treasury receipts have in all cases been received from the executive authorities, forwarded to the P.C.D.A./C.D.A. concerned and acknowledged by him.

211 (M) (iv) The amount due on account of losses/ deficiencies/ repair charges in respect of stores issued on hire has been recovered from the parties concerned in the same way as hire charges vide (iii) (a) to (c) above.

Note: If the change in condition is due to fair; wear and tear; no recovery is to be effected.

211 (M) (v) While assessing the amount of loss/ deficiency to be recovered the provisions of Rule 16 (a) sub-para (a) (ii) 3 (11) of the Tentage Regulations and para 89 Equipment Regulations 1965 Edition, have been taken into account.

Note: The returned stores on receipt by the R.S.S.D. will be inspected. Their receipt along with a statement of deficiencies/damages and the cost of repairs required to put back the stores in serviceable condition, will be immediately reported to the issuing depot, a copy of which will also be furnished to the L.A.O. of the R.S.S.D. The issuing depot, on receipt of the information, will prepare a bill for the amount on account of losses/deficiencies, the recovery in respect of which, will be made in. the same way as hire charges.

211. (N) ARTICLES-IN-USE

211 (N) (i) All non-expendible items of A-in-U have been centrally accounted for by Expense Stores Group on I.A.EZ.-2286-A, distribution of stores within the depot being
shown on its reverse and that all transactions in this ledger except those pertaining to distribution of stores within the depot, are supported by regular vouchers.

**Note:** Issue entries in respect of stores issued to sub-depots/groups (own establishments) will be checked 100 percent with I.A.F Z-2183/I.A.F. Z-2183-A on which these issues are made.

211 (N) (ii) Stores disposed off to R.S.S.D./Salvage under A.O. 463/49 are supported by monthly Condemnation Board Proceedings.
211 (N) (iii) The pricing of issue vouchers in respect of A-in-U issued to own depot have been correctly done by the depot staff.
211 (N) (iv) A-in-U monetary allotment register has been properly maintained and all vouchers endorsed “Debitable to A-in-U allotment” have been correctly posted in the register.
211(N) (v) The allotment sanctioned for the purpose has not been exceeded.
211 (N) (vi) The depreciated value of the A-in-U articles on return to Ordnance has not been credited to the allotment of the units concerned.

**Note:** In the case of issues of other establishments, the LA.Os of the issuing depots should test check the pricing of issue vouchers done try the depots staff and the L.A.Os of the indenting establishments should watch the progress of expenditure against the A-in-U allotment with reference to the entries made in the A-in-U allotment register and ensure that the expenditure is within the allotment sanctioned.

211 (O) **STOCK TAKING**

In addition to instructions laid down in paras 83 to 86 of this manual the instructions contained in `stock taking procedure` have been observed.

211 (p) **OTHER AUDIT POINTS**

211 (P) (i) *The prior sanction of the D.O.S. has been obtained for the despatch of stores to Ordnance Factories for repairs or alterations when the estimated cost of repairs or alteration, exceeds Rs. 1,500. (*For cross referencing see Para 21C (V) S. A.1).
211 (P) (ii) In the case of stores returned by units, the stores have been conditioned as serviceable, repairable, un-serviceable and part-worn, as the case may be by the depot authorities and brought on charge accordingly.
211 (P) (iii) When stores borne on charge as serviceable were found to have deteriorated in stock, a certificate by competent inspector to the effect that the change in condition is not due to lack of suitable storage accommodation or failure to look after the articles properly while in storage.
211(P) (iv) No stores have been transferred between Ordnance establishments except under the order or with the prior concurrence of the Director of Ordnance Services.
211 (P) (v) *When indents are for "baled or packed stores" or for quantities less than the minimum that can be issued, "baled or packed stores" or minimum issuable quantities
have been issued and accounted for in the ledger, indents and vouchers being endorsed accordingly. (* For cross referencing see Para 21C (VI) S. A. I.)

211 (P) (vi) If the condition of the articles of clothing returned to the Ordnance Depot is such that they cannot be accounted for by number, such a condition must, except in very exceptional circumstances, by the result of ill-usage, neglect or substitution. It should be seen that in such cases action is taken in accordance with Para 152 ER 1965 Edition, and that the voucher on which these stores are brought to account as produce is supported by a copy of the competent financial authority's order.

211 (P) (vii) Where stores have been transferred from other units/ formations without supporting vouchers and taken on charge on C.R.Vs., these C.R.Vs. are carried with regular receipt vouchers on their receipt.

211 (P) (viii) Unserviceable guns and carriage components and other stores, sent to a factory for repairs, conversion or utilisation have been written off establishment charge on regular vouchers duly endorsed as follows:

"Deposit stores for repairs/conversion/utilisation in the factory".

211 (P) (ix) Returnable empty containers received from supplying firms against supply orders placed by the Director General of Supplying and Disposal have been returned to the supplying firms on regular vouchers and the cost thereof recovered by instructing the firm to pay the amount into the nearest treasury on a Military Receivable Order. If payment has not been made, it will be ensured in audit that the cost has been intimated to the PC.D.A./C.D.A. concerned for recovery from the outstanding bills of the firm, and that acknowledgement of such intimation has been received from the PC.D.A./C.D.A.

211 (P) (x) Mathematical instruments sent to Mathematical Instrument Office have been struck off ledger charge and issued on regular vouchers.

211 (P) (xi) Drawings and instructional prints have not been brought on charge on the stock record and that issues to units have been made on nominal vouchers and accounted for separately.

211 (P) (xii) Adjustments in stock records (Account Cards) under Rule *[474iii) (b) of RR. Part II], have been made to rectify only bona-fide mistakes in the account cards, which have occurred due to wrong identification, conditioning or incorrect recording and which can be proved by reference to the original vouchers on which the stores were received or issued, provided the cost of items so mistaken for is approximately the same. (*Required amendment)

211 (P) (xiii) When the cost of the total quantity to be downgraded of any single item is Rs. 25,000 or more, a board of officers has been convened under the orders of the Station Commander and a copy of its proceedings accompanies loss statement for write off (I.A.FO.-2715). When the cost is less than Rs. 25,000 it will be done by local ordnance authorities.

211 (P) (xiv) All transactions between stock and mobilisation groups have been made on regular vouchers except those relating to the turnover of stores which will be made in accordance with instructions contained in Para 361 ER 1965 Edition.

211 (P) (xv) All transactions between a group stock record and the "mobilization" stock records where both are maintained by the same group, have been carried out on regular vouchers where a change in designation is involved.

(2) RETURNED STORE SUB-DEPOTS AND

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SALVAGE SUB DEPOTS

FUNCTIONS

212: (i) Returned Store Sub Depots receive, sort out and condition the following type of stores: -
   (a) Clothing;
   (b) General Stores;
   (c) Technical stores including M.T with the following exceptions
       (1) Ammunition and Explosive,
       (2) Ammunition Empties,
       (3) Ammunition Packages,
       (4) Vehicles, and
       (5) Vehicle's, Assemblies
   (ii) carry out repairs to all such stores which do not require the services of skilled workshop technicians;
   (iii) disinfect and wash or dry clean stores requiring such treatment within the capacity of the R.S.S.D, clothing after washing will be accounted for in the same condition as they have been before washing;
   (iv) arrange with E.M.E. for the initial conditioning of all items which are the responsibility of E.M.E;
   (v) forward immediately all serviceable stores to the appropriate stock sub-depots or the depot holding such stores for re-issue;
   (vi) hold those stores which will be required by E.M.E. Workshops until called forward for repairs;
   (vii) dispose of all stores which are until for economic repair or are not required to be repaired;
   (viii) manufacture such items of stores as may be authorised from time to time by the Commandant/C.O.O. of the Ordnance Depot.
   (ix) maintenance of Loan and Hire Registers in respect of stores issued on loan on hire by the Ordnance Depots;
   (x) repair of those items of O.M. Stores of the Depot which are within the capacity of the R.S.S.D.

R.S.S.D. ACCOUNTS CARDS

213. Account cards consisting of simple record of "Receipts" "Issues" and "Stock Balances" for the stores held in the R.S.S.D. are maintained. Account Card Headings are opened for Generic Headings to the maximum extent possible. In the case of census items, attractive items, and items for which monthly or quarterly reports of repairable stores held have to be furnished, a card will be opened for each item. The account cards are numbered serially throughout each vocab section.

Note-1: Generic Headings do not cover stores of more than one section of the vocab, of ordnance stores and those stores which differ from one another appreciably in the material from which manufactured, and stores which are obviously valuable and attractive.
Note-2: Postings of transactions in the Accounts Card should generally be on the same lines as in the case of A.O. C. Depots vide Para 211 (a) (v) above with the only exception that in the case of receipt vouchers the date of controlling should be used for posting.

POINTS TO BE SEEN IN AUDIT

214. In addition to the general rules laid down in chapters I to III of this manual and those prescribed for the audit of the account cards of Ordnance Depot, the following points will also be looked into.

(1) Receipts: - All the stores received in R.S.S.D. on receipt vouchers etc., have in the first instance been posted in the account card under sub column "To be Conditioned" of "Receipts" column and that normal accounting procedure of "Receipts" and "Issues" has been followed.

(2) Conditioning: - The stores conditioned have been written off charge from the column "awaiting condition" and the same quantity/number brought on charge according to condition shown in the conditioning form as serviceable/repairable/unserviceable in the respective columns of the account card.

(3) The quantity/number of stores (Awaiting condition) as shown in part II of the conditioning form agrees with the balance shown in column 12 (Awaiting condition) of the relevant R.S.S.D. Account card.

(4) Issue of unserviceable stores: - Unsatisfactory stores of all types and repairable stores which are surplus to requirements have, after conditioning, been passed on to Salvage Section/Sub-Depot on the relevant conditioning form, and brought on charge by the Salvage Section.

(5) Repairs in R.S.S.D. Workshop: - The repair of stores which are R.S.S.D. Workshop's responsibility has been regulated by the use of job cards allotted a serial number from a register maintained for the purpose.

(6) Stores sent to R.S.S.D. Workshop for repair are not struck off charge from the account card until received back, duly repaired, when the repaired stores are struck off charge from the "Repairable Column" of the account card and are taken on charge as "Serviceable" and "Unserviceable" and unserviceable stores are struck off charge on transfer to Salvage Section on the same job card.

Note: In cases where any repairable stores were rendered unserviceable for any reason and issued to Salvage Section on the authority of issue and receipt notes (IAFO 1391-A). The entries relating to stores detailed in 'Issue and Receipt Notes' will be paired with those shown in the job cards (No. 3 copies) and issue and receipt notes will be scheduled to the L.A.O. auditing the accounts of the Salvage Section.

(7) Accumulation of returned stores, which have been awaiting or likely to await repair in R.S.S.D. Workshop for a period of more than 2 months and for which there are no prospects of early attention, have been reported to Army Headquarters so that arrangements can be made to have the work carried out elsewhere.

(8) Repairs by Contractors: Stores issued to contractors for repair and those received back duly repaired have been struck off and taken on charge, in the relevant account card and entries to this effect made in the Contractors Register of "Repairable Stores" maintained for the purpose by Repairable Stores Disposal Section.
(9) All the stores issued to contractors for Repairs have been received back.

(10) Manufacture of stores in R.S.S.D. Workshop-Work orders for the manufacture of stores have been duly authorised by the Commandant/C.O.O./O.O.

(11) Separate work order registers have been maintained for each workshop and separate case opened for each work order in which the original copy of the work order and all documents relating to it have, been filed.

(12) Receipted copy of completion notice (I.A.F.O.-1300-A) on which the manufactured stores were sent to the stock Sub-Depot has been received from the depot, and necessary steps taken to ensure that the stores have been brought on charge by the receiving stock depot.

(13) Estimate form [(I.A.F.O.)-2579] in respect of each work order of manufacture of stores has been prepared.

(14) Expense stores:-Account cards have been opened for each item normally stocked in the "Expense stores" on I.A.F.Z.-2645 in alphabetical order within each vocabulary section.

(15) Normal accounting; procedure has been followed.

(16) Simple "Receipts" and "Issues" Registers have been maintained on the prescribed forms and posted up to date.

(17) The stores issued on expense vouchers (I.A.F.Z.-2183) have been correctly charged off the relevant account card and taken on charge in the register of expendible stores maintained by each workshop.

(18) The stores shown as consumed in column 4 of the "Register of Expendible Stores" mentioned above agree with those shown in the relevant job cards.

(19) Stock Taking-Triplicate copy of the stock taking sheet along with one copy of A.F.G-1049 has been received in the L.A.Os Office after one month from the date of stock taking regardless of the fact whether the discrepancies have been settled or not in order that suitable action be taken by the L.A.O. to expedite settlement of the discrepancies.

(20) Instructions laid down in A.H.Q. Letter No. 4222/MG/OS11 dated 19/22-2-1949 have been complied with in counting the stock-taking.

**SALVAGE SECTION/SUB DEPOT**

*FUNCTIONS* (For cross referencing please see Para 41 S. A. I.)

215. The Salvage Section generally forms part of the Returned Stores Sub-Depot and is responsible for:

- (a) Receipt, storage, accounting break up and final disposal of all unserviceable, Obsolete, unwanted repairable and surplus serviceable stores of small value, except:
  - (i) Small Arms, Machine Guns and components thereof which are disposed of in accordance with Para 151 E.R. 1965 Edition and instructions issued from time to time by A.H.Q., and
  - (ii) Ammunition and Explosives including drill and dummy stores. These are retained in Ammunition Depots concerned until broken down. The metal scrap not required by D.G.O.F is received from Ammunition Depots for disposal.
(b) When there is no R.S.S.D. the Salvage Sub-Depot functions as a sub-depot of an ordnance installation. The above functions apply with necessary modifications, to the Salvage Sub-Depot also.

*ACCOUNTINGS

(*For cross referencing please see Para 41 S. A. I.)

216. Stores are brought on charge as follows:

(a) (i) When valuable stores (viz., those which have particulars sales value) are received complete with major components and can easily be identified as such, these are accounted for under "Generic Heads" both in numbers and weight viz., blankets and sheets are accounted for in numbers and weight, while metals are accounted for by weight only. The list of generic heads is given in Part I, Annexure `A of the "Salvage Section/Sub-Depot, and Disposal of Stores Procedure".

(ii) When surplus, unidentified and obsolete stores of small value are received, they are accounted for under generic headings. They will be stored and accounted for under broad groups/ headings such M.T. Tools, M.T. Components, condensers, valves and so on. The grouping of the store is to be done in a rational manner consistent with similarity and utility of items. These stores will be accorded the same treatment as for serviceable surplus stores and will not be merged with similar stores held in Salvage in unserviceable condition.

(iii) Valuable repairable un-graded stores are also accounted for under generic heads.

(iv) unwanted repairable stores received from stock groups/sub-depots will be accounted for under their individual catalogues/Part Nos.

(b) stores not valuable and also those which are valuable, but are received in an incomplete condition and as such are saleable as scrap only are accounted for under the designation and accounting unit authorised in the Salvage catalogue. (See Annexure `A' part 11 of the above mentioned procedure).

(c) M.T Vehicles are accounted for by numbers. Engine number and chassis number of each vehicle is shown against each vehicle.

AUDIT PROCEDURE

217. In addition to the general rules laid down in Chapters I to III of this manual, the following points will also be seen in audit:

(A) ACCOUNT CARDS

(i) Stock records have been maintained on I.A.FO.-2645-D, separate account cards being opened for each item of the stock in accordance with the list of Salvage headings given in Annexure `A' to "Salvage Procedure" 1954 and for "Unwanted Repairable" and "Serviceable" Stores under disposal. Unwanted repairable stores received from stock groups/sub-depots are accounted for under their individual catalogue/part No. and are not merged with other stores intended for disposal.
(ii) The account cards have been numbered serially and arranged in alphabetical order.

(iii) Stores have been brought on charge according to "Heading" endorsed on vouchers by Officer-in-Charge, conditioning and Produce Area.

(iv) Stores which are in a recognizable condition and are valuable have been brought on charge both by quantity and by weight under generic heads, while those which do not come under any generic heading under salvage heads by weight only.

**Note:** The quantity actually received (and not the quantity vouchered) is brought on charge vide Salvage Procedure. Losses in transit are not posted in the Account Cards. Hence the Register of Railway claims through which such losses are progressed should be audited to ensure that all claims are progressed and transit losses are finalised.

(v) The record of cards added and removed (I.A.F.O.-2437) have been maintained on the inside of the front of each volume and the opening balance on each sheet has been signed by an officer.

(vi) In the case of MT Vehicles, a separate card (I.A.F.O. 2645-D) and a separate sheet (I.A.F.O.-2678) have been used for each Make/Type and class of vehicle, engine number and chassis number being shown on the form against each vehicle and the Inspection Report/Deficiency list filled in a folder in the order of the sheets in the vehicle register (I.A.F.O.-2678).

**(B) ISSUES TO ARMY UNITS**

(i) Salvage stores have been issued to Army, Navy and Air Force Unit including TA and N.C.C. Units with the approval of Officer-in-Charge Salvage Section/Sub-Depot.

(ii) M.T. Components and assemblies from Class VI vehicles have been issued on demand to E.M.E. Workshops and Ordnance Depots only.

(iii) No issue of unserviceable vehicles, chassis and engines have been made to any military establishments except when authorised in their P.E.T/W.E.T

(iv) All other salvage and scrap have been issued for the purpose (s) and under the conditions mentioned in para 1 (b) of Appendix IV to Salvage Section/Sub-Depot and Disposal of Stores Procedure, 1954.

**(C) ISSUES TO OTHER THAN ARMY UNITS**

(i) Free issues to Ordnance Factories, Military Farms, Lands and Hiring Services and N.C.C. Units have been authorised by D.O.S. (MG/OS-ID), with the concurrence of the Ministry of Defence (Finance), the payment issue rates notified by the latter [the Ministry of Defence (Finance)] being endorsed on the issue vouchers.

**Note:** Issues to N.C.C. Units will be treated free in respect of salvage/scrap arising out of articles of equipment only. Identifiable clothing items will be issued on payment by book debit to them.
(ii) Issues to Navy and Air force units have been effected without any financial adjustment in accordance with the same procedure as outlined for Army units in para (B) above.

(iii) Issues to M.E.S. Units have been made on payment by book debit as authorised by D.O.S. (MG/OS-ID) with the concurrence of the Ministry of Defence (Finance) by whom the payment issue rates will be notified. The Sale Release Order No. and any incidental expenditure incurred in the despatch of stores will be noted on the issue voucher in all cases.

(iv) Issues made to the following categories have been authorised by the D.O.S. (MG/OS-ID) with the concurrence of the Ministry of Defence (Finance) and treated on payment by book debit, at the payment issue rates as notified by the above authority and that a copy of the vouchers showing the cost of the stores and the details of packing and other incidental charges incurred has been sent to the P.C.D.A./C.D.A. with a copy of the relevant release order through the L.A.O : -

(a) Sale to other Government Departments, Central or state such as Railways, Post and Telegraph and Police.

(b) Sale to hospitals and philanthropic institutions, if demands are sponsored by Central, Provincial or State Governments.

(c) Sale to educational and Scientific Institutions, where demands are sponsored by Central, Provincial or State Governments.

(d) Sale to nominated parties for use of Governments.

(v) In the case of sale to foreign Government the procedure" laid down in para 128 of this manual has been followed.

(D) SALE BY AUCTION

The number/quantity and nomenclature of the stores charged off stock records (Account Cards and Ledgers) are the same as shown in Release Orders issued by Brigade Command Headquarters and in sale accounts (I.A.RA.-58) received from the depot concerned.

Note-1: An audited copy of sale account (I.A.FA-58) received from the PC.D.A./C.D.A. will be paired with that received from the depot.

Note-2: In the case of disposal by auction of surplus stores transferred to salvage, the stores are issued to the purchaser as per normal procedure on regular issue vouchers prepared by the Salvage Depot on the authority of Copy No. 1 of Sale Release order. The No. 2 copy of Sale Release Order together with No. 3 copy of issue voucher is received by the L.A.O. for audit purpose; No. 5 copy of issue voucher in this case is not required and is destroyed by the Salvage Depot. Copy No. 6 of the sale account is also scheduled to the L.A.O. for linking with the Sale Release Orders and Issue Voucher.

(3) Vehicle Depots

General
218. The audit of the store accounts of Vehicle Depots will be conducted in accordance with: -
(a) The general audit instructions laid down in Chapters I and II of this manual, and
(b) The detailed audit procedure prescribed for the audit of the corresponding accounts of Ordnance Depots and consuming units. In addition, the points mentioned in the succeeding paragraphs will be specially observed in auditing these accounts.

**ACCOUNTING AND AUDIT**

*219. Vehicles are accounted for in vehicle stock Summary and Vehicle Register. Entries are made therein from Daily Receipt and Issue Returns, compiled from receipt, issue and adjustment vouchers (* for cross referencing please see Paras 56 to 59 S. A. I.) In addition to normal check of receipt and issue entries, it will be seen that: -
(i) Separate Daily Receipt and Issue Return have been prepared for `A' Vehicles, 'B' Vehicles, Specialist Vehicles, Cased Vehicles and Chassis and numbered in separate series;
(ii) Various columns of vehicles store summary and Vehicle Register have been correctly posted and closing balance of vehicles arrived at on a certain date in stock summary and in Vehicle Register agree;
(iii) Engine number, chassis number and B.A./W.D. numbers have been correctly entered in the Vehicle Register. In the case of vehicles/chassis received from the trade until such time as B.A. numbers are allotted, vehicles/chassis have been taken on charge by chassis and engine numbers;
(iv) No vehicle has been issued without Issue Order/Transfer Order issued by the controlling authority which, in the first instance, is A.H.O.M.G.O. Branch, who make bulk allocations of Fit Vehicles to H.O. Commands, which therefore become the controlling authority for the issue of allocated vehicles;
(v) Each Issue Order or Stock Transfer Orders is limited to the issue of only one Make/Type Class of vehicle to any one unit;
(vi) No chassis to Body-builders has been issued without the authority of issue orders from Army Headquarters (M.G./O.S.-4);
(vii) The principle of issuing the oldest vehicle in stock first has been followed;
(viii) Issue vouchers have been prepared on I.A.EO-2672, large, medium or small as required and vehicle nomenclature has been entered therein in standardised from as illustrated below; **Truck 15 CWT 4 x 2 G.S. Ford, CLASS I, GTY 12** with Tools and Equipment as per kit issue vouchers.
(ix) The issue of chassis to local Body-builders has been made on convoy notes and that to Body-builders located in outside stations on regular issue vouchers; **Note: Convoy notes are numbered from a separate seizes of control numbers maintained for each Body-builder.**
(x) The stock' vehicles reclassification has been done by the E.M.E. and published in the daily receipt return under the heading "Change in Condition".
(xi) Downgrading and conditioning of vehicles are supported by a certificate that it is not due to want of proper maintenance, lack of suitable storage accommodation or due to theft, fraud or neglect.

**VEHICLES ISSUED TO AND RETURNED**
BY M.E.S., AIR FORCE AND NAVY

Issues of Vehicles to M.E.S.

*220. The L.A.O. of the consignor vehicle depots forwards copies of the issue vouchers to the A.A.O.G.E. (M.E.S.) concerned, and the L.A.O. of the consignee for the verification of credit of the vehicles in the books of the consignee. Receipted copy of the vouchers are scheduled by him to the C.D.A.(Army) Meerut, for verification of adjustment of cost of vehicles in the half yearly statement rendered to him by Army Headquarters.(* For cross referencing please see Para 60 S. A. I.)

Issue of Vehicles to Air Force, Navy and Military Farms Departments

*221. Two copies of the issue vouchers are forwarded by the consignor to the consignee for acceptance. On receipt of the acceptance, one copy (receipted copy from consignee) will be sent by the L.A.O. of the consignor vehicle depot to the L.A.O. of the consignee for verification of the credit in the books of the consignee and onward transmission to the P.C.D.A./C.D.A. concerned i.e. CDA (A.F.) CDA (N) or regional P.C.D.A./C.D.A. of the farms as the case may be. The P.C.D.A/C.D.A will after linking the details of the vouchers with the statement forwarded by the respective Branch Headquarters, adjust the debit on account of the cost of vehicles received by him half yearly except in the case of Military Farms in which case the adjustment will be carried out monthly. (*for cross referencing please see Para 60 (a & b) S. A. I.)

STORES RETRIEVED FROM OBSOLETE AND UNSERVICEABLE WAND ARMoured `B' VEHICLES

222. M.T. Spares including Assemblies retrieved from each B.A. Number are listed under the signature of an officer and the lists are entered serially in a register maintained for the purpose. The relevant nominal issue vouchers on which these retrieved stores are issued to C.O.Ds are quoted in the register against each list. The L.A.O. will examine the register and see:

(i) that nominal issue vouchers have been issued in respect of all the lists entered in the register;
(ii) that the stores shown in the lists have been correctly vouchered;
(iii) that the stores issued to C.O.Ds on nominal issue vouchers have been correctly brought on charge by C.O.Ds concerned.

SMALL ARMS AND ARMAMENT ON A' VEHICLES

223. It will be seen that:
(a) In addition to normal store accounting an Index Record has been maintained on I.A.F.Z.-2486 suitably modified in accordance with the instructions contained in A.O. 678/51, for each type of small arms;

(b) Part XI Order has been issued on I.A.EZ.-3021 in respect of every casualty to guns/barrel/other artillery equipment, in accordance with the instructions contained in A.O. 92/53;

(c) Kits accompanying the vehicles at the time of issue of A vehicles have been listed in 3 separate sets of vouchers viz., gun, wireless and miscellaneous.

Kit Stores
224. (a) Kit accompanying vehicles is taken off the vehicles and passed on to the kit stores. These stores are accounted for in the same account cards as serviceable, repairable, unserviceable and doubtful. It will be seen that doubtful stores have been conditioned within a reasonable time say within a month, that repairable and unserviceable items of kit have not been received by vehicle depots, but returned by units direct to the appropriate R.S.S.D./Salvage Sub-Depot and that tarpaulins have been accounted for separately as an item of kit fitment on I.A.EZ.-2286-A.

(b) Receipt of repairable and unserviceable item along with the vehicles should not be returned to unit but to R.S.S.D. or Salvage Depot on nominal voucher.

225. It will be seen that Class VI and Class VII `B' vehicles are not returned to the nearest vehicle depot by the units but are sent direct to Salvage Section/Sub-Depots.

BATTERIES

226. Batteries fitted to A and `B' vehicles received into the depot are removed and stored in the Battery Stores. Batteries are accounted for on I.A.F.Z.-2286-A. It will be seen that:

(i) the distribution of batteries in Battery Stores and Parks has been shown on the reverse of I.A.F.Z.-2286-A.

(ii) the position of battery holdings in comparison with the stocks of vehicles of the eligible category in the depot has been reviewed once a month and surpluses, if any, noticed as a result of the review consigned to the Central Depot, on which dependant.

PETROL OIL AND LUBRICANTS

227. It will be seen that:

(i) P.O.L. has been accounted for as under

(a) Bulk P.O.L. stock on the standard ledger form I.A.F.Z.-2109. (b) Containers in the P.O.L. on I.A.RZ.-2286-A.

(ii) Distribution of containers has been shown on the reverse of I.A.F.Z.-2286-A

(iii) the stock of P.O.L. does not exceed that based on the normal rate of issue for the particular Vehicle Depot and approximately 8 days maintenance stocks including reserve for any known commitments;

(iv) in the case of incoming vehicles, the quantity of P.O.L. vouchered by units has been brought on charge and the quantity used in transit (viz., the difference in quantity drained and quantity vouchered) has been charged off by means of a certified issue voucher. In this connection it will also be seen that the quantity of P.O.L. so
charged off is reasonable taking into account the mileage covered by the vehicle in transit by road;

(v) the fuel required for movement of vehicles inside the vehicles depot, has been issued against each B.A. Number and the quantity issued has been posted in ledger;

(vi) all M.T Gasoline Vehicles (class I to VII) have been drained of MT Gasoline on their being placed in their storage location except such class I and II vehicles as are required for immediate issue;

(vii) fuel recovered from vehicles after defueling have been returned to the P.O.L. store and brought to account by bulk C.R.V. At the end of each working day;

(viii) bulk issue of oil and lubricants have been made to maintenance teams in different parts and the daily consumption has been written off charge by means of C.I.V. Prepared at the end of each day giving the B.A./WD. numbers maintained;

(ix) issue to depot transport has been made in bulk on I.A.FZ.-2206, separate copy being prepared for the total quantity issued each day;

(x) bulk issue to convoys have been made in containers on I.A.FZ.-2206 (Part 1) (to be used as a C.I.V.) each voucher being endorsed with reference to the connected movement order, Convoy Note number;

(xi) M.T Gasoline issues have generally been based on the following scale :

(a) transfer of stock between vehicle depots by road on as required basis;

(b) unfit, road delivery 9 litres per vehicle;

(c) issues by rail-vehicles despatched by rail will have a maximum of 2 litres in case of motor cycles and 9 litres in case of 'B' vehicles, 45 to 55 litres will be issued in case of issue of A vehicles by rail;

(xii) when vehicles are sent to Base Workshops, the petrol has been drained off from the tank before handing over the vehicle to workshop;

(xiii) M.T. Gasoline sent along with vehicles sent to dependent Station Workshops or Workshop companies have been accounted for in the Log Books with the appropriate details in support.

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STOCK-TAKING

228. It will be seen that: -

(i) stock-taking has been carried out according to periodicity mentioned below

(a) Vehicles Half yearly viz on the last days of the months of March and September of each calendar year.

(b) Kits and equipment. Half-yearly as in the case of vehicles.

(l) Bulk items of equipment of
stock vehicle's items of Vehicle’s kit, tyres, tubes, and batteries.

(2) P.O.L. Monthly.

(ii) stock-taking has been completed within a period not exceeding six working days and the actual dates of stock-taking notified in Depot Orders, Part I;

(iii) the stock census sheets pertaining to certain vehicles will be screened against the related vehicle's Log Books to ascertain as to whether Log Books exist for all the vehicles shown on the stock census sheets and that particulars such as classification etc., shown in the latter agree with those shown in the Log Books. Where the classification differs, the classification given in the Log Book has been taken as correct;

(iv) entries made in reconciliation Progress Register are correct and up to date and that discrepancies between book balances and ground balances have been investigated and adjusted within one month of the date of stock-taking;

(v) where similar surpluses and deficiencies have been adjusted against each other, the number and date of the original vouchers in which the mistakes occurred have been quoted in terms of *[Rule 474 (iii) (b) FR., Part II]; (*Requires amendment.)*

(vi) no adjustment of discrepancies discovered on stock taking has been made on stock-taking sheet (I.A.FO. 2655) under the orders of the Commandants /C.O.Os/O.Os unless.

(a) the amount of the loss falls within their financial powers, and

(b) the stock-taking sheet has been pre-scrutinised by the L.A.O.

(vii) the stock-taking sheet submitted to the L.A.O. for pre-scrutiny has been cross-referenced with the corresponding serial number of losses/surpluses from the register of losses/surpluses respectively and supported by:

(1) a certificate to the effect that no theft, fraud or neglect is involved and that change in condition of stock vehicles while in storage is not due to theft, fraud or neglect, want of proper maintenance or lack of suitable storage accommodation;

(4) AMMUNITION DEPOTS

Points to be seen in Audit

*229. The general rules of audit laid down in chapters I & II of this manual and the audit procedure prescribed for the audit of Ordnance Depots and consuming units will, in general be observed in auditing the store accounts of Ammunition Depots. In addition, it will be seen that:
(1) Components of shell and cartridges such as clips and plugs are not accounted for separately when they go to make up complete rounds;

(2) fired S.A.A. cases have been accounted for by weight to the nearest ounce in addition to being accounted for by number;

(3) crushed brass converted from fired cases returned to Ordnance Depot has been brought on charge properly, and that the weight of the fired cases is shown on the voucher with which such cases were sent to workshop for crushing;

Note: Claims for the allowance in respect of empty metal cartridge cases, lead, fired bullets, brass and copper returned by units to Ammunition Depots are submitted to the PC.D.A./C.D.A through the L.A.O. of the Ammunition Depot concerned for payment. The L.A.O. while verifying the credit in the stock records of the Ammunition Depot will endorse the number and dates of the bills on the copies of the receipt vouchers in possession of the Ammunition Depot authorities to avoid risk of double payment.

(4) the issue of samples of Ammunition (Explosives) has been made on regular issue vouchers and treated as on 'Loan';

(5) empty ammunition containers and packages have been accounted for by numbers only, under different condition and that scrap metal (by weight only);

(6) ammunition of oldest dates of manufacture have been issued first unless special orders exist to the contrary;

(7) cordite cartridges have been issued in accordance with the C.F. lot number of the cordite rounds with the smallest lot numbers being issued first;

(8) marks, dates of manufacture and lot number have been recorded on the connected vouchers;

*(For cross referencing please see Paras 73 to 76 S-A. I.)

(9) only such confiscated ammunition received from the civil authorities has been taken on charge as i, of current pattern, and is in serviceable or repairable condition. Such ammunition of other pattern will be brought to account in a laboratory work order and be set aside for break up or dumping at sea as convenient. A certificate of disposal/destruction will be furnished to the civil authorities;

Note: Collector of Customs/Central Excise/IGP of States will forward a half yearly list for the period ending June & December of confiscated arms/ammunition seat to Ordnance/Ammunition Depot in Duplicate in the following proforma to P.C.D.A./C.D.A. in whose audit jurisdiction the Depot is located. On receipt of the list one copy thereof will be forwarded by the P.C.D.A./C.D.A. to the L.A.O. of the consignee Depot for credit verification.
(10) ammunition returned by units in boxes with original seals intact or with original seals broken with the tin linings intact has been accounted for as "serviceable";
(11) ammunition and explosives received from units for examination or test have been brought on charge in I.A.F.O.-2507;
(12) when examination or test of the stores has been completed, serviceable articles for return to unit have been issued on I.A.F.Z.-2184, and recovered components and produce have been issued to the group or branch concerned on an expense voucher, both the vouchers being endorsed with the number of the voucher in which the stores were received;
(13) when stores are totally destroyed in test the word "destroyed" has been entered in I.A.F.O.-2507 under the initials of 1.O.O. and the unit issue voucher has been enfaced "Expended in test" or "Destroyed";
(14) the ammunition groups requiring the ammunition to be tested have issued the stores (ammunition) to "laboratory" on an Issue and Receipt Note (I.A.F.O.-1391-A), except in those cases where it is obvious that the stores will be totally destroyed, when an expense indent/voucher (I.A.EZ. 2183) will be used;
(15) in the event of the stores (ammunition) having been destroyed in test, the I.A.EZ.-2183, returned to ammunition group, has been endorsed by the 1.0.0. to show the number destroyed;
(16) the stores (ammunition) after test or examination has been returned to the stock group on completion notice (I.A.F.O.-1390-A), and where there is a change in condition, the stock record has been adjusted by means of a transfer voucher, the produce or recoveries being issued to the group or branch concerned;
(17) expendable stores for use in 'Laboratories' which cannot be allocated to a particular work order have been charged off as issues against a standing laboratory work order.

(5) INSPECTION DEPOTS

GENERAL

230. An audit procedure similar to that prescribed for the audit of the corresponding accounts in consuming units and ordnance depots will be followed in auditing the accounts of Inspection Depots.
The stores requiring test, inspection, identification and investigation of defects in Engineer Stores, equipment and Depot samples will be issued to inspectorates/cells on I.A.F.O-1651 and treated as loan issued. These issues will be linked by the L.A.O. of the consignor Depot in the Loan Ledger. The inspectorate/cells will be supplied with three copies of I.A.F.O-1651, one copy for acknowledging the stores to Consignor Depots, the second will be retained as office copy and on the third copy the stores will be returned to the consignor Depot with details of test and quantity of stores consumed by the Inspectorates/Cells shown on the reverse of the form I.A.EO.-1651, and with a certificate regarding the consumption of stores duly endorsed thereon. Thus the stores are not brought on charge by Inspectorate/Cells. During audit of Inspectorate/Cell, credit for the packing material should be verified with reference to the copy of I.A.F.O.-1651 received from the consignors L.A.O. vide Army Head Quarters letter No. 40141/OS-10B dated 29-8-61/11 September 64.

**Note:** In the case of stores sent for identification by parts, change and publication sections P.C. and 'P' Form, 16 will be used and the return of such items will be watched through a simple register for the purpose. No linking will be necessary in this case as the stores in question will not be charged off the books of the issuing depot.

**POINTS TO BE SEEN IN AUDIT**

231. In addition to this and in addition to the observance of the general rules laid down in chapters I and II of this manual it will be seen that:

(i) a receipt voucher register has been maintained to allot receipt voucher number to the receipt certificate, on each Inspection Note on which stores have been accepted;

(ii) stores for civil consignees have not been brought to account on transit Account Cards nor Military Credit Notes used for despatching these stores;

(iii) when the Officer-in-Charge, Inspection Depots acts as "consignee" stores accepted for the Defence Department have been brought to account on Transit Account Cards;

(iv) Transit Account Cards Register and Transit Account Cards have been maintained in accordance with the instructions laid down in paras 932 and 934 respectively of Standing Orders for Stores Inspection, 1943;

(v) receipt certificate of Inspection Note has been signed by the officer authorised to sign as consignee, and contains the full particulars of the account viz., period, page and serial number of the Transit Account Cards, wherein posted;

(vi) Issue Vouchers Register has been maintained on the proforma mentioned in Para 950 of "Standing Orders for Stores Inspection" and that consignee's receipt number and date entered therein. Where receipted copies of vouchers are awaited from the consignees, reminders have been issued after prescribed periods;

(vii) the office copy and L.A.O's copy of the issue voucher bear Transport Account Card number wherein the issue voucher has been posted;

(viii) completed Transit Account Cards have been removed and filed as the last page on the issues contract file concerned; a note to this effect being made, in the Transit
Account Card register; which will be stamped, "Completed" against the relevant entry under the dated initials of the G.O. 'issues';

(ix) register of "Acceptance Marks" has been maintained on the prescribed form as given in Appendix V (C) of Standing Orders for Stores Inspection, all columns of the register have been properly completed, and the issues, as notified in part I orders from time to time, have been recorded therein, citing reference of the relevant Part I order, under column 5 of the register;

(x) Advance Samples, Advice Samples and Tender Samples which are upto standard after test, have been accounted for as part of the quantity to be delivered and disposed of accordingly;

(xi) the produce recovered from samples destroyed in test have been brought to account periodically and disposed of in accordance with R.A.O.S. Part II 1965 Edition;

(xii) stores which have been partially tested viz., not wholly to destruction, have been accounted for under nomenclature of the stores according to their condition, and not as produce;

(xiii) stores which have been partially destroyed in test have been accounted for as repairable (in number or as produce (in weight) according to the conditions of the stores as determined by the Chief Examiner/Assistant Chief Examiner;

(xiv) the record of Inspection Note Forms used has been properly maintained on the form issued for the purpose with each book of Inspection Note Forms (WSB Form No. 65);

(xv) Inspection Notes have been signed by an officer or by individuals especially authorised to sign and a copy of the order authorising individuals to sign Inspection Notes has been supplied to the L.A.Os. Concerned;

(xvi) stock taking has been carried out as under :

(a) of all patterns, gauges, articles-in-use, packing materials once a year in accordance with RAOS Pt. II 1965 Edition Part I;

(b) of all stores under inspection-once every month;

(c) of all accepted stores-once a quarter.

(6) OFFICER'S SHOPS FUNCTIONS

232. A.O.C. officer's shops have been set up at certain stations in India to meet the payment demands of A.O.C. stores from individual officers.

ACCOUNTING

233. The main forms used for the accounting of stores and cash are: -

(i) Account Cards-I.A.F.O.-2645-C.


POINTS TO BE SEEN IN AUDIT
234. In addition to the general instructions in Chapters I to III of this manual, the following points will also be observed in audit;

(A) ACCOUNT CARDS

(i) Separate cards have been opened for each item of stores held on stock.
(ii) Stock ledger for each section of the Officer's Shop Price List has been maintained, that the cards in each ledger follow the same sequence as the price list, and are numbered in numerical sequence.
(iii) Continuation cards of any item bear the same number as the original cards, that the new cards have been given a decimal number, and that a record of pages added to or removed from has been kept.
(iv) Postings in the stock records have been supported by one or more of the following documents:
    (a) Daily sales reconciliation statements.
    (b) issue vouchers; including C.I Vouchers and loss statements.
    (c) Receipt vouchers, including C.R.Vs.
    (d) Transfer vouchers
    (e) Stock taking sheets

(B) ENTITLED PERSONS

(i) The stores have been issued on payment to the entitled personnel noted below
    (1) Commissioned officers of all services including officers of State Force Units, officers of the Nursing Services (and members of M.N.S.).
    (2) Officer Cadets of the Armed Forces
    (3) Senior Division Officers of the National Cadet Corps (in respect of certain items only).
    (4) Territorial Army Officers commissioned in the Territorial Army for permanent employment and also Territorial Army Officers during the period in camps or while attached to regular units or undergoing courses in Army School of instruction.
        (5) Wives/motherless children of officers who are
            (i) on duty overseas or in other stations in India
            (ii) on field service in India
        (6) Widows and orphans of officers who were killed on active service (including police action in Hyderabad and Kashmir Operation).
        (7) Civilian gazetted officers whose pay is directly debiable to the Defence Services Estimates and civilian officers of the Ministry of Defence and Ministry of Finance (Defence).
        (8) Officer Commanding units (for replacement items of authorised mess equipment only. Bulk initial demand will continue to be placed on the ordnance depot concerned).
        (9) Warrant Officers and Midshipmen of the Navy.
        (10) Civilian technical officers attached to M.G.O. (for items of uniform and personal equipment only).
(11) Accredited war correspondents (for items of uniform, personal equipment and camp kit only).
(12) British W Os/ORs serving in India under terms of A.I. 122 of 1948.
(13) TA. Officers on being first commissioned.
(14) Regular officers of all services after retirement, all officers holding honorary commissions in the Army, Navy and Air Force and J.C.Os holding honorary commissions in the Army on active service and in retirement (items of uniform and personal equipment only).
(15) J.C.Os. in the Army and Master Warrant officers in the Air Force (they are not entitled to make purchase from Q.M. Stores).
(16) N.VF: officers commissioned under A.I. 3/S/55
(ii) The identity of entitled persons has been established by one of the following methods
(a) By producing prescribed identity cards issued to officers.
(b) Separated wives/widows of officers and children referred to in clause (B) (i) (5) and (6) above by establishing their identity on production of a reference signed by the local military authority viz, Station Staff Officer, Administrative Commandant or Station Commander Concerned.
(c) By being vouched for by an officer whose identity is known to the Officer Commanding of the Shop/Cash Payment Issue Section.
(d) By producing a certificate signed by the local head of the department to the effect that the purchaser's pay is debitable to the Defence Services Estimates (in the case of civilian officers only).
(e) By producing a letter of appointment from a competent authority on first commission.

(C) DAILY RECONCILIATION STATEMENTS

(i) Daily reconciliation statement of both stores and cash has been prepared from cash memos (I.A.F.O-2643) issued during the course of a day and reconciled as under:
   (a) Total amount worked out by pricing the total number/quantity of items arrived at in the Stores Daily Reconciliation Statement agrees with the total amount of the corresponding Cash Daily Reconciliation statement.
   (b) In case there is any difference it has been transcribed in a register maintained for taking action to collect/refund the amount involved.
   (ii) The total number/quantity of items arrived at in the Stores Reconciliation Statement has been correctly charged of the stock record (Account Cards concerned).
   (iii) The total amount arrived at in the Cash Daily Reconciliation Statement has been entered in the Cash ‘Book (I.A.F.A.-125) personally by the Officer Commanding on the date to which the Cash Daily Reconciliations statement relates.

(D) CASH MEMOS

(i) No blank unused cash memo is missing in the cash memo books in use, and that all cash memos prepared during the day have been accounted for in the Reconciliation Statements.
(ii) None of Cash Memo bears any over-writing or interpolations and that only one cash memo book has been in use at each counter at a time. No amendments/corrections on cash memos have been made unless such corrections/amendments are duly attested by dated signature of the purchaser.

(iii) Cash Memo books when not in use have been kept locked by Officer Commanding, Officer's Shop.

(E) OTHER AUDIT POINTS

(i) The previous day's cash receipts as accounted for in the cash book and reconciliation statement's have been credited into treasury on the following day, viz., the amount received on the lst credited on the 2nd and so on and treasury receipts for the amount passed on to the Local Audit Staff.

(ii) No stores other than those authorised by D.O.S. and those shown in A.O. 376/55 as amended from time to time have been stocked for sale in officer's shop and Cash Payment Issue Sections.

(iii) Stores have not been purchased locally for sale in the Officers Shops/Payment Issue Sections.

(iv) Sales have been made against cash payment only, and cheques have not been accepted.

(v) Items once purchased have not been returned or exchanged.

(vi) The entitled purchasers have certified that the stores purchased were for his/her own personal/household use and that he/she would not dispose of them by sale or otherwise.

(vii) Purchases on account of household requirements have been restricted to such quantities as are normally required for household use.

(7) ORDNANCE STORES SECTION (E.M.E.)

FUNCTIONS
235. This section is attached to E.M.E. Workshops and its functions are to procure and issue to the Command/E.M.E. Base workshops served by that particular stores section, all ordnance stores required for carrying out repairs. For administrative purposes, it is under the command of O.C. Workshop, while the technical control of its store holding functions and departmental efficiency is exercised by the Brigade Ordnance Command.

ACCOUNTING

236. Account cards are maintained separately for each item stocked on I.A.F.O-2630, suitably amended.

POINT TO BE SEEN IN AUDIT
237.  Is addition to the general instructions in Chapters I to III of this manual, it will be seen that:

(i) account cards have been maintained on the prescribed form in alphabetical order or designation or numerical sequence of Pt. No. I Cat. Nos. and held in steel trays known as 'VUDEX' (visible index);

(ii) a record of pages added and removed (I.A.F.O.-2437) has been maintained in each tray;

(iii) the cards at the commencement of every financial year have been serially numbered, new cards opened subsequently during the year being inserted in their correct place, and given a decimal number between the numbers of the account cards on either side;

(iv) the cards have been completed in full with special attention being paid to the entry of the "Maximum Stock Potential" figures (M.S.P) "Review Action" figures (R.A.F.) "Provision Action", figures (P.A.F) and the location of the stores;

(v) figures entered in the "Dues out" and "Dues in" columns are cumulative;

(vi) receipts and issues control registers have been correctly maintained and properly completed;

(vii) when stores have been brought on charge on a C.R.V. prompt action has been taken by the store section concerned to obtain regular receipt voucher from the consignor and that on its receipt; it is seen that the stores shown on the receipt voucher were correctly brought on charge on the C.R.V;

(viii) discrepancies between stores shown on receipt vouchers and those actually received have been correctly dealt with according to the procedure laid down in Para 1043 Regulations for the Army 1962 Edition.

238. to 240.  Blank

SECTION 5-E.M.E. WORKSHOPS

GENERAL

241.  With the formation of E.M.E. Workshops the functions of A.O.C. Workshops and A.O.C. (M.T) workshops, are performed by E.M.E. Workshops. There are three types of workshops, viz., (a) Light Aid Detachments doing light repairs, (b) Station Workshops or Workshop Companies carrying out field repairs, and (c) Base Workshops doing the base repairs.

LIGHT AID DETACHMENTS AND STATION WORKSHOPS OR WORKSHOP COMPANIES FUNCTIONS

242.  These workshops generally carry out light repairs and field repairs and account for spares and components on clean exchange basis;

(a) Light Repairs: Adjustments, minor repairs, replacement of accessible components and minor assemblies and light welding carried out in unit areas with the tools and equipments available in U.R.O. or the L.A.D.
(b) **Field Repairs**: Replacement of major assemblies and general repairs beyond the scope of units and L.A.Ds but practicable in the field. Repairs to certain assemblies and other items also to be carried out provided these can be completed within the time allowed and with the available personnel and equipment.

**AUDIT PROCEDURE**

(a) In addition to the general instructions laid down in Chapters I and II and the audit procedure prescribed for the audit of store depots and consuming units, it will be seen that:

(i) the issues from ledgers for repairs and maintenance are supported by I.A.F.Z.-2183-A;

(ii) when serviceable stores and issued on I.A.F.Z.-2183-A either similar quantity of unserviceable stores has been brought on charge or due authority (in case of loss I.A.F.A.-498) produced as a voucher for the transaction;

(iii) in the case of issues of material, petty or expendible stores for which unserviceable stores are either irretrievable or not available a certificate to that effect is endorsed on I.A.F.Z. 2183-A by the Officer Commanding unit.

(iv) the expense vouchers for the expendible stores are prepared weekly or where transactions in expendible stores are so small as not to warrant preparation of expense vouchers weekly, the transactions have been made monthly on the last day of each month and supported with authorities from W.E.Ts/P.E.Ts or S.R.S. However transactions in expendible stores of a large cash value such as timber, canvas, etc. are not to be withheld for inclusion in weekly or monthly vouchers. Separate vouchers for such items are required to be prepared and stores charged off daily;

(v) I.A.F.Z.-2096 is prepared to support the transfer of items from one head to another, in the case of the breaking up of assemblies, the change of nomenclature, an item being wrongly described, manufacturing and retrieving conversion of unserviceable articles to scrap;

(vi) unserviceable or beyond local repair stores are vouchered to the dependent salvage/R.S.S.D. and are not allowed to accumulate;

(vii) Army pattern has been quoted in respect of each item of stores except expendible items which are issued on as required basis, and that stores are not held in excess of the Army pattern;

(viii) in addition to number, the weight of unserviceable articles transferred to salvage depot has also been mentioned on the issue vouchers.

**ISSUES-REPLACEMENT IN LIGHT AID DETACHMENTS**

(b) (i) Subsequent replacement of minor assemblies which are beyond Light Aid Detachment's repair capacity will be effected by exchanging the repairable assembly for a serviceable assembly to be obtained from the maintaining Station Workshops or workshop companies, such exchange being on the clean exchange basis.

(ii) Procedure in Station Workshops or Workshop Companies: Repairable assemblies will be received in Station Workshops or Workshop Companies either by clean exchange with Light Aid Detachment or by removal from vehicles under repair in workshops.
BASE WORKSHOPS

FUNCTIONS

243. The principal functions of base workshops are:
(a) Manufacture
(b) Internal repair work (including conversion)
(c) Repairs of stores and M.T. Vehicles, etc., received from store depots and units and formations, etc.

WORK ORDERS

244. Work Orders (I.A.F.O.-1370) will be the authority on which work is undertaken in workshops and they will, in general, be grouped into the following categories

(i) Deposit
   Repair work for units
(ii) Stock-Group
   Repairs and India list of changes for Ordnance Depots and other Store Depots.
(iii) Establishment and Material Standing
   As authorised by Director of E.M.E.
(iv) Establishment Services
   Debitable to a special allotment such as:
   (1) Repairs to and replacement of machinery
   (2) Experiments and Tests
   (3) Fitting up
(v) Manufacture
   For stock groups of ordnance depots, ordnance sections attached to E.M.E. Workshops etc.
(vi) Payment and Experimental
   For Units, Government departments, Civil bodies or individuals.

Payment and experimental work orders will be approved personally by the Commandant/OC Work Shop as required in Para 509 Regulations for EME. Payment work orders relating to private work, other than repair to arms, will be undertaken only with the sanction of the MGO Army Headquarters. All other work orders may be approved by Officers authorised by the Commandant/OC or by HO Tech group EME, as provided in Para 509 and 513 Regulations for EME, and A.O. No. 214/75.

DEPOSIT REPAIR-WORK ORDERS

245. The stores/vehicles, etc., will be received by E.M.E. Workshops from units/ formations including Vehicle Depots for repair on I.A.F.O -1370 (Work Order), one copy of which, duly receipted by the workshop will be returned to the unit/formation concerned. The stores/vehicles, etc., will not be brought on charge by E.M.E. Workshop.
After completion of the repair, normal vouchers for the stores repaired will be prepared and sent to the unit/formation concerned, along with the stores/vehicles etc., duly repaired.

Stores found to be unfit for repair or conversion beyond the scope of E.M.E. repair or in regard to which delay in repair is likely to occur will be sentenced accordingly and I.A.F. O.-1370 endorsed to that effect. Stores in this category will be condemned on I.A.F.G.-1043, two copies of which will be passed with the stores to the Stock Group of the Ordnance Depot on which the unit is dependent. A condemnation report (I.A.F.G.-1043) and a regular receipt of I.A.F.O.-2497 will be furnished to the unit.

STOCK GROUP-WORK ORDERS

246. The programme of the repairs of all stores will be worked out by the Army Headquarters. Workshops will carry out the repairs in accordance with Army Headquarters repair programme. The Ordnance Depots/R.S.S.Ds will forward stores for repair to E.M.E. Workshops along with two copies of work orders (I.A.EO.-1370) and three copies of the relevant issue and receipt note (I.A.EO.-1391-A). One copy of the issue and receipt note will be receipted by the workshop and returned to the Ordnance Depot/R.S.S.D. Concerned. The work order will indicate the name of the depot to which the stores are to be despatched after repair and the mode of the despatch. The repaired stores will be accompanied by two copies of workshop completion notice [I.A.F (E.M.E.) W-28] one copy of which will be receipted by the depot and returned to the workshop. Two copies of the workshop completion notice will also be sent to the L.A.O. auditing the accounts of the workshop. The above procedure does not apply to vehicles. The procedure regarding the repair of vehicles will be as under

VEHICLE REPAIR PROCEDURE

(i) On receipt of repair programme from Army Headquarters, the Officer-in-Charge P & P Section will call in the vehicles form the C.U.D. in convenient batches on a work order (I.A.F.O.-1370). Vehicles will be received in the workshop with following documents

1) 3 copies of work orders (I.A.F.O.-1370).
2) The related log books.
3) Depot workshop inspection report (I.E.M.E-03)
4) Provisional loss statement for deficient components (I.A.F.O. 2715).

(ii) Any deficiency found over and above those shown by the C.O.D. in their provisional loss statements, will be intimated to the C.O.D. and supplementary provisional loss statements will be called for by the workshops.

Note: No discrepancy reports need be raised against C.O.Ds in respect of minor components such as nuts, bolts, springs, straps, buckles, etc., and deficiencies costing less than Rs.15 in each case.
(iii) Any of the major and minor assemblies found unserviceable during repair will be handed over to the Retriever Section on condemnation report I.A.F. G.-1043.

Note: List of accountable major and minor assemblies is given in EMER (i) R02 (iv).

(iv) Where replacement of complete assemblies is necessary in the course of repair, demand will be placed on the ordnance stores section attached to the workshops. Demand for all assemblies will be signed by an E.M.E. Officer. Engines required for Army Headquarters vehicle's overhaul commitments will be supplied on release orders issued by Army Headquarters.

(v) Return of Vehicles after repair from workshops: Vehicles will be returned to the depot on Convey Notes accompanied by 2 copies of Workshop Completion Notice [I.A.F (E.M.E.) W-281] and receipt will be acknowledged to the workshops along with one copy each of the Convoy Notes and Workshop Completion Notices.

VEHICLES FOUND TO BE BEYOND ECONOMICAL REPAIR

(vi) Vehicles found to be beyond economical repair by workshops and hence downgraded to Class VI will be reported by the workshops to the depot, who will collect the vehicles from the workshops and deliver to salvage on regular vouchers.

OVERHAUL OF 'B' VEHICLES

(vii) 5% of the 'B' vehicles allotted for overhaul under 'B' vehicles, overhaul programme can be earmarked for retrieval of spares to complete the remaining vehicles. The vehicles so retrieved of spares are to be overhauled at the end of the commitment, if spares are available, if not, the vehicles will be declared as Class VI and returned to the depots.

DEMAND/RELEASE OF SERVICEABLE ENGINE ASSEMBLIES FOR ARMY HEADQUARTERS OVERHAUL-COMMITMENT W AND 'B' VEHICLES

(viii)(a) When serviceable engines are available with Ordnance Depots, their release will be arranged by Army Headquarters on receipt of requirement from base workshops.

(b) When serviceable engines for replacement are not available from ordnance services and engine assemblies are required to be overhauled along with the vehicles, sub-work orders will be opened by the workshops for the repair of these engine's assemblies which will be suitably linked with the main vehicle's work orders, to facilitate accounting. No release order or covering work orders are necessary.
(c) In case any engines removed from vehicles are found on stripping to be beyond economical repairs, replacement there of will be made after obtaining release orders from Army Headquarters. B.E.R. Engines will be returned to ordnance in the normal manner.

MANUFACTURE WORK ORDERS

247. (1) The following types of manufacture of stores can be undertaken: -
   (a) Manufacture of stores and components to meet day to day requirements.
   (b) Manufacture of stores in bulk for stock.

(2) (a) The manufacture of stores and components may be undertaken in Army/Command workshops to meet day to day requirements when:
   (i) A demand for these stores or components cannot be met in the time by which they will be required;
   (ii) The items required are not available from the normal source of supply.
   (b) Such manufacture is undertaken by the workshops on behalf of the ordnance depots, and the covering work orders (I.A.F. O.-1370) duly sanctioned by the respective Commandants of the ordnance depots in consultation with their D.A.F.As within their financial powers, will be obtained by the workshops, in respect of manufacture in bulk for stock purposes and manufacture of spare undertaken in advance of repair commitments.

   (c) In the audit of job folders in respect of such manufactures the following points will be seen:
      (i) The certificates regarding non-availability of stores is received from the source of supply and filed in the job, folder
      (ii) The covering work order (I.A.F.O.-1370) sanctioned by the commandant C.O.D. is received.
      (iii) The cost of the items manufactured does not exceed the financial powers of the Commandant C.O.D. in respect of manufacture in bulk for stock purchases and manufacture of spare undertaken in advance of repair commitments.
      (iv) The items manufactured have been handed over to the ordnance store section attached to the workshops on completion notice [I.A.F (E.M.E.) W-28] and are taken on charge by that section.
      (v) The stores in bulk for stock have been manufactured after obtaining the sanction of the D.E.M.E.
      (vi) Bulk manufacture of D.G.O.F's supply has not been undertaken.
      (vii) At the conclusion of the job, the Total labour costs' will be inserted in all the three copies of work orders and one copy will be forwarded to the Local Audit Officer.

STANDING WORK ORDERS

248. To enable comparison to be made between E.M.E. Workshops a list of standing work orders will be circulated by the director of E.M.E. for such common services as:
   (a) Maintenance of workshop plant
   (b) Upkeep of fire engines
   (c) Trade test of artificers
(d) Issue of consumable stores for general use in workshops etc.

A list of standing work orders is contained in D.M.E. General Workshop W .S/H-470 No. 1 Issue 1 of 1955.

**WORK ORDERS FOR ESTABLISHMENT SERVICES**

249. These work orders are for services, the cost of which is debitable to a special allotment such as:
   (a) Repairs to and replacement of machinery
   (b) Experiments and tests
   (c) Fitting up.

**COST ACCOUNTING OF WORK ORDERS**

250. Cost accounting of work orders and the pricing of the material vouchers relating thereto will be done except in the case of non-payment work orders of the following categories
   (a) Internal repairs, repairs and conversions to stores, etc., received from Ordnance Stores Sections and Ordnance Depots.
   (b) Repairs and conversions to stores, equipment and vehicles received from units on deposit repairs (when such repairs are non-debitable).
   (c) All manufacture work orders except those in bulk for stock purposes and for spares undertaken in advance of repair commitments.

**REGISTER OF WORK ORDERS**

251. All work orders received in the workshops will be entered in the work order register. Work order register will be kept in P & P Section and the No. and sub-division of the register will be left to the discretion of the Commandant/Officer Commanding.

**JOB FOLDER (I.A.F.O.-2546)**

252. As soon as equipment, vehicles, etc., are received for repairs in a workshop (E.M.E.) a job folder (I.A.F.O.-2546) will be opened, wherein a copy of issue vouchers in respect of stores issued to job and other relevant documents such as noted below are filed
   (i) I.A.F.O.-1370 (Work Order)
   (ii) I.A.F.O.-1391-A (Issue and Receipt Notes)
   (iii) I.A.F.O.-2715 (Provisional Loss Statements)
   (iv) I.A.F. (E.M.E.) W-25 (Summary Sheet)
   (v) I.E.M.E.-03 (Last Inspection Report of C.O.D.)
   (vii) E.M.E.-03 (Inspection Report by Workshops)
   (vii) I.A.F.G.-1043 (Condemnation Reports).
   (viii) Copies of Issue Vouchers on which stores are issued to jobs.
   (ix) I.A.R (E.M.E.) W-28 (Completion Notices)
(x) Copies of vouchers in respect of surplus stores returned to O.S.S./Expense Stores.
(xi) Nominal voucher/Convey Notes passing out certificate in respect of stores received for deposit work.

**AUDIT OF WORK ORDERS**

253. It will be seen that:
(i) all work orders have been posted in the register of work orders maintained for the purpose;
(ii) the nature of work has been fully endorsed on the work order sheet;
(iii) no work is executed in the workshop without proper authority or without the previous approval of the estimate in the following cases:
   (a) All manufacture work;
   (b) Work done for other depots;
   (c) Work done for private individuals;
   (d) Repair work for which estimates are especially required;
   (e) Any other cases at the discretion of the Officer Commanding Workshop as defined in Para 268 ER 1965 Edition and that trials and experiments in M.P. Vehicles carried out, if any, in workshops are supported by Army Headquarters approval;
(iv) in respect of deposit work order a certificate from Ordnance will be produced by the unit to the effect that a replacement for the equipment is not available ex-stocks;
(v) the received copies of vouchers/workshop completion notice on which the manufactured/repaired stores were sent to the parties concerned have been received from them and are filed in the respective job folders with the workshop authorities;
(vi) where periodical overhauls of stores laid down in regulations or I.L.Cs are carried out, the regulations or I.L.C. concerned is quoted on the work order;

**Note:** *This will be accepted as the authority for work. Such work orders need not be countersigned by Officer Commanding, the workshop.*

(vii) the provision of Para 1490 R.A.Os. Part (IV) regarding the cancellation of work orders outstanding for more than three months are observed, except where repair is carried out in accordance with Army Headquarters Repair Programme.
(viii) work orders of repair work on payment or for contractors are signed, by the Officer Commanding, Workshop, and the sanction of the M.G.O. where necessary, has been obtained;
(ix) in the case of payment work orders, labour charges or general and indirect charges as also departmental charges to be added to the cost of material, have been correctly levied in accordance with the provisions of Para 268 ER 1965 Edition and in the case of purely private bodies, recoveries on account of cost of payment work orders have been effected in cash and the amounts credited into treasuries on the authority of Military Receivable Orders in advance. In respect of work orders for private individuals short recoveries, if detected during test check by the L.A.O., the amount will be recovered from the individuals and in no case written off as debitable to state;
(x) stores repaired for military officers have been despatched to them bearing ‘freight to pay’ at ordinary tariff rates, instead of on Military Credit Notes.

(xi) In the case of ‘retrieving’ and plating operations the following over head charges have been levied on the flat rates which include both labour and material
   (1) Non-military departments including civil police-cent percent;
   (2) Civil bodies and individuals and unauthorised works carried out on payment for units of regular Army-150 percent.

(xii) The cost of repair for work done for non-military departments and private bodies has been included in the payment issue schedules and that controller's acknowledgement for the payment separately has been received for all of them;

(xiii) except the repair of private arms on payment, under Para 268 ER 1965 Edition no private work of any nature had been undertaken by any E.M.E. Workshop without the prior sanction of the M.G.O.;

(xiv) the stores repaired or manufactured in the workshop and returned to the Ordnance Stores Section have been brought on charge in that section;

(xv) in the case of payment work orders, the cost of work done is not disproportionate to the serviceable value of the articles repaired or manufactured;

(xvi) in the case of A-in-U work orders the cost of labour is included in the work orders in addition to the cost of stores utilised;

(xvii) the vouchers for material drawn and recovered have been correctly shown on the reverse of I.A.F.O.-1370 (Work Orders). The stores shown in 'E' copies of vouchers received in local audit from the different sources agree with those vouchered on the corresponding vouchers as shown on the reverse of the relevant work orders and filed in the job folders. In the case of payment work orders, the cost of such material drawn and recovered has been correctly debited/credited to the work order concerned;

(xviii) the printed certificate on the expense vouchers for stores issued to job, as shown on the reverse of I.A.F.O-1370 (Work Order) has been signed by the workshop officer concerned in token of all the stores shown on the vouchers having been expended on the job;

(xix) the retrieving of stores has been carried out in accordance with the instructions laid down in para 205 MVR 1965 Edition and I.A.O. No. 1521/1941.

EXCHANGE OF COMPONENTS AND COMPONENT ASSEMBLIES

254. In cases where components and component assemblies are not authorised for repair in E.M.E. Workshops or where it is ‘more economical to accumulate them for ultimate repair in batches, now ones will be fitted and the cost of the same will be debited to the work orders concerned, if such work orders are on payment. The items so exchanged will be classified 'repairable' or 'unserviceable'. When classified as 'unserviceable' no credit for such components will be afforded to the work order concerned. When classified as repairable (either Factory or E.M.E. workshop), the work orders will be credited with 50 percent of the vocabulary price of the component assembly.

LOCAL PURCHASE
255. Local purchase of stores will not be resorted to unless the following conditions are satisfied:

(a) Items to be purchased are not for stock.
(b) Repairs to equipment or manufacture of stores is actually or likely to be held up for want of the articles intended to be purchased.
(c) The articles required have been certified not available at the normal source of supply, or when available the urgency of the job in hand and time do not permit of their being obtained on emergent indent.
(d) It is restricted to the powers of the Commandant/Officer Commanding workshops as laid down in A.I. 120/51, as amended from time to time, in respect of any article or any number of similar articles purchased at one time on work order.

Note: Articles of different makes and patterns but serving `the same purpose will be treated as similar articles. Articles serving different purposes will be treated as different articles.

(e) Purchase is ordered under the personal sanction of the commandant.
(f) Purchase cannot be split up into convenient amounts to agree with the purchasing Officer's financial powers but must be referred to the authority competent to sanction the particular purchase.
(g) When the cost of an item to be purchased exceeds the local purchase powers authorised in A.I. 120/51 as amended from time to time the officer commanding will invoke either the local purchase powers of D.M.E. or he will arrange for the items to be purchased under local purchase powers of Commandant/Officer Commanding of the dependent ordnance depots.

Note: Stores required for the repair of A-in-U articles must be purchased by the owner unit from A-in-U grant and do not, therefore, come within the purview of the above instruction.

(h) The stores will be brought on charge by Ordnance Stores Section attached to workshops by CKV and issued to workshops on regular issue vouchers.

CANNIBALIZATION OR RETRIEVING OF STORES

256. The stores retrieved or obtained by cannibalization will be reported by E.M.E. workshops to ordnance sections for bringing on charge by CKV and issuing the same to them on regular vouchers.

STORES SENT FOR DEPOSIT REPAIRS FOUND UNSERVICEABLE

257. When stores sent in for deposit repair are found unserviceable or beyond workshop repair, a condemnation report (I.A.F.G.-1043) and a regular receipt on I.A.F.O. 2497 will be furnished to the unit by the workshop as the authority to strike the stores off ledger charge. The unserviceable stores will be sent to the retrieving section or
the Ordnance Depot concerned as the case may be. Serviceable parts, if any, will be taken on charge and the remnant sent to salvage.

**EXPENSE STORES LEDGERS**

258. (1) A stock of certain items which are required in such small quantities, as not to justify the submission of a separate demand for each work order or which have to be drawn from Ordnance Stores Section attached to E.M.E. workshops is maintained in the workshops store and replenished monthly by demands on these sections (Ordnance Stores Sections). This stock is accounted for by the workshop in an Expense Ledger. Stores on non-lively items (of a non-recurring nature) are obtained from the Ordnance Stores Section directly against the work order and are not shown in this ledger. The stock held in workshop store represents generally three months' requirements of materials.

(2) the local auditor should :-

(i) verify 33⅓ percent. of the issues of stores in a quarter from Ordnance Stores Section to the workshops either into Expense Stores Ledger or the work order concerned, as the case may be;

(ii) compare vouchers in respect of material drawn for various jobs by workshops from Ordnance Stores Section or Expense Stores with the vouchers filed in the job folders to extent of 33⅓ percent.

(3) the local audit should also test check one month's accounts in a quarter to see that : -

(i) minimum possible labour has been employed on standing work orders;

(ii) the cost of work done in respect of A-in-U, which are evaluated on the basis of cost accounting, is not disproportionate to the serviceable value of the articles repaired or manufactured;

(iii) all surplus material has been returned to workshop Expense Stores or to Ordnance Stores Section;

(iv) cost of consumable stores required for workshop use generally (viz.,) fuel, cotton waste, split pins, nails and other small articles of insignificant value which cannot be accounted for against a specific job and are issued to the workshop in small quantities to be used as and when required, are debited against the maintenance job, of the shop and that the most economical types of general stores, (viz., Oil, fuel, etc.) are used.

(v) consumption of PO.L. in testing vehicles after overhaul, is not abnormal.

**UNEXPENDED MATERIALS**

259. Material and stores written off charge to work orders, but unexpended on the completion of the job will be brought on Expense Store charge by C.R.V, where the quantities recovered are considerable, the relevant work order will be credited with the value of the recovery and both work order and voucher cross referenced to that effect. Where quantities are small and accumulations from several jobs are recovered on one voucher, the credit will be shown in the summary of overhead charges. The above procedure applies to work orders which are cost accounted.

**UNSERVICEABLE STORES**
260. The scrap, by products and unserviceable stores (except small arms, machine guns, components thereof and ammunition and explosives, including drill and dummy stores) will be forwarded to the Salvage Section Sub-Depot for disposal.

**DISPOSAL OF SAW DUST**

261. Regarding the disposal of saw dust in E.M.E. workshops it will be seen that:

(a) stock of saw dust which cannot be utilised for packing purposes is disposed of through private negotiations/running contracts subject to the approval of Army Headquarters;

(b) stock which cannot be disposed of as per (a) above is issued to unit messes free;

(c) only balance of stock, if any, is issued free of cost to depot employees;

(d) the disposal of saw dust by burning or burying is done only in exceptional cases and sanction of B.E.M.E. obtained for the expenditure incurred on this account;

(e) if the disposal of the saw dust involves expenditure beyond the financial powers of B.E.M.E. prior sanction of the Army Headquarters is obtained.

**DISPOSAL OF DIRTY AND OILY COTTON WASTE**

262. It should be seen that dirty and oily cotton waste is not passed on to salvage, but re-issued after cleaning locally as per instructions contained in E.M.E.R. (1) Workshop WS/A 744, issue 1 dated 13-5-53.

**ACCOUNTING AND DISPOSAL OF SCRAP METAL**

263. The following procedure will be adopted

(a) All scrap occurring out of various jobs undertaken in the different section of E.M.E. workshops will be vouchered on a daily basis (I.A.F.Z.-2096) to Reclamation Section (Central Dump) duly supported by condemnation report on I.A.F.G.-1043.

(b) This will be taken on charge on a ledger in I.A.F.O.-1347-B according to the category of scrap (ferrous and non-ferrous).

(c) Scrap which is to be utilised in the work-shops will be sent to the expense stores group on regular vouchers.

(d) Unserviceable scrap will be sent to salvage depot on regular vouchers as and when a wagon load accrues.

The above procedure does not apply to non-retrievable items like unserviceable rubber parts, pins, brushes and oil scales. Scrap of this category will continue to be vouchered over by weight to salvage duly supported by a certificate to the effect that the
stores are not retrievable and reclaimable. No Condemnation Boards are required to be prepared in such cases.

VEHICLES/EQUIPMENTS REPAIRED IN E.M.E. WORKSHOPS

264. Repairs/inspection of vehicles and equipment of the Air Force, Navy (as opposed to bulk issues of spares) form part of the service rendered by one service to another. In the case of Factories and Military Dairy Farms the cost of repairs of vehicle/equipment on their charge is required to be exhibited in the books as cost accounting transaction only.

264-A The responsibility for repairs of all echelons (including base repairs) of M.E.S. Vehicles and special T & P including compressors and earth moving construction plant will be that of the M.E.S. However, the base repair to special T & P approved in the base repair programme 72/75 approved by the Government will continue to remain the responsibility of E.M.E. Such repairs will be on payment and in calculating the charges, no overhead/departmental charges will be added to the cost of labour and stores.

METHOD OF CALCULATION OF REPAIR CHARGES OF `B' VEHICLES IN LIGHT AND FIELD REPAIR WORKSHOPS

265. The following method will be adopted by Light Aid Detachment and Station Workshops or workshop Companies, E.M.E. for calculating repair charges of `B' Vehicles and mobile plant and machinery on charge of service/non-service organisation which authorised to have them repaired on payment

(a) The cost of labour per lorry unit will be calculated at Rs.400 per annum.
(b) The cost of spares will be calculated at Rs.1, 500 per lorry unit per annum.
Spares will include engines and expendible stores normally issued by E.M.E. workshop but not the following:
(1) Tyres and tubes
(2) Batteries
(3) Tarpaulins
(4) Seats and Seat covers
(c) The lorry unit value for various types of `B' vehicle will be fixed by the D.M.E. A representative table of values is shown at Appendix 'A' and Appendix 'B' to Government of India, Ministry of Defence letter No. 38674/MG/MES (C)/337/SO-D (O&D) Dated 29-10-56.
(d) Overhead charges on the cost of labour will be added in case of different organisation as indicated in Para 268 ER 1965 Edition.
(e) Departmental charges on the cost of stores will be added where applicable in accordance with the instructions contained in Para 268 Equipment, Regulations, 1965 Edition.

Base workshop repairs will be charged on the basis of actual cost of labour and stores, including over head/departmental charges where applicable in according with the instructions contained in Para 268 Equipment Regulations 1965 Edition.
Note-1: In the case of repairs to Military Farm's vehicles the copies of vouchers in respect of repair as assessed above are forwarded to Military Farms concerned for exhibition in the books and also two copies thereof to the L.A.O. of the workshop concerned for onward transmission of one copy to the L.A.O. of the Farm for necessary verification of credit for repair charges in their cash accounts.

Note-2: The cost of repair of motor cycle on the charge of Military Farms will be calculated by the E.M.E. workshops in the following manner:

<table>
<thead>
<tr>
<th>Cost of stores</th>
<th>Labour charges</th>
<th>Total repair charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs.340 per annum</td>
<td>Rs. 250 per annum</td>
<td>Rs.590 per annum</td>
</tr>
</tbody>
</table>

Note 3: Issue of M.T. stores including engine/assembly to station workshop or workshops companies, E.M.E. for carrying out repairs to common user M.T. vehicles only, on the charge of Military Farms will be treated as free.

Note 4: Items noted in sub Para (b) above will not be provided by E.M.E. workshops. These may be obtained by service and non service organizations from ordnance on payment.

Note 5: In the case of mobile plant and machinery held by M.E.S., only expendable stores will be provided by the E.M.E. and cost thereof will be calculated at Rs.768 per lorry unit per annum. Spares will be provided by M.E.S.

COST OF REPAIRS OF REFRIGERATORS ON CHARGES OF MILITARY FARMS

266 (a) Repairs to Refrigeration Equipments:-E.M.E. is responsible for carrying out repair free of cost to the refrigeration equipment issued to entitled units and installations (including officers messes) against their P.E.Ts or against duly sanctioned work. Repairs to refrigerators issued to officers’ messes from hiring pool will, however be the responsibility of the M.E.S.

(b) Repair of refrigeration equipment in E.M.E. workshop : - The cost of repairs of refrigeration equipment on the charge of service or non-service organisations which are authorised to have them repaired in E.M.E. workshop on payment will be on the following basis :

(i) The cost of labour per refrigeration unit will be calculated at Rs.120 per annum.

(ii) The refrigeration unit values for various types of refrigeration equipment will be fixed by E.M.E. A representative table of value is shown in Appendix `A' of Army Headquarters No. 50058/MG/ME 3 (C)/8777/D (O&D) dated 2-9-1954.

(iii) Overhead charges at 50 per cent of cost of labour will be added in the case of non-service organisations.

(c) Spares required for repairs of refrigeration equipment referred to in (b) above will be provided by the users of equipment in all cases.

Exception 1: Spares including expendible stores and refrigerant required for repair in respect of service organisations will be provided by M.E.S.
Exception 2: In the case of refrigeration equipment belonging to Military Farm department, spares including expendible stores and refrigerant will be purchased locally by the Officer Commanding, E.M.E Workshops.

Exception 3: When spares required for repairs of MES refrigerators are supplied by the M.E.S. no recovery under this head will be made in the base Workshop repair charges. Spare parts manufactured or purchased locally will be charged for.

(d) Base workshop repairs will be charged on the basis of actual cost of labour and spares and overhead/departmental charges wherever applicable.

(e) In the case of Military Dairy Farms no financial adjustments in respect of the expenditure incurred by E.M.E. workshops on the repair of refrigeration equipment borne on their charge, will be carried out. The charges intimated by E.M.E. will, however, be exhibited in the books of Farms for cost accounting purposes.

REPAIRS/REPLACEMENTS OF ENGINES, ETC., NECESSITATED DUE TO UNFAIR WEAR AND TEAR

267. The repairs/replacements of engines and other components necessitated due to unfair wear and tear and accidents, which are estimated to cost more than Rs.100 will be charged from the organisation/department concerned in addition to the annual repair charges on the following basis:

(a) Non Service Organisation: -
   (i) Labour-50 E per man per hour plus 150 percent overhead charges.
   (ii) Stores-Actual cost of stores, plus departmental charges.

(b) Semi Military Organisation, viz., Assam Rifles, J&K Militia and Civil Police: -
   (i) Labour-50 P. per man per hour plus 100 percent overhead charges.
   (ii) Stores-actual cost of stores, plus departmental charges.

(c) Military Farms
   (i) Labour-50 P. per man per hour.
   (ii) Stores-Actual cost of stores.

For repair of small arms, tele-communications equipment and instruments see details given in the relevant Chapter of S.A.I.

MACHINERY AND WORKSHOP EQUIPMENT

268. (i) E.M.E. Workshops will account for machinery held on A-in-U charge on I.A.F.Z.-2286-A, one page being allotted for each kind of machine in which will be recorded the receipt, and issue transactions and the results of stock taking. All tools and other accessories will also be accounted for on I.A.F.Z. 2286-A Other particulars such as value of machine, its depreciation and other allied information will be recorded on I.A.F.O -1320 which will be kept as a history sheet and not subjected to audit.

   (ii) All alterations to or transfers of machines will be reported to the D.M.E. When any item of the machinery becomes obsolete, unserviceable or is for any reason no longer required, a report will be rendered to the D.M.E. asking for disposal instructions.

(b) Furniture: All benches, tables, store cupboards and similar equipments (not M.E.S. fixtures) will be held on ledger charge, and marked Article-in-use' in a conspicuous place.
(c) Hand Tools: These small tools will be accounted for in the ledger prescribed for the purpose.

**AUDIT OF LEDGERS IN RESPECT OF THE ABOVE**

269. The ledgers mentioned in Para 268 above, will be audited in accordance with the procedure laid down for the quantitative stock records of the Ordnance Depots.

   it will be seen in addition that: -
   
   (i) no machinery has been charged off ledger without disposal instructions of the D.M.E;
   
   (ii) annual depreciation of machinery does not exceed 10 percent.

**RATION RETURNS, EQUIPMENT AND CLOTHING LEDGERS AND P.O.L. ACCOUNTS ETC.**

270. These accounts will be audited in the same way as those of consuming units, in accordance with the audit procedure laid down in Chapter V

**STOCK TAKING**

271. The audit procedure in respect of stock verification in E.M.E. Workshops is similar to that prescribed in paras 83 to 86 of this manual.

**LABOUR (ESTABLISHMENT) EMPLOYED IN E.M.E. WORKSHOPS**

272. The establishment of E.M.E. Workshops is fixed by Army Headquarters and it is reviewed annually by these Headquarters. Workshops are not empowered to employ labour in excess of the approved establishment without the sanction of Army Headquarters. To facilitate control, labour will be booked in man-time units against work orders. At the end of each month a reconciliation or comparison will be prepared in terms of man-time units (viz., "man days" or "man hours" as may be prescribed in that workshop) between : -

   (a) the gross number of man-time units paid on the E.T.E. Check rolls of that month, and

   (b) the aggregate for all work orders open during that month of the man-time units booked against each work order.

The L.A.O. will: -

   (1) check the reconciliation statement to see that any tendency to extravagant employment of E.T.E., (Viz., employment in excess of average current needs) does not exist and that no incorrect or fictitious name has been included accidentally or fraudulently;

   (2) see that labour has not been employed in excess of the approved establishment without the sanction of Army Headquarters.

**MONTHLY MAN-HOUR STATISTICAL RETURNS**
(i) The accuracy of the return will be test checked by verifying the hours booked in selected section daily statements of a particular production group with the hours recorded in the summary of work orders prepared in the compilation group of the workshop. The man-hours, booked in selected work orders of that production group will be verified with the hours posted in the section daily statement pertaining to it. It should be seen that the total man hours booked against the various work orders in the production group during the month agree with the hours shown against it in the monthly man hour statistical return and that the total monthly man hours booked under the productive and non productive groups invariably agree with the available man hours shown on the top of the return.

(ii) A comparison of the man-hours against selected standing work orders recorded in the monthly man-hours statistical return from month to month will be made in order to detect progressive onward trend, if any, in the man-hours booked under lost time, idle time and such other wasting hours, increase in which would mean reduction in the intake of jobs or in the efficiency of workshops. The attention of the workshops authorities will be drawn to such discrepancies so that the source of wastage and leakage of man-power and the expenditure involved thereby could be arrested and controlled. The selection of the documents for exercising the checks mentioned in sub-paras (i) and (ii) above will be to the extent of 10 percent.

AUDIT OF CHECK ROLLS INDUSTRIAL ESTABLISHMENT
(I.A.F. O.-1367 & 1376-A)

273. The check rolls will be audited cent per cent with reference to the last audited check rolls. In doing so the following points will be looked into:

(i) (a) that the labour employed is correctly classified according to categories and trades;
(b) that the correctness of names, ticket numbers and the rates of pay, etc., are properly brought forward in the current month's check roll from the check roll of the previous month. When there is variation in the rate of pay, the same should be duly supported by the authority authorising the increase/decrease, e.g., increments, promotions/demotions, etc;

(ii) that the number of men for whom pay is drawn agrees with those present according to the daily strength statement I.A.F.O-1398;

Note: In case of station workshops E.M.E., the above check as also check over the number of hours for which pay is drawn will be exercised with reference to the attendance register "S37" (maintained in lieu of I.A.F.O-2388 and I.A.F.O.-1398) and Gate Passes I.A.F.O.2387;

(iii) that the mustering in of individuals arriving late after the opening hour is regulated in terms of 1/4, 1/2, 3/4 and 1 hour respectively for that day and the pay for the corresponding period in terms of late attendance has been recovered;

Note: Tire deduction for late attendance should be made on the basis of pay only.
(iv) that pay and dearness allowance for broken periods of duty during a month are calculated as under

(a) In the case of these governed by the payment of wages, Act, 1936: -

\[
\frac{A \times X}{N - (S+H)}
\]

Where  
\( A \) - The number of days actually worked in a month excluding Sundays (authorised paid holidays not falling within a spell of leave is to be treated as working days).  
\( N \) - Represents the number of days in a month.  
\( S \) - Represents the number of Sundays in a month.  
\( H \) - Represents the number of closed paid holidays in that month provided no extra payment is made in respect of holidays.

(b) In the case of those not governed by Payment of Wages Act, 1936, the daily pay should be assessed as \( \frac{1}{N} \) as in the case of regular establishment when \( N \) is the number of days in a month.

(v) that first appointment, discharge, leave of absence with or without leave are notified in the daily orders/sanctions and recovery of fine is correct according to fine register. In the event of transfers, pay should be verified with reference to the last pay certificate;

(vi) that rates of pay and D.A., etc., have been correctly claimed in accordance with the existing orders on the subject and they are not drawn for the period in excess of those sanctioned;

(vii) that increments have been correctly sanctioned annually/biannually on I.A.F.A.-456 and increment performance are attached, with the relevant check roll. It should be ensured that period of non qualifying service as shown on the I.A.F.A.-456 by the executive authorities is excluded while working out the data of increments.

**Note 1:** The responsibility with regard to the correctness of facts shown on LA.F.A.-456 rests with the administrative authorities and it should be accepted as correct in audit.

**Note 2:** When increment certificates are to be pre-audited i.e. in all cases other than those when the increment becomes due to Government servant for having been incumbent of the specified post continuously counting from the date of last increment, they have been pre-audited should be verified before adjustment of increments.

(viii) that pay and allowances are not charged against temporary establishment (Industrial) grant for which the provision is made elsewhere;  
(ix) that payments to the absentees other than the pay day are made through the absentee payment register and that the names and the amounts of unpaid individuals have been correctly brought forward in the register;  
(x) that grant of leave to the industrial personnel paid on check rolls is in accordance with the prescribed Leave Rules and that proper leave records have been maintained and entries with regard to the grant of leave are made in the documents over the signature of a gazetted officer;  
(xi) that 10 percent cases of the grant of leave with pay as shown in check rolls, should be selected from check rolls for test check. It should be seen that an entry in respect thereof has been made in the leave record;
(xii) that 20 per cent cases of the grant of leave without pay as shown in daily orders should be test checked to see that an entry in respect thereof has been made in the service documents of the individual concerned and no pay and D.A. for the period involved are admitted in audit;
(xiii) that leave on half pay granted to industrial personnel will count towards increments in the time scale appropriate to the post in which they are declared permanent but in the case of temporary industrial personnel it will not count for increment.

The periods of leave on full pay or periods of leave with wages under the Factories Act, as may be admissible to temporary industrial employees, will count towards increments in posts in which the appointing authority in each case certifies that the industrial employee would have actually continued to work in the respective posts but for proceeding on leave and the period of leave will count for increment only to the extent it is covered by the certificate, subject to the maximum leave fixed under departmental leave rules or under the Factories Act. A permanent industrial employee working in a higher grade in an officiating capacity may also count such leave towards increments in that higher post subject to the certificate and t9 the limit mentioned above in the case of temporary industrial employees;
(xiv) that all period of absence have been regularised by the grant of leave with pay, half pay or E.O.L. and the relevant departmental orders are cited in support thereof;
(xv) that necessary certificates duly signed by Commissioned or Gazetted officer with two witnesses to the effect that all payments have been made in their presence is endorsed in the last page of the check roll;
(xvi) that necessary deductions have been made on hourly basis from the individuals who have passed out during the day on gate passes (I.A.F.O. 2387);
(xvii) that a certificates is endorsed on the gate passes to the effect that the individuals passed out on gate passes on bonafide government duty have actually worked upto the closing hours;
(xviii) that subscriptions to the I.O.F.W.P, Fund from the personnel are being correctly recovered;
(xix) that recoveries on account of hospital stoppage rolls are promptly made;
(xx) that the demand register (I.A.F.A.-590) is maintained in the LAO's office to record the over payment and other Government dues for watching the recoveries;

Note: The recovery of rent and allied recurring charges will be watched through guard files.

(xxii) that pay and allowances during the suspension period are correctly claimed;
(xxii) that title to pay and leave for the injury period have been correctly claimed;
(xxiii) that the payments have been made within the time limit or sanction for waiving the time limit is obtained prior to payment;
(xxiv) that the overtime pay is claimed either under factory act/rule 88, pay and allowances regulations part 1 (1932 edition), whichever is beneficial;
   also see adjustments of overtime pay from the details given on I.A.F.O. 2398 and I.A.F.O-1398;
(xxv) that systematic overtime is not allowed to any individual except with the sanction of the DOS/DME/DTD. "Systematic overtime" means overtime for a continued and
lengthened period. The minimum period for systematic overtime should be taken as beyond 14 consecutive calendar days (including Sundays and Gazetted holidays) at a time and less than this should be treated "Casual Overtime";

(xxvi) that E.O.L. is not sanctioned for a period more than three months in one spell;

Note: In the case of industrial employee who contacts T.B. or who is suffering from leprosy, E.O.L. upto a maximum period of 18 months in one spell may be granted subject to the conditions laid down is the Central Civil Services (Leave) Rules-1972 for industrial personnel.

(xxvii) that no individual is retained in service beyond the age of superannuation without an order of grant of extension of service/re-employment by the competent authority. This check will be exercised on the annual superannuation statements furnished by the administrative authorities;

(xxviii) that date of birth of industrial personnel is given on the following occasions : -

1. In the check rolls where the pay is first drawn;
2. In the check roll for March each year;
3. On L.P.C. issued on transfer from one unit to the other.

Note: Whenever entry in service records relating to date of birth is changed, see that the change is notified in part (ii) orders and it has been sanctioned by the competent authority.

AUDIT OF TEMPORARY LABOUR BILLS
I.A.F.A.-40 (revised)

274. It should be seen: -
(i) that the temporary labour bills are correctly prepared and all the respective columns are filled in;
(ii) that all payments made during the month on the check rolls have been incorporated therein and the amount of the bill agrees with those of the entries posted in the cash book;
(iii) that all deductions made during the month are correctly shown therein;
(iv) that un-disbursed pay and allowances have been credited to the government and treasury receipts are attached with the bill;
(v) that the temporary labour bill is submitted duly audited under the signature of the L.A.O. to the P.C.D.A./C.D.A. promptly.
275. Check rolls and the relevant temporary labour bills will be subjected to an intelligent scrutiny by the L.A.O. and the A.L.A.O. and it will inter-alia be seen that the check rolls and temporary labour bills have been prepared in the prescribed forms. It will also be seen:

(i) that all alterations are duly attested by the executive and there are no erasures or over writings;
(ii) that the payment by money orders are supported by M.O. receipts and that a check register for money orders I.A.F.Z.-2067 is maintained;
(iii) that there is no accidental or fraudulent inclusion of incorrect (fictitious) names in the check rolls relating to the workshops and depots;
(iv) that all recoveries towards funds contributions are correctly made and compiled in the fund schedule;
(v) that the names and account numbers of the subscribers are correct;
(vi) that the total amount of the fund schedule for the month agrees with that shown in the temporary labour bill of the relevant month;
(vii) that fund schedule with prescribed certificates is submitted to the P.C.D.A./C.D.A. under the signature of the L.A.O. by due date;
(viii) that the period of E.O.L. availed of by the individuals is invariably shown in the schedule to facilitate correct calculation and interest in E.D.P. Section ;
(ix) that advance from I.O.F.W.P Fund has been noted in the demand register (I.A.F.A.-590) for watching recoveries;
(x) that all rules laid down in IOFWP Fund Rules are observed; (xi) that no service gratuity is admissible in addition to the government contribution for the duration involved.

SECTION 7- ENGINEER STORE DEPOTS

GENERAL

276. E.S.Ds will primarily cater for Engineers Stores/ Machinery of Engineer origin required (a) for issue to Army Units and establishments against their authorised scales or for carrying out essential training. (b) for various categories of war and other authorised reserves (c) for MES requirements in which case the items to be held will be restricted as follows : -

(i) For works projects:-A restricted range of items in short supply.
(ii) For T & P:-Imported plant and machinery which are difficult to procure from the trade.

The store accounts will be maintained in line with the procedure that is obtaining in Ordnance depots as laid down in the Store Accounting Instructions and will be subjected to continuous audit by the Stationery local auditor. Issue of stores to Army units against PE/WE/PET/WET or other authorised scales will be made free of cost and no adjustments of costs of such stores will be necessary. Similarly, no inter-departmental adjustments for the cost of stores obtained by ESDs from Ordnance, A.S.C. or other Army sources for the operation and maintenance of the depot will be necessary.
Note: The above provisions will not, however, be applicable in the case of issues of stores from Command Stock of ESD's/Divisional Stock/Surpluses or projects stores. Necessary adjustments in respect of all such issues will be carried out as indicated below:

(a) in the case of issues to Army Units located in the same Command the adjustments will be carried out by the P.C.D.A./CD.A. and
(b) in the case of issues to Army Units located in another command and in the case of issues to Factories the adjustments will be made by the consignee's P.C.D.A./C.D.A. and Accounts Officer-in-charge (in the case of Factories) respectively.

AUDIT CHECKS

277. The general instructions contained in chapter I to III and Sec. 4 (AOC DEPOTS) of Chapter IV of this Manual will be followed in auditing the accounts of ESDs. The receipt Linking will however be done from ‘E’ copies of the vouchers received from other LAOS to the receipt vouchers prepared by the depot and from the receipt vouchers to the ledgers.

It will also be seen that issue vouchers pertaining to stores issued on loan which will bear a distinctive marking to show that the item is on loan in posted (i) in the ledgers as an issue and the stock balance column reduced accordingly and (ii) in the loan ledger as a receipt (see form shown in Appendix 'F' to standing orders ESD's) and the balance in the loan column is increased accordingly. Issue and receipt entries relating to loan issues in the quantitative accounts should be checked in full and at the same time the transactions should be traced into the loan ledgers.

In cases where hire charges are recoverable on account of T&P issued on loan to civil bodies etc., the receipt of the accepted vouchers will be watched and on receipt forwarded to the PCDA/CDA for raising necessary debits against the consignee's Accounts Officer concerned.

278. The pay bills of the industrial establishment are pre-audited before disbursement of amounts and the checks exercised in ordnance depots, check rolls will be exercise thereon. It should be seen that the un-disbursed pay and allowances including the balances of advance received from the PCDA/CDA are remitted into the treasury at the end of the month and the TR is forwarded to the PCDA/CDA in support of IAFA-40. A monthly account of the disbursements made on IAFA-40 will be submitted through the ALAO/LAO to the P.C.D.A./C.D.A.

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CHAPTER - V

AUDIT OF STORE ACCOUNTS OF UNITS AND HEAD QUARTERS FORMATIONS

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ACCOUNTS

281. Units/ formations are required to maintain the following store returns, registers and ledgers:

(ii) Register of used and waste oil
(iii) Register of animals
(iv) Register of stores for conservancy purposes.
(v) Land Register and Accounts
(vi) Unit Transport Register (I.A.F.Z.-3023).
(vii) Register of DeserTERS
(viii) Medical Veterinary Stores (on charge of a unit) Ledger.
(ix) Register of losses and discrepancies
(x) Amenity and Educational Training Grant Ledger
(xi) Ordnance Stores ledgers which will be divided into:
(a) Ammunition and Explosives.
(b) M. T Stores and Vehicles.
(c) Special items of Clothing as detailed in S.A.I. No. 14/S/1965
(d) Personal equipment and clothing is defined as follows: All personal equipment arms and ammunition authorised or. a 'Per Man' Scale in W.E.T.S., etc.
(e) Expendible Stores.
(f) Stores for officer-cash payment issue
(g) Training grant stores
(h) Station stores
(i) Salvage stores drawn as free issues from Salvage, Sub-Depots, Section m accordance with a 261/51.
(j) Special items of Winter/Snow Clothing and Equipments.
(k) Unit equipments (authorised for PE./I.P.E) Which are not on "per man" basis and all stores not covered by (a) to (J) above.

Note 1: Items such as binoculars, which are only issued to a few specialists’ personnel, are not regarded as being on a "per man" scale for the purposes of (xi) (d) above. On the other hand almost every man is armed with a personal weapon of one kind or another and rifles, bayonets, kookries, pistols and sten guns, therefore, belong to the “per man” class of stores.

Note 2: A list of all accounts and registers to be audited (prescribed to be maintained by L.A.Os vide paragraph 11, Chapter 1 of this Manual) will also be consulted to ensure that no accounts are omitted in audit.
Note 3: Articles of A.S.C. supply such as charcoal, coal, kerosene oil, drawn periodically for miscellaneous purposes will be accounted for as under:

In consuming units on I.A.F.S-1519
In A.O.C. establishment on I.A.F.Z-2286
In hospitals on I.A.F.S-1519-A
In A.S.C. Supply Units on I.A. F.S- 1582

In other formations on L.A.F.S. 1519 or I.A.F.Z. 2286-A as applicable. If these are not maintained other appropriate ledgers may be used.

Note 4: Non-expendible stores purchased out of fixed cash allotments granted to units for specific purposes will be accounted for in the ledgers and returns pertaining to the various classes of stores according to their nature.

Note 5: Stores obtained for temporary purposes will be accounted for in a respective ledgers and returns, according to the Department of Supply.

282. In addition to the general principles laid down in chapter (ii) and (iii) in auditing the ledgers and returns mentioned in para-281 above, it will be further seen in audit that:

(i) the unit is entitled to receive the supplies concerned;
(ii) the ledgers, returns and supporting vouchers have been signed only by officer commanding the unit or by a commissioned officer authorised by him;
(iii) the balances of stores shown in store ledgers, etc., do not exceed the authorised limits and that suitable action is taken for the disposal of surplus or unauthorised stores. The extent of check of accuracy of unit entitlement by comparison with Equipment Tables, etc., should be restricted to only 3 to 5 per cent of the items at each quarterly local audit visit, main attention being paid to important and valuable items;

Note 1.: Full data leading to the fixation of unit entitlements quoting authority under which unit's entitlements have been calculated will be kept by units and formations, and made available to the L.A.O., if and when called for by him to check the correctness of unit's entitlement fixed. The unit stock taking boards will test check a few items periodically to ensure that unit entitlements are correctly calculated.

Note 2.: Ordnance representatives will, during their periodical inspections of the unit see that unit entitlements are correctly noted on the ledgers and that the units are not holding stores in excess of their entitlement.

Note 3.: L.A.Os will bring to the notice of Sub- Area/Station Commander cases in which the provisions of Notes 1 and 2 above have not been complied with.

(iv) the periodical issues in ledgers are connected with the preceding ones in order to avoid double issues;
(v) when articles, which have become unserviceable through fair wear and tear, are struck off charge from clothing, equipment or other ledgers or returns, the expense vouchers are signed by the officer commanding concerned and that unserviceable stores are disposed of to the best advantage of the state or returned to the Department of Supply as, per instructions on disposal orders;
(vi) when articles are issued from stock for making up or repairing other articles, the strike off is supported by an expense voucher, and that in the expense voucher, a note is made of the store accounts in which articles made up or repaired have been credited and the credit entry in the store account is supported by citation of the number and date of the expense voucher. It should also be seen that in the case of articles repaired and returned to units the bill in which the cost of repairs has been charged is also quoted on the expense voucher and that when materials are issued for repairs, not due to fair wear and tear, the expense voucher is supported by a loss statement;

(vii) all stores received for conservancy purposes are accounted for by units, etc., in a manuscript register maintained for the purpose and that there is no unnecessary accumulation of the stores.

Note: Any cases of abnormal or avoidable expenditure and issues made as a matter of course will not be placed under objection. Such cases as well as any suggestions to effect economy in the consumption of such stores will be treated as items of financial advice and dealt with in the manner laid down in para 12 of this manual.

RATIONAL RETURNS

283. In addition to the instructions laid down in para 282 above and in I.A.E.S. 1518, the following special points will be observed in auditing the return:

(1) It will be seen that the name of the units, station, month, and year are noted in the space provided for the purpose on the title page, that the opening balances have been correctly brought forward from the previous month's Ration Return and that it has been signed by officer commanding the unit.

*(II) I.A.F.Z. 3033 will be checked in full for each month to see that: -

*For cross referencing please see Para 153 S.A.I.

(a) all the names have been correctly brought forward from the last month's return (I.A.F.Z.-3033);

(b) all the casualties affecting ration strength such as admission to hospital, grant of leave, transfer to other units, attachment to other units for rations, etc., have been correctly posted therein under its appropriate columns and the entries have been supported by last ration certificates, etc., wherever necessary. Check to this effect will be exercised from part (II) order to the entries and not vice versa;

(c) the number of rations worked out against each individual as also the total number of rations arrived at in I.A.FZ. 3033. is arithmetically correct;

(d) I.A.F.Z. 3033 has been prepared in ink and has been signed by Officer Commanding the Company/Squadron, etc., concerned.

Note: The L.A.O. and his A.L.A.O. will exercise a test check over the title to rations as shown in I.A.FZ 3033 in order to ensure that they have been correctly worked out and accounted for. In case where their test checks reveals irregularities the L.A.O. will order complete check of the entries in I.A.F.Z. 3033. The items test checked by the L.A.O. and his A.L.A.O. will be initialed by them. They will also endorse on pages 1 and 2 of the Ration Return to indicate that the required test check has been exercised by them.

(III) It will be seen that:

_____

RTC-KOLKATA
(a) free rations are drawn only for the entitled individuals referred to in Para 886 Regulations for the Army 1962 Edition.

(b) free rations are not drawn on the following occasions
   (1) for individuals provided with train rations.
   (2) for individuals (troops) on leave or when proceeding on or returning there from.
   (3) for a soldier when admitted to hospital during the period of his admission inclusive of the day of admission and the day of discharge.
   (4) for a soldier when detained in hospital for observation (except when detention or discharge takes place after 14-00 hours or before 10-00 hours respectively).
   (5) for families of O.Rs.

(IV) It will be verified that the total number of rations arrived at in I.A.F.Z- 3033 agree with that shown in the corresponding month's Ration Return and an endorsement to this effect will be made both on the I.A.FZ 3033, and the ration return.

(V) It will be seen that troops (with the following exceptions) and Border Scouts have been issued with the rations on the scales given in Annexure 'A' to Al. No. 8/S of 1958 as amended from time to time.

(a) Troops in Jammu and Kashmir
(b) Cadets of Military and Joint Services Wings, National Defence Academy.
(c) Cadets of Prince of Wales Military College.
(d) Boys of King George's Schools.
(e) Army personnel forming part of Air Observation Post Units.
(f) Ground Liaison Section when attached to or working with Air Force formations.

Note 1: (a) to (d) above are governed by their own respective scales of rations and fuel. Personnel mentioned at (e) and (f) will also be issued their own scale of rations except under the following circumstances when they will be issued L.A.R Scales of rations and fuel.

(i) when their number is less than that of L.A.R Personnel or
(ii) when separate messing arrangements for these personnel are not considered feasible by the Officer Commanding L.A.F Unit concerned. This principle will mutatis-mutandis apply to all Army personnel attached to or working with units of the other two services.

Note 2: A cutting up allowance upto a maximum of 5 percent is admissible in respect of meat fresh issued.

(a) free to personnel not dining in unit messes; and
(b) on payment to individuals entitled to draw A.S.C. Supplies on payment.

In order to maintain a proper check on the free issue of meat, the following procedure will be followed:

(a) Meat issued to: -
   (i) Personnel dining in unit messes;
   (ii), personnel not dining in unit messes will be accounted for separately.
(b) the names of personnel permitted to dine outside unit messes will be promulgated in unit part II orders.

*Note 3. : The scales of rations shown in Annexure 'A' are inclusive of the emergency cuts introduced with effect from the 11th November 1945, but exclusive of other
emergency cuts introduced from time to time. Cut introduced at the following rate with effect front 1-4-50 will continue to be made

(i) 5 percent cut in the case of units with strength over 200.
(ii) 2-112 percent cut in the case of units with strength 200 and below.
(iii) The cut will be applied on daily effective strength.
(iv) The following are exempt from the above cut -
(a) Troops in Jammu and Kashmir
(b) Boys
(c) Cadets of National Defence Academy, Military College and A.F College.
(d) Patients in hospitals.
(e) Troops participating in collective training.
(f) Reservists called up for training etc.

No messing allowance will be admissible in addition, unless specially authorised.

The sliding scale of rations scheme will continue to be inoperative until further orders.

*Cut in ration scale restored vide Government of India; M.O.D. Letter No. 74649/Q/ ST-6/1364/1 (QS) dated 25/03/86.

(VI) It will be seen that "Substitutes" and "Extra Rations" have been issued strictly in accordance with the provisions of -

(i) Notes 1 to 3 below Annexure 'A' to S.A.I. No. 8/S/58, as amended from time to time, in the case of "substitutes', and
(ii) Para 890 Regulations, for the Army 1962 Edition, and notes 4 to 6 below Annexure 'A' to S.A.I. No. 8/S/58, as amended from time to time, in the case of "Extra Rations".

In the case of (i) above, it will also be verified that the articles of standard rations under drawn and the authorised substitutes obtained in lieu thereof have been correctly shown in the return both as regards the quantities and the cost thereof.

In the case of drawal of extra rations referred to in (ii) above it will be verified that the restrictions regarding the number of days stipulated therein has been applied and observed on individual basis.

(VII) It will be seen that under drawal and over drawal of rations has been dealt with as under:

It will be seen that under drawal and over drawal of rations has been dealt with as under:

(a) Under drawal of rations (including fresh items) in a month has lapsed to government and has not been made good by over drawal in the subsequent month.
(b) Over drawal of rations during a month has been adjusted as under:
(i) those detected by the unit has been adjusted either by under drawal within the month itself wherever possible or in the subsequent month by an equal quantity or by payment into the treasury for the quantity/quantities overdrawn at the payment issue rate current in the month of over drawal.
(ii) those detected during the audit of ration returns (IA.FS. 1519) will similarly be adjusted by underdrawal in the ration return under preparation during the month of audit or subsequently or by payment.

(VIII) It will be seen that the articles of local supply received daily from contractors are properly accounted for in I.A.F.S. 1520, and that this form is signed against each date of supply by the contractor or his duly authorised agent.

(IX) If the quantity of fresh vegetables/fruits produced from the unit gardens is issued for consumption to the unit, it will be seen that the officer commanding unit has certified that the articles conform to the A.S.C. Specifications.

(X) (a) It will seen that issues of A.S.C. Stores have invariably been made on pre-payment in cash to the entitled persons, up to the monetary limits laid down in A.I. No. 104 of 1965, as amended from time to time and that only such of the articles as are included in Para 895 Regulations for the Army 1962 Edition have been issued on payment.

**Note:** The detailed audit procedure of these payment issues is laid down ill Chapter IV under heading "Retail shops A.S.C. Ration Stands of units and formation".

(b) The quantities struck of charge against the item "issue on payment" agree with those shown in the statement of payment issues in the ration return.

(c) The rates and calculation in respect of payment issue vouchers are correct.

**Note:** For this purpose, the Local Audit staff will check pricing of only ten percent of the articles oil each voucher and included in the particular ledgers, accounts, decades, etc., selected for audit in detail. In cases where serious or a large number of mistakes are noticed during the course of the above test check, a cent percent check should be exercised.

(d) Octroi charges have been recovered from the entitled purchasers residing in Cantonment limits, and remitted to Cantonment Board authorities. This verification will be made from the receipts kept on record for the amount paid by the units and formations to the Cantonment Board authorities from time to time.

(e) The amount of cash realization on account of payment issues has been promptly credited into unit's cash book and remitted into Civil Treasury/Bank with the least possible delay. Please also see para 91 (iii) & (iv).

(XI) It will be seen that the condiment allowance has been correctly claimed for the total number of rations of a unit in a month admitted in audit as per I.A.F.Z.-3033.

Note: For this purpose, the number of rations for which the allowances has been paid is intimated by the P.C.D.A./C..D.A. to the L.A.O. concerned for necessary verification.

**FORAGE RETURN**

284. It will be seen that
(a) forage account is prepared in accordance with the provisions of *[Rule 130 RR. Part II] as amended from time to time and that the certificate on page 15 of the I.A.F.S.-15-19 has been signed by officer commanding the unit; (*Requires-amendment.)
(b) different classes of animals shown in table 12 of "S.R.S." are shown separately in the Forage Return, which will be checked with reference to the "Register of Animals". The variations will be checked with reference to Part II Orders, and the last ration certificate as also with the admission and discharge certificate received from the Officer Commanding of the Veterinary hospital;
(c) The number of animals fed does not exceed the authorised complement and if it does, satisfactory explanation is furnished;
(d) Reclassification of Army animals to a higher or lower category has been effected under orders of the Remount Officer at the Command Headquarters;
(e) issue vouchers for animals transferred from one unit to another are forwarded to the receiving unit except when the animals are sent to the veterinary hospital for treatment;
(f) animals have been struck off charge as cast, destroyed, or sold under proper authority.
Veterinary Officer's certificates regarding death or destruction should invariably be seen;
(g) the disposal of hides is noted on the return in the case of animals which die, or are destroyed (except those suffering from infectious disease);
(h) forage in kind for all Government animals is accounted for on a running basis in the forage account;
(i) the quantities of the various articles of the standard ration shown under 'Credits' in the forage account are correct for the number of animals shown therein and calculated according to the scale given in S.R.S;
(j) quantities struck off on pages 5 to 10 as actually consumed agree with those shown on pages 13 and 14 and the various articles of fodder have been correctly converted into hay at the equivalents noted on page 14 of the form;
(k) debit or credit balances brought forward agree with the corresponding balances in the previous months' return;
(l) debits and credits are priced at the free issue rates as originally published in A.S.C. stock book rate list in the case of centrally purchased articles and at the rates published by the Principal Controller of Defence Accounts/Controller of Defence Accounts in the case of locally purchased articles. In the case of fodder and bedding (over drawn during the course of the financial year and requiring regularization under the orders of the competent financial authority) the rates ascertained from the Military Farm on which the unit is dependent for supply should be adopted;

Note: The rates published at the beginning of the financial year will hold good for the whole year irrespective of any amendment subsequently published.

(m) when credit balance in the fodder account is taken against the debit balance in the grain account, necessary action as laid down in *[Rule 130 (v) F.R. Part II] has been taken;
(n) a credit balance in the bedding account is not taken against a debit balance in the fodder account;
(o) forage is not drawn in excess of the actual requirements. It will particularly be seen in the Forage Returns for February and March that the quantities of grain and fodder struck
off therein are ordinarily not excessive as compared with the issues made during the other winter months of the same year or with the corresponding months of the previous year. Cases of abnormal issues should be treated as an item of financial advice and dealt with under para 12 of this manual;
(p) the forage account [i.e. (i) grain and (ii) fodder and bedding] are closed on 31st March, but a credit up to the extent of 50 percent of unit's entitlement of the month of March only is carried over into April, any excess over the quantity is surrendered, and debit balance, if any, is sanctioned by the competent financial authority under Appendix II Part I-Army, Schedule III F.R. Part I Volume II (1983 Edition). These accounts for April will start without any debit balance.
**(q) when the animals do not accompany a unit on its transfer to another station, the unit which takes over the animals also take over the forage account, but not the debit balance. Should a debit balance exist, the officer commanding the outgoing unit will be held responsible for the same and must, before leaving the station, apply for its write off.
*Requires amendment.
**For cross referencing please see Para 156 (IV) S.A.I.

STOCK LIMIT

285. The maximum and minimum limits of stock of A.S.C. Supply which units are authorised to hold a charge at any one time to meet their requirements are laid down in Para 893 Regulations, for the Army 1962 Edition. It will be seen that these limits are not ordinarily exceeded except under the orders of the G.O.C.-in-Chief, the Command or cases when full bags or cases have been issued by the A.S.C. or when coal is issued direct from railway station under A.S.C. Regulations.

FUEL FOR COOKING PURPOSES

286. The basic scale of fuel which is designed to cover all requirements for cooking purposes is laid down in Annexure 'B' to A.I. No. 8/S/58. It will be seen in audit that the fuel for cooking purposes has been issued in accordance with this scale.

FUEL FOR WARMING AND DRYING PURPOSES

287. It will be seen that:
(a) the free issue of fuel for warming and drying purposes are made only to entitled individuals as mentioned in sec. VII Tables 23 SRS 1967 Reprint as amended from time to time;
(b) the class of fuel used, i.e. firewood, coal steam, oil fuel, kerosene, oil etc., and the scale of issue have been sanctioned by the Station Commander, subject to the restriction that charcoal is not ordinarily issued for warming purposes;
(c) the quantities issued are correct with reference to the number of fire places and sigries sanctioned and actually on charge and to the period for which fires are authorised to be lit in the station order.

Note: As the scales given in para 3, Table 26 ibid are as a general guide only, the maximum limits laid down therein need not be adhered to, but it should be seen in audit that the allotment for the unit is not exceeded.

**FUEL FOR MISCELLANEOUS PURPOSES**

288. It will be seen that free issue of fuel for miscellaneous purposes i.e., for other than cooking, warming and drying purposes has been issued in accordance with Table 24 SRS 1967 Reprint as amended from time to time.

**OIL FOR LAMPS**

289. It will be seen that:
(a) oil is not drawn for those buildings in which electric lights are being used except for the lamps allowed for dormitory where electric lighting has been installed;
(b) the number of lamps and lanterns for which oil is drawn is within the scale fixed by the Standing Barrack Committee (with reference to Barrack and Hospital Schedules, other regulations, etc.) for new barracks or whenever there is a change in the occupation of barracks, and that the scale once fixed by the committee is not exceeded without reference to Army Headquarters;
(c) lamps and all authorised connected stores are also issued free to
   (i) families of persons entitled to free lighting, if occupying Government quarters, when the head of the family is away on duty at a non-family station, or to a course of instruction, etc., or is sick in hospital or away on casual leave, or when the family is separated by an authorised move;
   (ii) persons entitled to free lighting when drawing compensation in lieu of Government accommodation;
(d) the number of lamps (required by unit for tentage authorised to supplement barrack accommodation) for which oil is drawn is within the scale fixed by the Standing Barrack Committee;
(e) the stores allowed for maintenance of lamps and lanterns such as chimneys, burner's wick etc., have been issued in accordance with scales laid down in Appendix 'C' of Barrack and Hospital Schedules as amended from time to time;
(f) the daily number of hours for burning the authorised number of lamps in the various buildings has been fixed by the officer commanding station from time to time;
(g) the oil has not been issued in excess of the authorised scale laid down in Table 22 SRS 1967 Reprint;

Note: Oil at the prescribed scale May be issued to private lamps flan terns (which are used for the reason 'hat A.O.C. lamps are not available) provided that the use of these lamps was specifically authorised by the competent authority and were in fact so used and that the total No. of lamps/lanterns, etc., in use does not exceed the authorised complement.
(h) the same quantity of oil admissible is not charged off monthly as a matter of course (during annual leave season, there may be a large number of absentees, hence the necessity of expending the same quantity of oil may not exist).

PACKING MATERIALS

290. In addition to the general audit rules laid down in para 282 ante the following special points will be borne in mind in auditing the packing material accounts:

(i) That is the case of A.S.C. packing materials accounted for in I.A.F.S.-1519, the provisions of A.S.C. Regulations have been observed by units and formations.

(ii) That packing materials received from A.O.C. establishment with stores have been brought on charge in the normal manner under the same nomenclature as it was vouchered and not under a general heading such as "cases of packing of sorts" or "Drums of sorts".

(iii) That in case of special packing materials issued with stores, the cost of which is debitable against a fixed allotment or allowance, the packing materials have been accounted for in the ledgers, etc.

ORDNANCE STORES LEDGERS
(ITEM XII (a) To (k) of PARA 281 ANTE)

291. In addition to the audit points mentioned in para 282 ante, it will be seen that:

(i) the ledgers have been opened and maintained in accordance with the instructions published on the cover and on the forms mentioned below:


(b) for all Ordnance stores other than Ammunition, Explosives, and vehicles:

1. I.A.F.Z.-2286 (Cover)
2. I.A.F.Z.-2286-A-Accounting sheets
4. I.A.F.Z.-2286-C-Verification of stores.
5. A manuscript index of items in alphabetical order.
6. I.A.FO.-2397-Record of inspection of books.
7. I.A.FO.-2437-Pages added and removed sheets

(c) Unit M.T Vehicles on I.A.EZ.-3186 (unit vehicle register).

(ii) additional pages to cover new headings in ledgers have been inserted in their correct sequence and given a decimal number between the numbers of the Account Cards on either side, viz. 92, 92-50, 93, 92-75-93;

(iii) items have been accounted for by quantity only and that condition has not been shown except in the case of EWS. Clothing and blankets of different grades for which separate accounts cards are required to be maintained;

(iv) pages have been numbered consecutively, stamped and initialed by an officer and a certificate showing the number of pages has been endorsed on the ledger;
(v) the unit entitlement (U.E.) has been entered in pencil in the space provided for the purpose, and corrections made as and when necessary;

Note: The figures to be entered will be the total authorised for the unit from all sources whether from W.E.TIPETIC.PW.E.T, Equipment Regulations Appendices IAFF-980-301, tables or other regulations or sanctions. In this connection also see para 282 (iii) above.

(vi) Ordnance stores purchased locally or obtained on loan have been accounted for in the same manner as stores received from Ordnance sources;

(vii) location of stocks or distribution within the unit plus stocks shown in Quarter Master stores agrees at all times with the last entry on the balance column on the obverse side of the form and where the distribution is not prepared, viz., in a hospital in which the strength is continually fluctuating, the officer commanding the unit has certified every month that the numbers shown on charge of the unit on the obverse side of the form are actually held by the unit;

(viii) all controlled stores, special items of clothing as detailed in A.I. 14/S/65 extra issue items for winter excluding vehicles have been accounted for and dealt with as under:

1) Total stocks of the items including those in Quarter Master stores and with the companies, viz., with the personnel or with company has been shown on the obverse side of I.A.F.Z. 2286-A and that the distribution of the figure on obverse side of I.A.RZ.2286-A, and that the distribution of the figure on obverse, in Q.M. Stores or in various companies has been shown on the reverse of I.A.F.Z. 2286-A.

2) Companies have maintained a nominal roll of the personnel indicating the items issued. It will also be seen that the total of these items agrees with the distribution shown on the reverse of I.A.F.Z.-2286-A, and that the details of these issue tally with the entries in para III of AR-64.

3) All issues (including replacement issues) of public clothing and necessaries, as well as items of E.I. Clothing have been entered in ink in the inventory of kit items incorporated at Part III in the A.B.-64.

4) Issues to recruits, viz., issue of first kit on enlistment, have been entered in A.B.-64, but have not been struck of charge. The issues to recruits will however, be shown in the distribution on the obverse of I.A.F.Z.-2286-A, viz., a reduction in quantity in the Q.M's. Column and corresponding increase under columns for companies.

5) Signatures of the individuals have been obtained on A.B.64 in the space provided for therein in token of possession of items, entered in that column.

6) Every page of the PART III of the soldier Pay Book (Kit Inventory) has been stamped with the date and name of the unit, and authenticated by the signature of the officer making the first entry.

7) Issues to men for replacement purposes have been by clean exchange method, unserviceable stores withdrawn from men being supported by a nominal roll of the individuals by companies and a copy of the condemnation board proceedings.

8) In cases where men were ordered to pay for losses or for replacement due to unfair wear and tear. I.A.F.C.-844 showing names, items and values have been forwarded to Assistant Accounts Officer Garrison Engineer/Pay Accounts Officer for recovery, and the acknowledgement thereof has been received and properly recorded.
Where time does not permit of recovery being made by this method, it will be seen that cash recovery has been made and the amount credited to Government treasury as verified from treasury receipt.

(9) Any replacement issue of an item of public clothing lost by the individual not due to neglect has been supported by loss statement.

(10) When shortages in a man's kit were made up as free issues, the C.I.V on which the quantities involved were struck off charge is supported by a nominal roll of the individuals to whom the articles were issued, and bears a certificate, duly signed by officer commanding the unit, to the effect that investigations warrant free issue of the articles. In cases of shortages reported by units/centres from which the men were posted, it will be seen that the nominal roll is supported by kit shortage certificate from officer commanding centre/unit concerned.

(11) When on certain occasions certain controlled stores and special snow clothing items on "per man scale" have been issued to officers, items thus issued have not been struck off charge but have been shown under distribution column, viz., reduction in the quantity in "Q. M. Stores" column but increase in the appropriate company's column. It will also be seen that such issues have been supported by a nominal roll of officers to whom the issues have been made.

(12) In case of withdrawals from individuals, the distribution shown on the reverse has been amended by increasing the Q.M. Stores column and affecting corresponding reduction under the heading "companies".

(13) In all cases when the nominal roll is used to support C.I.V. this has been signed by an officer (where possible the same officer who signs the C.I.V) to certify the correctness of the same.

(14) When the articles were issued either free or on payment, a certificate to the effect that necessary entries have been made on the kit inventory of the men concerned has invariably been endorsed on C.I.V/Nominal Roll.

Note: The check prescribed at items (3), (4), (5), (6) above with regard to making entries in AB-64 will be made as a test check to ensure that the prescribed procedure regarding the completion of AB-64 has been followed by the units/formations.

(15) Issues of extra warm clothing and extra blankets are covered by the provisions of Para 237 Clothing Regulations 1963 Edition.

(16) Free issues of mosquito nets, blankets and durries to a lady nurse, Indian Commissioned Officers, including officers of A.M.C. and A.V.C. have been made in accordance with Paras 33 and 34 ER 1965 Edition.

(17) Tools have been accounted for in detail and not in sets.

(18) Stores sent to an Ordnance Depot for test have been issued on regular vouchers.

(19) Repairable Stores have been sent to the appropriate R.S.S.D. of an Ordnance Depot.

Note: Headquarters/Commands will publish in Command Orders at regular interval a list of Ordnance Depots (R.S.S.Ds.) showing the types of Ordnance Stores which units should return to them.
(20) Due authority or satisfactory reasons are forthcoming in the case of stores which appear in the ledger for the first time, viz., stores of a category which were not already on charge, that the page numbers allotted to new sheets when inserted, have been shown on the side of the front cover of the ledger in the space provided for the purpose. The entry should be initialled by the auditor concerned.

(21) The special issue of non-expendible ordnance stores (except tentage) on loan for temporary purposes (other than experiments and tests) is in accordance with the rule laid down in Para 88 ER 1965 Edition.

(22) The issues of A.O.C. Stores (other than tentage) on loan to Air Force (for Army co-operation and other purposes) local Governments, civil authorities and others not administered by the Defence Department are in strict conformity with Para 89 ER 1965 Edition.

(23) Stores issued in lieu of those authorised are accounted for under the designation of the stores authorised or demanded.

(24) Official books, printed records, prints. fuze scales and range tables obtained from the A.O.C. are not brought on charge in equipment ledgers.

(25) The articles of mobilization equipment have not been used in peace, except with the sanction of the competent authorities.

(26) The repair and maintenance of bicycles of units on war establishment has been done free while that of static units out of annual allotments drawn by units under * [Rule 573, Pay and Allowances Regulations Volume II] and A.I. No. 310 of 1942, as amended from time to time. *Requires-amendment

(27) The stores purchased out of Field Practice and Training Grant have been brought on charge in the ledgers.

(28) If tents or components thereof have been condemned earlier than their estimated life laid down in A.I. No. 11 of 1953, special reasons for their condemnation exist. If such reasons are not convincing, the items will be placed under objection.

(29) Inter unit transfer of stores (of uncontrolled category) to dispose of surpluses from any unit or to meet the urgent requirements of other units has been made under the orders of ordnance representatives at Formation Headquarters.

(30) The stores supplied annually have been properly accounted for in equipment store ledgers.

(31) The supporting monthly expense vouchers bear the certificate of a responsible officer that the quantities shown therein and consequently charged off in the ledger tally with those entered in the repair book.

Note: The Local Audit Staff will link 10 percent of the items in an expense voucher for a month with the entries for the relevant months in the expendible store ledger. The particular items for linking should be selected by the A.L.A.O., Local Audit staff immediately prior to the commencement of audit and a record of the items so selected should be kept on the expense vouchers themselves.

(32) The issue of expendible stores like soap Yellow, Mineral Jelly and "Blanco" has been based on the effective strength of a unit on the first of the month (including those on leave attached for duty) and that the total quantity admissible on the above basis
has not been drawn on the first of each month as a matter of course, but any savings accruing in previous months on account of absentees (which include patients in hospital) has been set off against the following month's requirements.

(33) On the first audit visit after December of each year, the balances in respect of five percent of the total items, have, after checking their castings, been found correct.

Note: The castings in respect of items selected for linking should also be checked to test that the balances are correct.

(34) The opening balances shown in the expendible stores ledger (which exhibits the quantity found at stock-taking) agree with the closing balances of the preceding year's ledger. Similarly, when a new ledger is opened, and the closing balances of the current ledgers are transcribed therein, the opening balances in the former agree with the closing balances in the latter.

(35) In addition to the annual stock verification, the stock of all these articles has also been verified monthly.

(36) On transfer of men from one unit to another, stores, other than those items covered by clothing allowance system, in their possession have been vouchered to the unit to which posted as transfer of stores, and vouchers for such stores dealt with accordingly.

Note 1: Kit inspection of the men under posting will be held before the move takes place. Items will be completed to scale and para 8 (e) or (j) of A.I. No. 82 of 1955 is applied in such cases.

Note 2: Items in possession of men transferred will be inspected and checked against their kit inventories immediately on arrival at the receiving unit and the voucher referred to above (for stores in possession of the men posted from other units) will be checked against the kit inventory, to ensure that no alteration has been made to A.B.-64 during transit period. Any discrepancy between:

(i) entries in the A.B.-64 and the vouchers referred to above, and
(ii) the items produced by the individual will be taken up immediately, with the despatching unit in cases where a satisfactory explanation is not forthcoming from the individual.

Note 3: When a loss has occurred, action will be taken by the receiving unit as given in para 8(e) or (g) of A.I. No. 149/68 as applicable. Where loss occurs by reason of an individual deserting during transfer, these items will be brought on charge as vouchered by the despatching unit. Such items will then be written off charge by the loss statement duly sanctioned by the competent financial authority. The authority for the preparation of the loss statement will be the declaration of the Court of Inquiry held to investigate the desertion. In cases where the items are subsequently recovered and made over to the receiving unit they will be brought on charge by a C.R.V. and linked with the loss statement and voucher of the despatching unit.
(37) On return of units to peace conditions, a board is assembled to take stock in detail of all stores in possession of the unit and that this stock forms the opening balance of the new equipment ledger.

**AMMUNITION ACCOUNT**

292. It will be seen that:
   (a) Ammunition account register has been maintained by units/ formations on I.A.F.O. 1444A.
   (b) Registers have been kept up to date at all times.
   (c) Ammunition on charge has been properly accounted for category wise in parts I to VI of the register.
   (d) Report of all cases of theft or loss of arms, ammunition or explosives has been made immediately on occurrence, to the Sub Area/Equivalent Headquarters by signal and to the Superintendent of Police of the civil district without delay.
   (e) Court of Inquiry has been held in all cases of loss, and its' proceedings forwarded to A.G.'s Branch (P.S.I.), Army Headquarters not later than three months from the date of the loss.
   (f) The ammunition account has been correctly prepared, and the ammunition expended does not exceed the allotment notified in A.Is. from time to time, also the authorised proportion to be retained in unit charge has not been exceeded.
   (g) The provisions of *[item 68, Appendix LER. Part II], have been complied with, and the number of fired cases brought on charge agrees with and the number of a cartridges expended and the deficiencies, if any, are sanctioned on a loss statement in accordance with *[Note 5 to Rule 131, F.R. Part 11. *Requires amendment.

   (h) Issue vouchers in respect of return of ammunition bear certificate under the signature of officer concerned that the items and quantities entered overleaf have been checked and packed in his presence and are in all respects correct.

293. The existing procedure for accounting of clothing and necessaries has been replaced by a new system based on life cycle concept. The details of the new uniform and the revised system are explained in A.I. 22/83 as 'amended from time to time.

294. It will be seen in audit that (i) accounting and issue of clothing and necessaries is made in accordance with the procedure contained in A.I. 22/83 and as per the scales detailed in Appendix 'B' to 'H' to A.I. ibid, as amended from time to time. (ii) the accounting of demand and issue is regulated through documents mentioned in para 29 to 32 of A.I. 22/83 as amended.

295. It will be ensured in audit that under the new system the documents mentioned in para 29 to 32 of A.I. 22/83 as amended are maintained by units/formations in the lines detailed in those paras.

296. Audit and administrative check is required to be carried out in accordance with the provisions contained in para 38 and 39 of A.I. 22/83 as amended.

REPAIR BOOKS

299. It will be seen, that:
   (a) Repair book (I.A.F.Z.-2102) has been maintained for all repair material issued
       whether on payment or free;
   (b) Separate expense vouchers for the full quantity of stores used in the repair and
       cleaning of equipment have been made out monthly from the repair book in respect of
       payment and free issues and these vouchers bear the certificate of a responsible officer
       that the quantities charged off in the ledger tally with those entered in the repair book;
   (c) the repair materials have been used for the purpose for which they were
       intended;
   (d) the number and date of the vouchers have been entered in the repair book;
   (e) the recovery of cost of material supplied on payment has been made in
       accordance with A.O. No. 463 of 1949 and the number and date of the treasury receipt
       for the amounts credited to Government have invariably been recorded on the monthly
       summary in I.A.F.Z.-2102;
   (f) a certificate to the effect that balances in the ledgers were checked with the
       stocks and found correct has been recorded monthly on the ledgers.

CONDEMNATION BOARD

300. It will be seen that: -
   (a) The Condemnation Boards have ordinarily been held monthly and presided
       over by the 2nd in-Command or other Field Officer or by the officer commanding unit
       himself in the case of units commanded by a rank lower than that of a Field Officer;
   (b) The Boards have always been attended by an Ordnance representative in an
       advisory capacity;
   (c) All articles condemned have been dealt with in accordance with the
       instructions contained in A.I. 463/49;
   (d) The reasons for any abnormal variation in the proportions of the
       Condemnation Boards have been recorded in the proceedings;
   (e) Condemnation Boards have been recorded in two part-Part I for personal
       items and Part II for all other items of unit equipment;
   (f) the percentage of condemned articles to be retained for repair purposes does
       not exceed 10 percent of the articles condemned unserviceable and the retention of the
       articles has been approved by the ordnance representative, the articles to be repaired will
       only include those which are within the repair capacity of the unit as those beyond repair
       are to be back loaded to R.S.S.D.’s;
   (g) the Board proceedings have been counter signed by the Ordnance
       representative of the Area/Sub-Area or Brigade;
   (h) the number/quantity/weight, etc., of each item(s) condemned by the
       Condemnation Boards has been written both in words and figures;
   (i) strength of the unit and the date of the last condemnation has always been
       recorded on I.A.F.D.-931;
   (j) the condemned articles have been disposed of as expeditiously as
       recommended by the Board and the next Condemnation Board has not been held until
the articles condemned by the previous Boards have been completely disposed of with the exception of those articles for which replacement have not yet materialized.

**AMENITY AND EDUCATION STORE LEDGERS**

301. It will be seen that:

(a) only such stores as are intended for the amenity and the education of the troops have been purchased out of the Amenity and *[Educational Training Grants] notified in AIs from time to time; *For detailed study-Read Appendix 6 of Financial Regulations Part II-available with M/s C.B. Lall, 40, Vikas Vihar, Mohan Puri, Meerut Cantt.

(b) the stores purchased out of these grants have been taken on charge by the unit/formation concerned.

(c) the sale proceeds of stores issued free by Government or purchased out of these grants and of old newspapers and periodicals have been credited to Government and treasury receipts forwarded to the PC.D.A./C.D.A. concerned for adjustment.

**MEDICALNETERINARY STORES INCHARGE OF UNITS AND MOBILIZATION STORES**

302. It will be seen that the Field Medical Equipment of Field Medical Units held on charge by D.A.Ds M.S. (Mobilisation) has been accounted for in terms of complete packages and not under the various component stock headings.

**Note 1:** Articles drawn for general stores for turnover or to make tip deficiencies in packages will be treated as component parts not required to be accounted for in the ledgers. Vouchers in respect of such component articles will be compared and connected with the relevant board proceedings, loss statements, transfer vouchers, etc.

**Note 2:** Field medical equipment of Headquarters, regimental and other units, though stored in Military Hospitals will remain on charge of the Headquarters/Unit to which it belongs. Expendable stores when actually expended will be written off charge on expense vouchers and replaced in the usual manner by officer commanding the hospital in whose charge the equipment is, expendable and non-expendable articles lost or damaged will be written off on loss statements which will be prepared by the unit to which the equipment belongs and will after sanction of the competent financial authority, be forwarded to the hospital concerned to enable them to support their indent for replacement.

**LAND REGISTER AND ACCOUNTS**

303. It will be seen that:

(a) entries in the old registers have been correctly transcribed into the new registers;

(b) every entry about leases, etc., made in the new register is in agreement with the counter-part leases on record;

(c) recoveries made on account of rent, etc., credited in the cash book agree with the amounts of rent shown in the register as due from the lessee.
AUDIT OF ACCOUNT OF DEFENCE LANDS HELD BY ARMY UNITS

304. In respect of all Defence lands held by the Army Units/ Formations either requisitioned or hired or acquired it should be ensured that the following documents are maintained

1. (a) Unit Land Register (General) : one register.
   (b) Unit Register (Regimental Garden): in two parts.
2. Register of Defence Lands under cultivation.
3. Register of trees (usufructs and other trees) while the register at Serial No. 1 is the main register, the other two registers are subsidiary ones. All the registers are required to be inspected by the LAOS at the time of their annual inspection and should be included in the list of auditable documents maintained by them. The following drill will be observed in auditing the above registers: -

II. UNIT LAND REGISTER (GENERAL)

Unit Land Register (Regimental Garden) see that: -

(a) The basic details such as area and other information shown in the register are in accordance with the details received from the DEO at the time of transfer of lands to Army and that subsequent charges are also noted with authority therefore.

(b) Physical verification of actual area held is done by a Board of Officers once in a year and the results recorded indicating encroachments if any, and action taken therefor.

(c) The register is signed by the O.C. of the user Unit/formation.

(d) The extent of cultivation of land is shown separately in the register.

(e) The stretches of land un-utilised are shown separately.

(f) Stretches of land which have been utilised not for the purpose for which they were acquired/requisitioned and such alternate use has the sanction of the competent authority.

(g) Surplus cultivable lands are placed at the disposal of the DML & C as temporary surplus for being leased out for agricultural purposes.

(h) That in the case of surrender of surplus lands to DML & C the LAOS of MEOs accounts should be informed with details.

(i) Lands close or adjacent to Unit liner or within the perimeter of the installation and Units/ establishments or any other lands which cannot be placed at the disposal of DML & C on account of security consideration can be cultivated through troop labour to the extent feasible subject to the following conditions :-

1. Only troop labour or where feasible security cleared private labour will be employed.

2. Regimental centres units shall not give defence lands to private parties for cultivation on lease basis or on the basis of sharing crops wherever such arrangements are in vogue these shall cease forthwith.

3. For land cultivated by troops or security cleared private labour no payment will be made by the Regimental authorities if the land cultivated is not in excess of that arrived at the scale of 4 acres for 1000 troops in the Unit/regiment installation concerned.
4. In respect of land in excess of the limit at (3) above 1/4th of net annual profit as per audited figures of the Regimental fund shall be paid to the Government.

5. In case of certain establishments and installations as ordnance Depots, Ammunition Depots, in filed and so on whenever certain areas of lands on the perimeter and within the establishments have to be left uncultivated for reason of security or safety no charges will be levied even if the land is in excess of the scale at (3) above provided such land is not cultivated.

III. AUDIT OF SUBSIDIARY REGISTER OF LANDS UNDER CULTIVATION

(a) See that details of lands under cultivation regimentally or otherwise are recorded as per provisions of (1) to (5) of item II above.

(b) The items produced are disposed of according to the instruction on the subject issued from time to time by Army Headquarters.

(c) That in respect of items not conforming to ASC specification and utilised either by the unit themselves or handed over to the ASC Depots the amount paid by the Regional PC.D.A. /C.D.A. agrees with the amount in the register.

(d) That in respect of items not conforming to ASC specification and disposed of locally see that they are supported by authenticated documents duly attested by the OCs and amounts correctly reflected on the register.

(e) That 1/4th of net profit arrived at for crediting to the Government is based on the above realisation and the amounts are credited either on MRO or through cash accounts and details are recorded against the entries.

Note 1: For the purpose of verification by the L.A.Os. as to whether Government dues if any are correctly realised by the Units/formations and credited to the Government the stores section of the main office or corresponding group in other sub-offices will forward a copy of a paid voucher/details of payment to the L.A.O. concerned. Where the articles produced are consigned by the unit itself one copy of CRV will be scheduled to the L.A.O. concerned for verification of credits in the ration accounts.

Note 2: Non realisation of Government dues will be reported by the LAO'S. to stores section or other sub-offices as the case may be for further action and realisation of the same through Demand Register.

IV. REGISTER OF USUFRUCTS TREES ETC. AND DISPOSAL OF GRASS

(a) the register contains all details of trees category-wise located in the area occupied by the Unit/formations.

(b) Physical verification of trees is carried out once in a year.

*(c) The responsibility of planting and maintaining trees on class A-1 lands in cantonments and on other military lands out side cantonments including the maintenance of trees where the same are not planted by the units in occupation but are maintained by them should rest with the occupying units or formations subject to the following conditions:-
*A new sub para (c) added vides C. S. No. 1/92. The erstwhile sub para 304(IV) (c) renumbered as 304(IV) (d). Subsequently the sub para 304(IV) (d) again substituted vide C. S. No. 1/1992.

(i) That the entire expenditure on the supply, planting and maintenance of trees (including the provision of tree guards, manure implements and labour etc.,) shall be met from the Regimental funds of the unit in occupation.

(ii) The revenue accruing from the disposal of the fruits of trees will be credited to the Regimental funds of the units in occupation.

(iii) Trees grown on the land in reference shall remain the property of Government and will be disposed off when dried or otherwise required to be falled by the Defence Estate Officer to the best advantage of the state as at present.

*(d) The revenue accruing from the disposal of usufructs/dried up trees in defence lands outside the cantonment where the units/formation are not in active occupation of lands and also the amount realised as a result of disposal of dried up trees, grass in area etc., either by auction or by contract are credited to Government on MRO's and the same are forwarded to the Regional PCs.D.A./ Cs.D.A. for adjustment or credited through cash Account. It should also be ensured that amounts realised are in accordance with contract agreements, auction deeds etc.

*New sub para (c) added vide C. S. No. 1/92. The erstwhile sub para 304(IV) (c) renumbered as 304(IV) (d). Subsequently the sub para 304(IV) (d) again substituted vide C. S. No. 1/1992.

**Note:** For above purpose auction deeds/contract agreements dealt with in Main office will be sent to the respective L.A.O's.

V. Any irregularities noticed in the audit of accounts of Defence lands will be placed under objection and will also be reported to Main Office for appropriate action.

**UNIT TRANSPORT REGISTER**

305. It will be seen that the register is properly maintained in I.A.F.Z.-3023 and is periodically examined by the officer commanding or a commissioned officer deputed by him or by the inspecting officer when the unit is in charge of an officer below the commissioned rank. Besides exercising a general scrutiny to see that a record is kept in the register of all hired transport utilised by the units, paid transport indent received by the L.A.O. from the P.C. D.A./C.D.A./J.C.D.A., should be linked into unit transport register to the extent indicated in para 76 of this manual. In respect of the indents selected for linking, it will be seen that:

(i) the carrying capacity of the vehicle as shown in the transport indent agree with the actual carrying capacity of the vehicle shown in column 6 of the unit transport register

(ii) the vehicle supplied has been utilised to the maximum advantage to the State, i.e., the load carried during each trip was not very much less than the carrying capacity of the vehicle;

(iii) the number and date of relevant receipt and issue vouchers are cited in the transport indents as required by Army Orders 694/50 and 174/51. If on a sampling or on
account of some other circumstances, a verification of the entries is made, and erroneous entries are noticed as a consequence thereof, such entries will be treated as cases of wrong certification and will be included in report of General State of Accounts.

**REGISTER OF USED AND WASTE OIL**

306. (a) It will be seen that used and waste motor and aero-engine oils have been properly accounted for and issued for the various purposes set out in A.O. No. 245 of 1950 under the orders of the local commander.

   (b) Used oils have not been accumulated, but returned to the nearest Supply/PO.L. Depots after retaining the unit's requirements for re-issue.

**REGISTER OF LOSSES**

307. It will be seen that all losses of cash, over payments as well as losses of stores, and damages thereto and losses on account of irrecoverable claims, irregular/unauthorised use of Government transport/railway warrants/military credit notes/stores which are required to be dealt with by the competent financial authority have been entered in this register.

   Prompt action has been taken by the unit authorities for the regularisation of the losses.

**STOCK VERIFICATION**

308. The responsibility for carrying out periodical verification of stock as prescribed in Paras 865, 809 and 866 Regulations for the Army 1962 Edition rests with the executive officers concerned. The duties of L.A.Os in this regard are prescribed in paras 83 to 86 of this manual.

   The examination of the relevant regimental records of stock taking will be made by the Local Audit Staff once in a calendar year, and any failure on the part of the officers commanding units, etc., will be brought to the notice of the higher administrative authorities concerned, through the P.C.D.A./C.D.A.

**P.O.L. ACCOUNTS**

309. In addition to the store returns, ledgers, and registers, etc., mentioned in para 281 ante, the following auditable documents will also be maintained by units/formations :

   (i) POL Stock Ledger (IAFZ-2109)
   (ii) Mileage Card (IAFZ-2212) (Revised)
   (iii) Vehicle Register (IAFZ-2186)
   (iv) Requisition for POL (IAFZ-2206) Part I (Revised)
   (v) POL Retail Issue Vouchers (IAFZ-2206) Part II Revised
   (vii) Ledger of Vehicle Kits (IAFZ-2286-A)
   (viii) Car Diary (IAFZ-2209) (Revised)
(ix) Payment Transport Register
(x) Register Showing duty Journeys before or after office hours or on holidays.

AUDIT OF PO.L. ACCOUNTS

310. These documents are audited to see that: -

310. (i) **P.O.L. stock ledger**

310 (i) (a) Stock has not been held in excess of normal requirements.
310 (i) (b) Petrol has been accounted for in accordance with the different types of petrol received, viz., 70.October, 73 October or 80 October,
310 (i) (c) P.O.L. charged off as issued to vehicles agrees with that taken on charge in mileage card against the vehicle concerned.
310 (i) (d) Oil and Lubricants charged off in the ledger as issued to unit's vehicles are in accordance with the authorised proportion.
310 (i) (e) Monthly stock verification certificate has been endorsed.

310. (ii) **Mileage Card**
310 ii (a) The various columns of the Mileage Card have been properly completed with reference to the Car Diaries.
310 (ii) (b) The monthly summary has been correctly prepared.
310 (ii) (c) The Kilometer reading of all the vehicles has been checked at least once daily.
310 (ii) (d) M.T. Gasoline/Diesel issued to the vehicles on day to day basis as per POL Retail Issue Voucher (IAFZ-2206) Part 11 (Revised) has been accounted for in the Mileage Card. Similarly the distance run as shown in the Car Diary agrees with that shown in Mileage Card.
310 (ii) (e) The Mileage Card is signed monthly by the unit Commander of an officer nominated by him.

310. (iii) **Vehicle register**
310 (iii) (a) The vehicles held on charge are not in excess of those authorised in PE./WE.
310 (iii) (b) The nomenclature of the vehicles as shown in the register agrees with those given in A.O: 23/S/49, as amended from time to time.
310 (iii) (c) Vehicles have been transferred from one unit to another under the orders of Army Headquarters.
310 (iii) (d) Vehicles attached or loaned to a unit have been accounted for separately from those which actually complete the establishment.
310 (iii) (e) Part X orders, Part XI orders, and Part XII orders, have been published wherever these are necessary.

310. (iv) Requisition for P.O.L. (IAFZ-2206) Part 1 (Revised): P.O.L. Retail issue voucher (IAFZ-2206) Part II (Revised) :Receipt and issue of POL as per these documents agree with those in POL Stock Ledger and the Mileage Card. Audit check in this regard will be limited to the prescribed percentage. Costings in retail issue vouchers should, however, be checked in full.

Note: Receipt and issue entries will be checked according to the prescribed extent of audit.

310. (v) **Vehicle Log Book** :-

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310 (vj) (a) The book has been maintained in accordance with the instructions printed on the form and the rules in Para 213 MVR 1965 Edition. A test check of a few selected items in the vehicle log book will be made to this end.

310 (v) (b) No discrepancies exist in the particulars recorded in the vehicle log book and those recorded in the relevant records of E.M.E. workshops as to the period of vehicle's stay in the workshop and nature of repairs done to vehicles from time to time.

**Note:** For this purpose the LAO auditing the account of EME workshops will as a test check take extract of certain entries in respect of certain vehicles from the relevant records of EME workshop for verification into the vehicles log book.

310. (vi) **Vehicle Kits :-**

310 (vi) (a) All receipts of vehicle kits have been entered on IAPZ-2286-A and their distribution by B.A. Nos shown on the reverse.

310 (vi) (b) A kit inventory in duplicate has been prepared and both the copies signed by the driver, No. 1 copy being kept with the in charge stores office, as a token of the receipt for the items issued with the vehicles, and No. 2 copy with the log book. 310 (vi)

310 (vi) (c) The inventory has always been kept up-to-date, and all items issued to and returned by the driver, except under the clean exchange system for use with the vehicle, have been recorded on both the copies.

310 (vi) (d) On transfer/issue of vehicles, items of kit have been issued on separate regular vouchers and struck off ledger charge on IAFZ-2286-A.

310 (vi) (e) Repairable and unserviceable items of kit returned by units direct to the appropriate R.S.S.D./Salvage Section or Sub-Depot were actually condemned by the Condemnation Board or declared beyond local repair.

310 (vi) (f) Replacement of M.T. and Technical spares has been made on the clean exchange system, viz., unserviceable items returned to the EME Station workshop on which dependent/O.EP in case of units in field formation, and new items received in exchange.

310. (vii) **Car Diaries :-**

310 (vii) (A) Driver's car diaries (IAFZ-2209) (Revised) are maintained for all class B vehicles and properly completed in the following respects:-

310 (vii) (A) (a) The specific nature or purpose of duty has been clearly mentioned under the column "Nature of duty".

**Note:** All journeys against which the nature of duty performed has not clearly been specified will be treated as for 'non duty purposes' and officers using Government transport will be charged for the mileage at the normal rates laid down in A.L 928/1945 as amended.

Misuse of transport is liable to be charged with an offence under the Army Act and tried by a Court Martial.

310 (vii) (A) (b) The entries have been made in English and not in any vernacular language.

310 (vii) (A) (c) Column 7 of the Car Diary has been completed and signed by the officer issuing the vehicle/user of the vehicle in the case of load carrying vehicles. When senior officers, not below the rank of Brigadier, are the users of the staff cars, the staff
officers accompanying the senior officers may sign the car diary. Car diaries should not be completed by the drivers themselves.

310 (vii) A) (d) Journeys for private, purposes and on duty have been shown separately.

310 (vii) A) (e) Kilometre readings and petrol drawn have been recorded on the relevant columns.

310 (vii) A) (f) Car diaries have not been completed in a haphazard manner and by persons who are not authorised to complete them.

310 (vii) A) (g) All pages of Car Diary are numbered, and blank pages and blank lines in the Car Diaries are cancelled and signed by an officer to avoid their misuse.

310 (vii) A) (h) Authority for use of load carrying vehicles is entered in the remarks column and at the end of the quarter; a certificate is endorsed by an officer to the effect that moves entered therein are authorised by the OC.

310 (vii) A) (i) Motor spirit in tank is checked on the last day of the month by filling tank to the maximum capacity and result recorded in the Car Diary in red ink.

310 (vii) A) (j) Journeys performed on amenity (payment or free) and other payment duties are recorded in the Car diary in red ink and the No. and date of relevant treasury receipt is noted in the 'Remarks' column. In addition, a Payment Transport Register is also maintained.

310 (vii) B) Greatest vigilance has been exercised by the units/formations to ensure the fullest economical use of both vehicles and RO.L. for this purpose, it will further be seen that:

310 (vii) B) (1) unit transports has, wherever possible, been pooled on a station basis;

310 (vii) B) (2) the Carter Patterson system has been followed for the collection or delivery of supplies and stores. Under this system, if several units in a station have to collect supplies or stores from the same place, the requisite transport should be detailed by the S.T.O. to collect and deliver the supplies or stores to units concerned, instead of each unit detailing its own transport. This system may also be adopted for various other purposes given below:

310 (vii) B) (2) (a) Despatch of stores or supplies to the Railway Station or Salvage Depot.

310 (vii) B) (2) (b) Despatch of baggage of leave parties between unit lines and railway station and vice versa.

310 (vii) B) (2) (c) Attendance of lectures and conferences when the use of transport is permitted under rules.

310 (vii) B) (3) Government animal transports (Pack and Draught) have been used to the maximum extent possible for all station duties, if available at the station.

310 (vii) B) (4) maximum uses have been made of motor cycles, trailers, bicycles and hand carts, if available, in preference to vehicle.

310 (vii) C) The discretion vested in the station commander under Para. 23 MVR 1965 Edition regarding authorization of the use of Government transport has been exercised sparingly and only in cases of absolute necessity.

310 (vii) D) Government vehicles have been used by (1) Officers (2) J.C. Os. (3) Other Ranks (4) Non-combatants (enrolled) for amenity and recreational purposes in the
circumstances and under the conditions laid down in A.Is. No. 928 of 1945, 233/51 and 37/57, as amended.

310 (vii) (E) The recovery in respect of use of Government vehicles for amenity purposes has been correctly made from officers and other non-entitled persons at the prescribed rates viz., at the rates laid down in A.Is. No. 928 of 1945, 233 of 1951 and '37 of 1957, as amended, and that the amount due to Government on this account has been promptly credited to Government treasury through the unit's public cash accounts.

310 (vii) (F) Vehicles without Kilometres have not been detailed on free/payment recreational or amenity purposes.

310 (vii) (G) Jeeps and motor cycles have not been hired out used for amenity or recreational purposes.

Note: These vehicles are for official use only.

310 (vii) (H) Lady welfare workers have been allowed Government transport at amenity rates for welfare work only to visit the following places

310 (vii) (H) (1) Family Welfare Centre.
310 (vii) (H) (2) Military Hospital
310 (vii) (H) (3) Other Rank's clubs and canteens

Note: All the vehicles with the exception of jeeps can be hired out to lady welfare workers at amenity rates.

310 (vii) (I) Government vehicles have been hired in the circumstances and under the conditions laid down in A.Is. No. 928 of 1945, 233 of 1951 and 37 of 1957, as amended, and that the amount due on this account has been recovered from the parties concerned and credited to Government with the least possible delay.

310 (vii) (J) Private hired transports has not been used by touring officers between places whether connected by rail or not except as provided for vide Rule 91 (ii) of Travel Regulations.

Note: Officers are entitled to TA. /D.A. under the normal rules. They are required to make their own arrangements for the transport. In exceptional cases, where the use of hired transport is considered essential, prior sanction of the Government will be obtained.

310 (vii) (K) Vehicles for which hire charges are not laid down in A.Is. and are not notified in Government orders, issued from time to time have not normally been hired out without prior sanction of Army Headquarters.

Note: In exceptional cases, however, Div/Area Commanders may sanction hiring out of vehicles for which hiring charges are not fixed provided that action is immediately taken to obtain the hiring rates from Army Headquarters in accordance with the procedure laid down in A.O. 43/53. The unit/body hiring the Government transport will however be apprised that hire charges to be subsequently intimated by Army Headquarters will be final.
310 (vii) (L) Free Government transport has not been used by officers when changing residential quarters. They can hire the same at normal rates laid down in A.I. 928 of 1945.

310 (vii) M Unless there is an operational necessity, which compels the use of M.T, Government transport has not been provided for troops unless distance involved is more than 8 Kms.

310 (vii) (N) Government transport (not exceeding three in number, free of charge) has not been used for other than the following purposes, in connection with Military funerals of service personnel:

310 (vii) (N) (1) one service vehicles for traction of the gun carriage carrying the dead body.
310 (vii) (N) (2) One vehicle from the hospital to the unit lines/residence to the place of cremation/burial and back for the conveyance of the relatives of the deceased who accompany the gun carriage; and
310 (vii) (N) (3) one vehicle for miscellaneous duties in connection with the funeral including the conveyance of personnel participating in the funeral from hospital/residence of the deceased to the place of cremation/burial and back.

Note. Transport for the funeral of N.Cs.E. and families of J.C.O.s/O.Rs. and N.Cs.E. will not be admissible.

310 (vii) (O) When Government transport is used by technical officer for the local purchase of stores, the following conditions have been fulfilled:

310 (vii) (O) (i) Prior sanction of the local Commander has invariably been obtained.
310 (vii) (O) (ii) A motor cycle (where feasible) or a light vehicle on charge of the unit has been used.
310 (vii) (O) (iii) Where a navy vehicle is used, detailed reasons for non-availability of a lighter type have been recorded.
310 (vii) (O) (iv) Names of the firms visited have been noted down on the duty slips.
310 (vii) (O) (v) When possible, the stores purchased have been brought in the same vehicle by the officer using the transport.

310 (vii) (P) Officers on temporary duties at an outstation and allotted accommodation at another stations contiguous to the first stations has been provided Government transport from place of residence to and from place of work subject to the following conditions:

310 (vii) (P) (1) That these stations are not connected by Rail and are not served by a public road transport system.
310 (vii) (P) (2) If connected by Rail and a public road transport system, timings for them are not suitable to the officer for the efficient and expeditious performance of his duties.
310 (vii) (P) (3) The authorisation of Government transport is limited to journeys not exceeding one way distance of 32 kilometres except in the cases of general officers and others of equivalent rank/status.
310 (vii) (P) (4) The transport has been provided once a day only.
310 (vii) (P) (5) The station commander is personally satisfied that the provision of transport is essential.

310 (vii) (P) (6) A record of all such special authorisations together with reasons has been kept.

310 (vii) (Q) The total annual Kilometers limit sanctioned from time to time in respect of class `B' vehicles has not been exceeded without the sanction of Divisional/Area Commanders who may sanction extra Kilometers upto an increase of 50 percent of sanctioned kilometers. Commandants of category `A' establishments may authorise additional kilometers upto '100 percent of sanctioned kilometers in respect of vehicles used for training as opposed to administration. In the case of administrative vehicles Commandants may sanction only upto 50 percent extra kilometers.

310 (vii) (R) The restrictions on the mileage of `A class vehicles notified in A.O. No. 204 of 1955 have been observed.

310 (vii) (S) Government transport has not been used by officers and others between place of duty and residence. An exception has, however, been made in the case of officers (service officers and civilians Grade 1) who are specifically required under orders of superior authority to attend to official duty, whether at the normal place of duty or elsewhere, either on Sundays/holidays or outside normal, office hours on working days. In the latter case, free use of Government transport shall be admissible only where an extra trip from residence to office and back is entailed on the part of the officer concerned. In such cases, it will be seen that:-

310 (vii) (S) (i) A written order by the superior authority summoning the officers concerned for official duty outside office hours or on Sundays/holidays is placed on record.

310 (vii) (S) (ii) The officer concerned has certified on the log book/car diary that the Government transport was used for attending to official work on Sundays/holidays or outside normal office hours, entailing an extra trip from residence to place of duty and back, under orders of his superior authority;

**Note 1.** *In the case of an officer who is the Head of office/Unit, a certificate recorded by himself to the effect that the use of Government transport was necessary for performing official duty on Sundays/Holidays or outside office hours, entailing an extra trip between residence and place of duty and back, which could not be postponed, shall be adequate for purposes of audit.*

**Note 2.** *In case, where an officer is called upon to attend office an hour or two earlier and then stays on in office for the performance of his normal office work, or where he is, required to stay on in office beyond the prescribed office hours, free use of service transport will not be permitted.*

310 (vii) (T) Government transport has been provided free for night duty officers and clerks for the conveyance of bedding, food and other articles intended for their personal use from residence to office and back upto the extent of one trip only from the individual's residence to place of duty in the evening and one back to residence the following morning. Transport provided above will be limited to officers/clerks residing within 6 kilometers from the place of duty.
310 (vii) (U) Other ranks, non-combatants (enrolled) and recruit boys have been provided Government transport from Unit lines to Railway station when proceeding on duty/leave State expense subject to the following conditions:-

310 (vii) (U) (1) The distance exceeds 1.5 kilometers.
310 (vii) (U) (2) Their baggage to the extent of railway free allowance has also been conveyed in the same transport.
310 (vii) (U) (3) All use of such transport has been co-ordinate by the Officer Commanding stations to ensure that minimum number M.TAT are used.

Note: A.T./MT. whichever is economical consistant with requirements can also be provided for the carriage of baggage to the extent of railway free allowance even if the distance to the railway station is less than 1.5 kilometers.

310 (vii)(V) Officers and staff of the Defence Accounts Department, Defence Audit Department and Civilian Officers (Class-1) Defence Services have been provided with Government transport subject to the following conditions ; -
310 (vii) (V) (i) The conditions stipulated in para 51 of Mechanical Vehicle Regulations for the Army for provision of Government Transport for duty have been fulfilled.
310 (vii) (V) (ii) The Provisions of A.I. 129/72 read in conjunction with Rule-103 (ii) Travel Regulations have been adhered to when hired transport is made available to the officer of the first grade while on duty at outstations.
310 (vii) (V) (iii) For non-duty journeys normal rates as notified in Government Orders from time to time, have been charged.

310 (vii) (W) The Government transport (Ambulance) has been used by medical Officers and for the conveyance of service personnel to and from the hospital only under the following circumstances: -
310 (vii) (W) (1) While medical officers are visiting the quarters of entitled personnel under the provisions of Paras 284, 285, 286, 289, 296, 320 RMS AF 1962 Edition.
310 (vii) (W) (2) For the conveyance of Officer's, J.C.Os., Other Ranks, Non-combatants (enrolled) and their families from their quarters, place of duty and/or scene of accident to hospital provided the medical Officer-in-Charge considers that conveyance by other means will be detrimental to the health of the individual.
310 (vii) (W) (3) For the conveyance of J.C.Os., Other Ranks, Non-combatants (enrolled) and their families from hospital on discharge to their home subject to the condition mentioned at (2) above.

Note: Government transport will generally be provided if the hospital is at a distance of more than 3 kilometers. It is, however, emphasized, that the most economical use of transport should be made and as far as possible only one trip from the ML Room of unit/units to hospital and back during the day, where necessary, should be made.

310 (vii) (x) When transport is used solely on intelligence duties, the officer using the transport has furnished a certificate on completion of each such journey to the effect that the nature of duty cannot, for security reasons be disclosed and that the
certificate (wherein the mileage should be indicated), has been countersigned by the G.S.O. (1) and in the case of G.S.O. (1) and G.S.O. (2) by D.M.I. or D.D.M.I.

310 (vii) (Y) (a) Government transport has been provided to civilian labour officers in Defence installations including those employed in Ordnance and Clothing Factories in Kolkata, Mumbai and Chennai for the discharge of their bonafide duties to places connected by Rail or served by public transport only when it is administratively convenient, subject to the following conditions :-

1310 (vii) (Y) (a) (i) That most economical type of transport has been used.
310 (vii) (Y) (a) (ii) That the use of transport is authorised by the Head of the establishment concerned

310 (vii) (Y) (b) When service transport is used by blood donors (service personnel and civilians) who donate blood to entitled patients in an emergency, return conveyance from the Military hospital/place of residence is provided only if the medical authority certifies that they are suffering from temporary ill effects due to donation of blood.

310 (vii) (Y) (c) When service transports is provided on a reciprocal basis to Military Attaches/Advisers to U.S.A., China, U.K., Burma, Indonesia and Pakistan in connection with their official visits to the Army Installations, it is only from the nearest Railway Stations/Air Port to the installations and back.

310 (vii) (Y) (d) Sanction of Army Headquarters should be looked for in cases where service transport is provided in connection with the visits of U.P.

310 (vii) (Y) (e) Use of Government transport by officers of the Public Relations Organizations paid from civil estimates is subject to the following conditions :-

310 (vii) (Y) (e) (i) transport will not be hired for the purpose.
310 (vii) (Y) (e) (ii) Transport may be used between residence and Railway Station/Air Port/Air Booking Office and vice versa at permanent stations and from Railway Station/Air Port/Air booking office to place of duty/temporary residence and vice versa at out-stations.
310 (vii) (Y) (e) (iii) When accompanying VIPs. and senior service officers and for covering functions/assignments from publicity point of view, both at permanent station/out-station.

Note: In respect of non-duty journeys, recovery at normal rates laid down in A.I. 928/45 as amended, will be charged.

310 (vii) (Y) (f) Use of transport by officers belonging to the Ministry of Defence and Ministry of Finance (Defence) when they are on temporary duty in Military stations may be permitted, if available, for journeys between Railway Station/Air Port and residence/place of duty. It should be seen that the nature of duties on which Government transport is used, is recorded.

310 (vii) (Y) (g) The use of Government transport by Prime Minister and other Cabinet Ministers during their visit to Military units/installations, is a bonafide Government Military duty.

110 (vii) (Y) (h) (i) Free Government transport may be used by the C.O. or a senior officer of the Defence establishment for participation in local function organised on national days (viz., Republic Day and Independence Day) by Defence personnel/workers under his jurisdiction in response to their invitation/request.
310 (vii) (Y) (h) (ii) Subject to availability of staff cars, journeys performed in staff cars by officers not below the rank of General Manager in Ordnance Factories Organisation within their stations of duty for attending parties, functions, 'receptions etc., organised by the recognized Federations, Trade Unions, Associations of the employees etc., for which invitations have been extended to them by virtue of their office and which is their discretion they consider necessary in the public interest to attend, will be treated as official.

310 (viii) Register showing duty-journeys before or after office hours or on holidays:
310 (viii) (1) The register contains the following particulars:
310 (viii) (1) (a) Number of journeys performed before or after office hours or on holidays.
310 (viii) (1) (b) The distance covered and places visited.
310 (viii) (1) (c) The purpose of the journey.
310 (viii) (1) (d) The name and designation of the persons using the transport.
310 (viii) (2) The register has been inspected by the Station Commander at least once a month.

Note: The scope of audit is limited to that applicable to duty slips and car diaries.

UNITS MOVING WITHIN INDIAN LIMITS

311. The audit of the accounts of a unit under orders to leave the audit area of the one Principal Controller/Controller for that of another Principal Controller/Controller should invariably be given priority and it should be seen that the local audit of such a unit is in a current state before the unit's departure. The local audit will be completed up to the end of month preceding the final visit of the local audit staff and all objections (including those already outstanding) should, as far as possible, be settled before the unit leaves the station. A special report showing the exact state of unit's accounts and the month upto and for which the accounts have been audited will be sent by the auditing L.A.O. to his PC.D.A./C.D.A. The latter will send by the auditing L.A.O. to his PC.D.A./C.D.A. The latter will send the report to the PC.D.A. /C.D.A. to whose audit area, the unit has proceeded.

Transactions in Rations and Forage returns will, however, be audited upto and for the date of entraining in the case of a unit moving from one local audit area to another audit area of the same Principal Controller/Controller or to that of another Principal Controller/Controller.

The L.A.O. will also forward, with his special report, the following documents: -
(a) Extract(s) from the objection statement(s) of items which could not be settled.
(b) Office copies of forwarding lists of vouchers sent to the Assistant Accounts Officer Garrison Engineer for linking or any other documents requiring verification by the Local Audit Staff which it was not possible to verify before the departure of the unit.
(c) A list showing the names of accounts and ledgers required to be audited by the Local' Audit Staff and of those actually audited at the last visit to the unit.
(d) A list showing the numbers and names of individuals whose I.A.F.F.-958 sheet rolls were "test checked", as required by para 20 of Appendix 'C' (the original list maintained with reference to para 20 ibid should be seen. A copy need not be retained).

(e) An extract of the balances of the unit's last ration return at the entraining station up to the date of entraining, attested by a responsible officer of the unit vide para 37 chapter II.

In the case of units transferred from the area of one L.A.O. to that of another under the same PC.D.A./C.D.A. the documents will be sent to the L.A.O. concerned direct. Acknowledgements will invariably be obtained.

**UNITS MOVING INTO/OUT OF CONCESSIONAL/FIELD AREA**

312. (a) As soon as intimation is received from Officer Commanding the unit concerned regarding the arrangements to be made for the local audit, the L.A.O. will take up the audit of the store ledgers and returns maintained by the unit.

A copy of the proceedings of the Board of Survey containing all items of War out-Fit to be taken into the theatre of operations, will be supplied to the L.A.O. It will be seen in audit that the items shown in the proceedings v1P the Board of Survey have been correctly charged off stores ledgers, etc., and that ledgers/returns, etc., have been closed to nil balances.

A copy of the certificate received from supply depot giving full details of the reserve rations and rations issued for journey period will after pairing it with the relevant issue voucher be scheduled to the L.A.O. of the gald supply depot, whose acknowledgement obtained. The A.O. of the field supply depot, while auditing the first ration indent of the unit on its arrival in operational areas, will see:

(i) That there had been no abnormal consumption y the unit during journey period;

(ii) that all unconsumed rations have either been returned to the supply depot and brought to account it or rations have been under drawn to that extent the unit's indent submitted to the field supply depot.

Special steps will be taken by personal discussion with Officer Commanding the unit or his representative to settle on the spot as many items of objections as possible. Those remaining unsettled will be reported to the PC.D.A. /C.D.A. for necessary action.

(b) **Units moving out of Concessional /Field area** :-On return of units to peace conditions, a board of survey will be assembled to take stock of all stores in possession of units irrespective of the source from which they were obtained and this stock will form the opening balances of new store ledgers and returns.

The L.A.O. of the supply depot in field area will after pairing with the relevant issue voucher, schedule the copy of the certificate received from supply depot giving full details of the reserve ration and ration issued for journey period to the L.A.O. of the unit in the peace area and- obtain his acknowledgement. The L.A.O. in the peace station will, at the time of audit of the first month's ration return of the unit after arrival at the peace station, see with : reference to the L.R.C. /R.R.C. that: -
(i) there is no excess consumption during the journey period; and
(ii) all un-consumed rations have been properly brought to account in the unit's Ration Return. (IAFS-1519).

**DISBANDMENT OF UNITS**

313. The store accounts will be closed and made available for audit to the L.A.O. concerned, which will be given sufficient notice of the impending disbandment of the units. For audit procedure the provisions of paras, 665 to 669 of Release Regulations will be observed and it will, in addition, be seen that:

(i) any un-spent balance of rations has been transferred to other local units;

(ii) ordnance equipment and clothing has been disposed of in accordance with the principles laid down in Chapter XII of Release Regulations under the instructions of Headquarters Command.

(iii) vehicles have been dealt with under para 17 of A.O. 931/48;

(iv) medical stores have been returned to the hospital on which unit independent;

(v) other items of stores shown below have been disposed of in the manner prescribed in the orders quoted against them:

(a) M.E.S. stores-Para 1070 Release Regulations.  
(b) A.S.C. stores-Para 1072 Release Regulations.  
(c) Equipment A.O. No. 1899/43  
(d) Publications. Stationery, Forms and Office Equipment- A.O. No. 458/52  
(e) Amenity Stores- A.I. No. 1261/46  
(f) Funds A.O. 1479/46

**Note:** Audit objections other than technical audit requirements of a non-essential character on store accounts will be dealt with under Ride 673-A Release Regulation.

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CHAPTER - VI

AUDIT OF THE STORE ACCOUNTS OF HOSPITALS

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SECTION-1: MILITARY HOSPITALS ACCOUNTS

315. In addition to the store ledgers and returns required to be maintained by consuming units, hospitals maintain the following ledgers, returns, etc. : -

‘A’HOSPITAL

(i) Hospital Admission and Discharge Book (including detained cases) (A.B. 27)
The accounts mentioned above including P.O.L. accounts will be audited in accordance with the relevant instructions laid down for the audit of consuming units in Chapter V of this manual and the special instructions given in the succeeding paragraphs of this chapter.

HOSPITAL ADMISSION AND DISCHARGE BOOK

317. It is a record showing the date of admission and discharge of patient and the disease of which he was admitted into the Military Hospital. It will be scrutinized to see:

- (a) that only entitled persons have been admitted;
- (b) that private individuals (non-entitled) have been admitted with prior sanction of the O.C. station on payment of hospital stoppages at the rates laid down in Pay and Allowances Regulations, Part II as amended from time to time;
- (c) that, the hospital stoppage rolls (I.A.F.A.-55) have correctly been prepared where necessary viz., in cases of (1) J.C.Os., Other Ranks and enrolled persons when they are treated for sickness held to be due to their own fault, (2) Officers, (3) Civilians who are not entitled to free hospital treatment and (4) Non-entitled person;
- (d) that the number of days shown in the hospital stoppage rolls is correct, as verified from "Admission and Discharge Register". For this purpose it will also be seen that when patients have been transferred from other hospitals for specialist treatment or for other reasons, the period of treatment already undergone has been indicated in the
Remarks column of "Admission and Discharge Register" for reckoning the 30 days period for the purpose of recovery of hospital stoppages in case the disability is held to be due to the fault of the patient;

**Note 1.** The correctness of these entries will be test checked by referring to the transfer documents of the patients;

**Note 2.** Recovery of hospital stoppages in respect of all categories of personnel (including non-entitled) will commence from the day following the date of detention/day of admission in the service hospital and continue upto and including the day of discharge of the individuals there from. When a patient is admitted to hospital after 14.00 hours on a day and discharged on the same day, no hospital stoppage will be recovered but when a patient is admitted before 14.00 hours and is discharged on the same day, a fraction of the authorised rate of hospital stoppage will be levied and the fraction will be decided by the O.C. of the hospital concerned.

(e) that hospital stoppage rolls (I.A.F.A.-55) have been sent to the respective accounting authorities for effecting recoveries and their acknowledgements seen in audit;

(f) that the recovery of hospital stoppages has been made correctly at appropriate rates laid down in *[Pay and Allowances Regulations Part II]* from non-entitled persons and the amount credited to Government with the least possible delay.

*Requires-amendment.*

**RATION AND PACKING MATERIAL RETURN**

318. The audit procedure similar to that prescribed in chapter V for the adult of the ration portion of Ration and Forage Return (I.A.F.S.-1519) will, in general, be followed. Diet returns for the month selected for detailed audit will, however, be audited in the following manner -.

1. The number of diets shown in the daily requisitions of diets and extras will be checked with the statements showing the number of patients in the hospital.

2. (A) Entries for 3 days - (selected at random) in the ward diet sheets-pertaining to the month, the accounts of which are audited in detail, should be examined to see that (a) the total quantities issued are arithmetically correct; (b) the diets and extras prescribed are not in excess of the authorised scales; (c) the extras have been duly authorised by a medical officer and have not been prescribed for patients on 'O' diets, (d) these quantities of diets and extras as well as those shown on IAFM-22 have been correctly carried forward to the "Daily Diet and Extras Summary" for diets and extras for those days. It should also be seen that:

   (i) when patients are admitted or discharged in the middle of a month the blank columns are scored through in ink to avoid inter platoons;
   (ii) only the standard diets and standard abbreviations are used;
   (iii) entries for special extras are initialled by the medical officers;
   (iv) the Medical Officer In charge ward has initialled the monthly ward diet sheets daily and signed it monthly certifying that all entries are correct; and
   (v) the OC of the hospital has inspected these ward diet sheets periodically and signed them in token of having done to;
(B) From the daily diets and extras summary (I.A.F.M.-1266) onward the transactions for ten days (selected at random) during the month, the accounts of which are audited in detail, will be examined in the following respects:

(a) Castings in "daily diet and extras summary (I.A.F.M.-1266)".

(b) Posting from "daily diet and extras summary (I.A.F.M.-1266)" to "store keepers" diet record (I.A.F.M.-1267).

(c) Castings in store keeper's diet record (I.A.F.M.-1267). (d) Posting from store keeper's diet record (I.A.F.M.-1267) into monthly summaries of diets and extras (I.A.F.M.-1268).

(C) Finally a cent per cent check over the castings in the "monthly summary of diets and extras (I.A.F.M.-1268) should be carried out: -

If the percentage check prescribed above indicates the desirability of further examination of the accounts, the scope of audit check should, of course, be extended at the discretion of the Local Audit Officer, (MAG's No. 5921 at/D dated 22/4/38).

(3) It will be seen that 'Tea Rations' have been drawn for Nursing Orderlies actually detailed for night duties, as notified in hospital orders.

(4) Calculations should be checked and it should be seen that the total issues during the month as arrived at in the monthly summaries of diets and extras are correctly charged off in I.A FS.1519-A.

(5) It should be seen: -

(i) that free issues of diets and extras are made only to persons entitled to the concession

(ii) that any over issue of diets and extras is either paid for or written off by the Competent Financial Authority and that it is not made good by subsequent underdrawal ;

(iii) that the general instructions regarding I.A.F.S.-1519-A are complied with.

(6) It should be seen that hospital diet is not issued to patients in hospital for observation as such patients are to be subsisted on extras.

Note 1: Officers, JCOs and Other Ranks including their families when admitted to military hospitals will be given the same scale of diet as issued to Indian troops. Children below the age of 10 years will be given half the scales authorised for adults.

Note 2: Breast fed babies of service personnel whose mothers are admitted into the hospital as patients and are advised on medical grounds not to suckle their babies will be issued infant foods (Glaxo milk etc.).

Note 3: All sick attendants will be issued 'O' diet.

Note 4: "Extras" are provided to meet the needs of special cases, viz., the nature of whose illness requires special dieting. They are not permissible to patients on "ordinary diet" but will be issued when the medical officer in charge considers it essential for patients on the other prescribed classes of diets, and also for those on "No diet".
Note 5: So long as "Extras" carries the authority of the M.O. as required under rule and does not violate the restrictions laid down M.A.L No. 1063/1945, the issues should not be objected to in audit, irrespective of whether they are drawn of separate items or as ingredients for making a particular article of diet. It is, however, open to audit to raise the question of any lavish issues of extras or of an abuse of the powers of the medical officer from the financial advice aspect.

(7) It should be seen that no fuel in kind or allowance in lieu is admitted to lady sub-assistant surgeons for cooking purposes and that lady sub-assistant surgeons who were allotted Government quarters are issued fuel in kind for warming and drying purposes only on the scale admissible to lady nurses as laid down in table 23 SRS 1967 Reprint.

(8) It should be seen that when coal steam is issued in lieu of firewood for cooking ranges installed in Military Hospitals suitable for burning coal the cost of the former delivered at a cooking range is cheaper than that of the latter.

(9) It should be seen that the minimum fuel requirement for each type of cooking range has been assessed by a Station Board and notified in Station Orders.

(10) See that the issue of firewood is restricted to the maximum laid down in Regulations when the number of patients is less than 12 in each category for whom separate kitchens are maintained vide Table 24 SRS 1967 Reprint.

(11) See that wines, spirits and tinned articles are accounted for according to their respective make and brands.

(12) It should be seen that empty bottles and jars of hospital comforts items are accounted for as under -

- Bottles glass stoppered. Under one head irrespective of size colour or shape.
- Bottles screw capped. Under one head irrespective of size colour or shape.
- Jars. Under one head irrespective of size, colour or shape.

(13) See that where two cooking ranges are installed in a hospital, the bigger one is used only when the number of patients in the hospital does not admit of cooking being done on the smaller range.

(14) It will be seen that:

(i) oil is not drawn for lamps in unoccupied wards;
(ii) oil is issued in accordance with the authorised scales and that oil kerosene of superior quality is issued for lighting purposes only in wards, surgeries etc., of hospitals, as recommended by the medical authorities.
(iii) the number of lamps kept burning in the wards and laterines, etc., is not unreasonably large keeping in view the number of patients in each ward.
Note  The provisions of 14 (i) to (iii) above apply to un electrified hospitals.

**HOSPITAL CLOTHING**

319. Hospital clothing such as jackets sleeping,, trousers sleeping, bed sheets, blankets hospital etc., will be accounted for on I.A.F.Z. 2286-A in the same way as other clothing articles.

These articles are issued to patients on their admission and withdrawn on discharge from the hospital.

In the event of transfer of patients from one hospital to another for treatment or specialist advice only lying patients will travel in hospital clothes and all other patients will travel in uniform. In such cases hospital clothing will be accounted as under:

(a) When escorted-the individual escorting the patients will be responsible to bring back the hospital clothing and thus the clothing will not be struck off ledger charge.

(b) When not-escorted-The hospital clothing taken by patients will be vouchered over to the hospitals concerned on regular issue voucher and struck off ledger charge.

The replacement of those items which do not have predetermined assessed life will be regulated by periodical condemnation boards as per the procedure laid down in AI 149/68.

**EXPENSE BOOK**

320. Drugs, dressings and other consumable medical store, held in the hospital are accounted for in the expense book. In auditing the book, it should be seen that expense vouchers duly signed by the O.C. Hospital, are furnished in support of issues made to the dispensary, and deteriorated drugs are disposed of in accordance with the provisions of para 598 RMSAF 1962 Edition.

**SURGICAL EQUIPMENT LEDGER**

321. (i) the authorised proportion is shown on the top of each page;

(ii) the sanction of A.D.M.S. of the Area/Div. is obtained to the retention of any unauthorised articles of equipment;

(iii) the packing materials issued by A.F.M.S. Depots are disposed of in accordance with the provisions of Para 591 RMSAF 1962 Edition;

(iv) in describing medical equipment in ledgers, vouchers etc., the item number in the priced vocabularies of medical stores has been entered against each article and that the nomenclature of this vocabulary is inserted in alphabetical order in the section containing stores of a similar nature or description;

**Note 1.** Detailed instructions for the current procedure for the maintenance of account of equipment and stores of military hospitals will be found in circulars issued from time to time by the D.M.S. in India.
Note 2. : *D.T. Stores such as knitting needles, knitting wool, etc., need not be subjected to local audit.*

(v) the transactions on account of articles destroyed under proper authority are supported by the under mentioned certificate of the medical officer concerned.

"I certify that the above mentioned articles have been destroyed this day in my presence, beyond the possibility of further use".

**GIFT EQUIPMENT LEDGER**  
(RED CROSS STORES, ETC.)

322. It will be seen that:-

(i) proper accounts are maintained by military hospitals in respect of all stores received as gifts, e.g., from the Indian Red Cross Society or purchased out of the funds granted by the Society;

(ii) Red Cross Stores being gifts are not issued on payment;

(iii) losses of Red Cross Stores are struck off ledger charge duly supported by loss statements, sanctioned by the C.F.A. The loss statements are priced at the rates given in the revised list of the Red Cross Stores dated 25-6-69, as amended from time to time.

Any amount realized from the individual concerned is remitted by a cheque once in three months to the Director, Red Cross Hospital Services, Indian Red Cross Society Shimla together with a copy of the loss statement;

(iv) expenditure or sale by auction of articles is duly supported by expense vouchers or sale account sanctioned by the O.C.;

(v) unpriced vouchers, etc., received from Red Cross Authorities through the A.D.M.S. of the area have been correctly accounted for in the respective ledgers of Red Cross Stores.

**X-RAY LABORATORY**

323. (i) The books referred to in paragraph 315 'B' (i) and (ii) will be audited in accordance with the general rules laid down in paragraph 282, Chapter V and paras 320 and 321 of this Chapter.

(ii) Register of X-Ray Examination-It will be examined to see that all persons treated in a laboratory are entitled to free treatment and that the work done on payment has been included in the Register maintained for the purpose.

(iii) The Register of Work Done On Payment-The register should be examined to see that the fees have been charged correctly and that the amount realized on this account credited promptly to Government through the public accounts.

Non-entitled patients who are admitted in military hospital for regular treatment and pay hospital stoppages under *[Rule 545, Pay and Allowances Regulations Volume II]*, are not required to pay such fees as hospital stoppages are intended to cover all the facilities detailed in Paras 284, 285 and 286 RMS AF 1962 Edition including X-Ray examination carried out for diagnostic purpose on the advice of the medical officer-in-charge. (*Requires-amendment)
Non-entitled patients who ask for only X-Ray examination in the military hospitals and do not need any other form of medical or surgical treatment from military services will be charged X-Ray examination fees as follows:

(a) At stations where civil or private X-Ray plants exist at the rates laid down in A.O. 559/55.

(b) At stations where there are no civil or private X-Ray plants, the rates laid down in A.O. No. 559/55 may be modified by O.C. Military hospital at his discretion subject to the provisions contained in this order (A.O. 559 of 1955).

SECTION 2-VETERINARY HOSPITALS

324. Military Veterinary Hospitals maintain the following returns ledgers, etc.

- Register of sick animals.
- Expense book for Expendable Medical Stores.
- Medical Equipment Ledger.
- R & F Return.
- Clothing Ledgers.
- Small Arms Ammunition Account.

**Note:** Any stores purchased locally will be accounted for in the respective ledgers of the Department of Supply concerned.

325. Audit—An audit procedure similar to that prescribed for the audit of the corresponding accounts in consuming units and military hospitals will be followed. In auditing the register of sick animals and the R&F Return, the Local Audit Staff will specially examine:

- (i) the title to free treatment and free forage;
- (ii) the disposal of hides of dead animals belonging to Government;
- (iii) that the scale of rations to be issued to animals under treatment has been fixed by the Veterinary Officer subject to the provision that the cost of standard ration is not exceeded; and
- (iv) that admission, discharge etc., certificates have correctly been prepared and endorsed to the L.A.O. of the unit to which the animals belong or to the PC.D.A./C.D.A. in the case of charges of officers who receive an allowance in lieu of forage.

326. The repair of medical/dental/veterinary equipment is done in accordance with the procedure laid down in A.O. No. 590 of 1953, as amended from time to time. It will be seen that this procedure has been observed.

SECTION 3-LABORATORIES

327. The ledgers, registers and books, etc., to be maintained by hospital laboratories are mentioned in para. 315 (c) (i) to (iv) of this chapter.

The books etc., at items (i) and (ii) will be audited in accordance with para 282 of chapter V of this manual and paras, 320 and 321 of this chapter; while those at items (iii)
and (iv) will be audited according to the audit procedure laid down in para 323 (ii) and (iii) of this chapter.

328. Stock Verification-Stock verification in medical units besides being an actual count of physical stocks against balances shown in store ledger and expense books will include:

(a) the verification of the authorised proportion of nonexpendable items according to the unit's sanctioned scales;
(b) the determination of condition; and
(c) initiation of measures for the proper accounting, care and preservation of stores.

329. It is the duty of the commanding officers and officers-in-charge of stores to ensure that stock verification is carried out strictly in accordance with this procedure and to take prompt action, to effect "adjustments" and "writes off" as required by relevant regulations.

330. In addition to the routine check by the staff of a unit assigned to this duty, the O.C. or other officers deputed by him will carry out at intervals of not more than a month, random checks of certain selected items irrespective of the fact that stocks of such items have been previously verified.

331. Besides, the observance of the audit procedure laid down in paras 119 and 120 of chapter III of this manual, the L.A.O. will see that the stock taking has been carried out in accordance with the instructions mentioned in the preceding paragraph and that the stock verification of the following categories of stores is carried out within the period indicated below

(a) Quarterly (i) all "short life" items of Medical Stores in Group 'A' and 'B'

(ii) Controlled items of medical stores.

(b) Half Yearly (i) all other items of medical stores and equipment including MIN and local purchase. (ii) Gift Articles. (iii) Red Cross Stores. (iv) Salvage Items.

Note: All components even though they may be held separately on charge will be checked along with the main items.

332. Station Hygiene Organisation - Malaria control work outside unit line is the responsibility of the Station Hygiene Organisation in a station.

The P.O.L. accounts and the ledgers of expendable and non expendable stores will be audited in accordance with the audit procedure laid down in chapter V, relating to the audit of consuming units. It will particularly be seen that the D.D.T Solution has been used for authorised purposes.

SECTION 4 - MILITARY DENTAL CENTRE/UNITS
333. In addition, to the store ledgers and returns required to be maintained by consuming units the following ledgers and returns, etc., will be maintained by Military Dental Centre/ Units:

(i) Dental Medical Equipment Ledger
(ii) Instrument Ledger
(iii) Expense Book
(iv) Dental Treatment Book
(v) Dental Appliances Book
(vi) Register for treatment of non-entitled patients.

334. (A) Audit- The books referred to at items (i) to (iii) and (v) above will be audited in accordance with the general rule in paragraph 282, chapter V and paras 320 and 321 of this chapter.

(B) Dental Treatment Book - This book will be examined to see that:

(a) free treatment has been given to entitled persons only;
(b) Other ranks and Non combatant (enrolled) have been supplied with artificial dentures and the same have been renewed and repaired at Government expense subject to the following conditions:
   (i) artificial dentures are necessary for efficient performance of duties and to prevent a soldier being invalided out of service;
   (ii) the soldiers have to serve for a minimum period of two years or more;
   (iii) the dental condition has not been brought about through the soldier's own fault; and
   (iv) renewal or repair has not been necessitated through the soldier's own fault;

(C) Register for treatment of non-entitled patients - This register will be checked to see that:

(i) the register has been correctly maintained on the proforma given in Annexure ‘A’ to A.I. No. 73 of 1949, as amended by correction slip dated 28-11-53;
(ii) all the eight columns of the register have been properly completed;
(iii) the amount shown under column 6 of the register (Amount due to Government) is correct;

Note 1 : This check will be exercised with reference to the "nature of treatment" rendered as recorded under column 5 of the register and in the counterfoil of the receipt book (I.A.F-175) and the amount payable to Government for such treatments at the rate/rates laid down in A.I. No. 75 of 1949 as amended by correction slip dated 28-11-1953.

Note 2: The counterfoil of the Receipt Book (I.A.FA.-7S) will be produced by the Dental authorities for audit along with the register.

(iv) the amount has been accounted for in the Public Funds, cash book on the same day on which it was received from the patient;

Note 3: This check will be exercised from the dates shown on the counterfoil of receipt book (I.A.FA.-175).
(v) the amount has been credited to Government every month;

SECTION 5-SPECTACLES CENTRE

335. The general rules contained in chapters I and 11 of this manual and the audit procedure relating to the store accounts of consuming units will be observed in auditing the ledgers and returns maintained by spectacle centre. It will further be seen that:

(1) Free issue of Spectacles-Spectacles at Government expense have been issued only in the following cases:
   (a) To J.C.O.s and other Ranks including enrolled combatants whose sight is defective, and it interferes with their efficiency and that with spectacles their efficiency can be improved.
   (b) To officers, members of the Military Nursing Services and J.C.Os and Other Ranks, etc., mentioned at (a) above provided:-
      (i) The disability is the result of wound, injury or disease attributable to Military duty;
      (ii) Spectacles in use were lost or damaged as a result of enemy action or were broken or damaged on Military duty in circumstances beyond his control provided the spectacles so broken or damaged were beyond repairs; and
      (iii) Lenses originally issued were unsuitable in which case the lenses will be replaced by new ones.
   (2) Spectacles have not been supplied or replaced to public expense or on payment for the officer's and soldier's families.
   (3) The spectacles of ex-servicemen discharged or invalided from the service due to ophthalmic disability, with free issue of spectacles have not been repaired/renewed at public expense unless it was held by a Court of Enquiry that the loss/damage occured or the renewals have been necessitated due to circumstances beyond the control of the individual.
   (4) Type of Spectacles-Only standard pattern of service spectacles with MK III frame and flat white lenses have been supplied. Bifocals, Primes and tinted lenses have not been supplied except in very exceptional circumstances and with the special permission from A.H.Q.-Toric lenses have not been supplied and army lenses have not been provided for civilian frames.
   (5) Supply of Spectacles-Spectacles have been supplied in accordance with prescriptions for spectacles made by specialist in ophthalmology or I.A.F. (Med)-4 rendered in duplicate to the Spectacles Centre, Military Hospital, Lucknow and that spectacles shown as issued to units, etc., have been supported by I.A.F. (Med)-4 duly receipted by the consignee.
   (6) Repairs and Renewals of Spectacles-Spectacles have not been repaired and renewed at Government expense unless:-
      (a) the spectacles were damaged or broken on duty in circumstances beyond an individual's control and a certificate to that effect showing the circumstances of the breakage or damage, signed by the man's C.O. has accompanied I.A.F. (Med)-4 on which prescription for the repairs or renewals of the spectacles has been made out by ophthalmic specialist.
(b) a change of lense or other adjustment is necessary and the remarks of the ophthalmologist have indicated the nature of the work required.

### CHAPTER – VII

**STORE ACCOUNTS OF MANUFACTURING ESTABLISHMENTS**

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RTC-KOLKATA
GENERAL

336. Military farms are run on quasi commercial lines. The various Accounts Books, Stores Ledgers etc., required to be maintained by the farms in respect of Government transactions are detailed in AHQ letter No. A/19649/Q/MF-3 dated 14/2/1966 as amended from time to time. A list of accounts commonly maintained by Military Farms is given in Annexure 'A' to this Chapter. The rules in chapter *[VI ER. Part II (1942 Edition)] and Store Accounting Instructions are also applicable to Military Farms. The instructions contained in the AHO letter Store Accounting Instruction and Circle Standing Orders; Military Farms should be studied in details to have a proper knowledge of the accounts of Military Farms and to conduct its audit efficiently.

*Requires-amendment.

AUDIT-WHEN TAKEN UP

337. The quarterly/half yearly audit of the accounts of Military Farms will be taken up only after the close of the quarter/half year and after the accounts for that quarter/half year have been completed, balanced and closed by the management. If persistent delay is noticed in closing the accounts, it should be brought to the notice of higher authorities.

338. For the purpose of exercising in local audit the requisite check over the accounts of the Military Farms, the monthly abstracts of the cash book together with the supporting vouchers and statements after extraction of figures for compilation are forwarded in original by the PCs.D.A./Cs.D.A. to the L.A.Os. concerned, who carry out the audit in accordance with the succeeding paras. If the documents are not received by the L.A.O. in time, they should be called for from the Principal Controller's/Controller's office a week before the local audit is due to commence. After audit, the statements, etc., will be returned by the L.A.O. to the PC.D.A. /C.D.A. with the prescribed certificate duly endorsed thereon.

EXTENT OF LOCAL AUDIT

339. The extent of the local audit to be applied to Farm's accounts is laid down in Appendix 'A' to this manual. The verification of castings, closing and opening book
balances will be, made in accordance with the procedure outlined in Chapter 11 of this manual. Except the following returns and accounts, which are required to be audited in full, the linking of transfers transactions (other than those in respect of Dairy Produce) between Military Farms & other Departments of the Army & vice versa and the audit of "Final Receipts" & "Final Issues" (Stores Issued From Military Farm's Ledger) for Farm's use, the audit of Batai Books (in the case of Young Stock Farms) will be carried out in accordance with the general rules regarding the reduced scope of linking of transfer transactions and local audit of "Final Receipts" and "Final Issues" in stores accounts of units and formations as laid down in the relevant Chapters of this manual:

(i) "Cash Accounts" and "Establishment Accounts" (except for the linking of vouchers field in the Guard Books of the Farms with the Inwards Day Book and the comparison of vouchers received by the L.A.O. with those filed in Guard Books of the farm).

(ii) Dairy Produce Accounts, except for certain items mentioned in notes below para, 345 (e) which will be subjected to a test check only.

(iii) Rent Returns, Register of electric charges due from non entitled persons, and Register of conservancy charges due from non-entitled persons.

(iv) Annual Trading and Profit and Loss Accounts and the connected statements.

(v) Lists of outstandings, liabilities and stocks [I.A.F. (D.F.)-22].

**GENERAL RULES OF AUDIT**

340. It will be seen in audit that: -

(i) no item of expenditure pertaining to the working of the Farms is omitted from the cash book and annual Trading and Profit and Loss accounts;

(ii) prompt measures have been taken to charge all liabilities of the Farm against the assignment of the year to which they relate;

(iii) the sale proceeds of all Farm produce sold have been realized promptly and credited in the cash book;

(iv) issues of fodder on payment are made by the Farms only in those stations where A.S.C. do not function and only to those authorised under regulations and orders and that the sale proceeds are credited in the cash book. Care should be taken to see that free issues of fodder are not made to officers direct from Farm stocks;

(v) the value of rations and clothing issued under due authority to Farm's personnel has been adjusted in cash book at "payment issue rates".

(vi) stores are purchased by the Farm's Department from the Government supplying Departments subject to the conditions laid down in R.A.I. Rules;

(vii) product and by products of the Farms which are not required for Government use are to be sold to the best advantage of the State under the orders of the Assistant Director concerned or Director of R.V & F.

(viii) triplicate copies of sale accounts in respect of surplus, obsolete and unserviceable stores have been received from the P.C.D.A./C.D.A. for verification of the striking off of the stores from the relevant store books and that credit for sale proceeds has been accounted for in the cash book;

(ix) all books have been properly linked and inter-linked;
(x) the quantitative ledgers and returns of these farms have been maintained and transactions therein dealt with in accordance with the general instructions laid down in this manual for the audit of such ledgers and returns of consuming units, unless they are at variance with other orders and instructions exclusively applicable to Military Farms.

DETAILED INSTRUCTIONS TO BE SPECIALLY OBSERVED IN THE AUDIT OF THE VARIOUS CATEGORIES OF ACCOUNTS OF MILITARY FARMS

341. The detailed instructions to be specially observed in the audit of the various categories of accounts are given in the succeeding paragraphs.

AUDIT OF CASH ACCOUNTS

342. (a) On the first day of local audit immediately after he has inter-viewed the Manager, the L.A.O. should count the cash in hand and see that it agrees with the Closing Cash Balance as per the Cash Book.

(b) **Cash Book:** Thereafter, the Cash Book should be taken up for audit. Entries in the cash book consist of the following:-

RECEIPTS
(1) Sale of Dairy Produce, grain, fodder etc.
(2) Sale of Coupons.
(3) Cheques received from P.C.D.A./C.D.A., D.D.M.F, other Farms etc.
(4) Rent and allied Charges, Miscellaneous receipts etc.

PAYMENTS
(1) Salary to Establishment.
(2) Advance to Fram Hands.
(3) Remittance into Treasury.
(4) Local purchase of Stores, Supplies and Services.
(5) Contingent Expenditure
(6) Refunds for Coupons, bottles, etc.

Ensure that the cash column on receipt and payment sides of the Cash Book are totalled daily and balances struck and that the totals are written in ink and carried forward to the subsequent date. Check whether the balance in hand on a particular day agrees with the total amount held by the Cashier and the Officer-in-Charge, Farm, and that the Cashier and the Officer-in-Charge have signed the cash book. Ensure that the authorised limit of Cash Balance is not exceeded and that the cash held by the cashier does not exceed his security deposit.

Verify, that amount charged off from the cash book on payment of advances are entered in the Demand Register and charged to the respective heads of accounts. Outstanding demands as per the Demand Register should be placed under objection and their clearance should be watched.
(C) JOURNAL

The journal is maintained for entering all transactions other than cash. It should be verified with reference to I.D.B. /O.D.B. and other allied documents that such transactions are passed through the journal on a day to day basis. The following is an illustrative list of documents that should pass through the journal. Ensure that these documents are audited with reference to the accounts maintained by the concerned sections and verify the relevant entries in the journal.

1. No. 2 copy of issue Order (prepared by indenting section and forwarded to the Administration Section).
2. Daily Cattle yard stock sheets.
3. Central/Local purchase vouchers.
4. Issue/Receipt vouchers for stores issued to/received from other Farms/ASC/Ordinance/Medical Stores Depots etc.
5. Loss statements for stores written off.
6. Monthly statements for depreciation on various assets such as buildings, plant and machinery, live stock, MT vehicles and tractors etc.
7. Daily consolidated receipts and connected documents for issue of Dairy produce to troops and others on credit.
8. Issue vouchers for issue of fodder and vegetable etc., to Supply Depots.
9. Vouchers for over head and indirect charges.
10. Vouchers for stores issued to other departments.

(d) RATE LIST OF STORES

See that the rate list of stores is maintained upto date on IAF (Forms) 15. It should be ensured that the rate at which the stores are purchased/received are entered in the Register simultaneously with the entries in the I.D.B. and other books and that transportation and handling charges are also taken into account to arrive at the rate.

Posting of the entries from the cash book as well as from the journal should be verified in columnar classified ledgers.

343. The L.A.O. should:

(i) see that the Farm has been provided with a steel fire proof safe embedded in concrete in the floor or wall of the office building;
(ii) see that the cash in the safe has been kept as low as possible and in no case has exceeded the security deposit of the cashier;
(iii) see that payment certificate has been endorsed, on the vouchers by the persons (Manager, Cashier, Storekeeper or other authorised person) by whom the payment has been made;
(iv) note in his Note Book the total credits, total debits and the balance arrived at in the cash book on the date of verification of cash and these should be compared with the opening figures at the time of the next audit;
(v) check all the transactions in the cash book arithmetically from the date of commencement of last audit upto the date of commencement of current audit. Thereafter verify whether the cash balance struck is arithmetically correct.
(vi) see that the Bank Account is operated jointly by the Manager and Cashier.
Note: In the case of Military Farms located at outstations, where the accounts are audited by a stationary local audit staff or a station auditor, the prescribed check over the cash balance in the cash book will be exercised by the L.A. O. personally at the time of his half yearly inspection of the accounts.

(vii) verify the abstracts of cash book and the cash balance reports received from the Principal Controller's/Controller's office vide para 338 with the entries in the Farm's Cash Book;
(viii) see that cash balance in the State Bank of India does not exceed the limit laid down in C.S.O. (A-161);
(ix) check the cash sale entries of Dairy produce in the Outward Day Book with the receipt entries in the cash book;
(x) check the receipt entries in the cash book in respect of coupon sale from the entries in the coupon stock book;
(xi) see that all payments in the cash book are supported by vouchers (filed in the guard book) or by the "Time and Wages Book" and/or "Register of attendance of work done";
(xii) see that all the receipts in the cash book are supported by the counterfoil in the "Receipt Book" and other relevant receipt vouchers;
(xiii) see that each item of receipt or expenditure has been posted correctly under the appropriate heads in the cash book;
(xiv) see that the cost of stationery and I.A. and other forms supplied to the Dairy is accounted for in the cash book;
(xv) check entries in the cash book with the "Private Ledgers". In the case of Bad Debts Accounts opened in the ledger, see that sums written off are supported by C.F.A.'s sanction;
(xvi) verify from the Sales Ledger the correctness of the statement showing balances outstanding against individual customers at the end of each quarter received from the Manager by the 15th of the month following the quarter to which the statement pertains. If there are any discrepancies, amend the statement to show the correct audited balance. (The audited statement should be recorded securely in the Local Audit Office so as not to be easily accessible to any unauthorised person);
(xvii) see that the opening balances for the quarter under audit agree with the closing individual balances set out in the aforesaid audited statement for the previous quarter;
(xviii) check the debit entries of the "Sales Ledger" from the "Outward Day Book" and the "Credit Sale Register" and the credit entries from the "Cash Book", "Goods Return Book" and "Bad Debts Account in the Private Ledger". See also that accounts are opened for every person, firm or corporation to whom goods may have been sold on credit and that cash and coupon sales are entered in the ledger under their respective heads. In checking the credits in the Sales Ledger for payments made by customers the direction of check should be from the Sales Ledger into the cash book and not vice versa;
(xix) in the case of stores received from other Departments/ Farms, verify that the priced vouchers received from the consignors are posted in the journal and credited in the individual accounts maintained for the purpose. The balances in the individual accounts constitute the liabilities of the Farm at the end of the year and should find a place in the Annual Accounts;

(xx) audit cash and adjustment vouchers filed in the Guard Books in accordance with the normal rules. See, in particular, that the rates for the local purchase of stores are those sanctioned by the C.F.A.;

(xxi) see that separate Guard Books are maintained for "Book Transfer", "Payments" and "Receipt Vouchers".

(xxii) verify 33-1/3 per cent or one month's transactions (in a quarter) in respect of "Invoices or Bills" in the "Payment Guard Book" to see that they have been correctly entered in the "Inward Day Book" and that the entries therein are linked with the invoices to which they pertain, by a quotation of the folios of the Guard Book with which they are filed. Verify, also, every, voucher of Rs. 1000 or over in value in addition to the above linking.

(xxiii) compare one month's or 33⅓ percent of the vouchers (Central purchase transfer and Home Invoices) received by the L.A.O. (during the period, since the last audit) with those filed in the "Book Transfer Guard Book" of the Farm. In the case of purchases, link every voucher of Rs. 1000 or over in value in addition to the above comparison. See also that they have been correctly entered in the Inward Day Book and inter-linked as at sub-para (xxii) above;

(xxiv) verify that audit and administration charges have been adjusted in the Cash Book;

(xxv) Local Purchase: See that:

(a) Local Purchase bills are supported by sanctions accorded by competent authorities as notified in Ministry of Defence Letter No. A/09553/Q/MF-3/4916/70/D(QS), dated 7-8-10. These powers are as under:

<table>
<thead>
<tr>
<th>D.D.M.F.</th>
<th>Officer-in-charge, Farms:</th>
</tr>
</thead>
</table>
|                   | (i) DADMF/Major/Captain/Lieutenant | Rs. 2000/-
|                   | (ii) Manager               | Rs. 200/-
|                   | (ii) Manager               | Rs. 100/-

The above monetary limits apply to any one articles or any number of similar articles purchased at one time and to purchases made on any one day in so far as Dairy Produce and fodder are concerned.

(b) Requirements are not split up so as to bring the transaction under the Officer-in-charge/Manager's own financial powers.

(c) Quotations are called far by issue of a call for quotations when the estimated expenditure exceeds Rs. 25/-. This call for quotations should show the make/type of stores required. At least 3 quotations should be on record.

(d) Local purchase of stores of ordnance and ASC origin is made only after obtaining NA certificate from Ordnance Depot. When local purchase is resorted to without NA certificate in emergent contingencies there are adequate reasons justifying it.

(e) Cattle Holding Farm obtaining medicines from AFMSDs and where local purchase is resorted to, the bill should bear the counter-signature of Veterinary Officer.
(f) When manure/seeds/grains/cattle feed items are purchased from retailers the cost should not exceed wholesale rates or reasons for not purchasing from wholesale dealers should be justified.

(g) Local purchase of furniture, water supply stores and electrical goods for fittings etc. to buildings are not made by the Farm as these are the responsibility of M.E.S.

(h) Stores available at CSD Canteens are purchased from such canteen.

(i) Sanctions of DDMF/DMF are actually available and quoted in the bills and vouchers. Suitable audit enfacement should be made in the sanctions on record with the Farm.

(j) Quotations and comparative statement of tenders are recorded as "supporting documents" with the sanctions and that only the lowest tender has been accepted.

(k) Prior sanction is obtained from DDMF/DMF and where ex-post-facto sanction is obtained, adequate reasons exist for not obtaining prior sanction.

(l) Arithmetical calculations in vouchers and bills are correct and bills are "passed for payments" over the signature of the Officer in-Charge/Manager.

(m) The rates for local purchase of dairy produce like milk, cream, butter, etc., are approved by DDMF/DMF and that deductions made for supply of milk/cream of butter fat contents/specific gravity of lesser specifications as (compared to the specification prescribed) have been correctly worked out. Particular care should be taken to check this as over payments are likely to result due to erroneous calculations. IAFZ--2135 & IAFS-1520 should also be available in support of supplier's bill. Ensure that milk is purchased from Government Milk scheme whenever available.

(n) The total value of each day's Local Purchase of dairy produce (milk, cream, butter etc.) does not exceed the financial powers of DDMF and in case where it has exceeded, sanction of DMF/CFA is on record.

(o) In the case of Military Farm Depots, agreements are entered into by the DDMF with contractors for supply of milk at Military Farm Depots and that an approved copy of agreement duly scrutinized by the PCDA/CDA has been received and, that payments are in accordance with the terms of agreement. Ensure that agreements are entered into as for as possible with Government Milk supply scheme, wherever possible.

(xxvi) Miscellaneous Payments: See that:-

(a) Sanction for payment of telephone, water and electricity charges in obtained from DDMF

(b) Standing annual sanctions for recurring expenditure of the following nature are obtained from DDMF as the Officer-in-Charge/Manager is not empowered to sanction it.

(i) Loading/Unloading vehicles/Wagons.

(ii) Carting of Stores.

(iii) Shoeing/Tattooing of Animals.

(iv) Washing of Farms Clothing.

(v) Crushing of Grains at Private Mills.

(c) Minor Repairs jobs are done in Farm's workshop and only special jobs of technical nature are entrusted to private firms.
(xxvii) Demand Register--
(a) Verify whether the advances have been cleared without delay and in any case they are not carried over to the succeeding month. Deviation from the new accounting procedure should be objected to. Ensure that demands on account of advances of TA/DA are adjusted promptly or intimated to the PCDA/CDA and acknowledgement obtained and recorded.

(xxviii) Working Advances-Ensure that working advances paid to store keeper have been entered in the Demand Register. Ensure that limits as laid down in Circle standing orders are not exceeded and no payment has been made before clearance of the earlier advances. In cases where heavy amounts have been paid as advances to supervisor for harvesting operation etc. DDMF’s sanction therefore should be looked for in audit, in addition to examining the link in the Demand Register and further clearance.

Note: It should be particularly seen that all remittances due to Government (i.e., amount collected on account of a credit sale of dairy produce, coupon sale, sale of animals etc.) are remitted into the treasury promptly and not utilised for the working expenses of the faun, as working expenses are to be met from cash assignment.

**ESTABLISHMENT ACCOUNTS**

344. Wages Book: See that:

1. The rates of pay and allowances at which wages are paid to class IV employees are correct.
2. Part II Order affecting pay and allowances are adjusted in the Wages Books concerned.
3. Acquaintances are obtained in all cases, when the amount exceeds Rs.500 stamped receipts are obtained. When the left hand thumb impressions are obtained they are attested by the disbursing officer.
4. Sanction of DDMF exists on IAF (Farms) 74 (Abstract of daily labour) for the labour employed in each section.
5. In the cases of daily rated labour employed in place of leave vacancies of regular incumbents, sanction of competent authority is on record and the period of employment corresponds to the leave period.
6. In regard to payments to labour on mate system i.e., on piece work basis as distinct from daily wages/monthly wages, the rates paid (e.g., cutting and carting charges at Rs. 0.50 paise per 100 kg.) have been sanctioned by DDMF and the same has been quoted in R/77. It should also be seen that the total output multiplied by the rate is not less than the ‘wages’ paid.
7. The correct designation and sex are shown in R/17 and payments are made correctly at the rates sanctioned for female and male labour.
8. Payment enfacement over the signature of the Officer-in Charge/Manager has been made at the summary page of each R/77, Wage Books.
9. Pay and Allowances of various categories of personnel are correctly allocated to each section of Farms.
(10) Wages book in the sub-sections are obtained and audited.
(11) One out of sixteen service books is audited in each quarter and the books audited noted in the record maintained in the Local Audit Office to ensure that all Service Books are audited in a period of four years.
(12) GP Fund/IOFWP Fund deduction have been made correctly according to rules from each subscriber and the same agrees with the figures recorded in the concerned fund schedules and treasury receipt.
(13) All unpaid amounts are entered in the Unpaid Wages. Register and subsequent payments are made there from. Ensure that claims over *[24 months]* old are not paid without the sanction of the competent authority waiving the time bar. In case of payments by Money Order see that M.O. acknowledgements are recorded in the check register of Money Orders.

(14) Recoveries on account of fund subscription etc. are made correctly. When medical expenses, children's education allowance, reimbursement of tuition fees etc., are paid through wages book, verify the authorisation from the PCDA/CDA/LAO in support thereof.
(15) See that amounts paid to permanent staff agrees with those passed by the PC.D.A./C.D.A.
(16) Check the period of leave granted to the temporary establishment as entered in the wages register and see that the total number of days of leave with pay availed of during a financial year by any one employee does not exceed that admissible under A.I. 17/S/49 or A.I. 195/54 or A.1.2/S/59 as amended from time to time.

**DAIRY PRODUCE ACCOUNTS**

345. Dairy Stock Sheet: This shows opening balance, receipt, disposal and closing balances of all items of dairy produce handled in dairy section and is a very important document. It consists of:
(a) Detailed dairy stock sheet for morning I.A.F. (Farm 85).
(b) Detailed dairy stock sheet for evening I.A.F: (Farm 85).
(c) Consolidated stock sheet for the day.

The following are the audit checks to be exercised:
(a) **Cow's Milk** :- (a) check the opening balance of the morning dairy stock sheet of the selected dates with the closing balance of the consolidated dairy stock sheet of the previous day. See that home herd's milk as per cattle yard invoices (the sum total of which should agree with cattle-yard stock sheet) are brought on charge as receipt. Since milk is accounted for in terms of kilograms in cattle yard and in litres in dairy section, see that the invoiced quantity has been correctly converted (kilograms divided by specific gravity gives litres) into litres. See that the total returns and net sales as recorded in the issue side agree with the consolidated total of Cow's Milk of all salesmen's check sheets IAF (Farm 8) put together for the day and dairy O.D.B. IAF (Farm 9). It should also be seen at this stage that in respect of coupon sale for payment to customers, the quantity agrees with the Redeemed coupons Register, and in respect of credit sale (as...
noted in salesman's check sheet and dairy ODB) the quantity agrees with the credit sales register.

(b) **Buff Milk:** - The drill described for cow's milk above will apply. In addition, ensure that the quantity issued for 'Blended-Milk' and 'Standard Milk' are correctly brought on charge in the 'Receipt' side of 'Blended Milk' and 'Standard milk'. This check should be done in respect of buff milk issued from. (i) home herd, and (ii) purchased milk.

(c) **Separated Milk:** - The quantity of Buff Milk issued should agree with the quantity of cream and 'Separated Milk' taken on charge in the dairy stock sheet e.g. when 580 litres of buff milk of 6.6% of butter fat content and 1.030 specific gravity is issued for separation so as to obtain cream of 52% BF contents the following quantities should be obtained.

\[
\text{Cream} = 580 \times 6.6 \times 1.030 = 3942.840 \text{ Divided by } 52 = 75.82 \text{ kgs}
\]

\[
\text{Separated Milk} : \quad 580 \times 1030 - 7582 = 521.58 /1.030 = 506.38 \text{ litres.}
\]

(d) (i) Blended Milk is prepared in Military Farms in the following three processes:

(a) **From whole Buff Milk:**-Both farm produced and purchased. Ingredients are whole Buff Milk, S.M. POWDER AND WATER.

(b) **From Cream:**-Both farm produced and purchased. Ingredients Cream, S.M. POWDER AND WATER.

(c) **From whole Milk Powder:**-Ingredients are whole milk powder and water.

(ii) The above conversion is worked out in Dairy stock sheet [IAF (Farms) 85)] and are required to be test-checked in local audit.

(iii) The scales of conversion are indicated below:

(a) **From whole Buff Milk** : For producing 1000 litres of Blended Milk of 3.7% BF out of Home Herd Buff, milk testing 7.6% BF whole Buff Milk required is 487 litres, i.e.,

\[
1.000 \times 3.7\% \div 7.6 = 487 \text{ litres.}
\]

therefore, 

\[
\text{Milk} + \text{water} = 1000 (-) 487 = 513 \text{ litres.}
\]

SMP plus water required is \(1000 - 487 = 534 - 375 \) (SMP + Water). Therefore, SMP

\[
0.96
\]

required is \(534 - 375 = 45.44 \text{ kg.}
\]

\[
11.76
\]

Water required is 534.375 minus 45.440 = 498.935 litres.

Total requirements are:

- **Whole Buff. Milk** = 487 liters
- **SMP** = 45.44 kg.
- **Water** = 488.935 litres

(b) From cream by adding S.M. POWDER AND WATER:-

The scales of conversion of cream into blended milk will be found in Table 'C' to Appendix (III) Standing Orders Military Farms (Daily Produce).

(c) **From whole milk powder:** - The whole milk powder is reconstituted into blended milk with water in the ratio of 1:6.027 (i.e. one part of whole milk powder and
6.027 parts of water). This reconstituted milk will be of 3.7% B.F. with 1.034 - 1.035 S.G. at 15.5°C.

(d) **General:**

(i) See that credit sales of farm products to Farm employees do not exceed 1/8th of their emoluments as per Para 69(A) Military Farm Standing Orders. See that Advance deposits to meet one month's requirements have been obtained from messes;

(ii) See that the Manager has carried out weekly surprise check of stock of dairy produce on hand as shown in the Daily Dairy Stock Sheet and the butter fat contents of cream, milk and separated milk.

(iii) Ensure that the sale/issue rates are fixed in accordance with AHQ QMG's Branch Letter No. A/71812/QMF 3/Q1 (A) dated 28/12/1965.

(e) **Skimmed Milk Powder.**

Receipts should be traced from stores issue order/dairy stock ledger and issues for blending should be checked with reference to the formula explained under 'Blended Milk'.

(f) **Salesman's check sheet IAF (Farm 8):**

(i) There is a check sheet for each delivery man. These check sheets support the issue entries in Dairy Stock Sheets. See that, packing materials, viz., lead seals, butter paper etc., charged off conform to the requirement with reference to Dairy Produce sold each day.

*Example:* Butter sold 10,350 kilograms see that 19 Nos of butter paper of 500 grams sizes and 17 Nos of 50 grams sizes are only issued.

(ii) Ensure that the quantity of each item of dairy produce shown in the Column "to be accounted for" in Part II of the salesman check sheets agrees with the quantity shown under "to be accounted for" in Part I. Ensure that the consolidated total of all Deliveryman check sheets for the day agrees with the "quantity" of dairy produce charged off on the issue side of consolidated Dairy Stock sheet and with dairy O.D.B.I.A.F (Farm 9)/Credit Sales Register/Redeemed Coupon Register.

(g) **Working Losses:**

Verify that:

(i) The quantity of milk handled is correctly taken for working out the percentage of losses and the percentage is within the permissible limit. If it exceeds the permissible limit, it is regularised on a loss statement.

(ii) The maximum permissible loss is not charged off as a matter of course.

(iii) All-losses of dairy produce are valued at the highest sale rate in force.

(iv) Loss of fodder whether it is chargeable to state or individual is priced at general supply rate of the farm concerned. Ensure that loss statement exists for loss due to re-classification of Bhoosa issued for lepai purpose although no loss statement is required for loss in weight during the process of manufacture of green grass with hay. Ensure that the expense vouchers have been sanctioned by the DDMF.

(i) **Cattle Yard: Milk Record Book (IAF Farm 4):**

(i) Milk yield of each animal (which is assigned a specific name) is given in this book. Totals are given breed wise. The summary page shows the consolidated total milk yield in the morning, evening and special milking. See that all columns have been filled in and the daily entries are initialled by the cattleyard-in-charge and by the officer in
charge. Check the casting for each page, progressive carry over, breedwise total and the totals in the summary.

(ii) Since milk is accounted for in 'Kilograms' in cattle yard and in litres in dairy, see that conversion ratio has been correctly adopted. (Kg. divided by specific gravity gives litres).

(iii) Downward trend in milk production if any should be critically examined and commented after comparing production of milk with target as per statistics available in Milk Record Book.

(iv) See that whole/separated milk shown as fed to calves agree with the quantity shown in ration statement for calves and entitlement for calves has been correctly worked out.

**COUPONS**

346. The L.A.O. should see that:

1) Coupons have been personally stored by the Manager;

2) Every receipt entry in the coupon stock book has been initialled by the Manager and the issue entries by the cashier in token of having received the coupons from the Manager;

3) Manager's coupon book & cashier's coupon book
   (a) It should be seen that "coupons sheets" charged off from the Manager's coupon stock book have been correctly taken as Receipt in the cashier's coupon stock book (this check should be exercised in respect of various types of coupon sheets i.e. Buff Milk, Category 1, Category II and non entitled, similarly in respect of Cow's milk under various categories, butter/cream etc.).
   (b) In case coupons have been transferred from one category to another ensure that sanction of the DDMF for such transfers has been recorded in the Manager's coupon book. Where coupons of one category are converted into other categories and charged off, ensure by a verification of credit under the category to which converted that the number of coupons has been correctly brought to account,
   (c) In respect of coupons charged off from cashier's coupons book, it should be seen that:
      (i) the rates charged for coupons from various categories of paying consumers agree with the rates applicable to the period (Dairy produce rate fixation board proceedings may be looked into).
      (ii) the customer concerned is eligible for a particular category of coupon sold to him (All civilian gazetted officer paid from Defence Services estimates and all Commissioned Officer of Army/Navy/Air Force being eligible for category I and the rest paid from DSE falling under Category II, Retired Military/Civilian Officers and those not paid from DSE falling under category "Non-entitled").
      (iii) the total coupons sheets under various categories charged off each day agree with the money recorded for the day in the column "total for the day" in cashier's coupons stock book IAF (Farms-17).
      (iv) the figures shown under the column I, 'total for the day' in IAF (Farms-17) has been correctly transcribed to the cash book as per entry appearing in the last column "number of cash book item" under which credit in IAF (Farms-17).
(4) The value of the coupons issued by the Manager does not exceed Rs. 300 at any time, but where the daily sales of books exceed this limit, the approximate number of books to be sold in a day may be issued;

(5) In case coupons have been transferred from one category to another sanction of the Assistant Director for such transfer has been recorded in the Manager's Coupon Stock Book;

(6) No coupons have been issued to delivery men for sales to customers;

(7) where coupons have been sold through a representative of the farm their costs have been accounted for on the same day when sold;

Note: cheques are not acceptable in such cases.

(8) Coupons purchased at one station have not been exchanged for dairy produce at another station;

(9) In case the rates of dairy produce are revised the value of coupons already sold to the customers remains in force upto the end of the month in which the rates are revised; thereafter, from the first of the following month the revised rates of coupons will become operative with the result that old coupons will be returned by the customers.

(10) A certificate to the effect that unused coupons have been destroyed has been endorsed under the signature of the Manager on the claims for the refund of unused coupons;

(11) The stock of coupon books in possession of the Cashier and delivery men have been checked weekly by the Manager and a certificate regarding the correctness or otherwise of the stock recorded thereon;

(12) The validity of the period of coupons has not exceeded six months including the month of issue;

Note: - The coupons issued on any day during the currency of a month will be valid upto the last date of sixth month viz., coupon issued on 20 October, 1952 will be valid only upto 31St March, 1953.

(13) All the redeemed coupons have been accounted for in the register of redeemed coupons on the day they are received back from the customers;

Note: For this purpose Out-ward Pay Book wherein dairy produce sold daily or coupons is shown will be consulted.

(14) The total quantity of dairy produce sold on Coupons daily as per Outward Day Book agrees with that shown in the Register of redeemed coupons and that the prescribed monthly certificate to the effect that the quantity of dairy produce issued on coupons and charged off as per "Daily Outward Day Book" agrees with that represented by the redeemed coupons has been endorsed on the register of redeemed coupons under the Manager's signature;

(15) No redeemed coupon has been destroyed before the accounts for the period to which the coupons relate have been audited and that a certificate of destruction has been endorsed in the Book of Redeemed Register under the signature of the Manager;
Note: The L.A.Os. may carry out at their discretion a suitable test check over the used coupons pertaining to certain selected days when they find that the state of account warrants the additional check.

(16) Where refund has been made, it should be seen:

(a) that each case of refund is made on the claim preferred by customers on the prescribed form IAF (Farms 52).
(b) that coupons surrendered have been purchased at the rates for which refund is claimed and the claim has been preferred by the correct party only (this may be verified by consulting the corresponding entry in the cashier's coupons stock book the page No. of which will be quoted in manuscript in IAF (Farms 52) by the cashier at the stage of his admitting the refund claims).
(c) that cash book entry quoted in IAF (Farm 52) is correct.
(d) that necessary certificate has been endorsed in the refund claim by the Officer-in-Charge to the effect that coupons referred to in the refund claims have been destroyed.
(e) that in respect of empty bottles, necessary reference to inward day book folio (through which bottles have been taken on charge of the farm's book) has been quoted (suitable test check with IDB may be made in audit to satisfy the correctness of the farm's statement) and that cash receipts for sales of the bottles have been surrendered by the customers.

STORE ACCOUNTS

347. The L.A.O. will:

(a) compare the entries in the Inward Day Book in respect of vouchers for stores received [vide para 343 (xxiii), and (xxiii) ante] with the receipt entries in ledger of stock, supplies and stores (I.A.FZ. 2109) or in Inventory Books;
(b) compare the issue entries relating to transfer of stores in the Stock, Supplies, and Stores Ledger (I.A.FZ.-2109) or Inventory Book with those in the Outward Day Book. For those relating to issue for Farm use, see items (i), (j) and (k) below;
(c) compare the entries of purchases, transfer, etc., of cattle in the Inward Day Book with those in the Cattle Yard Report Book and the Inventory of Live-stock, etc.;
(d) (i) compare the entries of transfers, sales etc., of cattle in the Cattle Yard Report Book and Inventory of Live Stock etc., with the Outward Day Book;
(ii) see that the sales of cattle have been entered in the Sale Accounts and Outward Day Book;
(e) see that disposal of unwanted calves has been shown in the Cattle Yard Report Book;
(f) compare the receipt of fodder from Farm's land from the entries in the Register of attendance or work done [I.A.F (GF)-17] a with the corresponding entries in the weigh book and the total quantity of fodder received both from Farm lands and by purchase with the entries in the Inward Day Book.
(g) compare issues of fodder or vegetables to units as shown in the Issue Register [1.A.F(G.F)-24)] with the entries in the Outward Day Book;
(h) Fodder Stores Return-Ensure that the opening balance is correctly brought forward from the previous month, that receipts have been taken from the weigh book of green and dry fodder and that all issues have been correctly posted from issue registers; ensure that the closing balance agrees with the sum total of balances in different stocks as per 'stock and silo register';

(i) (i) See that the daily issues recorded in the Stock, Supplies and stores ledger (I.A.F.Z. 2109) agrees with the quantities sanctioned in the 'Store Issue Orders';

(ii) Check 5 percent of the entries in Store Issue Order with the Ration concentrate and forage statements [I.A.Fs. (D.F)-36, 40 and 53] to see that the issues actually made according with those considered suitable and necessary by the competent authority;

(iii) See that all durable articles shown in Store Issue Orders have been brought on charge in the unpriced Inventory Book of the section concerned;

(j) Compare Store Issue Order with the entries in the Land and Cultivation Register;

(k) Check all issues of stores to the team as shown in the Stock, Supplies and Stores Ledger (I.A.F.Z.2109) and Store Issue Orders with the corresponding entries in the Team Register;

(l) Check the entries in the Cattle Yard Report Book with the Register of losses and the Inventory of Livestock;

(m) Verify the extract from Home Invoice, etc., furnished by the PC.D.A./C.D.A. with the corresponding entries in the Inward Day Book;

(n) See that the clothing issued to milk men, delivery men, etc., is in accordance with the scale laid down in Appendix XXII, Standing Orders, M.F.D.;

(o) See that in the case of animals destroyed, etc., triplicate copies of sale accounts for hides sold have been received from the PC.D.A./C.D.A. and the sale proceeds have been credited in the Cash Book;

(p) Stock Book of old materials (O.E-58)-see that old and unserviceable stores and materials, condemned which may be required for miscellaneous repairs etc., have not been sold and the articles struck off charge ps utilized in the Military Farms have been initialled by the Manager in each case;

(q) Register of worn out machinery :-see that a record of all unserviceable spare parts, which originally cost Rs. 5 and over, is maintained in I.A.F. (DF)-79 and disposed of under the orders of the Assistant Director or Deputy Assistant Director;

(r) Fuel account :-see that coal and firewood expended for office fire places does not exceed the scale fixed by the station commander in respect of other units and formations located at the station;

(s) Loss of animals:-Ensure that animals are not struck off charge within six months from the date they were reported as lost. After the expiry of six months loss statement will be prepared. Animals subsequently recovered will be brought on charge. When court of inquiry fixes responsibility for the loss recoveries are to be made as under:-

(a) In the case of Farm Bred Animals and purchased animals which have calved at least once since purchase; twice the book value.
(b) In the case of purchased animals which have not calved since purchase; purchase price.

**MISCELLANEOUS ACCOUNTS**

348. The L.A.O. will: -

(a) See that the quantities of stores shown as issued to Teams in the Team Register have been correctly priced and this amount together with the pay of bullock drivers, has been correctly charged to different plots under cultivation;

(b) See that a proper record of the lands comprising the farms has been maintained in the General Land Register;

(c) See that the regular registers have been maintained in the farm showing the amount due on leases and recoveries and check the same;

(d) Check the Grazing Register and see that the ‘value of grazing’ assessed in accordance with Circle Standing Orders has been posted in the Cultivation Register at the end of each month;

(e) **POL & MT Accounts** :- Audit of POL & MT accounts should be conducted in the same manner as in Army Units and formations on the lines indicated in para 309 to 310 ALAM Part I read in conjunction with Al 167/70;

(f) Check the Works Ledger to see that (i) separate labour account for each work is maintained in the Daily Time Book, (ii) separate Store Issue Orders are issued for each work, (iii) that the allotment is not exceeded on any account in anticipation of sanction.

(g) Recovery of rent, electric and water charges-see that--

(i) Government quarters constructed for a particular class of personnel liable to pay rent are allotted to individuals of that class serving in the Farm. If, however, any of the individuals concerned has elected to make his own arrangements, he is permitted to do so only on the condition that he has accepted the liability for payment of the rent of the quarter allotted to, but not occupied by him;

(ii) Rent has been correctly assessed and recovered according to the rules prescribed in the Farm Standing Orders and *[Financial Regulations, Part II]*;

*Requires-amendment.

(iii) The residential buildings and the assessed rent in respect of them as shown in the rent return agree with those shown in the latest sanction rent assessment statement, and the monthly adjustments on account of rent returne are made through the cash book;

(iv) Electric and water charges, where recoverable, have been recovered from the employees occupying the Farm Quarters in accordance with the rules in the Farm Standing Orders and credited to Government. For this purpose, the register of electric charges will be checked in full;

(v) Rent assessment ledger see that the page number of Revenue ledger is given in Rent Assessment Ledger, that the page number of Inventory Book is given in Rent Assessment Ledger, and that rent has been revised with every addition to the building.

(h) **Register of Conservancy Charges** :- Check the register of conservancy charges against non-entitled persons in full to see that recoveries are being regularly effected (at a rate corresponding with the conservancy or similar tax levied by the local cantonment or Municipal authority on private persons residing in Cantonment or
Municipal limits) except where a remission has been granted by the competent authority in the case of individuals of small income;

(i) **Fine Register:**

(i) See that all fines recovered from the personnel of the farms under Section 8(8), Payment of Wages Act, 1936, have not passed through the cash books, but have been taken direct to the Fine Register;

(ii) See that the amounts realized are deposited in the Saving Bank Account opened in the favour of the Manager of the Farm with the State Bank of India or with the Post Office in stations where there are no branches of the State Bank or where the State Bank of India Rules do not permit of the opening of Savings Bank Account for small amounts;

(j) **Conversion of green grass into hay:** See that the loss of weight during the process of manufacture of green grass into hay is supported by conversion statement duly sanctioned by the Assistant Director concerned;

(k) **Loss of hay:** See that unavoidable waste of hay in handling, bailing, etc., Charged off on expense vouchers does not exceed the percentage laid down in *[F.R. Part I]*. If it is noticed in audit that the maximum percentage of loss is charged off as normal, the matter should be brought to the notice of the authorities concerned. The L.A.O. should personally investigate such cases before reporting to higher authorities;

*Requires-amendment.*

(1) **Outstanding liabilities and stocks:** Check cent per cent list of outstanding liabilities and stocks, prepared half-yearly;

(m) **Counterfoils of railway warrants, credit notes and service books, etc.:**

The procedure laid down in Chapter X of this manual will be followed in the audit of counterfoils or credit notes and railway warrants, service books, etc. The L.A.O. will also verify by a test check of counterfoils or credit notes pertaining to the month selected for detailed audit, that the classification of credit notes has been correctly made by the Farm authorities and that all credit notes relating to "Capital" have been included in the statements rendered to the PC.D.A. /C.D.A. by the Farm authorities in support of their monthly abstracts of cash book. After audit the statement when returned to the PC.D.A/C.D.A. with the cash abstract will bear a certificate under the signature, of the L.A.O. to the effect that the classification as shown thereon has been test checked with the Farm records. Ensure that Farm authorities make a summary at the end of the month, section wise (for receipt and despatch) to indicate the total amount for a particular section in a month to enable the adjustment of freight charges in the Financial Accounts.

349. In addition to the accounts and books mentioned above the following important subsidiary books are maintained by Military Farms. These books will be generally scrutinised and the particular points to be seen therein are stated in the succeeding sub-paragraphs:

- (i) Issue Orders Books.
- (ii) Unpriced Inventory Book.
- (iii) Weight Book.
- (iv) Stack and Silo Register.
- (v) Land Cultivation Register
(vi) Team Register
(vii) Register of Attendance or Work done
(A) ISSUE ORDERS BOOK
It is used as an order from the Manager for the issue of stores required for Farm's use.

The issue orders will be scrutinised to see that:

(i) It has been signed by the Manager or his authorised representative in his absence;
(ii) The specific purpose for which an article demanded is required has been indicated thereon and that stores issued for the Farm's use are authorised ones and are according to prescribed scale;
(iii) The total number of items and quantities entered in issue orders have been declared in words to avoid additional entries being made after the issue order has been signed by the Manager;
(iv) All articles of durable nature for which a record is required to be kept in the Unpriced Inventory Book have been clearly marked `U.I.' in red ink and initialled by the Manager;
(v) Store Issue Orders for cattle impounded by Military Farm contained a note endorsed showing the amount recovered from the owners of the cattle and the cash book item number and date when credited. If nothing recovered reasons for non recovery have been stated;
(vi) Ration required for several classes of animals as per ration statements have been shown separately in front or on the back of the issue orders;
(vii) Issue orders have been priced.
(viii) Issue orders are posted in the Journal and inter-section adjustments are carried out. For this purpose the issue orders audited in issuing section should be used for verification in the journal and store accounts of the indenting section.
(B) UNPRICED INVENTORY BOOK

All durable articles, viz., those which are not consumable, excluding spare parts of machinery, costing Rs. 200 or less issued for Farm use are accounted for in the Unpriced Inventory Books maintained by each of the following sections of the Military Farms: - (1) Cattle Yard (2) Dairy (3) Cultivation (4) Stocks (5) Office. In addition to normal audit procedure laid down in Chapters I to III of this manual, it will be seen in local audit that:

(i) The value of the articles as shown on issue orders on which the stores were issued from stock has been recorded in these books;
(ii) Articles borne in Unpriced Inventory Book were condemned only by the Assistant Director or Deputy Assistant Director on their periodical visits and expense vouchers in respect of these articles have been signed by those officers;
(iii) Unpriced inventory articles when transferred between Military Farms in the circle were transferred at no value, plus freight and packing, if any, while those transferred outside the circle were valued by the Assistant Director;
(iv) The balance of stores borne on these books on 30th September and 31st March each year have been verified by the Manager of the Farm and deficiencies, if any, reported to the Circle Office;

(C) **WEIGH BOOK (I.A.F (FARMS)-106)**

All receipts of fodder from Military Farm land or purchases are entered in this book. The book will be scrutinised to see that-

(i) the weight of hay in each cart has been shown separately in the book;
(ii) the quantities intended for rations, silage or hay-making have been entered separately together with the number or name of the plot from which received and totals for the day carried to the Inward Day Book daily;
(iii) the quantity recorded in this book agrees with that recorded in the Register of Attendance or work done;
(iv) the entries of certain weighments of fodder have been recorded by the Manager in his own hand-writing under his signature in token of weighments of fodder having been casualty checked by him.

(D) **STACK & SILO REGISTER-LAA (FARMS)-121.**

This register is maintained for all fodder stacked or ensiled. It will be checked to see that:

(i) Entries pertaining to receipts and issues have been made daily as they take place and the balance struck after each transaction, receipts being taken from the Weigh Book and issues from the Issues Register;
(ii) The supply rate of fodder received by transfer from another farm has been worked out as laid down in *[FR. PT II]*, and the rate so assessed entered in red ink for accounting purposes.

*Requires amendment.

(E) **LAND AND CULTIVATION REGISTER**

This register contains a complete record of expenditure on cultivation and is completed from the (1) Daily Time Book, (2) Team Register, (3) Store Issue Orders, (4) Attendance Register and (5) Inward Day Book. It will be seen in audit that-

(i) record of expenditure on cultivation has been shown in the register for different crops, plot by plot, year by year;
(ii) a separate page has been allotted to each crop and the page has not been closed until the crop has been completely harvested and all expenses connected therewith debited to the plot;

(iii) out-turn from each plot has been recorded and Inward Day Book folio quoted in order to facilitate linking of the transactions;

(iv) credit of the out-turn has been correctly afforded in the Inward Day Book;

(v) an abstract of the year's operations have been prepared at the close of the year and the production cost per 45 kilograms on a dry basis worked out for each plot, the value of any grain harvested being deducted from the total expenditure to arrive at the production cost.

Note: For this purpose it will be seen that the various types of fodder have been correctly converted into units of hay at the percentage rate laid down in *[Rule 421, F.R. Part II]*.

*Requires-amendment

(F) TEAM REGISTER

This register is maintained by Cultivation Section and shows the different works on which bullocks are employed and the number idle or sick, day by day. This register will be scrutinised to see that:

(i) all works performed by bullocks have been clearly defined with full details and that the bullocks were employed in connection with the works of the Farms such as ploughing land, conveyance of manure, fodder and stores, etc.;

(ii) the work done in connection with land cultivation has actually been noted in the relevant columns of the Cultivation Register;

(iii) cause/causes of bullocks remaining idle are genuine and in the event of bullocks remaining idle, mechanical transport has not been used for the conveyance of manure and stores, etc.;

(iv) the quantities of concentrates and fodder and incidental expenditure such as shoeing etc., has been entered in the register daily and that the average daily up-keep cost per bullock has been correctly worked out taking into account (1) total cost of feed plus the cost of bullock drivers and incidental expenditure; and (2) the total number of bullock's days during a month;

(v) the register has been initialled daily by the Manager and signed on completion at the end of the month.

(G) REGISTER OF ATTENDANCE OR WORK DONE

This register is maintained for all harvesting operations in which the payment is made on piece work basis.

The register will be scrutinised to see that:

(i) The register has been compiled daily in ink and at the end of every week, the amount due has been worked out for payment to be made;

(ii) The quantity of produce harvested has been totalled up daily and it agrees with that accounted for in the Inward Day Book;

(iii) The arithmetical calculations of both total quantity of produce and total amount payable are correct and that the amount paid has been linked with the cash book.
ANNUAL TRADING, PROFIT AND LOSS ACCOUNT, BALANCE SHEETS AND THE CONNECTED STATEMENTS

350. (a) Check the following statements accompanying the administrative report on the working of the Military Farms submitted by the Manager by 15th July every year and certify their correctness:

1. Audited Statement No. 1 Balance Sheet
2. Audited Statement No. 2 Profit and Loss Account
4. Audited Statement No. 4 IAF (Farm 25) Capital Account of the Military Farms;
5. Audited Statement No. 5 & 5(A) Expenditure/receipt of Administration Section for purchase of stores and levy of overhead charges to section of Military Farms.
6. (i) Audited Statement No. 6 Cattle yard Production Account of cattle holding Farms.
   (ii) Audited Statement No. 6A Cattle yard section trading account of Young Stock of Milk Production Farms.
   (iii) Audited Statement No. 6 B Cattle yard section trading account of Young Stock Farms.
   (iv) Audited Statement No. 6 C Consolidated cattle yard Trading account of Young Stock Farms & Young Stock Section of Production Farms.
7. Audited Statement No. 7 Dairy Section Production account of Cows and Buffs Milk.
8. (i) Audited Statement No. 8 Dairy Section Production account of other products Cream/Butter/Ghee.
   (ii) Audited Statement No. 8 A Dairy Section Production account of Blended, standard and separated Milk.
   (iii) Appendix 'A' to Statement No. 8 & 8 and 'A'
      A. Details showing disposal of production shown in statement No. 8.
      B. Details showing disposal of production shown in Statement No. 8'A'
   (iv) Appendix 'B' to statement No. 8 Statement showing S.M. powder drawn and consumed by Dairy
9. (i) Audited Statement No. 9 Dairy Section trading account to Military Farm
   (ii) Appendix 'A' to Statement No. 9 Average sale rate of dairy produce per litre/kg.
10. Audited Statement No. 10 Fodder section trading account of Military Farms
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<td>Statement showing production cost of grains sown for which harvesting was completed in the current year</td>
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<td>Statement showing grains/crops where harvesting is not completed during the current year and is shown as closing stock on 31.3</td>
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<td>12. (viii)</td>
<td>Statement showing production cost of various types of green fodder/grass grown in previous year and shown as closing stock on 31.3.</td>
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<td>Statement showing production cost of various types of green fodder/grass sown but not harvested during the current year and shown as closing stock on 31.3</td>
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19. Audited Statement No. 19  IAF (Farms) 23: Annual produce and disposal statement of Dairy produce
20. Audited Statement No. 20  Statement showing hops produced and production of hops crops.
21. Audited Statement No. 21  Statement showing reasons for losses in section.
22. Audited Statement No. 22  Statement showing the production cost, free issue rate and market rates per litre of milk.
23. Audited Statement No. 23  (i) Appendix ‘A’ (Cat- I customers)  Statement showing profit/loss on payment issues of milk during the year.
(ii) Appendix 'B' (Cat. 11 customers)  Statement showing profit/loss on payment issues of milk.
(iii) Appendix 'C' (Cat. I & 11 customers)  Statement showing profit/loss on payment issues of milk during the current year.
(iv) Appendix 'D' (Non-entitled customers)  Statement showing profit/loss on payment issues of milk during the current year.
(v) Appendix 'E' (entitled and non-entitled customers)  Statement showing profit/loss on payment issues of milk.
24. Audited Statement No. 24  Statement showing temporary building disposed of during the current year.
25. Audited Statement No. 25  Statement showing details of outstanding/ liabilities and stock.
26. Audited Statement No. 26  Statement showing particulars of losses during the year.
27. Audited Statement No. 27  Statement showing the closing balance of stock as on 31. 3.
28. Audited Statement No. 28  Statement showing capital expenditure during the financial year.
29. Audited Statement No. 29  Tabulated statement showing reasons for better/worse result as compared to previous year and brief explanation for better/worse results.
30. Audited Statement No. 30  IAF (Farms) 42: Fodder statement for fixing general supply rate.
Audited Statement No. 31  Statement showing production cost of combined fodder on dry basis.
Audited Statement No. 32  Statement showing interest on Capital Account 'A' and Government Account 'C'.
Ensure that copy of the audited statement is sent by the manager to the PCDA/CDA through the LAO.

(b) Check and certify as correct under the signature of the LAO the above statements accompanying the Circle Administration Report submitted by Assistant Directors so as to reach the Director of Farms by the 15th August every year, with reference to the entries in Cash Book, Journals, Classified Ledgers and Stock Registers and allied documents such as Inward Day Book, Outward Day Book, Simple Ledger etc. listed in Annexure ‘A’ to this chapter.

YOUNG STOCK FARMS

351. The procedure for the audit of accounts of Military Farms as laid down in this chapter also applies to the accounts books maintained at these Farms (Young Stock Farms).

BATAI BOOKS

352. All Batai Books (vide Appendix 111 (8) of C.S.O. Military Dairies, Volume I) will be audited in accordance with the rules and instructions laid down in Chapters XXVI, XXXV and Appendix I ibid. The extent of the audit to be applied to these accounts will be that prescribed for the audit of store accounts in Para 347 ante.

STOCK TAKING

353. The L.A.O. will see that the departmental stock-taking prescribed by R.A.I. rules and Circle Standing Orders have been carried out by the Farm authorities concerned as it falls due, and that records of stock-taking have been kept and signed by a responsible officer in each case.

The L.A.O. will also check the balance in the "Coupon Stock Book" with the coupon books in hand, kept in the custody of the Manager and Cashier. He will also verify the credit of coupon books with the duplicate issue vouchers supplied to him by the Deputy Controller of Printing and Stationery.

SECTION 2-A.S.C. BAKERIES

354. The monthly accounts- are prepared by the bakeries concerned on I.A.RS.-1 57 and submitted to the P.C.D.A. /C.D.A. concerned together with all supporting receipt and issue vouchers for audit by the 10th of the following month.

355. The bakeries will also prepare at the end of each year a Production Account in the prescribed form and will submit it to the PC.D.A. /C.D.A. concerned together with a statement showing the capital cost of the machinery installed in bakeries, if any.

356. The Production Account will be checked by the PC.D.A. /C.D.A. from the information available in the monthly accounts received from bakeries. Any additional information required in this connection will be obtained from the bakeries. The PC.D.A. / C.D.A. will prepare a consolidated Annual Production Account in respect of all the bakeries located in his audit area and examine y’ critically with a view to finding abnormal features, if any, and carry out detailed study of such points. The Command
Accounts with PC.D.As/C.D.As review thereon will be rendered to the Command Headquarters for their information and action (after audit by the Dy. D.A.D.S. concerned) by the 15th August of the year following that to which the accounts relate. Unusual features, if any, noticed will be brought to the notice of the CGDA also. These accounts are not audited by L.A.Os.

SECTION 3-MEDICAL

357. The Armed Forces Medical College Consists of:–
   (1) College Quarter Master
   (2) College Central Medical Stores
   (3) Blood Transfusion Department
   (4) Pathology Department
   (5) Radiology Department
   (6) Hygiene Department

   The audit of store accounts maintained by sections 1, 2, 5 and 6 above will be conducted as for consuming medical units. The audit of store accounts maintained by sections 3 and 4 above will be conducted on the lines prescribed for the A.F.M.S. depot.

357-A. Register for Watching Collection of Tuition Fees

   It will be seen that the tuition fees due from the civilian candidate admitted to the post-graduate degree/diploma courses conducted by the college have in all cases been collected and credited to Government. The correctness of the rates charged will be verified with reference to the schedule containing the rates charged by the B.J. Medical College, Pune or the University of Pune for identical courses furnished by the B.J. Medical College or University of Pune to the Commandant A.F.M.C.

358. Special instructions contained in the succeeding paragraphs will also apply.

359. (A) Stock Taking–It will be seen:
   (i) That stock-taking of stores held by the Blood Transfusion Department and the Pathology Department has been conducted in accordance with the continuous cycle programmed for in advance;
   (ii) That stock has been physically verified-in respect of stores held by sections 1, 2 and 5 in accordance with the periodicity prescribed in current instructions.
   (iii) That the result of stock-taking has been recorded both in the ledger folios and in the permanent record of stock-taking.

   (B) Medical Stores–It will be seen that (1) drugs and other consumable stores expended in the course of the various activities of the college are duly charged off on monthly expense vouchers signed by the officer authorised to do so, (2) preparation like crystallized solutions biological products, etc. manufactured thereby are duly taken on charge by means of C.R.Vs.

   (C) Blood Transfusion Department–it will be seen that –
   (1) Blood collected from donors on payment is taken on charge by means of C.R.Vs;
(2) Issues to hospitals are supported by proper issue vouchers;
(3) Where blood has been used up for the preparation of plasma, the latter is taken on charge on C.R.Vs;
(4) When blood transfusion sets received by hospital or other units are broken up and brought on charge as components, all the components as listed in the appropriate section of the P V M.S. are correctly brought to account;
(5) Proper account of empty bottles issued to and received from units is maintained;
(6) The register of issue of blood to civil hospital and private patients will be carefully examined to see that:
   (a) In every case of such issue a donor has been provided free by the recipient in exchange;
   (b) A sum of Rs. 50 per bottle has been recovered in addition in all cases except really poor and deserving ones;
   (c) The amount so realised has been remitted into the treasury without delay and the original copy of M.R.O. duly receipted by the bank has been forwarded to the PC.D.A./C.D.A. and his acknowledgement obtained and placed on record.

(D) Pathology Department:
   (i) Issue of rations and forage to laboratory animals written off on monthly expense voucher will be checked against strengths of animals and the current rates of scales of issue prescribed in S.R.S.
   (ii) Register of Pathological Examination: This will be examined to see that fees at the appropriate rates have been levied in respect of work done for non-entitled public bodies and private individuals and the amount credited in the normal manner.

Register of Biological Products issued on payments:-This register will be examined to see that charges at current rates have been levied and credited to Government.

(E) Radiology Department:-Register of X-Ray Examination Radiology:-
   (i) It will be examined to see that all persons treated are entitled to free treatment and that work done on payment, i.e., for other than experimental or demonstration purposes has been included in the registers maintained for the purpose.
   (ii) The register of work done on payment should be examined to see that necessary fees have been realised and credited to Government.

ANNEXURE `A'
List of Accounts Books
Cash Section: -
1. Cash book
2. Bank Balance Statement (Bank Balance Report)
3. Cheque Slips
4. Manager's Coupon Register
5. Cashier's Coupon Register
6. Register of Security Deposit
7. Contingent Bills
8. Receipt Books
9. Advance Register (Demand Register)
10. Money Order Register
11. Paid Vouchers
12. Register of cheques received.

Establishment Section: -
1. Wages Books (Class III and IV)
2. Inventory of Land & Building
3. Inventory of Plant & Machinery
4. Sales Ledgers
5. Simple Ledger
6. Railway Warrants & Credit Notes
7. Register of Books & Forms
8. Register of Books of Publications
9. Revenue Ledger
10. Office UPI
11. Rent Assessment Ledger
12. Service Books
13. Register of Electricity & Water
14. Telephone Trunk Call Register
15. Ammunition Register
16. Journal
17. Admin Classified Ledger

M.T. Section: -
1. UPI MT
2. UPI Buildings
3. UPI workshop
4. UPI Plant & Machinery
5. R/17 (Buildings)
6. Issue Orders
7. Mileage Card
8. POL Stock Ledger
9. Unit Vehicle Register
10. Log Books
11. M.T. Tools Register
12. Expendable Register
Cultivation Section:-
1. Land and Cultivation Register
2. Team Register
3. Tractor Log Books
4. Manure Register
5. Seed Register
6. Weigh Book for Green Fodder
7. Issue Register Green Fodder
8. UPI Cultivation
9. Ration & Fodder Statement for Bullocks
10. Lease Land Register
11. IAF (Farms) 105 (R/17)
12. Engine Log Books
13. R/17 (Kurans)
14. UPI Anti-Malaria
15. Expenditure Register
16. Classified Ledger
17. Register of Trees

Fodder & Stock Yard Section: -
1. Classified Ledger
2. UPI Stack Yard
3. Weigh Book (Bailing)
4. Weigh Book (Loose hay)
5. Expenditure Register
6. Fodder Stores Return
7. Stack & Silo Register

Store Section: -
1. I.D.B.
2. O.D.B.
3. Stock Ledger
4. Veterinary Ledger
5. Register of worn out machinery
6. UPI Stores
7. Loss Statement Register
8. Anti-malaria Conservancy
9. UPI Condemned Stores
10. Engine Log Book
11. R/17
12. Weight Book Dry
13. Expendible Register
14. Daily Balance Sheet
Cattle yard Section:-

1. Classified Ledger
4. Ration & Fodder Statement (Buffs)
5. Ration & Fodder Statements (Calves)
6. Inventory of Live Stock
7. R/17
8. L.S.R. (Buffs)
9. K. Oil Log Book
10. Dhobi Books
11. Expendible Register
12. UPI Cattleyard.
ARMY LOCAL AUDIT MANUAL PART-1

VOLUME III

(Incorporating Amendments upto and including Amendment No. 4)
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DEFINITIONS

1. **Consignor's LAO:** The LAO, AAO/SO (A), ALAO, Local Audit Staff or station Auditors auditing the store accounts of the Depot, Unit of formation issuing the stores.

2. **Consignee's LAO:** The LAO, AAO/SO(A), ALAO Local Staff or station Auditor auditing the store accounts of the Depot, Unit or formation receiving the stores.

3. **ALAO (Group Superintendent):** The ALAO (superintendent) Local Audit staff.

4. **Manufacturing Establishment:** An Army ordnance factory, an Army Clothing Factory, an Armed Forces Medical store Depot, including its factory and repair workshop, a Dairy Farm, a young Stock Farm and a Bakery.

5. **Stores:** Include animals.

6. **Supply and store Depot:** Includes an Arsenal, an ordnance Depot, Air craft Depot, Vehicle Depot, A.S.C. Supply Depots (including Base and station supply Depots) or Sub-Depot, Grain Crushing Depots and Government Controlled Mills.

7. **Units:** Means all units of the fighting services, Animal Transport Units, Mechnical Transport Units, Ordnance workshop Companies. Units of Territorial Forces and N.C.C.s. Hospitals, Squadrons of the Air Force and all others which do not come under the category of supply and Store Depot and manufacturing establishment.

8. **A.A.O.:** An AAO/SO (A) or clerk of the Defence Accounts Department attached to a unit for preparation of its pay accounts.

9. **Issue Voucher:** A voucher on which stores are issued.

10. **Receipt Voucher:** A voucher on which stores are received.

**Note 1:** The "Receipt Voucher" of the consignee is the same as the `Issue Voucher` of the consignor.
**Note 2:** Other definitions of restricted application, e.g. pairing, linking. Final receipts, Final Issue, etc., will be found in the relevant chapters or appendices in the body of the Manual.

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### CHAPTER – VIII

**AUDIT OF CANTONMENT FUND ACCOUNTS**

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**General**

360. The instructions detailed below, meant for the conduct or audit of Cantonment Fund accounts, are to be followed as a general guide and not a rigid code. Further instructions issued by Controllers from time to time to suit local conditions will be adhered to. The procedure relating to audit by local audit staff, review of audit by the Superintendent and review of audit and inspection of cash accounts by the L.A.O. carried out in the case of Army Units and formations may, if considered advantageous and useful, be followed in the case of Cantonment Boards as well.

**SCOPE AND FREQUENCY OF AUDIT**

361. (a) The accounts should be audited half yearly. The quantum of audit will be a detailed audit of one month's accounts in six months or two month's accounts in a year, and a general scrutiny of the accounts of the remaining months. The audit should be taken up as soon as possible after the close of the half year or year as the case may be. Normally the audit parties will comprise of strength of 3 auditors, viz. 1 senior auditor and 2 junior auditors.

(b) The selection of the months accounts to be subjected to detailed audit should be made personally by the Local Audit Officer and communicated confidentially to the SO(A)/AAO or the audit party immediately prior to the commencement of audit.

(c) Supervision should be as close as possible and every effort should be made to keep down the length of time spent on the audit. As the Cantonment Boards are to pay audit fees which are assessed on the strength of the audit party and the number of days, sanctioned for the completion of audit, it will be necessary to obtain their concurrence before the strength of the audit party or the time required for audit or both are increased. The L.A.O. should visit every cantonment at least once a year preferably just before the close of audit and review the work done by the local audit staff; Whenever cases of serious irregularities such as decrease in income due to leakage of revenue by fraud are noticed by the cantonment authorities and the assistance of the L.A.O. is solicited in the conduct of a special investigation, etc. Such moves will be separately authorised by the PC.D.A./C.D.A. In such cases the cost of the move, viz. TA. and D.A. will be paid for by the Cantonment Board to conform to the Provisions of para 38 of Defence Account Code.
OBJECTION STATEMENTS

362. The rules regarding the preparation, submission and settlement of audit reports as laid down in Rules 11 to 13 of the Cantonment Account code should be followed. The certificate in terms of Rule 12 (2) ibid should be endorsed on the audit report. In cases where, in the opinion of the Local Audit Officer, suitable action has not been taken by the Cantonment Authorities, towards the settlement of the audit objections, he should report the case to the P.C.D.A. /C.D.A. who should send the case for orders to the G.O.C.-in-C or the Central Government as he thinks fit. Cases of serious irregularities in the accounts of the cantonment boards should be included in the report on the Major Financial Accounting Irregularities as in the case of Army units/formation.

AUDIT ENFACEMENT

363. The L.A.Os and the staff should invariably make an audit enfacement on the documents audited and inspected by them. These will be enfaced 'Audited' 'Objected To' 'Remarked On' and 'Test Checked' as the case may be. The L.A.O., the S.O (A)/AAO and the auditor will affix their dated initials and designations to these accounts in token of their having conducted that part of the examination.

AUDIT FEES

364. (a) Fees for the audit of accounts of Cantonment Boards in the various States by the Defence Accounts Department will be charged at the rates prescribed by Government from time to time. It will be assessed on the sanctioned strength of the audit party and the number of days sanctioned for the completion of audit. For this purpose Section Officer (Accounts)/AAO and auditors of local audit parties will be treated as senior and junior auditors respectively. If owing to administrative difficulties it is not possible to put a Section Officer (Accounts)/Assistant Accounts Officers in charge of audit party, clerical supervisor/A.L.A.O. detailed as in charge of the audit party will be considered as senior auditor for the purpose of recovery of the audit fees. In cases where only one auditor is detailed for audit he will be treated as senior auditor for purposes of recovery of audit fees.

(b) Saturday will be taken as full working day so far as recovery audit fee is concerned.

(c) The amount of fees will be calculated on the basis of the rates existing at the time the accounts are audited and not on the basis of rates pertaining to the period of accounts audited.

(d) On completion of local audit, L.A.Os./A.L.A.Os. will determine the amounts of audit fees recoverable and before submitting the completion report, which should be submitted in duplicate in such cases only, obtain the acceptance along with the audit completion report. The amount of audit fees so determined will be specified prominently in the remarks column of the report indicating how it has been arrived at for the purpose of facilitating audit check in the main office.
ANNUAL AUDIT CERTIFICATE

365. Audit certificate in respect of Local Audit of Cantonment Funds will be furnished in the following terms by the L.A.O.:-

I also certify that expenditure met from Special Grants, in aid granted to Cantonment Boards from the Defence Services Estimates have been audited under my directions and that the conditions on which the grants have been made, have been or are being fulfilled/have not been or are not being fulfilled in the following respects.

AUDIT OF DOCUMENTS MAINTAINED BYE CANTONMENT BOARDS CASH BOOK

366. The castings of the cash book should be checked cent percent for two selected months. Besides the existing detailed check of one month's or two month's accounts in half year or year's verification of opening and closing balances and castings in the cash accounts should be checked for the whole of the audit period. It should be seen in audit that certificate has been endorsed on the cash book to the effect that the finance committee has carried out the internal check quarterly.

The receipt side of the cash book should be checked with the counterfoils of receipts and payment side with the counterfoils of cheques and vouchers. Where subsidiary cash book are maintained, the entries therein should also be traced and verified.

It will be seen that: -

(i) All moneys belonging to the Cantonment Fund is immediately accounted for in the cash book as soon as they are realised;
(ii) All moneys received, other than moneys withdrawn from the treasury to meet current expenditure, are without delay paid in full into the treasury and are credited to the appropriate account and are not utilised to meet current expenditure;
(iii) The monthly balance shown in the cash book agree with those shown in the pass book and the variations between the two are explained satisfactory in a 'Reconciliation Statement' prepared as a foot note in the cash book;
(iv) The cash book is closed and balanced daily and signed by the Executive Officer or such officer as is duly authorised by the Cantonment Board to do so;
(v) The executive Officer exercises a surprise check on the actual cash balances by personal verification on at least two days in each month and records a signed and dated certificate of verification below the last entry in the Cash Book.

Note: Cash Balances will not ordinarily be verified by the local audit party.

Where however, an unsatisfactory state of the cash book is revealed, as a result of audit or review, although abnormal cash balances may not be held, or where the accounts are satisfactorily maintained but heavy cash balances are held as compared to the volume of transaction, the L.A.O. or the A.L.A.O. of the Local audit party, at his discretion should verify the physical cash balance by actual counting. This discretion
should be exercised as frequently as possible in warranted cases so that the possibility of serious defalcation of money is avoided.

CLASSIFIED ABSTRACT AND REGISTER OF TRANSFER ENTRIES

367. It will be seen that:
   (i) The budget provision (duly sanctioned vide Rule 18 of the Cantonment Account Code) has been noted in the space provided for the purpose in the Classified Abstract;
   (ii) Transfer entries have been made where considered necessary,
   (iii) The excess (if any) in expenditure is covered by re-appropriations sanctioned by competent authority vide Rule 20 of the Cantonment Account Code.

IMPREST REGISTER

368. The register should be checked for the two selected months as to its arithmetical accuracy. Properly passed and receipted vouchers should be exhaustively audited. It should be seen that
   (i) The amount of the Imprest has been duly sanctioned by the Board vide Rule 58 Cantonment Account Code; that it is being shown as the amount in hand of the Executive Officer in the Cash Book and that the officer actually holding it furnishes a certificate in the following terms at the beginning of each year as well as on the transfer of charge.
      “I acknowledge having in my possession a permanent advance of Rs... Which sum is due from and to be accounted for by me.”
   (ii) Only petty expenses which must be paid before money can be drawn on a contingent bill are paid out of imprest.
   (iii) The Imprest Account is properly checked by the Secretary or other responsible officer duly authorised to do so.

PASS BOOK

369. (a) An advice of the balances with the Treasury/Bank should be obtained independently by the L.A.O. from the Treasury Officer/Bank Agent vide *(Rule 91 (iii) RR. Part II). *Requires-amendment.
      (b) It will be seen that:
      (i) The pass book has been properly maintained and is written up by the Treasury/Bank staff;
      (ii) All entries in it are signed by the treasury officer/bank agent;
      (iii) The balance is regularly struck and the amount is expressed in words and signed by the Treasury Officer/Bank Agent;
      (iv) The pass book is kept by the Executive Officer in the cantonment safe.
(c) Any irregularity noticed in the writing of the pass book should be separately reported to the PC.D.A./C.D.A. For such action as he considers necessary.

CHEQUE BOOKS

370. It should be seen that the rules, given in Rules 31 to 35 of the Cantonment Account Code have been strictly followed in drawing cheques and dealing with cheque books; and also that the cheques are drawn in favour of the person to whom money is actually due.

ASSESSMENT LISTS

371. (a) The assessment lists should be examined to see that:
(i) They are prepared in accordance with the Cantonment Act and have been checked, authenticated and approved by the Authority concerned;
(ii) Buildings known to have been completed during the year after the assessments were made have been duly assessed and the demands transcribed into the Demand and Collection Register;
(iii) The grand total of the list is the same at that of the current demand shown in the demand and Collection Register; and
(iv) A certificate to the effect that all the new buildings have been included therein has been furnished in the assessment lists by the cantonment authorities.

(b) At least 10% of the assessment should be arithmetically checked.

DEMAND REGISTER TO TAXES, RENT AND MISCELLANEOUS DEMANDS

372. (a) The arrears brought forward should be compared with the previous year's Demand Registers.
(b) 10% of the daily collections in each case should be checked with the counterfoils of receipts for the two months selected for detailed audit.
(c) It should be seen that the remissions of House, Market and Stall rents and writes of irrecoverable amounts of revenues are sanctioned by the competent authority vide Rules 14A and 14B of the Cantonment Account Code.
(d) A similar check should be exercised upto 10% of the entries in each month selected for detailed audit in respect of items of Miscellaneous Receipt such as Tehbazari and slaughter house, the sale proceed of manure, forms, plans etc. and fees for the supply of copies and pandal fees.
(e) To ensure that octroi and terminal tax on A.S.C. Articles sold to the Defence Units/Formations within the Cantonment Limits are realised and credited in their books by the Cantonment Board, the L.A.O. auditing the Cantonment Fund accounts will receive from the L.A.O. auditing the Defence Units/formations, intimations of amounts paid to the cantonment board, on account of these taxes. The correctness of the taxes realised is, however, the responsibility of the Cantonment Boards.
HACKNEY CARRIAGE AND OTHER LICENSES

373. Ten percent of the licenses should be checked in detail and traced into the License Register. It should also be seen that the rate of the fee charged have been sanctioned by competent authority. The progressive total of the fees noted at the foot of the licenses issued during the, selected months should be checked and traced into the Register of Receipts.

CATTLE POUND

374. The admissions for six days at random in the two selected months should be traced from the admission passes into the Pound Register, the calculation of these entries being checked in detail and fines and feeding charged compared with the sanctioned rates; releases of the animals should be finally traced into the release passes. The progressive total shown in the release passes for each of the two selected months should be checked and credit of fines traced into the cash book. The totals in the pound register should be checked and the monthly totals agree with these given in the Classified Abstract. It should be seen that all collections are remitted at fixed intervals to the cantonment office the sales of unclaimed cattle should be checked with the sale papers and it should be seen that the net sale proceeds are credited to the Cantonment Fund. It should also be seen that the pound rules in force and the provisions of the cattle tresspass act have been observed.

PROVIDENT FUND

375. It should be seen that only the entitled personnel have been allowed to contribute to the fund under the rules. For the selected months the deductions from each subscriber's pay together with the cantonment fund contribution and bonus awarded by the Cantonment Authority according to Provident Fund Rules should be traced from the payment vouchers into the ledger and the entries in all the columns thereof checked. It should be seen that interest is correctly calculated and added to the principal at the beginning of April each year.

The amount drawn should be checked with the entries made in the ledger and with the payees receipt and it should be seen that the entries in the balance columns in the ledger have been totaled and agreed each month with the saving bank pass book and signed by the Executive Officer in token of verification. It should also be seen that the bonuses have been placed to the credit of the employees in accordance with the rules on the subject.

The balance in the savings accounts should be examined to ensure that amounts in excess of normal requirement are suitably reinvested to avoid heavy accumulations in such accounts. The Cantonment Executive Officer should be advised to invest the resultant surplus funds in fixed deposit with reference to the provisions Rule 53 Cantonment Account Code (1924 Edition) and Rule 40 of Cantonment Fund Servants Rules 1937.
PAYMENT VOUCHERS

376. (a) Payment vouchers for two selected months should be exhaustively audited in accordance with the rules in the Cantonment Account Code and Para 62 of the Defence Audit Code Volume I (where applicable). In addition it should be seen that

(i) The amount of each voucher tallies with the corresponding entry in each book;

and

(ii) All articles of dead and live stock and stores purchased are brought on charge in the respective registers.

(b) Plans, estimates, contract deeds, measurement books, completion certificates and all other papers connected with works should be examined.

c) It should also be seen that charges on account of the collecting establishment maintained in connection with the realization of water tax have duly been deducted from the gross recoveries made on this account only the net amount credited to the Military Engineer Services.

Note 1.: Section 234 of the Cantonment Act 1924 relates, among other things, to the recovery by the cantonment authorities of the cost of collecting water tax and all other charges arising out of the supply of water.

The cost of collection which the Cantonment authorities should be allowed to retain should be the amount certified by the auditor as the actual cost including the proportions of the cost of audit. The cost of collection etc. in a particular year may be recovered by the cantonment authorities in arrears that is by deduction from collection of the following year, after accounts of the former year have been examined and the necessary audit certificate duly given.

The above orders regarding the recovery of the cost of collections, etc., will not apply to case where the cantonment authorities take a bulk supply of water from the M.E.S. for distribution in cantonments but will apply to case where the test of collections and audit fee are deducted at a certain percentage tinder the orders of the local government.

Note 2.: In partial modification of the orders contained in Note 1 above, the Government of India have decided that the procedure indicated therein should apply to cases where the cost of collection can be clearly determined from the accounts, in case, in which this cannot be done, it is for the local government to determine, in the first instance, the proportion of the monies recovered under Section 234 of the Cantonment Act, 1924. If the scrutiny of the cantonment fund accounts by the audit officer reveals that the cost of collection allowed by the local Government is a considerable over charge in as much as it does not bear approximately the same proportion to the total expenditure incurred by the cantonment authority on collection and audit of recoveries as the total amount collected in respect of water bears to the total collection of all water and other taxes, charges, etc. Then the proportion should be refixed to cover only the approximate cost of collections.

Note 3.: (1) The test audit of the recoveries on account of water tax and other charges arising out of supply of water to paying consumers in Cantonment Stations shall be
carried out by the Local Audit Officers concerned. The Local Audit Officers who test audits the accounts of Cantonments should audit the water taxes and rates recovered by Cantonment authorities from paying consumers supplied with water by Military Engineer Services and as a result of the test audit of accounts conducted by him countersign a certificate to the following effect which the executive officer of the Cantonment is required to furnish and forward to the Principal Controller of Defence Accounts/Controller of Defence Accounts concerned:

(a) That all recoveries on account of water tax and water rate have been duly credited to Government and that steps have been taken towards the clearance of outstanding;

(b) That remissions or exemptions have been admitted under proper authority; and

(c) That only the bare cost of collection and authorised audit charges have been appropriated from such collections.

(2) The Executive Officer's Certificate should be countersigned in the following form;

"As a result of test audit for the months of .......... I am satisfied that this certificate is substantially correct."

(3) At the conclusion of each financial year a statement containing the total collection against the total demands for the year must be prepared and signed by the President of every Cantonment Board or where there is no board, by the 'Corporation Sole', who in signing it, will verify its correctness. The statement will also be audited by the Local Audit Officer of the Cantonment Fund at the local audit.

**Note 4.**

(i) In cases where the actual cost of collection of water charges can be clearly determined from the accounts in accordance with the late Army Department Letter No. 96 W.S. /I /AD4 dated 23rd April, 1932 (Vide Note 1 above). Collection charges, if any, that may be incurred by the boards in respect of water consumed for municipal purposes would automatically get included in the above actual cost and the question of preferring separately collection charges in such cases does not arise.

(ii) In cases where the collection charges are recovered by the Cantonment Boards on a percentage basis (vide late Army Department Letter No. 47 W.S.1.A.D. 4, dated 13-2-1933 (vide Note 2 above) the Cantonment Boards are entitled to deduct the prescribed percentage of collection charges from the payments made under section 234 of the act by them to the Military Engineer Services (Officer) for water consumed for municipal purposes.

**ESTABLISHMENT PAY BILLS**

377. (a) Establishment pay bills for the two selected months should be audited in detail. The pay and allowances claimed should be compared with the last audited pay bill and if there are variations, it should be seen that they are supported by the necessary authority and are otherwise in order. Entries in the remarks column should be closely scrutinised and checked with reference to the supporting certificates or other vouchers. In addition it should be seen that
(i) The establishment for which pay is drawn has been sanctioned by Competent Authority

(ii) In the case of new name, the first claim to pay and allowances is supported either by a last pay certificate or by a reference to the order appointing the individual to the service of Cantonment Board;

(iii) Leave salary drawn has been calculated under the relevant rules;

(iv) Officiating promotions have been made under the rules; by competent authority and officiating pay has been drawn correctly;

(v) Increments of progressive salaries when drawn have been earned by qualifying service;

(vi) Arrears of pay and allowances are not drawn in the ordinary monthly pay bill but in a separate supplementary pay bill.

(b) The Acquittance Rolls should be called for and checked in support of all payments entered in the establishment bills with a view to seeing that pay is drawn only for members of establishment who were actually present on the date of disbursement. It should be seen that undisbursed amount if entered in the acquittance rolls and refunded in the next bill by short drawals. The entries relating to undisburse amounts will also be traced into the register which is to be maintained for the purpose. Subsequent -disbursements of these amounts will also be checked.

TRAVELLING ALLOWANCE CLAIMS

378. Travelling allowance claims for the two selected months should be audited in detail. In addition, travelling allowance claims of the Executive Officers paid during the other months should be scrutinised. The instruction contained in para 234 of Defence Audit Code volume I for the audit of travelling allowance claims should apply mutatis mutandis.

NOTE: Indian Officers of the Cantonments Department holding honorary Kings Commission, who has been transferred to the Cantonment Executive Officer service, should continue to be treated as first grade officers for travelling allowance purpose.

DEAD STOCK REGISTER

379  (a) This register should be examined to see that

(i) New purchases have been brought to account;

(ii) The articles struck off the register charge as unserviceable have been so declared by the competent authority;

(iii) Certificates of physical verification have been recorded by the Executive Officer.

(b) The credit for the sale of unserviceable articles should be verified with the auction sale papers and traced into the cash book.

SECURITY BONDS
380. Pass Book and Government promissory notes lodged by the employees with the secretary as security deposits should be examined to see that:—
   (i) The securities have been obtained from the employees who under the rules are required to furnish the same;
   (ii) The amounts shown in the pass books have been pledged in accordance with the security deposit rules;
   (iii) Only stamped bonds have been executed;
   (iv) The details of the securities are entered in a Register maintained for the purpose and checked by the secretary at least once a year.

**NOTE:** Where an Assistant Secretary has been entrusted with the receipt, custody or control of property or monies or securities for money belonging to a cantonment fiend, he should be required under Rule 23 (1) of the Cantonment Fund Servants Rules. To furnish a security deposit in the manner prescribed in Clause (2) of the said rule. The value of each security should be fixed by the Cantonment Authority in each case.

**ACCOUNT OF RECEIPT FORMS**

381. The account of receipt forms should be examined. In particular, it should be seen that these forms are kept under lock and key under the charge of the secretary or the head clerk and are obtained from the Stationery Office, Kolkata.

**INVESTMENTS**

382. It should be seen that investments from the Provident Fund or the Cantonment Fund proper have been made with proper sanction and that record thereof has been maintained in a register in which interest received from time to time is regularly noted. Where the investments are in securities the market value of which is liable to marked fluctuations, it should be seen whether their market value at any recent ascertainable date is markedly in excess or in deficit of their book value.

**NOTE :** The Cantonment boards may invest their funds in fixed deposits in the post office savings bank, which is a bank approved by the Central Government, as required by Sub Section (3) of Section 107 of the Cantonment Act, 1924.

382-A. The L.A.O. will render advice for investments under proper sanction surplus money available in the Cantonment Fund Accounts of the Cantonment Board with reference to the ways and means position of the Cantonment Board in terms of Section 107 (3) of Cantonment Act 1924. (for Investment Fund accumulations please see the last sub para of para 375.)

**HOSPITAL ACCOUNTS**

383. (a) **Medical Case Papers**-Verify Medical case papers relating to the months accounts selected for audit to see that :-
(1) Income of patients as declared by them is entered in the case papers.
(2) The income particulars and types of treatment shown in the case papers are carried over to the respective registers such as A and D register, X RAY register, Out Patient Register, Ambulance Register etc. and
(3) Hospital Charges appropriate to the income are recovered and credited to the cantt. fund.

(b) Diet Register-This register should be examined to see that:
   (i) The calculations are arithmetically correct
   (ii) Free issues of diets and extra are made only to patients who are entitled to this concession under their respective rules;
   (iii) Any over issue of diets and extras is either paid for or written off by the competent financial authority;
   (iv) 10% of the entries in the diet register in each of the two selected months should be checked with the sanctioned scale of diet and with the bed head tickets;
   (v) The total rations for each of the two selected months should be verified with the charges in the contingent bills.

NOTE: If the percentage check prescribed above indicates the desirability of further examination of the accounts, the scope of audit check should of course be extended at the discretion of the Local Audit Officer.

(c) Stock Books of Stores and Instruments-These should be examined to see that:
   (i) They are in the prescribed forms;
   (ii) They have been correctly closed and balanced at the end of each year;
   (iii) Stock verification of stores is conducted annually or periodically as prescribed and the stock books bear signs of verifications by the Executive Officer
   (iv) Stores struck off charge are supported by expense etc. Voucher and have been initialled by the medical officer i/c and are properly disposed off;
   (v) The articles paid for in the contingent bills of the months selected for detailed audit and in other months where the value of the purchase of a single item exceeded by Rs. 500 in value have been brought on charge in the registers concerned.

SCHOOL ACCOUNTS

384. A general scrutiny on broad lines should be exercised on these accounts. It should be ensured that the fees collected by the school authorities are immediately credited in the cash book of the Cantonment Board.

STORE ACCOUNTS

385. Castings in the stock books for stores other than those of hospitals should be checked cent percent for the audit period. The audit drill prescribed in para 379 will be followed in this case also. P.O.L. ACCOUNTS
386. It will be seen that the account is maintained in the form prescribed by the M.L.C. Directorate, separately for each audit period.

**REGISTER OF UNSERVICEABLE AND WORN-OUT STORES**

387. It should be seen in audit through a broad general scrutiny that all worn out articles, particularly costly and attractive items of ready market value like vehicle spares, etc. are accounted for in the register and disposed of to the best advantage of the Cantonment Board.

**REGISTER OF OCCUPATION AND VACATION OF QUARTER**

388. The register should be scrutinised on broad lines to see that it is properly maintained.

**TRUNK CALL REGISTER**

389. It should be ensured that the register is properly maintained and the amounts on account of private calls have been realised and credited to Cantonment Funds.

**ASSESSMENT REGISTERS**

390. Entries of the Assessment list should be traced in the demand and collection register cent percent and omission, if any pointed out. As revenue is involved, the previous year’s registers should also be taken into account.

**CONTRACTS**

391. It should be seen in audit that where, a cantonment board has in rare cases, executed works for 'public bodies' the departmental charges are recovered in addition to the cost of work.

**SERVICE BOOKS**

392. Ten percent of the current service books should be selected for check within each period of approximately twelve months. In order to ensure covering all the ground systematically complete record should be kept of all service books checked each year. The service books actually checked should be endorsed to this effect, dated and initialled by the auditor concerned.
The check of service books should consist in seeing that:

(i) The books are kept in safe custody;
(ii) Corrections have been duly attested;
(iii) The fixation of initial pay as recorded in the service books is correct (the same initial rate should not ordinarily be verified more than once);
(iv) the period allowed to count for increment of pay is correct particularly where broken periods are concerned;
(v) Joining time taken on transfers is correct and is according to the rules;
(vi) The leave taken during the preceding 10 years (or since the last verification of leave) has correctly granted.

NOTE: It is an advantage if Cantonment authorities maintain service rolls containing a brief statement of service and other particulars in respect of menial employees regarding whom the question of payment of gratuities under Rule (161 of the Cantonment Fund Servant Rules is likely to arise in future.

LEAVE TO CANTONMENT FUND EMPLOYEES

393. The grant of leave and leave salary to Cantonment Fund Employee is regulated by Fundamental Rules.

The grant of leave to Contract Officers of non Asiatic domicile, specially recruited overseas, will be governed by Model Leave Rules as given in Appendix 10 to the Posts and Telegraphs Compilation of the Fundamental Rules. In the case, however, of future incumbents, who may not specially be recruited overseas for service in India, the grant of leave will be made in accordance with the terms of the Government of India, Finance Department letter No. R 7(58) R.I. 34, dated 26/10/34 (vide Appendix 10 A to Posts and Telegraphs Compilation of the Fundamental Rules).

Note 1. : Maternity leave on full pay for one month may be granted to those female employees paid out of the contingencies who are in continued service of the cantonment authorities that is who are not casual labourers. The concession will be given only if they return to duty on the expiry of the leave.

Note 2. : The menial servants named in Rule 2 (d) of the Cantonment Fund Servants Rule 1937, if they hold substantive whole time appointments under a Cantonment Board are governed by the Fundamental Rules under Rule 3 of the Cantonment Fund Servants Rules 1937

Leave Executive Officers - eave accounts of the members of the Cantonment Executive Officers; Service should be examined in the course of the local audit of the accounts of the Cantonments concerned and the admissibility of any leave granted checked.

Pension and Gratuity

394. (a) A Scheme of Pension cum Gratuity benefits has been extended to employees of Cantonment Boards with effect from 01-5-76 under Government of India, Min. of
Defence letter No. 25/51/C/L & C/72/2004 C/D (O & C) dated 31-7-76 (reproduced as Appendix 'G' to the ALAM Part I). They will be eligible for Pension-cum- Gratuity Scheme on the same terms and conditions as are applicable to the Central Government Employees under the Central Civil Services (Pension) Rules, 1972.

(b) Provisional pension and gratuity to the eligible cantonment employees will be sanctioned by the President, Cantonment Board subject to post audit by Local Audit Officer as per the Audit Drill.

(1) The claims on account of ordinary pensionary benefits will arise only in respect of those Government Servants who were holding permanent and substantive appointments at the time of their becoming non effective and in the following circumstances:-

(i) On selection for discharge owing to the abolition of permanent post in which event he will be eligible for compensation Pension/Gratuity.
(ii) On retirement from public service on medical grounds as certified by the appropriate medical authority. In this event he is eligible for invalid Pension/Gratuity.
(iii) On transfer to the pension establishment on attaining the, age of superannuation. In this event he is eligible for superannuation Pension/Gratuity.
(iv) On retiring from service after completing the prescribed period of qualifying service of 30 years. In this event he is eligible for retiring Pension/Gratuity.
(v) On compulsory retirement as penalty. In this event the individual may be granted by the competent authority pension or gratuity or both at a rate not less than two thirds and not more than full compensation pension or gratuity or both admissible to him on the date of his compulsory retirement.
(vi) On dismissal or removal from service for misconduct insolvency or inefficiency. In this event no pension as such is admissible. However, the individual may be granted by the competent authority, compassionate allowance, which will not exceed two thirds of pension or gratuity or both which would have been admissible to him if he had retired on compensation pension.

(2) The following points will be seen in the audit of pension/gratuity claims (in respect of the Cantonment Employees).

Pension

(i) The individual was holding a permanent and substantive appointment at the time of his retirement.
(ii) He has rendered ten years or more qualifying service. In the case of an individual retiring before completing qualifying service of ten years, the service gratuity appropriate to the amount as set out in rule 49 of the CCS(P) Rules 72, shall be payable.

Note: Qualifying service (as above) shall be established with reference to the entries in service books.

(iii) The provisional pension and gratuity to the eligible Cantonment Fund Employees has been sanctioned by the Presidents Cantonment Boards.
(iv) The retirement of the individual has been notified in D.O. Part II and an entry
to this effect has been made in the Service records.

(v) The individuals has opted for pensionary benefits in terms of Government of
India, Min. of Defence letter No. 25/51/C/ L & C/72/2004 C/D (Q & C) dated 31-7-76
within the stipulated period of 90 days and the option (in case of non gazetted staff) has
been countersigned by the H.O.O. In case of failure of option within the stipulated period
of ninety days, an individual will be deemed to have opted for pension-cum-gratuity
scheme.

(vi) If the individual was subscribing towards CP Fund for any spell of service a
certificate regarding resumption of Board's contribution and bonus with interest thereon
from the provident fund account to the pension fund duly countersigned by the PAO
should be looked into.

(vii) A certificate regarding verification of pay columns has been endorsed in
service book and countersigned by the PAO/LAO.

(3) In the case of retiring/invalid/compensation pension the following documents
should be looked for in addition.

(i) **Retiring Pension**-A copy of the order notifying the retirement of the
individual from the specified date.

(ii) **Invalid pension**-Invalidment certificate on IAFM-8 from a Military Medical
Board, in case the individual has accepted the field service liability. In other cases a
medical certificate from the appropriate medical authority specified in Rule 38 of the
Central Civil Services (Pension) Rule 72 in the proforma prescribed therein.

(iii) Compensation Pension-A copy of the order regarding the abolition of the
permanent post and certificate from the appointing authority that no equivalent post was
offered to the individual.

(4) It will be seen that pension has been calculated on the basis of average
emoluments for the last ten months of qualifying service as also on the basis of
qualifying service rendered.

*(5) The maximum qualifying service for earning pension shall be sixty six
completed six monthly periods of service. In calculating the length of qualifying service
fraction of a year equal to three months and above shall be treated as a completed one
half year and reckoned as qualifying service.


(6) The amount of pension shall be fixed at monthly rates and expressed in whole
rupees. In cases where pension contains a fraction of a rupee, it shall be rounded off to
the next higher rupee.

(7) While the full amount of pension may be authorised for payment at the
provisional rate, ten per cent of gratuity or Rs. 1,000 whichever is less, shall be withheld
from the Retirement/Death Gratuity partly to cover unassessed dues, if any, and partly as
margin for adjustment in light of the final determination of gratuity, all Government dues
will, however, be recovered from Retirement/Death Gratuity.

(8) In respect of the individuals who retired on invalid pension in terms of Rule
38 of Central Civil Services (Pension) Rules 1972 the amount of invalid pension shall
not be less than the amount of normal rate of family pension as mentioned in para 14 of this drill, Retirement/Gratuity.

(9) It should be seen that:-

(i) Retirement/Death Gratuity has been sanctioned to a permanent employee who has completed five years qualifying service and has become eligible for service gratuity or pension under para 2 above. The amount of Retirement Gratuity will be equal to one fourth of the individual's emoluments for each six monthly period of qualifying service subject to a maximum of 16 1/2 times of the emoluments.

(ii) In cases of death while in service, the death gratuity shall be paid to his family in the manner indicated in sub-rule (1) of Rule 51 Central Civil Services (Pension) Rules-1972 at the rates given in table below : -

<table>
<thead>
<tr>
<th>Length of qualifying service</th>
<th>Rate of death gratuity</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Less than 1 year</td>
<td>2 times of emoluments.</td>
</tr>
<tr>
<td>(ii) One year or more but less than 5 years</td>
<td>6 times of emoluments.</td>
</tr>
<tr>
<td>(iii) 5 years or more but less than 20 years</td>
<td>12 times of emoluments.</td>
</tr>
<tr>
<td>(iv) 20 years or more</td>
<td>Half of emoluments for every completed six-monthly period of qualifying service subject to a maximum of 33 times of emoluments.</td>
</tr>
</tbody>
</table>

Provided that the amount of retirement or death gratuity payable under clauses (i) and (ii) above shall in no case exceed Rs. *3.5 Lakh*.


Provided further that where the amount of retirement or death gratuity as finally calculated contains a fraction of a rupee it shall be rounded off to the next higher rupee.

If a Government servant, who has become eligible for a service gratuity or pension, dies within five years from the date of his retirement from service including compulsory retirement as a penalty and the sums actually received by him at the time of his death on account of such gratuity or pension including ad hoc increase, if any, together with the retirement gratuity admissible under sub-rule (1) of Rule 51 Central Civil Services (Pension) Rules-1972 and the commuted value of any portion of pension commuted by him are less than the amount equal to 12 times of his emoluments, a residuary gratuity equal to the deficiency may be granted to his family in the manner indicated in sub-rule (1) of Rule 51 Central Civil Services (Pension) Rules-1972.

(10) The emoluments for the purpose of Retirement/Death Gratuity shall be, subject to the maximum of rupees thirty thousand p.m. and shall be reckoned in accordance with rule 33 of the CCS (Pension) Rules 72.

**NOTE FOR READERS:** -In the case of retirement/Death Gratuity, DA admissible on the date of retirement/death shall also be treated as emoluments.
Provided that if the emoluments of a Government servant have been reduced during the last ten months of his service otherwise than as penalty, the average emoluments as referred to in Rule 34 Central Civil Services (Pension) Rules-1972 shall be treated as emolument.

(11) The gratuity shall be paid to the person or persons on whom the right to receive the gratuity is conferred by means of a valid nomination. If there is no nomination or if the nomination made does not subsist the gratuity shall be paid in the manner indicated in Rule 51 (1) (b) (i) and (ii) of the CCS (P) Rules 72.

(12) The nomination for death gratuity shall be made in favour of one or more members of his family. For this purpose the term "family" means the person refer red to in Rule 50 (6) of the Central Civil Services (Pension) Rules-72.

(13) Where a Government servant dies while in service or after retirement without receiving the amount of gratuity and leaves behind no family and-

(a) has made no nomination, or

(b) the nomination made does not subsist,

the amount of *[retirement, gratuity/death gratuity] payable in respect of such employees **[Under Rule 50 Central Civil Services (Pension) Rules-1972] shall lapse to the Government Provided that the amount of death gratuity/retirement gratuity shall be payable to the person in whose favour a succession certificate in respect of the gratuity in question has been granted by a Court of Law.


NOTE FOR READERS:-In the case of retirement/Death Gratuity, DA admissible on the date of retirement/death shall also be treated as emoluments.

FAMILY PENSION

(14) It should be seen that:

(i) The family pension has been sanctioned to the family of a Government servant who dies--

(a) after completion of one year of continuous service; or

(aa) before completion of one year of continuous service provided the deceased Government servant concerned immediately prior to his appointment to the service or post was examined by the appropriate medical authority and declared fit by that authority for Government service; or

(b) after retirement from service and was on the date of death in receipt of pension, or compassionate allowance and has been calculated correctly with reference to pay and is within the maximum/minimum limits,
the family of the deceased shall be entitled to Family Pension, 1964 (hereinafter in this rule referred to as family pension) the amount of which shall be calculated at a uniform rate of 30 % of basic pay in all cases instead of slab system and shall be, subject to a minimum of Rs. 1,275 per month and a maximum of 30 % of the highest pay in the Government. (The highest pay in the Government is Rs. 30,000 since 1-1-1996).

The revised provisions as per these orders shall apply to Government servants who retire/die in harness on or after 1-1-1996. The individual died while in service after having rendered not less than seven years continuous service or after retirement with pension/compassionate allowance, the rate of family pension payable to the family shall be equal to 50% of the pay last drawn or twice the family pension admissible under clause (i) above, whichever is less. The amount as determined shall be payable:-

(a) In the event of death of an employee while in service for period of seven years or upto the date on which the deceased employee would have attained the age of *[67 years] had he survived, whichever period is less.

(b) In the event of death after retirement the family pension at the enhanced rates shall be payable upto the date of which deceased Government Servant would have attained the age of *[67 years] had he survived or for seven years whichever period is less but in no case the amount of family pension shall exceed the amount of pension sanctioned to the individual at the time of his retirement. However, in cases where the normal rate of family pension admissible exceeds the pension sanctioned at the time of retirement, the family pension shall not be less than that amount.

*This will be applicable in cases where Government servant is to retire at the age of 60 years in pursuance of the notification No. G. S. R. 248(E), dated 13-05-98 and not where Government servant has already retired at the age of 58 years or would have retired at the age of 58 years but for his premature retirement. [Authority G.1., Department of Pension and P.W., O.M. No. 45/8/97 P and P.W., (E), dated the 2nd February, 1999]

NOTE FOR READERS: -The expression ‘continuous one year of service’ wherever it occurs in this rule shall be construed to include ‘less than one year of continuous service’ as defined in Para 14 (aa) ibid

(ii) Where a government Servant who is governed by the work men's compensation Act, 1923 (8 of 1923) (dies while in service after having rendered not less than seven years continuous service, the rate of family pension payable to the family shall be equal to 50% of the pay last drawn or twice the family pension whichever is less.

(15) The following documents should be seen: -

(i) Pension application from the eligible member in IAFA 356A with page 3 and 5 thereof duly signed by the Head of the office himself with a certificate to the effect that the service rendered has been satisfactory.

(ii) Sanction of the Dy. Director ML & C for the grant of family pension.

(iii) Option for pensionary benefits exercised by the individual in terms of Min. of Defence letter No. 25/51/C/L & C/72/2004 C/D (Q & C) dated 31-7-76 within the
stipulated period of 90 days. The option so exercised should also be countersigned by the R.O.O.

(iv) D.O. Part II Order notifying the casualty or death certificate if the individual dies after retirement.

(v) Certificate regarding the resumption of government Contribution with interest thereon duly countersigned by the PAO.

(vi) A statement showing the details of family members, furnished by the individual while in service and countersigned by the Head of the office or in its absence if the claim was preferred in favour of the widow, certificate by the H.O.O. to the effect that the claimant is the only widow, i.e., the officer is not survived by any other widow including a widow who had been judicially separated from her husband before his death or by any other eligible minor children from the other widow.

(vii) A certificate to the effect that the individual was not governed by Workmen's Compensation Act, 1923 or governed by Workmen's Compensation Act, 1923 but not eligible to any compensation there under. This certificate is required only in those cases where the payment of enhanced rate of family pension is involved.

(viii) The nomination for Gratuity as mentioned in para 11 above in the prescribed form and duly countersigned by the H.O.O. in respect of the non gazetted employees. If the nomination does not exist or the nomination exists but it does not subsist a statement showing the details of the surviving family members from the highest ranking eligible member of the family of the deceased duly attested by gazetted/commissioned officer/JCO either serving or retired.

Note: The eligibility of the claimants to receive family pension/ death gratuity is determined with reference to the facts obtaining on the date of death of the Government Servant.

(16) The family pension is payable in the following orders.

(i) wife or wives including judicially separated wife or wives in the case of a male Government servant,

(ii) husband, including judicially separated husband in the case of a female Government servant,

(iii) sons including stepsons and adopted sons,

(iv) unmarried daughters including stepdaughters and adopted daughters,

(v) widowed daughters including stepdaughters and adopted daughters,

(vi) father, including adoptive parents in the case of individuals whose personal law permits adoption.

(vii) mother,

(viii) brothers below the age of eighteen years including stepbrothers,

(ix) unmarried sisters and widowed sisters including stepsisters,

(x) married daughters, and

(xi) children of a pre-deceased son.

(17) The period for which family pension is payable shall be as follows: -
(i) in the case of a widow' or widower, up to the date of death or re-marriage, whichever is earlier;
(ii) in the case of a son, until he attains the age of twenty-five years; and
(iii) in the case of an unmarried daughter, until she attains the age of twenty-five years or until she gets married, whichever is earlier;

Provided that if the son or daughter of a Government servant is suffering from any disorder or disability of mind *[including mentally retarded] or is physically crippled or disabled so as to render him or her unable to earn a living even after attaining the age of **[twenty-five years], the family pension shall be payable to


such son or daughter for life subject to the following conditions, namely : -

(i) if such son or daughter is one among two or more children of the Government servant, the family pension shall be initially payable to the minor children in the order set out in Clause (iii) of Para (18) until the last minor child attains the age of *{twenty-five years} and thereafter the family pension shall be resumed in favour of the son or daughter suffering from disorder or disability of mind **{including mentally retarded} or who is physically crippled or disabled and shall be payable to him/her for life;

*** (ii) if there are more than one such children suffering from disorder or disability of mind [including mentally retarded] or who are physically crippled or disabled, the family pension shall be paid in the order of their birth and the younger of them will get the family pension only after the elder next above him/her ceases to be eligible;

Provided that where the family pension is payable to such twin children it shall be paid in the manner set out in Clause (d) of sub-rule (7) of this rule;

(iii) ****[the family pension shall be paid to such son or daughter through the guardian as if he or she were a minor except in the case of the physically crippled son/daughter who has attained the age of majority];

(iv) before allowing the family pension for life to any such son or daughter, the appointing, authority shall satisfy that the handicap is of such a nature so as to prevent him or her from earning his or her livelihood and the same shall be evidenced by a certificate obtained from a medical officer not below the rank of a Civil Surgeon setting out, as far as possible, the exact mental or physical condition of the child;


(v) the person receiving the family pension as guardian of such son or daughter *(or such son or daughter not receiving the family pension through a guardian) shall
produce every three years a certificate from a medical officer not below the rank of Civil Surgeon to the effect that he or she continues to suffer from disorder or disability of mind or continues to be physically crippled or disabled.

*(vi) in the case of a mentally retarded son or daughter, the family pension shall be payable to a person nominated by the Government servant or the pensioner, as the case may be, and in case no such nomination has been furnished to the Head of Office by such Government servant or pensioner during his lifetime, to the person nominated by the spouse of such Government servant or family pensioner, as the case may be, later on.

Provided that where there is/are child/children the family pension shall not be payable to the judicially separated wife or husband. In such cases the family pension shall be payable to the person who is the actual guardian of such child or children. If however the judicially separated wife or husband is the actual guardian of the child or children, the family pension shall be payable to such judicially separated wife or husband, as the case may be.

(18) (i) Except as provided, the family pension shall not be payable to more than one member of the family at the same time.

(ii) If a deceased Government servant or pensioner leaves behind a widow or widower, the family pension shall become payable to the widow or widower, failing which to the eligible child.

(iii) Family pension to the children shall be payable in the order of their birth and the younger of them will not be eligible for family pension unless the elder next above him/her has become ineligible for the grant of family pension:-

Provided that where the family pension is payable to twin children it shall be paid to such children in equal shares Provided that when one such child ceases to be eligible his/her share shall revert to the other child and when both of them cease to be eligible the family pension shall be payable to the next eligible single child/twin children.

(19) The period for which family pension is payable shall be as follows:-

(i) In the case of a widow or widower upto the date of death or remarriage whichever is earlier.


(ii) In the case of son, until he attains the age of twenty five years.

(iii) In the case of an unmarried daughter, until she attains the age of twenty five years or until she gets married whichever is earlier.

(iv) In case where the claimant of family pension gratuity is a minor, the following documents should be seen:-

(a) If there is natural guardian for the minor claimant the payment of a junior's share is paid to the natural guardian (mother is not natural guardian under Muslim law).

(b) If there is no natural guardian, the guardianship certificate issued by the court is received in original and the person desiring payment on behalf of the minor claimant has been nominated by the court to be in charge of the minor's person and property.

(c) In case there is no natural guardian and the amount of death gratuity or family pension payable to each minor is less than Rs. 10,000 (or where the amount exceeds this limit, for the payment of first Rs. 10,000) the indemnity bond and affidavit are furnished by the defacto guardian in plain paper and on the prescribed forms.
(d) The indemnity bond is signed by the obligor and the sureties and is properly witnessed.

(e) The alterations are fully attested by the obligor and the sureties.

(f) No payment beyond Rs. 10,000 is arranged in respect of each minor claimant on the basis of the indemnity bond. Any payment over and above that amount, will be arranged only on production of a legal guardianship certificate from court if no guardianship certificate is produced, the arrears of family pension can be paid to the minor only after he/she attains the age of 18 years.

(g) The obligor and sureties are major.

**Note 1.** Where an officer is survived by more than one widow the pension will be paid to them in equal shares. On the death of the widow her share of pension will become payable to her eligible minor child. If at the time of her death a widow leaves no eligible minor child the payment of her share of pension will cease.

**Note 2.** Where an officer is survived by a widow but has left behind an eligible minor child by the other widow that minor child will be paid the share of pension which the mother would have received if she had been alive at the time of death of the officer.

(20) The expression "EMOLUMENTS" means pay as defined in Rule 9(21) of the Fundamental Rules which an employee was receiving immediately before his retirement or on the date of his death.

(21) The graded reliefs on pension are payable as admissible from time to time.

(22) **Break in Service**-In the absence of a specific indication to the contrary in the service records an interruption between two spells of service rendered under the Central Government including the service paid out of Defence Estimates or Railways Estimates will be treated as automatically condoned and the preinterruption service treated as qualifying for pension except where it is otherwise, known that the interruption was caused by resignation, dismissal or removal from service or participation in strike. The period of interruption itself will under no circumstances be reckoned as qualifying service for pension.

(23) Extra ordinary leave granted on medical certificate qualifies for pension. The appointing authority may, at the time of granting extra ordinary leave, also allow the period of such leave to count as qualifying for pension if the leave granted to Government Servant is:

(i) Due to his inability to join or rejoin duty on account of civil commotion or

(ii) For prosecuting higher technical and scientific studies.

(Authority: - CGDA New Delhi letters No. 70781AT-S, dated 8-1-79 & even No. dated 21/22-6-79 as amended.)
Appendix `G' to ALAM Part I
(Referred to in Para 394)

Copy of Government of India, Min. of Defence, New Delhi Letter No. 25/51/C/L & C/72/2004-C/D (Q & C) Dated 31-7-76 addressed to the Director, Mily. Lands & Cantonment, New Delhi.

Subject: Pension Cum Gratuity Scheme.

The question of admitting employees of Cantonment Board to the benefits of the Pension-Cum-Gratuity Scheme, in lieu of the existing Provident Fund and Bonus Scheme, as urged by the CBEF has been under consideration of the Government for some time. After careful consideration, the government have since decided that Cantonment Board Employees be made eligible to the Pension-cum Gratuity Scheme in lieu of Provident Fund and Bonus Scheme as at present with effect from the 1St May, 1976, subject to the following conditions.

(a) Persons recruited on or after 1st May, 1976 shall be eligible for Pension-Cum-Gratuity on the same terms and conditions as are applicable to the Central Government employees under the central Civil Services (Pension) Rules 1972. They will furnish an acknowledgement subscribing to this effect.

(b) Serving employees will have the option to opt either for the Pension-Cum-Gratuity Scheme or to remain under the existing Provident Fund and Bonus Scheme and shall exercise the option within a period of 90 days from the date of this letter. If a serving employee fails to exercise the option within the period specified, he/she shall be deemed to have opted for the Pension-cum-Gratuity Scheme. Employees who opt for being governed by the Contributory Provident Fund-cum-Bonus Scheme, will continue to be governed by the existing relevant provision of CFSR 1937.

(c) Consequent on the above, the aggregate amount of Board's contribution and bonus at present lying in the Provident Fund Account to the credit of the employees who have hitherto been eligible to the Pension-cum-Gratuity Scheme, will be withdrawn and credited to a separate fund called "Pension Fund" as described in sub para (d) below. Likewise, all such contribution and bonuses that would become payable to the employees (i.e. those who opt for the Pension-cum-Gratuity Scheme, then who are recruited on or after 1-5-76) but for the introduction and adoption of Pension-cum-Gratuity scheme, will also be credited to the Pension Fund.

(d) Each board will establish a Pension Fund which shall consist of the Board's contribution to the Provident Fund and bonuses as indicated below:-

(i) Amount due to the serving employees who opt for the Pension-cum-Gratuity scheme and are lying to their credit in the provident fund.

(ii) Amount that would become due to such employees had they not opted for the Pension-cum-Gratuity scheme.

(iii) Amount that would have been due to fresh entrants under Rule 39 of CFSR 1937 but for the introduction of the Pension-cum-Gratuity Scheme.
The pension fund shall be invested by the Cantonment Boards in the State Bank of India or in any of the Nationalised Banks in the saving bank or in other kinds of deposits in suitable proportions so as to maximise the income occurring there from; and all expenditure in connection with payment of pension and gratuity shall be incurred by the Cantonment Records from the Pension Fund only, unless specifically authorised by the Central Government.

(e) Government retains the right to issue such directions and make such modifications, on the subject and other related matters as may be considered necessary for the removal of doubts or difficulties in the operation of the scheme.

SPECIAL GRANTS-IN-AID MADE TO CANTONMENT BOARDS

395. (i) All special grants-in-aid made to Cantonment Boards should, unless otherwise permitted, be spent during the financial year in which they are made.

(ii) These grants should not, without previous sanction of the Central Government, be utilised for any work other than those for which they are originally made.

(iii) On completion of any work, for which a special grant in aid has been made, the unspent balance, if any, should be surrendered to the Central Government forthwith.

(iv) If a work for which a special grant-in-aid is made and which is expected to be completed before the close of the financial year, cannot, for some unforeseen reason, be completed within that year, the unspent balance at the close of the year should be surrendered to the Central Government and an application for its re-grant during the next financial year made simultaneously.

(v) If, after a Special Grant-in-Aid has been made to any Cantonment Board, they decide for some reason to postpone the work to some future year, the amount of the grant-in-aid should be surrendered forthwith and application for its re-grant made at the same time.

TENDERS FOR WORK AND SUPPLIES

396. In cases where tenders for work, supplies etc. are accepted by the Boards at rates above the lowest quoted, the boards resolution accepting the tender should invariably contain a statement of the reasons which led the board to accept the rates other than the lowest quoted and this resolution should be made available to the auditors at the time of the audit of the accounts.

Note: In view of the provisions in chapter VII of the Cantonments Act, 1924, which give complete discretion to the boards in regard to contracts, it is not possible to prescribe by rule the procedure that a board should adopt before giving out a contract or work.

MISCELLANEOUS

397. It should be seen that the fund is solvent, that it is applied to the purpose for which it is intended, that is being properly utilised and that its continuance is expedient.
Note 1. : In regard to the treatment of periods spent on courses of training by Cantonment Funds Servants, the rules applicable to the employees of the Local Government should also be applied to Cantonment Fund Servants serving within the territorial limits of the Local Government.

Note 2. : The part time Executive Officers of Cantonments are exempted from crediting to Government any portion of the fee received by them from Cantonment Funds.

Note 3. : The Central Government has decided that one half of the cost of the salary of the members of the Cantonment Executive Officer's, service other than Class II Executive Officers of the Cantonment Department transferred thereto shall be paid by Government. A moiety of the actual leave salary of such members of the service, referred to above, shall be paid to the Cantonment Boards who meet the leave pay of such officers as indicated in clause (vii) of para 1 of the Defence Department Letter No. 1270/0/D-4 dated 4-1-1938.

The Cantonment Boards should submit to the Principal Controllers/Controllers of Defence Accounts concerned annually certificates from the Local Audit Officers concerned showing the correctness of the amounts claimed and paid.

Note 4. : As the Government are now bearing half the cost of the salary of the members of the Executive Officer's service no element should be included on their account in the Supervision charges in respect of the conservancy service rendered to troops.

Note 5. : In pursuance of the proviso to sub section (2) of section 12 of the Cantonment Act, 1924, the Central Government has directed that the salary of class II Executive Officers of the Cantonment Department transferred to the Cantonment Executive Officer's service shall cease to be wholly paid by Government. Half the salaries of these officers will, from the date, be payable out of the Cantonment Funds concerned. It has been further decided that with effect from the same date amounts representing the following should be recovered monthly from the Cantonment Boards concerned: -

(i) Half the salary of these officers;
(ii) Leave contribution at 12 1/2% of half the salary, and
(iii) Pension contribution on their full salary at the rate prescribed for members of the Subordinate Services in Finance Department Resolution No F. 81-R 1124 dated 11th February, 1929, as amended by Finance Department Resolution No. D-484-R 11, dated the 15th February 1930 (vide Appendix 11-A of Volume II of Posts and Telegraphs Compilation of F.R. and S.R.) Any change in the rates of contribution notified by the Finance Department in regard to Government Servants employed on foreign Service will be applicable in the case of these officers. In the case of officers recruited from the Indian Territorial Force, the full contribution towards the Cantonment Provident Fund will be payable by the Cantonment Boards concerned.

The recoverable portion of their salary during the transit period should be charged to the cantonment to which the officer is proceeding.
Note 6. : (i) Where on account of the scarcity of officers or as a measure of economy the same person is appointed to be Executive Officer of two Cantonments land paid an allowance in addition to his scale pay, Government should not only pay half the total salary in accordance with section 12 (2) of the Cantonment Act, 1924, but should also divide the other half equitably between the two Cantonment Funds.

(ii) The term "Salary" referred to above and as used in section 12(2) of the Cantonment Act, 1924, means the total emoluments paid to all Executive Officer on account of his employment vide definition of 'salary' in section 60 of the Code of Civil Procedure.

Note 7. : When a member of Cantonment Executive Officer's services holding charge of a cantonment is temporarily appointed to hold charge of another Cantonment in addition, he shall be paid a charge allowance of Rs. 50 per mensem for a class I Cantonment or for a class II Cantonment to which such clause (i) or (ii) of clause (e) of sub section (4) of Section 13 of the Cantonment Act, 1924, is applicable and Rs. 30 per mensem for a class II Cantonment to which sub-clause (iii) of the said clause is applicable or for a class III Cantonment. For the purpose of the allowance, the class of a Cantonment in respect of which a notification has been issued under the proviso to sub-section (i) of Section (13) of the Cantonment Act 1924, shall be computed as if such notification had not to be issued.

In accordance with the provisions of Sub Section (2) of section 12 of the Cantonment Act 1924, half the total salary (grade pay plus charge allowance) of the officer appointed as in paragraph 1 above will be met by Government and the other half will be borne in the proportion of 4/5th by the fund of the Cantonment where he holds his substantive appointment and 1/5th by the fund of the other Cantonment. In the case of the late class II (J.C.Os and ITF) officers of the Cantonment Department transferred to Cantonment Executive Officer's services, the leave and pension contributions will also be recovered from the Cantonment fund concerned in the same proportion. These orders will not apply to the Executive Officers DehraDoon Cum Landour and Jalapahar-Cum-Legong Cantonments.

Note 8. : House accommodation, etc. for Cantonment Executive Officers- Where boards own houses, there should be no objection to their renting them to the Executive Officers at 10 percent of their salary. In other Cantonments while the building of houses should not generally be permitted the Government of India have no objection to this being done in Class III Cantonments provided that no grant-in-aid will be required to maintain the financial equilibrium of the find concerned. Individual cases for the hiring of bungalows by boards for specific officers should be submitted to Government of India for sanction. Sanction given will be for a specific officer and will not hold good for his successor who might draw a larger salary.

No concession should be given to executive officers who are not authorised under the C.E.O.s Rules, 1937 and are without the previous sanction of the Government of India. Where exceptional circumstances justify any such concession, the case may be submitted for the orders of Government.

ANNUAL ACCOUNTS
398. On receipt of the consolidated annual account in duplicate (vide Rule 40(4) of the Cantonment Account Code) the two copies should be compared, one copy forwarded to the General Officer Commanding-in-Chief through the P.C.D.A./C.D.A. and the other retained for local audit. The consolidated annual accounts should be checked with reference to the original accounts maintained in the Cantonment Office and the balances verified with the pass book. After completion of the check, the certificate mentioned in Rule 12 (2) of the Cantonment Account Code should be furnished. The fact of verification of the annual accounts should be endorsed on the copy of the consolidated account retained for the purpose.

SCRUTINY OF LOSS STATEMENT RELATING TO LOSS OF CANTONMENT FUND PROPERTY

399. The L.A.Os will see at the time of their normal audit visits to Cantonment Boards that the loss statements are complete in all respects and bear the orders of the competent financial authority for the write off of the losses.

Note: A Pre-Scrutiny of the loss statements, as in the case of Army Units/Formations need not be undertaken by the Defence Accounts Department. An audit report in terms of Para 14(i) and (ii) of the Cantonment Account Code will, however, be furnished by the P.Cs.D.A./Cs.D.A. If such a report is called for by the G.O.C.-in-C.

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# CHAPTER - IX

**AUDIT OF ACCOUNTS OF MISCELLANEOUS FORMATIONS**

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SECTION 1-ARMY HEADQUARTERS BRANCHES

GENERAL

406. All military personnel employed in Army Headquarters Branches are attached to Army Headquarters Camp; National Stadium for "Rations, Clothing and equipment etc." and the accounts of this formation will be audited in the same manner as that of other consuming units.

TYPES OF STORE ACCOUNTS MAINTAINED BY ARMY HEADQUARTERS BRANCHES AND MINISTRY OF DEFENCE AND AUDIT PROCEDURE RELATING THERETO

407. The following special type of store accounts are maintained by Army Headquarters Branches and Ministry of Defence and audit procedure relating thereto is given below against each-
I. Libraries—Various libraries in Army Headquarters Branches and the Ministry of Defence libraries maintain (1) Accession ledgers for books and (2) Manuscript ledgers cards "MGIPC-SI-53 DEF," FOR journals, magazines and newspapers. It should be seen that:

(a) books are entered in a serial order in accession ledger;
(b) no entry has been deleted without quoting reference to an issue vouchers (I.A.RZ. 2096) or in the case of loss a C.I.V. (I.A.EZ. 2096) which should be supported by orders of the Ministry of Defence writing off the loss under Rule 168 FR Part I Volume I (1983 Edition).
(c) list of issue vouchers and C.I.Vs is kept in each ledger;
(d) periodical stock verification prescribed in Government orders has been carried out, a certificate to that effect endorsed on the ledgers by an officer, lists of books found surplus and deficient is appended thereto and adjustment of surplus or deficient books has been carried out promptly;
(e) Journals, magazines and newspapers are entered in the manuscript ledger cards "MGIPC-S-1-53 Def" in chronological order on a separate page for each newspaper, journal and magazine and the under mentioned particulars are recorded therein:
   (1) amount of subscription paid in advance
   (2) Period of subscription
(f) all issues for the period of subscription have been received regularly in accordance with the frequency specified on the ledger sheet/card and taken on charge;
(g) old newspapers, journals and magazines have been disposed of by sale and the amount realized has been credited to Government.

II. Defence Headquarters Journal—The C.A.O. Ministry of Defence published D.H.Q. journal fortnightly. It should be seen that:
(a) the No. of copies of the journals actually printed are taken on charge on I.A.F.Z. 2286-A duly supported by receipt voucher (I.A.F:Z. 2096);
(b) copies distributed free are struck off charge on a C.I.V (I.A.F:Z.2096);
(c) list of offices entitled to receive the journal free of charge, duly approved by the C.A.O., is kept on record;
(d) number of copies issued on payment are struck off charge on IT Vouchers (I.A.F.Z.2096) and the amount realized has been credited to Government;
(e) rate for issue on payment has been approved by the Ministry of Defence (Finance);
(f) charges for advertisement in the journal have been fixed in consultation with the Ministry of Defence (Finance);
(g) recovery at the prescribed rate for all advertisements actually appearing in the journal has been effected and noted in the Register of Advertisements and the amount so recovered has been credited in the cash book without delay;
(h) unsold copies of the journal are mutilated and disposed of by sale along with the bulk of waste paper to paper mills and the amount realized has been credited to Government.

III. The C.A.O.—Ministry of Defence holds stock of camp kit and civilian clothing for issue to the newly commissioned and released officers respectively. It should be seen that: -
(a) issues are supported by I.A.F.Z.-2096 and certificates to the effect that camp kit (or cash allowance) and civilian clothing has been received previously;
(b) camp kit and civilian clothing have been issued on the scales laid down in the relevant orders, i.e. A.I. or Release Regulations.

IV. Hot and Cold Weather Amenity Stores Ledgers-It should be seen that:
(a) expendible stores, e.g. Ice, coal and firewood have been issued at the scales and during the periods approved by the C.A.O. Ministry of Defence;
(b) number of sigries in use have been stated on I.A.F.Z. 2096;
(c) all expense vouchers have been signed by an officer;
(d) unserviceable non-expendible stores have been condemned by a board of officers and disposed of by sale and the amounts realised have been credited to Government.

V. Miscellaneous stores ledgers-General Instructions laid down for the audit of the accounts of consuming units should be followed in the audit of these ledgers.

VI. Livery Ledgers-It should be seen that-
(a) livery articles have been issued in accordance with the scale laid down in Government orders issued from time to time and notified in office orders published by the C.A.O./Head of office;
(b) I.A.F.Z. 2096 is supported by a nominal roll of the individuals to whom issues have been made;

Note: The correctness of issues should be checked with reference to the individual's personal account of livery maintained by the executive showing the dates of issue. Audit of the accounts for the month selected for detailed audit will comprise of (i) linking of issue entries of the stock ledgers into I.A.F.Z.-2096 (ii) comparison of the totals in I.A.F.Z.2096 with the totals of the supporting nominal rolls and (iii) linking of the nominal rolls into individual's personal account and verification of the correctness of issues at the prescribed scale and periodicity.

(c) liveries in possession of the individuals discharged or retired from service before the expiry of the normal period of wear have been withdrawn and taken on ledger charge. In the case of unfair wear and tear, repair charges for the same have also been recovered.

Note: Part II orders of the month selected for detailed audit will be scrutinised for this purpose.

VII. Furniture and Office Equipment Ledgers-
(a) distribution shown on the reverse of ledger folios or in the subsidiary records maintained in support of the above ledger should be checked to ensure that articles of furniture and equipment have been issued only to the offices of the Defence Headquarters and not to canteens or civil offices, etc.
(b) it should be seen that stock taking has been carried out according to the prescribed periodicity and discrepancies/surpluses adjusted at the earliest.
VIII. **Photo Section**-A.F.I.O (PHOTO SECTION) Ministry of Defence are engaged in the production of photographs for purposes of publicity and sale and for this purpose monetary grants are sanctioned for the purchase of photographic material. It should be seen that -
(a) stores expended in the production of photographs are charged off on expense vouchers duly signed by an officer;
(b) photographs produced are taken on charge in I.A.F.Z. 2286-A;
(c) photographs supplied free to newspapers or issued on payment are charged off on I.A.F.Z.-2096 duly signed by an officer;
(d) rate of payment issue has been notified in Government orders;
(e) recovery on account of payment issues has been correctly effected and credited to Government;
(f) a list showing names of the newspapers required to be supplied with photographs free of charge duly approved by the A.F.I.O. is kept on record.

IX. **Cinematographic Production**-Monetary grants are sanctioned by the Government of India from time to time for (i) production/purchase of training films and (ii) reprocessing of training films. It should be seen that -
(a) expendible stores are charged off on expense voucher duly signed by an officer and that the names of the films produced/processed are mentioned therein;
(b) new films produced are taken on charge on I.A.EZ.-2286-A.

X. **Publications**-Monetary grants are sanctioned by the Government of India from time to time for (i) Cyclostyling and reproduction of technical publications and (ii) photographic samples of items manufactured or invented by E.M.E. Workshops and for general photographic work required for reproduction of drawings, etc., by the D.E.M.E. (MG/ME Pubs). It should be seen that-
(a) Expendible stores are charged off on expense vouchers duly signed by an officer;
(b) Particulars of the publications produced or samples and drawing photographed and No. of pamphlet photographs produced are mentioned on the expense vouchers and brought on charge on C.R.V

XI. **School of Foreign Languages**-It should be seen that
(a) A register showing the No. of students on its roll is maintained;
(b) rate of fee chargeable from the students is in accordance with that notified in Government Orders;
(c) fees are recovered regularly and credited to Government promptly

XII. **Food Laboratory**-The laboratories maintain the following accounts:
(a) Remnant Ledger
(b) Remnant Sale Register
(c) Cash Accounts
It will be seen that-
(1) all remnants handed over to supply depot on I.A.F.Z.-2096 have been accounted for in the remnant ledger;
(2) printed receipt books (I.A.F.A-175) are used for the issue of receipts for the cash received;
(3) cash receipt numbers (I.A.F.A-175) and amounts realised daily in respect of sale to entitled personnel have been shown in Remnant Sale Register and that a copy of the price list together with amendments has been pasted inside the register;
(4) daily total receipt of cash realised vide (3) above has been shown in the cash accounts;
(5) remnants sold to entitled personnel or those unfit for consumption have not been taken on ledger.

SECTION 2-MAP DEPOTS
REGISTERS MAINTAINED IN MAP DEPOTS AND THE EXTENT OF LOCAL AUDIT

408. The Map Depots maintain the accounts of maps in
(a) Running Receipt Register
(b) Running Despatch Register
(c) Inventory Record for Each Sheet
The audit of receipt and issue transaction will be conducted in the normal manner. The general audit Instructions laid down in Chapters I and II of this manual will be observed while auditing the accounts of these depots.
It will be seen that losses of maps have been reported to Command Headquarters by the officer commanding unit concerned with a view to disciplinary action being taken, where considered necessary.

Note: Due to security reasons map accounts maintained by units and formations or the various Directorates at Army Headquarters will not be subject to audit. Accordingly copies of issue vouchers will not be collected by the L.A.Os of the map depots for transmission to the consignee L.A.Os.
Map accounts maintained in map depots will, however, be checked in audit only with reference, to the records locally available.

SECTION 3-SCHOOLS AND COLLEGES
EXTENT OF AUDIT

409. The audit of store accounts of schools and colleges will be conducted in accordance with (a) the general audit instructions laid down in chapters I to III of this manual and (b) the detailed audit procedure prescribed for the audit of the corresponding accounts of consuming units.

AUDIT OF REGISTERS MAINTAINED IN THE INFANTRY SCHOOL, MHOW AND MILITARY'S SCHOOL
410. (a) In addition, it will be seen that in the Infantry School, Mhow a register showing the date of issue to and return of bicycles by the student officers has been maintained and treasury receipt for the amount due at Rs. 7 p.m. per cycle has been received for transmission to the PC.D.A./C.D.A.

(b) In Military Schools registers maintained for recording the recovery of tuition fees, caution money etc., from the boys admitted to the school will be subject to audit to ensure that the amounts are correctly recovered, accounted for in public fund cash book and remitted into treasury and that the instructions contained in "Cash Accounting Procedure Military Schools" are followed. The extent of audit will be 100%.

SECTION 4-EMBARKATION HEADQUARTERS

MAIN FUNCTIONS

411. The main function of Embarkation Headquarters is the handling of all Defence Stores imported/exported. It is also responsible for dealing with all claims inclusive of damaged or short landed stores from the time of initiation to the time of their payment or rejection.

EXTENT OF AUDIT OF LEDGERS AND ACCOUNTS

412. The accounts, ledgers, etc., such as equipment ledgers, clothing ledgers, ration accounts, etc. Which are normally maintained by consuming units, will be audited according to the instructions laid down in chapters I to III of this manual.

AUDIT OF ACCOUNTS OF M. T. VEHICLES

413. The audit of accounts of M.T. vehicles held on charge will be carried out with reference to instructions contained in chapter V of this manual.

MAINTENANCE OF SEPARATE FILES IN RESPECT OF EACH VESSEL DISCHARGING OR LOADING DEFENCE SERVICES STORES BY EMBARKATION HEADQUARTERS.

414. At the Embarkation Headquarters, it should be seen that a separate file in respect of each vessel discharging or loading defence services stores in the port is maintained and that it contains all documents relating to stores received or dispatched by the particular vessel.

ADDITIONAL DOCUMENTS MAINTAINED BY EMBARKATION HEADQUARTERS.
415. In addition Embarkation Headquarters will maintain the following documents
(a) Import Transit Ledger
(b) Progress Register of Claims
(c) Labour Register
(d) Register of racking Accounts

IMPORTANT POINTS TO BE SEEN IN THE AUDIT OF THE DOCUMENTS

416. The important points to be seen in the audit of the documents mentioned in para 415 above are as stated against each below:-

(A) **Import Transit Ledger**- While auditing this ledger the L.A.O. will see: -
(i) that the ledger has been maintained properly and the shipping details have been entered in the relevant columns in the ledger;
(ii) that the anticipated out-turn report has been promptly issued to all concerned;
(iii) that the test check upto 163 per cent of the receipts shown in the ledger "in terms of packages" is carried out from the details available in the shipping advice and delivery note (A.F.W.5175) bill of lading/shipping-ticket/files maintained by Embarkation Headquarters for each, ship showing inter alia the store "excess loaded";

*Note: Number of packages of each category e.g. Ordnance, Engineering, medical, etc., will be shown separately.*

(iv) that the stores shown as short landed agree with the proceedings of the board of survey held at ports;
(v) that the survey of stores short landed or received in a damaged condition was promptly carried out in all cases;
(vi) that the entries upto the extent of 163 per cent of those in the ledger in respect of short landed or damaged stores are linked with the entries in the progress register of claims;
(vii) that the entries in the register have been made in respect of all importing vessels arrived during the period under audit with reference to documents of Embarkation Headquarters.
(viii) that the final out-turn reports is issued to all concerned showing all details of stores, wagon Nos, convoy notes, etc.

(B) **Progress Register of Claims**- The under mentioned checks are exercised on this register:
(i) that the register is maintained properly showing the progress made in the settlement of claims preferred in respect of short landed or damaged stores against the shipping agents at the port of landing;
(ii) that surveys are completed and claims preferred against the shipping company within the time limit prescribed by law or local usage and that the claims are not allowed to become time barred;
(iii) that a copy of the claim on account of all kinds of stores belonging to Army, Navy and Air Force handled by the Embarkation Commandant is sent to the PC.D.A./C.D.A. of the port for watching the settlement of the claim;
(iv) that the amounts recovered from the shipping company are promptly credited into the treasury and the treasury receipt is sent to the P.C.D.A./C.D.A. in whose area the port is located for adjustment of the recoveries to the appropriate receipt heads of the Army, Navy or Air Force, as the case may be, according to the nature of the stores vide para 410, Defence Audit Code Volume I1;
(v) that test check is exercised upto the extent of 163 per cent of the entries of short landing in the register of claims with the acknowledgement from the P.C.D.A./C.D.A. in respect of the amounts recovered from the shipping companies;
(vi) that the claims finally repudiated by the shipping companies are promptly reported to Army Headquarters for final orders. If Army Headquarters direct the case to be dropped against the shipping company, due intimation is sent to the consignee concerned and the P.C.D.A./C.D.A. of the port and their acknowledgements obtained and recorded by the Embarkation Commandants.
(vii) that action has been taken to regularize the loss. To ensure this, the L.A.O auditing the accounts of Embarkation Headquarters will communicate to the L.A.O at the consignee's end such decision of the authorities mentioned in the preceding sub paragraph to enable the latter to watch the regularisation and obtain his acknowledgement.

(C) Labour Register-This register will be generally scrutinised to ensure that:-
(i) the register is complete in all respects;
(ii) the entries tally with the daily completion report;
(iii) the labour is generally economically employed.

(D) Register of Packing Accounts-The register will be scrutinised to see that-
(i) all the packing account entered in the register have been despatched to the ultimate consignee units, within the prescribed time limit.
(ii) where the returnable copies of packing accounts are not received within the prescribed period, suitable action has been taken to obtain them. All cases of outstanding packing accounts may be pointed out to the authorities concerned for taking suitable action;
(iii) where discrepancies are reported by the ultimate consignees, the packing accounts have been promptly forwarded by the Embarkation Headquarters to ISD/ISM for further necessary action and an acknowledgement obtained and recorded.

PACKING ACCOUNTS

417. The general rules regarding receipt and disposal of packing accounts and invoices are contained in Regulations for the Army (1962 Edition) and in Paras 399 to 404 Defence Audit Code Volume II.

LOSSES

418. These fall under three categories:-
(i) Losses incurred between issuing depots and ports of loading in India. These will be dealt with by the consignor depots in India.

(ii) Losses incurred between ports of discharge and receiving depots. These are the liability of the Consignees.

(iii) Losses incurred between ports of loading and the ports of discharge i.e. at sea during the voyage. The consignee at the port of discharge will be responsible for recovery from the shipping company.

Losses of stores short landed/damaged which are irrecoverable from the carrying company will be referred to Army Headquarters and with their concurrence such losses will be adjusted at the consignee's end in accordance with provisions of *[Rules 136 and 489, F.R., Part II]. *Requires-amendment.

SECTION 5-COMMAND AND STATIONERY DEPOTS

GENERAL

419. The main function of the Command/Stationery depots is to supply stationery, forms, typewriters, duplicators and office machineries to all military formations and units in India and abroad. The following stationery depots only are functioning at present to look after the units located in each Command:

<table>
<thead>
<tr>
<th>Name of Stationery Depot</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Eastern Command Stationery Depot, Kanpur Cantonment.</td>
<td>Eastern Command Including Rajasthan but excluding Units and Formations located in Meerut Proper.</td>
</tr>
<tr>
<td>(b) Southern Command Stationery Depot, Pune.</td>
<td>Southern Command including Madhya Pradesh.</td>
</tr>
<tr>
<td>(c) Western Command Stationery Depot Meerut Cantonment.</td>
<td>Western Command including Units/Formations located in Meerut Proper but excluding Rajasthan and Madhya Pradesh.</td>
</tr>
</tbody>
</table>

STORE ACCOUNTS

420. It should be seen that proper accounts of stationery, Army books and forms, machinery and other office equipment held by the Command Stationery Depot have been maintained on the following forms:-
(a) Stationery Articles/Army Books and Forms and Packing Material. D.M.R. & F 3 (Bound Ledger)

(b) Consolidated statement of daily stationery. D.M.R. & F 5 (loose Forms) issue of

(c) Typewriter/duplicator and other office equipment. Ledger Forms introduced under M.F.D. letter No. 874/R/436-A/ PF & S a dated 3/4/50.

(d) Railway warrants/concession vouchers and other accountable books and forms. IAFZ-2012 (Register)

Note: Separate ledgers have been maintained for unserviceable stationery, machines equipment and cancelled/obsolete Army books/forms.

EXTENT OF AUDIT

421. In addition to the general rules laid down in Chapters I to III of this manual, it should be seen that:

(a) all ledgers have been serially page numbered and a certificate showing the total pages has been endorsed on the inside cover of each ledger;

(b) repairable/unserviceable machines when repaired have been transferred to the ledger maintained for serviceable machines;

(c) all entries of receipts and issues made in the ledger are supported by relevant vouchers;

(d) daily issues of stationery have been consolidated on the forms D.M.R. & F-5 and charged off daily from stationery ledgers;

(e) issues of Army books/forms and other stores have been struck off the ledgers directly from each indent/voucher;

(f) receipted copies of all the indents/vouchers on which stationery forms have been supplied are on record.

PACKING MATERIALS

422. It should be seen that-

(a) Packing cases supplied by Ordnance Depot have been properly accounted for according to the nomenclature as vouchered vide para 162 ER 1965 Edition;

(b) only one stock account has been maintained under heading "packing cases of sorts" for all serviceable packing cases which are returned by units/formations or are received from the Government of India Stationery Office and Government of India Forms Store, along with stores as well as packing cases of required sizes manufactured in the stationery depot themselves;

(c) as far as possible the demand of packing material for packing stationery, etc. has been met from local units/formations;
(d) the quantity of packing material issued with the stores has been shown on the respective indent/voucher. A letter on the prescribed form referred to in Para 7(ii) of Government of India, Ministry of Defence Letter NO. F 2(10)/76/5318 P F & S /11 Dated 27-1-78 has been sent to all consignees, with a copy to consignor LAO, showing the details of packing material used for the despatch of stores, giving reference to the indent/voucher to enable the unit concerned to take on charge the packing material issued by the stationery depots. The consignor LAO should verify that the received copies of vouchers for the packing material issued are on record.

VERIFICATION OF STOCK

423. (i) In addition to the annual stock verification it will be seen that periodical physical verification of important items of stationery and forms has been carried out before submission of quarterly stock returns to D.M.R. & F. and quarterly/annual indents to Deputy Controller of Stationery and Government of India- Forms Store, Calcutta.

(ii) It should also be seen that all stores found surplus have been brought on charge by a C.R.V and all discrepancies adjusted promptly. Adjustment of surpluses/deficiencies has been carried out only where items are of similar nature/type and erroneous issue of one for the other is possible, e.g. coloured pencils of one particular colour with the other, service envelopes of one size with the other paper of same category with slight change in weight/size, ink of one colour with other, pads of Army forms of various size (large, medium and small), etc. Shortages, which cannot be adjusted, reported to the D.M.R. & F. Ministry of Defence, through the regional PC.D.A./ C.D.A. explaining the reasons for such discrepancies.

PAYMENT ISSUES

424. It will be seen that:

(a) the cost of stationery supplied to Naval, Air Force, M.E.S. Units, Factory establishment and Schools of Instruction has been calculated in accordance with the current Government of India Stationery Office rate list and intimation has been sent to the C.D.A.E.C for raising necessary debit against the relevant heads of Defence Services Estimates through the regional PC.D.A. /C.D.A. concerned and his acknowledgement is on record;

(b) the intimation regarding the cost of stationery supplied to military farms has been sent to the respective L.A.O., to enable them to watch the adjustment and their acknowledgement is on record;

(c) Intimation regarding purchases of stationery out of training grants allotment have been sent to units/ formations with a copy to the PC.D.A./C.D.A./L.A.O. to enable the latter to watch the recovery;

(d) the D.M.R. & F. has been informed of the cost of stationery supplied to State/District S.S. & A. Boards to enable him to watch the recovery and his acknowledgement is on record.

LOSSES
425. (A) It will be seen that: -
   (i) The officer commanding, command stationery depot has written off losses of
   stores, viz., Papers stationery and forms, due to pilferage, etc., upto Rs. 100 p.m. and
   cases of losses, irregularities, etc., exceeding the above limit has been referred to the
   D.M.R. & F for regularisation in consultation with the Ministry of Finance (Defence).
   (ii) Losses owing to change in the condition of stores due to unfair wear and tear,
   lack of proper care and accommodation have been regularised on loss statement and have
   been reported to the D.M.R. & F for obtaining financial concurrence.

SURPLUS/UNSERVICEABLE/DETERIORATED STORES

   (B) (i) In regard to the disposal of surplus serviceable stores, it will be seen that
   (a) the instructions for the disposal are obtained from the D.M.R. & F and (b) the stores
   are disposed of in accordance with the general rules regarding disposal of stores, with the
   prior approval of the Ministry of Defence (Finance).
   (ii) In regard to the disposal of unserviceable and deteriorated store it will be seen
   that (a) the orders of the D.M.R. & F for the disposal have been obtained (b) the stores
   have been transferred to salvage organisation after ascertaining that they cannot be
   utilised for any other purpose and (c) the loss statements are on record in respect of
   stores deteriorated due to unfair wear and tear (vide clause A (ii) above).

LOAN ISSUES

426. It should be seen that: -
   (i) A proper record for the issue of typewriters/duplicators on loan has been
   maintained to watch their return on due dates.
   (ii) Sanction of the G.O.C.-in-C is on record for the loan issues of
   typewriters/duplicators for a period not exceeding 12 months.

SECTION 6-STATION TRANSPORT OFFICE

STATION TRANSPORT OFFICER AND HIS DUTIES

427. The Station Transport Officer is responsible for the economical allotment of the
lifting power of the transport agencies at his disposal, both Government and Contract.
All indents for such transport will be placed on him. He will decide on the type of
transport to be supplied and whether it is to be found from Government of hired sources.

EXTENT OF AUDIT

428. The local audit staff will see that: -
(i) Government transport available with units (as shown in the weekly returns submitted by them to the S.TO.) has been fully utilised and that hired transport has not been used when Government transport was available;

(ii) Indents for government transport have been submitted on the prescribed form (I.A.F.Z.2150) in accordance with the printed instructions thereon;

(iii) the particular class of indent, viz (1) "Free" (2) "Amenity for Officers" (3) "Amenity for Other Ranks" (4) "Book debits" (5) "Cash payments" etc., has been conspicuously endorsed on the indents concerned, that the particulars of these indents have been entered in the Transport Indent Register (I.A.F.Z.-2152) with separate series for each class of indent, the duplicate copies of the indents, duly completed with their parts II to V have been properly filed in the respective files separately opened for each class of indents, and that no indent is missing;

(iv) Government transport was authorised by the S.T.O. for bonafide Government duties and that it was so employed by the units concerned. For this purpose the various parts of the indents will be scrutinised;

(v) the hire of Government vehicles for officers and others has been authorised in accordance with the provisions of A.I. No. 928 of 1945, as, amended from time to time and Appendix II MVR 1965 Edition.

(vi) acknowledgements from the P.C.D.A./C.D.A. or Senior Accounts Officer/Accounts officer or A.A.O. MES who is ultimately responsible to carry out the adjustment have been obtained and kept on record for:

(i) Debitable, indents for M.T. supplied to Defence Services for purely Defence purposes viz. M.E.S., Air Force, Military Farms Departments, A.S.C. Bakeries and to Non Military Departments, i.e. Civil and other Public Departments.

(ii) "payment indents" and treasury receipts for M.T. supplied to military personnel (viz, individuals of regular units, Corps or departments, the staff and establishments, whose pay is debitable to the Defence Service Estimates) Regimental messes and Sports clubs, etc.

ANIMAL TRANSPORT

429. It will be seen that:-

(i) free use of animal transport has been authorised for bonafide Government duties, for this purpose general inspection of indents will be carried out selecting 5 percent of detailed check;

(ii) Government Animal Transport (pack and draught) has been used to the maximum extent possible for all station duties, if available at the station. For this purpose it will be seen that Government Animal Transport shown as "available" in the weekly return mentioned in para 428 (i) above has been fully employed;

(iii) acknowledgements from the P.C.D.A./C.D.A. or Senior Accounts Officer/Accounts officer or A.A.O. MES who is ultimately responsible to carry out the adjustment have been obtained and recorded on "debitable indents" "payment indents" and treasury receipts mentioned in para 428 (vi) above.

HIRED TRANSPORT (M. T. & A. T.)
430. It will be seen that the following certificates are recorded by S.T.Os in the Transport Indent Register (I.A.F.Z. 2152) at the end of each day: -
   (i) That Government transport was not available for the duties for which hired transport was ordered;
   (ii) That the entries in the register have been made in regard to all transport supplied;
   (iii) That covering indents have been obtained from the units to whom hired transport has been supplied otherwise than in compliance with demands placed on regular indents in advance.

   Note: The non-availability of Government transport will be test checked by referring to units weekly returns mentioned in para 428, (i) above and indents for the corresponding periods.

SECTION 7-TENT REPAIR UNITS GENERAL

431. Major repairs of tentage stores will be responsibility of the R.S.S.D concerned; but minor and adhoc repairs to tentage on charge of units will be carried out by Touring Tent Repair Units, who will be under the administrative control of the respective R.S.S.D.

ACCOUNTING

432. The Officer-in-charge, Tent Repair Units will demand stores from the respective R.S.S.D. on I.A.F.Z.-2183-A which will be prepared in quintuplicate. On receipt of five copies of expense vouchers stores will be issued to the Officer-in-charge Tent Repair Unit with copies Nos. 1 and 2 of I.A.F.Z.-2183-A. Copy No. 2, duly receipted, will be received back from the Officer-in-Change Tent Repair Unit. Copies Nos. 3 and 5 will be scheduled to the L.A.O and copy No. 4 will be used for striking off ledger charge the quantities issued. The stores thus drawn from the Expense store group of the R.S.S.D. will be accounted for by the Officer-in-Charge. Tent Repair Unit in expendible ledger and material expended will be written off from ledger charge against a particular work order on which it has been used. When the Officer-in-Charge, Tent Repair Unit returns from tour, the unexpended stores will be received back in the R.S.S.D along with Nos. 1 and 2 copies of expense voucher. Stores thus returned will be brought on charge by the R.S.S.D. on No. 1 copy of the voucher and No. 2 copy will be receipted to the Officer-in-Charge, Tent Repair Unit. The Tent Repair Unit will forward copies Nos. 3 and 5 of the expense voucher to the L.A.O. concerned.

   Separate pads or documents for each tour will be maintained in the R.S.S.D. This will contain:-
   (a) Office copies of work orders;
   (b) Copies of I.A.F.Z.-2183-A both for the receipt of stores from Expense stores and stores returned to the Expense stores.

SPECIAL POINTS TO BE SEEN IN AUDIT
433. In addition to the general instructions laid down in Chapters I and II of this manual, it will be seen that:—

(i) all repairs to tentage items on charge of units carried out in situ have been undertaken on I.A.F.O.-1370 (work order);
(ii) the work orders have been serially numbered and signed by the Officer-in-Charge, Tent Repair Units;
(iii) the quantities of items of repair material written off charge from the Expense stores ledger on the authority of the work orders have actually been accounted for in the respective work orders;
(iv) all works orders have been endorsed with the following particulars:—
   (a) Designation of the Rent Repair Unit;
   (b) Tour serial number;
   (c) Particulars of material expended showing clearly the nomenclature of items and quantities per accounting unit;
   (d) Certificate, on completion of repair duly signed by the officer commanding unit, in the following terms:
      "certified that all repairs have been carried out satisfactorily and that the quantities of material shown as expended are correct."
(v) the register of expendible stores has been maintained on the proforma prescribed in Annexure "A" to Army Headquarters letter No. 75791/MG/OS-1 dated 30-9-55.

SECTION B-TERRITORIAL ARMY UNITS

EXTENT OF AUDIT

434. The store accounts of the Territorial Army Units will be audited in accordance with the general rules laid down in Chapters I and II of this manual and the audit procedure relating to the store accounts of consuming units. It will, in addition, be seen that:—

(1) the articles of clothing, as per scale laid down in Appendix XVII of Regulations for the Territorial Army 1948, have not been issued free to Junior Commissioned Officers, as these are to be provided out of their outfit allowance and subsequent replacements are to be made on payment;
(2) the free issue of equipment of junior Commissioned Officers does not exceed the scale laid down in Appendix XVIII of Regulations for the Territorial Army, 1948;
(3) the clothing and necessaries have been issued free to Warrant Officer, Other Ranks and non combatants (enrolled) according to the scale laid down in Appendix XIX of Regulations for the Territorial Army and subsequent replacements have been made subject to the periods of the various articles of clothing and necessaries prescribed in Appendix XX of that regulations;

For this purpose, the units will maintain proper records showing the date and the number and date of vouchers on which the articles of clothing were issued and replaced;
(4) the system of free replacement has been discontinued on embodiment for Military Service;
(5) only those additional articles of clothing as are laid down in Appendix XXI of Regulations for the Territorial Army are held on charge and are issued subject to the conditions laid down in that appendix;
(6) only such articles of clothing have been issued on payment to Warrant Officers, N.C.Os, and Other Ranks of the Territorial Army Units, as form part of their uniform as certified by officer commanding the unit;
(7) the expenditure on the upkeep of each Government Bicycle authorised as peace equipment, including the cost of component parts obtained on payment from the Ordnance does not exceed the amount laid down in para 210, Regulations for the TERRITORIAL ARMY.

SECTION 9-NATIONAL CADET CORPS UNITS

GENERAL

435. CIRCLE HEAD QUARTERS OF NATIONAL CADET CORPS are organisations of the Government of India, Ministry of Defence, like other Army Formation Headquarters and, therefore, all expenditure on them are borne by the Defence Services Estimates. On the other hand, N.C.C. units are the organisations of the State Governments, as well as of the Central Government. Accordingly the expenditure on National Cadet Corps units is partly borne by the State Governments concerned and partly met out of the Defence Services Estimates. The accounts of only such stores the cost of which is met out of Defence Services Estimates are subject to local audit. These accounts are:-
   (i) Equipment (except clothing) Ledger
   (ii) Ammunition Ledger
   (iii) Vehicles Ledger
   (iv) Ledger of Vehicles Kit
   (v) Ledger of Arms and Ammunition for Permanent Staff
   (vi) Ledger for Clothing and Necessaries

EXTENT OF AUDIT

436. The accounts will be audited in accordance with the general rules laid down in chapters I and II of this manual, and the audit procedure prescribed for the corresponding accounts of the consuming units. The accounts of Junior Division Units will be maintained by the respective Senior Division Units.

SPECIAL POINTS TO BE SEEN IN AUDIT

437. It will further be seen that:-

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(i) clothing and necessaries have been issued according to the scales laid down in Appendices A and 'D' to Government of India, Ministry of Defence Letter No. 0065/56/NCC-II Q/402/D (GS-III) 56, dated 31-12-56, as amended from time to time;
(ii) no free issue of clothing and necessaries has been made to the officers of the Senior Division units as they are to be provided out of their clothing allowances;
(iii) all issues have been made to cadets on signatures;
(iv) all the articles of clothing and necessaries have been inspected periodically for serviceability and further use, if any of them have been lost or rendered unserviceable through neglect of the user, the damage and the amount to be recovered have been determined by the officer commanding the unit on the merits of each case, taking into considerate the cost of replacement and the life left in the articles at the time of loss/damage;
(v) on the discharge of a cadet from the corps all item of clothing and necessaries issued to him have been withdrawn and accounted for;
(vi) all articles of clothing reported unserviceable have been brought once in six months before a Condemnation Board, consisting of officer commanding the unit as President and one N.C.C. officer and one J.C.O/C.P.O or equivalent rank, as applicable as members;
(vii) in the case of Girls Wing Units, both the President and the J.C.O have been nominated by the Circle Commander;
(viii) Condemnation Boards of the Junior Division units have been presided over by the officer commanding the senior division units responsible for the training and administration of those units;

Note: The Board Proceedings will be kept on record for inspection by L.A.Os.

(ix) unserviceable clothing has been disposed of in accordance with the orders obtaining in the respective services. (The Girls Wing . will follow the same procedure as for the Army Wing Units);
(x) the reserve held by N.C.C. units does not exceed 20 per cent (40 per cent in the case of N.C.C. units raised in Andaman and Nicobar) over and above the authorised scale of clothing and necessaries;
(xi) details of pouch, reserve and training ammunition have been shown in the Ammunition ledger;
(xii) arms and ammunition held for training of permanent staff have not been used for training of cadets;
(xiii) E.O.L. issued from the nearest A.S.C. supply petroleum depots/installations to the State Governments is priced at payment issue rates, for the M.T. vehicles held on the charge of N.C.C. units and necessary action for recovery of the amount is taken;
(xiv) the powers of a Local Station Commander mentioned in paras 23 & 47 of MVR 1965 Edition respectively in respect of vehicles held on charge of Circle Commanders and National Cadets Corps Units have been exercised by the Director, National Cadet Corps;
(xv) whenever amenity transport is provided to JCOs/NCOs/ ORs and equivalent ranks of the other services posted to N.C.C. Units, vehicles held on charge of N.C.C. Units may be used subject to the following conditions:-
(a) Most economical use of transport is made.
(b) As far as possible, the maximum number of persons avail of the same trip.
(c) Not more than one trip per week subject to a maximum of three trips per month be performed.
(d) Trips made are free of charge for JCOs/NCOs/ORs and equivalent Ranks of Navy and Air Force. But the cost of POL will be reimbursed to the State Government at the following rates:

<table>
<thead>
<tr>
<th>Types of Vehicles</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car</td>
<td>Rs. 0.17 Per KM</td>
</tr>
<tr>
<td>Lorry 3 Ton to 4 Ton</td>
<td>Rs. 0.44 Per KM</td>
</tr>
<tr>
<td>Lorry 5 Ton</td>
<td>Rs. 0.48 Per KM</td>
</tr>
<tr>
<td>Lorry 1 Ton/4 Ton</td>
<td>Rs. 0.37 Per KM</td>
</tr>
</tbody>
</table>

(e) Amenity Transport provided to service officers will be on payment in terms of AI 928/45 as amended and corresponding instructions issued on the Navy and Air Force side. The hire charges realised from the officer will be credited to the relevant misc receipt head of Defence Services Estimates. The L.A.O. will ensure that recovery has been correctly made as per rates laid down in AI/NI/AF(1) as the case may be and that the amounts due to Government on this account have been promptly credited to Government treasury through the units public fund cash accounts. Acknowledgement for the TRs received from the PC.D.A. /C.D.A. will be verified in audit. POL will be supplied by the state Governments and the cost will be reimbursed to the respective state Governments at rates laid down in para (d) above;

**Note:** Separate duty slips will be maintained for vehicles given for amenity purpose to officers and other service personnel and these duty slips are subject to check by the LAOs. The AG of the State Government will raise debit against the Central Government for reimbursement of the cost of POL for vehicles provided for amenity purposes in respect of Officers/JCOs/ORs and their equivalent ranks of other services at the rates given in para (d) above.

(xvi) in conducting the local audit of Naval Wings of N.C.C., the army L.A. Os will pay special attention to the instructions contained in the Annexure to this chapter.

**CIRCLE HEADQUARTERS OF NATIONAL CADET CORPS**

438. The store accounts of Circle Headquarters of National Cadet Corps will be audited in the same way as those of other consuming units.
SECTION 10-A.A.O. ATTACHED TO CIV G.T. COYS, A.S.C

ITEMS OF LOCAL AUDIT CARRIED OUT BY A.A.O. ATTACHED TO CIV. G.1 COYS

439. The following items of local audit are carried out by an A.A.O. attached to civil G.T coys A.S.C.:

(i) The linking of receipt transactions in ledgers, etc.- The A.A.O. will link all the "E" copies of the vouchers into the ledgers, etc., after pairing these with the corresponding consignee's receipt vouchers. The fact of pairing and linking will be endorsed on the former with the No. and date of receipt vouchers under his dated initials.

(ii) In case of receipt transactions linked with ledgers subsequent to the audit of a particular folio, it will be seen by him that the closing balances struck against the receipt item and against the next item are correct. Should there be any discrepancy in these balances, or if corrections or erasures appear in subsequent balances, the final closing balances of the folio will be fully checked.

Note: Any discrepancy found in the final closing balance(s) as a result of the above check will be reported by him to the L.A.O./A.A.O./ S.O. (A) for further necessary action.

(iii) Test Check by L.A.O.-The Local Audit Staff will, at the time of their visit to the company, take with them the unit's jacket containing copies of sub-lists and will see that all vouchers sent to the AAO since the date of the last audit have been properly linked and enfaced by him. A test check of not less than 5 per cent of the vouchers linked by the AAO will be exercised by the local audit staff and a note to that effect made on the relevant sub-lists and vouchers. In selecting vouchers for test check preference should be given to those which relate to important and expensive stores. The L.A.O. and his AAO/SO (A) should also check a number of vouchers personally. In cases where the check reveals that linking has not been satisfactorily carried out by the A.A.O.M.E.S., the L.A.O. and his staff will undertake further check according to the needs of the case. The L.A.O. will report to the P.C.D.A./C.D.A. all errors and omissions in linking on the part of the A.A.O.M.E.S., together with his remarks in respect of such errors. All linked vouchers will then be brought back by the local audit staff for record. The A.A.O.M.E.S. will retain the sub-lists for record with him.

(iv) Certificates to be furnished by the A.A.O.M.E.S.-In order to ensure that the A.A.O.M.E.S. actually verifies the vouchers monthly and does not hold them over till the L.A.Os periodical visit, a certificate in the following terms will be rendered by him to the L.A.O by the 20th of each month. The reasons for the delay in linking furnished by the A.A.O.M.E.S. should be scrutinised carefully by the L.A.O and if not satisfactory, he should bring the matter to the P.C.D.A./C.D.A’s notice or refer to the unit if the delay is due to the units not having afforded credit in the store ledgers, etc., the action taken by the L.A.O. will be noted in remarks column. The certificate will be recorded with the office copies of the sub-list. The list of all vouchers on which stores have been credited in the units ledgers etc., but of which copies of the corresponding voucher have not been received within four months of the receipt of store from the consignor's L.A.O., will be prepared by the A.A.O.M.E.S., on I.A.F. (C.D.A-628). The list will be rendered by the

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A.A.O.M.E.S. to the L.A.O with the monthly certificate of linked vouchers referred to above. The L.A.O after scrutinising the lists will take necessary action to call for the wanting vouchers from the parties concerned:

Certified that all vouchers received for verification of credits in the store account of........ (units) upto the end of.......... (preceeding month) have been linked with the exception of the vouchers noted below : -

A list of all vouchers on which stores have been credited in the unit's ledgers and return but of which copies of the corresponding issue vouchers have not been received from consignor's L.A.O within four months of the receipt of the stores, is enclosed'.

NOTE: Unlinked vouchers which have been referred to in the certificate for the previous month should be mentioned in the certificate for the subsequent month unless they have since- been linked.

<table>
<thead>
<tr>
<th>No. and date of Vouchers</th>
<th>Forwarding list with which received</th>
<th>Reasons for delay in verification</th>
<th>Remarks by L.A.O. (action taken by him.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

............................... A.A.O.M.E.S.
........................................  Unit

After verification by the A.A.O.M.E.S. and test checked by the local audit staff, all linked vouchers will be brought back to local audit office and filed in the unit's jacket. The fact that all 'E' copies of vouchers have been dealt with by the A.A.O.M.E.S. and that the necessary objections, etc. have been raised, will be enaced upon, the sub-lists filed in the unit's jacket under the Auditor's and AAO's/SAO's (A) initials.

LOCAL AUDIT OBJECTIONS

440. The A.A.O.M.E.S. will render advice to the unit authorities to enable them to deal with the objections quickly, but he is in no case to take upon himself the duty of replying to or clearing objections. The objection statement duly replied to will be returned by the unit to the L.A.O. through the A.A.O.M.E.S. who will verify the adjustment, etc. made as a result of the objection and will pass on the objection statement to the L.A.O. with remarks regarding the verification made by him. Items in the objection statement regarding adjustments, etc., made by the unit which has been verified by the A.A.O.M.E.S. will not be considered as finally settled until the verification of adjustments, etc., has been made by the L.A.O. staff.

SERVICE BOOKS

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441. The check will consist of seeing that:
   (i) corrections have been duly attested;
   (ii) the annual certificate of verification of service by the Head of the Office is recorded on the service book;
   (iii) the fixation of initial pay as recorded in the service book is correct;
   (iv) the period allowed to count for increment of pay is correct;
   (v) joining time taken on transfer is correct;
   (vi) the leave has been correctly granted;
   (vii) the posting into all service books affected of all Part II Orders will be verified;
   (viii) all qualifying temporary/officiating service, as also any period of temporary service allowed to count for pension under Articles 370 and 371, C.S.R. on the officer becoming permanent has been verified by the Pay Audit Officer and recorded in the service book;
   (ix) the first year of permanent service is similarly being verified and service book endorsed by the Pay Audit Officer on completion of the first year of the permanent service;
   (x) annual establishment returns are submitted promptly;
   (xi) recovery of foreign service contributions is watched and recorded in the service book.

SECTION 11-DEFENCE DEPARTMENTAL CANTEENS

442. Departmental Canteen Accounts-
   (i) It will be seen that the accounts of the Departmental canteen are maintained in accordance with the provisions contained in the Hand Book of Administrative instructions on Departmental Canteen in Government Offices and Industrial Establishments;
   (ii) Separate accounts/ledgers in respect of grants-in-aid sanctioned from Defence Services Estimates are maintained;
   (iii) The audit of DSE, grants-in-aid accounts of the Defence Departmental Canteen will be carried out on annual basis irrespective of the type of the canteen based on normal local audit and cash audit principles.
   (iv) One month's transactions are checked in detail and general scrutiny including checking of casting exercised over the remaining period.
   (v) Objection Statements on the accounts of the Departmental canteen are rendered in the normal manner to the Managing committee and their finalisation watched.

443. to 445. Blank.
## ANNEXURE

**REFERRED TO IN PARA 437 (XVI)**

**SPECIAL POINTS OF AUDIT OF MORE IMPORTANT STORE ACCOUNTS OF N.C.C. UNITS (NAVAL WING)**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of more Important store account</th>
<th>Details of accounting Instructions in the Navy Regulations</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Permanent Store Accounts (Equipment and Ammunition).</td>
<td>(i) <strong>General Accounting</strong> instructions are contained in naval Store keeping Manual (I.N.B.R. 12). The Procedure regarding the maintenance of stock ledgers is laid down in Article 154 ibid. The procedure regarding the demand and return of Naval Stores is contained in I.N.F.O. 84/54, 135/55 and 223/56. Administrative instructions regarding the issue of clothing and other Naval stores are contained in Naval Headquarters Circular No. SG/0736 dated 10-5-57.</td>
<td>The L.A.O. will ensure that these instructions/ orders are correctly followed.</td>
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<td>(ii) <strong>Holding of stores Equipment and Ammunition.</strong> Holding of stores, Equipment and Ammunition are regulated in accordance with Government of India, Ministry of Defence No. NG/0250/ NHQ/381/SO II/D (N.-1) dated 29th May, 1957, as Amended from time to time.</td>
<td>The L.A.O. will see that excess holdings not covered by the Government of India letter are regularised under the orders of the Government of India, which will be obtained by the respective commandants through the N.C.C. Directorate.</td>
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<td></td>
<td></td>
<td>(iii) <strong>Losses</strong> Instructions for dealing with losses are laid down in MI 1/S/50 and the instructions for the maintenance of register of -Mosses are in I.N.F.O. 475/57.</td>
<td>The L.A.O. will see that these instructions are followed in dealing with losses.</td>
</tr>
<tr>
<td>2</td>
<td>Consumable Store Accounts</td>
<td>(i) <strong>General</strong> The expenditure on consumable stores, in respect of Naval units is regulated on monetary basis, the</td>
<td>The L.A.O. will see that the orders contained in these letters and other Administrative</td>
</tr>
</tbody>
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allotments in respect of which are laid down in Government of India letter issued from year to year. (ii) Accounting Instructions. Same 1 (i) above. Also see I. N. F.O. 490/55.

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<thead>
<tr>
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<th>instructions are followed.</th>
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(iii) **Pricing of issue vouchers**
The issue vouchers (S. 156) referred to in paras 11 & 12 of I.N.F.O. 499/55 will be priced with reference to I.N.B.R. 70 vide I.N.F.O. 226/56. Pricing will be done by the Naval Stores Depot/Base Victualling yards. The correctness of the pricing will be checked by the NLAO's.

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(iv) **Excess expenditure over allotment**
The monetary allotments are Rs. 3,000 per annum in the case of Senior Divisions and Rs. 200 per annum in the case of Junior Divisions. The L.A.O. should ensure that the allotments are- not exceeded. Where-it has been exceeded, he should take up the matter with the officer commanding with a view to his obtaining the orders of the Government of India through through the N.C.C. Directorate. He should also report such cases to the C.D.A.(N).

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(v) **Losses**
Same as (iii) above.

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</table>
### 3. Clothing Accounts

#### (i) General
Accounting instructions for the maintenance, etc. of clothing accounts in the Navy are contained in N.I. 121/52. Stock ledgers will be maintained in accordance with paras 5 to 8 and 31 ibid. Regarding procedure to be followed for the survey of clothing stores, see I.N.F.Os quoted in (i) above; The L.A.O. should see that the orders are correctly followed.

#### (ii) Scale of clothing
The scale of clothing and necessaries, the method of obtaining, maintaining and accounting and payment of bills are laid down in Government of India, Ministry of Defence Letter No. 0065/56/N.C.C./II (Q)/402 D G.S. II dated 31-12-56. The L.A.O. should see that the orders are correctly followed.

#### (iii) Issues
The issues to cadets will be made in accordance with para 6 of the Govt. letter dated 31-12-56. The LAO should see that the orders are correctly followed.

#### (iv) Losses
See item (iii) above. The LAO should see that the orders are correctly followed.

### CHAPTER – X

**AUDIT OF RAILWAY WARRANTS, CREDIT NOTES, CONCESSION VOUCHERS, SERVICE BOOKS, ETC.**

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<th>Description</th>
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<td>Check of Concession Vouchers</td>
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<td>448</td>
<td>Pairing of Concession Vouchers</td>
</tr>
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<td>Transfer of Railway Warrants, Credit Notes, etc., from one Unit to another</td>
</tr>
<tr>
<td>450</td>
<td>Disposal of forms on</td>
</tr>
</tbody>
</table>
### GENERAL

446. The documents mentioned below will be checked by the local audit staff at the time of the quarterly or half yearly audit of store accounts to the extent and in the manner indicated in the succeeding paragraphs.

### GENERAL CHECK OF RAILWAY WARRANTS

447. Railway Warrants (I.A.F.S-T-1707; T-1707 A; T-1714; T-1719; T-1720; T-1720 D; T-1728; T-1732; T-1733; T-1736; T-1747; T-1752 and Y-1953)-Books of warrants will be checked on general lines to see that:

(a) the forms are kept in safe custody under lock and key;

(b) a register in I.A.F.Z.-2012, recording the receipt and disposal of the books, is maintained and monthly certificate endorsed thereon by the officer commanding the unit/formation to the effect that all the forms on charge have been checked personally and physically showing the result of the check;

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Note: The LAOS should verify by a physical check of the books of forms that the entries in LA.F.Z.-2012 relating to books in use and those in stock accord with facts.

(c) in the case of cancelled' counterfoils the relevant warrants (foils) have been effectively cancelled and pasted to the respective counterfoils;
(d) the numbers and dates of part II orders authorising the move are, in general, quoted on the counterfoils- of warrants;
(e) no blank forms have been signed by the issuing officer. Instances of this will be reported to the P.C.D.A. / C.D.A. Who will report the matter to Brigade Headquarters or other administrative authority;
(f) warrants used, when finally moving, for the conveyance of the balance of an individual's authorised baggage under Note (1) Rule 285 Travel Regulations have been linked with the number and date of warrant(s) already used for the conveyance of part of his authorised baggage ;
(g) any case in which extra expenditure is caused to the state on account of the conveyance of excess baggage has been dealt with under Rule 4 Travel Regulations ;
(h) vehicle form `C' is utilised in the case of large parties of personnel proceeding to the same station on the same date;
(i) when under A.I. No. 237 of 1952 different railway warrants have been issued to officers proceeding on leave in order to enable them to break journey, such warrants have been linked with each other by the issuing authorities by making the following endorsement at the top of each warrant in red ink:
   Linked with warrant(s) No.(s) dated ...........
(j) the word 'Mail'/Express/Ordinary whatever inapplicable is scored out;
(k) in the column `Via' the complete name of the station has been indicated;
(l) the particular nature of duty or leave has been noted;
(m) railway warrants and credit notes have been signed in ink by the persons authorised to sign them;
(n) no alteration has been made. If railway warrant has been incorrectly prepared, it should be cancelled and a fresh one issued;
(o) losses of railway warrants have been promptly reported to the Army/Naval/Air Headquarters, as the case may be, through staff channels and the Principal Controller of Accounts (Factories) Kolkata;
(p) losses of blank forms have been regularised under the orders of the Government of India, as the losses on account of the probable misuse of the lost forms cannot be ascertained;
(q) when railway warrants are used by members and Officer-in-Charge of teams participating in Inter Service Sports tournaments, they are used only in the preliminary and final rounds.

Note: The terms 'Preliminary' and final' rounds are defined as under: -

Preliminary rounds: - (a) all inter-unit tournaments/ competitions organised by formations to select formation teams, and
(b) all inter formation tournaments/competitions organised by Service/Commands to select teams for participation in inter-service tournaments/competitions.

**Final rounds:** - all tournaments/competitions organised by Service Sports Control Board for teams selected at (b) of 'preliminary rounds'.

**ENDORSEMENTS ON CHECKED FORMS**

448. The official checking the forms will endorse 'checked' under his dated signature and designation, on the reverse of the counterfoil of the last warrant issued upto the date of the check;

**REGISTER OF COMPLETED BOOKS OF WARRANTS**

449. After the last batch of counterfoils of a completed book has been checked, a note to this effect will be made in the register (I.A.F.Z. 2012) maintained by the unit/formation. A completed book will not normally be checked again at subsequent visits.

**DETAILED CHECK OF RAILWAY WARRANTS**

450. Five percent of the warrants issued during the period under audit will be selected for detailed check. The check will consist in seeing that-

(a) the numbers and dates of part 11 orders quoted and details regarding names, particulars, purpose of journey, etc., shown on the counterfoils are authentic (the check should be made from the counterfoils to part 11 orders and not vice versa) and,

(b) no form has been used for moves in connection with training camp and manoeuvres.

**Note:** *The counterfoils thus checked will be initialed and dated by the official carrying out the check.*

**PAIRING OF RAILWAY WARRANTS**

451. Instructions regarding the pairing or a small percentage of railway warrants with their counterfoils will be found in paras 456 and 457 given below.

**GENERAL CHECK OF CREDIT NOTES**

452. Credit Notes (I.A.F.Z.-1711-Military) S-142 (Civil) books of credit notes will be checked on general lines to see that-

(a) The forms are kept in safe custody under lock and key;

(b) A register in I.A.F.Z.-2012, recording the receipt and disposal of the books, is maintained and a certificate endorsed thereon every month by officer commanding the unit/formation to the effect that all forms on charge have been personally and physically checked showing the result of the check;
Note: The L.A. O. should verify by a physical check of the books of forms that the entries in LA.F.Z-2012 relating to books in use and those in stock accord with facts.

(c) In the case of cancelled counterfoils the relevant credit notes (foils) have been effectively cancelled and pasted to the respective counterfoils;
(d) The numbers and dates of issue vouchers or other communications forwarding stores are quoted on the counterfoils of credit note so as to ensure that only bonafide Government stores are conveyed on credit notes;
(e) No blank form has been signed by the issuing officer; instances of this will be reported to the P.C.D.A./C.D.A. who will report the matter to Brigade Headquarters or other administrative authority;
(f) The sanction of the competent financial authority for credit note issued for wharfage or demurrage has been obtained;
(g) Demurrage charges incurred due to negligence on the part of consignor/consignee has been treated as loss of public money and dealt with under Rules 164 & 165 FR. Part I Volume I (1983 Edition).
(h) When stores are despatched by a means other than goods train the sanction of the competent financial authority (in the case of military consignees) or instruction from the civil institution concerned (in the case of civil consignees) has been obtained (for exceptions Para 1078, 1108, -1109 and 1111 Regulations for the Army 1962 Edition);
(i) Losses of credit notes have been promptly reported to authorities indicated in Para 447 (p);
(j) Losses of blank forms of credit notes have been regularised under the orders of the Government of India, as the losses on account of the probable misuse of the lost forms cannot be ascertained.

ENDORSEMENT ON CREDIT NOTES

453. The official checking/reviewing the forms will endorse checked/reviewed under his dated signature and designation, on the reverse of the counterfoils of the last credit note issued upto the date of check/review.

REGISTER OF COMPLETED BOOKS OF CREDIT NOTES

454. After the last batch of counterfoils of a completed book has been checked/reviewed a note to this effect will be made in the register (I.A.F Z-2012) maintained by the unit/formation. A completed book will not normally be checked again at subsequent visits.

DETAILED CHECK OF CREDIT NOTES
455. Five percent of the credit notes issued during the period under audit will be selected (with due regard to the amount involved on each) for checking in detail with the corresponding issue vouchers to see that:-

(a) the stores alleged to have been despatched were actually issued and were Government property;
(b) credit notes were not used for the despatch of stores issued on loan to Civil Departments; and
(c) credit notes were not used for the conveyance of stores in connection with training camps and manoeuvres.

Note: The counterfoils thus checked will be initialled and dated by the official carrying out the check.

PAIRING OF RAILWAY WARRANTS/CREDIT NOTES WITH THEIR COUNTERFOILS

456. In addition to the checks prescribed in the following paras; a small percentage of "foils" of railway warrants and credit notes will be "paired" with their "counterfoils" to see that the entries in the warrant or credit note are identical with those in the counterfoils. Any discrepancies noticed will be intimated to the Principal Controller of Accounts (Factories), if they cannot be settled locally. For this purpose, the Principal Controller of Accounts (Factories) will forward monthly to L.A.Os 10% of the paid railway warrants/credit notes of Rs.100 and above in value and (B) warrants/credit notes of smaller value (not less than 1% of all the railway warrants/credit notes) together with covering lists in duplicate according to stations of issue of the documents. The documents will be recorded by the local audit groups after they have been 'paired' with their counterfoils.

RAILWAY, WARRANTS FOR RETURN JOURNEY OF STUDENTS ATTENDING SCHOOLS OF INSTRUCTIONS

457. (a) Ten percent of these warrants will (in addition to those referred to in Para 456 above) be forwarded separately by the Principal Controller of Accounts (Factories), to the L.A.Os who audit the accounts of the Schools concerned.
(b) The L.A.O. will verify the correctness of the entries relating to "Starting Station and Route" by reference to the counterfoils of the vehicle warrants, if any, issued by the commandant up to various dispersal stations on the same date and look for satisfactory explanation in any case in which the return journey warrant -was made valid from the station of the school or any other station on route to the dispersal station concerned. If the explanation is not satisfactory, the matter should be reported to the Principal Controller of Accounts (Factories) for further action.
(c) After audit the individual warrants received from the Principal Controller of Accounts (Factories), will be recorded by the L.A.Os unless specially called for by the Principal Controller of Accounts (Factories).

CHECK OF CONCESSION VOUCHERS
(a) The books are kept in safe custody under lock and key;
(b) A register in I.A.FZ.-2012 recording the receipt and disposal of the books is
maintained and monthly certificate endorsed thereon to the effect that all the forms on
charge have been personally and physically checked by officer commanding the
unit/formation showing the result of the check;

Note: The LAO should verify by a physical check of the books of forms that the entries in
IAFZ-2012 relating to books in use and those in stock accord with facts.

(c) All cancelled forms are effectively cancelled and pasted to the relevant
counterfoils;
(d) No blank forms have been signed by the issuing officer; (e) In the case of
J.C.Os/I.WOs of the Land Forces and similar personnel on the Air Force and Navy sides,
the forms are issued only where they have been granted leave. The check should be made
from the counterfoils to part II orders/part I orders and not vice versa;
(f) The particulars of account officer responsible for accepting the debit are
invariably given on the counterfoils of concession vouchers;
(g) No alterations have been made. If a concession form has been incorrectly
prepared, it should be cancelled and a fresh one issued;
(h) Losses of concession forms have been promptly reported to the railway
authorities and the Principal Controller of Accounts (Factories), Kolkata.

PAIRING OF CONCESSION VOUCHERS

459. All the concession vouchers that are received from the Principal Controller of
Accounts (Factories), Calcutta will be `paired' 100% with the counterfoils by the L.A.Os
concerned to see that the entries in the concession vouchers are identical with those in
the counterfoils. Any discrepancies noticed will be intimated by the L.A.Os to the
Principal Controller of Accounts (Factories), Kolkata if they cannot be settled locally.
For this purpose, 25% vouchers between Rs.5 and Rs.25 in value and all vouchers of
Rs.25 and upwards in value will be forwarded by the Principal Controller of Accounts
(Factories), to the L.A.Os concerned after acceptance and adjustment of the debits. The
documents will be recorded by the Local Audit Group after they have been `paired' with
the `counterfoils'.

TRANSFER OF RAILWAY WARRANTS, CREDIT
NOTES, ETC. FROM ONE UNIT TO ANOTHER

460. Whenever books of railway warrants, military credit notes and other railway
forms are transferred to another unit or formation, the L.A.O. of the consignor
unit/formation will send an intimation (by a memorandum) of the transfers of books of railway warrants, credit notes and other railway concession forms to the L.A.O. of the consignee unit/formation and obtain his acknowledgement. The L.A.O. of the consignee unit/formation will link the transferred books of forms in the register of books and forms (I.A.F.Z. 2012) of the consignee unit or formation. This also applies to the transfer of books of railway warrants and credit notes, etc., forms transferred from store depot to units and formation and vice versa.

**Note 1:** As a safeguard against fraudulent use of railway warrants credit notes/concession vouchers etc., two copies of issue vouchers will invariably be forwarded to the Principal Controller of Accounts (Factories) by the Forms Store/Stationery Depot. The L.A.O. will get one copy of this voucher from the Principal Controller of Accounts (Factories) from which he will verify independently whether all the books of forms have been properly accounted for or not.

**Note 2:** L.A.Os are not required to audit the counterfoils of the forms issued.

### DISPOSAL OF FORMS ON DISBANDMENT OF UNITS

461. - On disbandment of units it will be seen that the units have-
   (a) Returned the partly used books and those books of counterfoils of less than 31 years duration to the Regimental Centre/Record office/Unit to which the cash and other important documents of financial character are transferred;
   (b) Destroyed the books of time expired counterfoils by burning after obtaining a certificate from the L.A.O. The details of books destroyed will be entered in I.A.F.Z. 2012;
   (c) Returned the complete books of unused forms to the Forms Store, Kolkata or Stationery Depot, under intimation to the PC.D.A/ C.D.A. concerned for re-issue to other units. It will also be ensured that an entry regarding the return of forms has been made in I.A.F.Z.-2012.

### DESTRUCTION OF OBSOLETE FORMS

462. In the case of obsolete forms it will be seen that-
   (a) The destruction of unused complete books has been done after obtaining a certificate from the next higher military authority that no forms from these books are missing; and
   (b) Counterfoils of completely used partly used books are retained for 31 years from the date of issue of the last form and destroyed thereafter, after obtaining a certificate from the Local Audit Officer.

### SERVICE BOOKS-CHECK OF
463. Twenty Five Percent of the current service books of the civilian establishment serving with units and formations will normally be selected for test check within each period of approximately twelve months; if periodical visits are made, the percentage of check will be spread over the whole year. The test check will consist of seeing that-

(a) The period allowed to count for increment of pay is correct particularly where broken periods are concerned e.g. in the case of annual increment, verify that the total of broken periods amounts to 12 months;

(b) In the case of individuals who have rendered service in other departments paid from estimates other than those of the Defence Services on entry is made regarding the amount of leave earned by them under those department and that a reference is quoted to the communication under which the information was furnished by the head of the office to the P.C.D.A. /C.D.A. (I.A.O. 595 of 1937);

(c) The leave credited to the leave account during the preceding four years or since the last verification of leave, if such verification has already been made previously by the local audit or the LAO was according to the extent orders and leave taken was correctly granted.

(d) The entries in pay columns in service books will be verified with reference to office copies of relevant pay bills.

Note: In the case of civilian establishment transferred from one unit/formation to another or from one service (i.e. Army, Navy or Air Force) to another it will be ensured that the entries in their service books upto the date of transfer are checked before the transmission of their service books to the new unit.

SERVICE BOOKS OF INDIVIDUALS NEARING SUPERANNUATION

464. The service books of all individuals who are due to retire within three years following the date of audit will be included in the selection for test check within. the percentage prescribed in Para 463.

RECORD OR SERVICE BOOKS TEST CHECKED

465. In order to ensure covering all the grounds systematically, a complete record will be kept of all service books `test checked' each year. The service books checked should be endorsed to show the date upto which the entries made in the service book have been checked and initialled by the `testing official' concerned.

Note: A list of civilians in respect of whom service books are maintained will be obtained from the unit authorities. The service books to be audited will be selected from the above list. For ensuring that the list contains the names of all civilians serving with the unit, the names appearing therein will be checked at least once a year with the copy of the pay bill held by unit formation.

VERIFICATION OF POSTING OF PART II ORDERS
IN SERVICE BOOKS

466. During any one `audit' in each year, the posting into all service books effected of all part II Orders (Office Order) issued during one month should be verified.

LAST PAY CERTIFICATE BOOKS-CHECK OF

467. See that-
(a) The books are kept in safe custody by the officer commanding or the head of the office and that in the case of units to which A.A.Os. are not attached, a proper record is kept by the Officer Commanding in I.A.F.Z. 2012 of the books in stock and in use. In the case of units to which A.A.Os are attached the necessary record will be kept by the A.A.O. On behalf of the Officer Commanding, and
(b) The cancelled L.P.C. forms are kept in the book. (i.e., are not removed and that the cancellation is attested by an officer).

468. to 470. Blank.

Subject: Use of Military Vehicles for non Duty Purposes

in supersession of Government of India, Ministry of Defence letter No. 1875/O/8/D (Coord) dated 21st March, 1951, it has been decided that with immediate effect the Chief of the Army Staff, Chief of the Naval Staff and the Chief of the Air Staff will be entitled to the use of staff cars for non-duty journey on payment of Rs.323/- each per month and non-duty journey should not however, exceed 567 Kms per month. The rates are subject to review as and when the amenity rates are revised.

2. Any excess journey over and above the aforesaid 567 Kms. will be charged for at normal rates. Car-logs should be maintained, showing journeys on official duties and for private purposes separately.

3. Journey between office and residence will be treated as non-duty.

[Authority: G.O.L, M.D. letter No. 5(8)/82/D (QS) dated 3-8-82]
CHAPTER-XI

TECHNICAL DEVELOPMENT ESTABLISHMENT

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<tr>
<td>Non Consumable Stores</td>
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GENERAL

471. The Accounts maintained by Research and Development Establishments are of two types, viz., Store Accounts and Financial Accounts. Store Accounts follow the general pattern of consuming units and therefore audit is to be conducted with reference to the general and special instructions thereof contained in this manual. In regard to Financial Accounts the procedure outlined in the succeeding paras should be borne in mind.

472. The following Financial Accounts are maintained by the Defence R & D establishments and Laboratories. The instructions given against each will be looked into in audit.

473. PROJECT REGISTER: -

(i) Ensure that a Project Register as per Appendix 'A' to Government of India, Ministry of Defence letter No. 87146/ RD-26/79/1 (R & D) dated 15 February, 1977 is maintained centrally for all the projects sanctioned and assigned to the Establishment/Laboratory.

(ii) Verify with reference to the sanctions on record with the Establishment/Laboratory that all the sanctions are prominently entered in this Register, all relevant columns are completed and the register is kept upto date.

Note: For purposes of countercheck copies of sanctions will be endorsed by the PCsDA/CsDA to the concerned LAO, who will record such copies Establishment wise/Project wise and verify the posting in the Project Register.
(iii) in cases of completed projects, compare the estimated cost with the completion cost. Where the completion cost exceeds the estimated/sanctioned cost, see whether prior approval of the CFA is available on record and indicated in the register.

(iv) if the probable date of completion as shown in column 5 is subsequently amended, see whether approval of the R & D Panel as required vide Government of India, Ministry of Defence letter No. 88763/RD/ Tech Coord/8139/1 (RD) dated 17th July, 1980 as amended exists.

(v) see whether the total cost exhibited in column 7 has been correctly brought forward from the project expenditure card.

SANCTIONS

474. It will be seen that separate folders are maintained for recording the Appreciation Reports and Sanctions thereof accorded by the Government of India Scientific Advisor to Raksha Mantri DG & R & D Directors of the Establishment/Laboratory.

Any orders connected with change in the probable date of completion, foreclosure of stage-closure of the project should also be recorded in the relevant folders.

475. PROJECT COMMITMENT REGISTER: -

(i) See that a separate register in manuscript form is maintained for each project for noting the commitments against the project as reflected in the Appreciation Report.

(ii) See that each item is cleared as and when the expenditure is incurred and debited in the project Expenditure/Card.

(iii) Bring out cases where the sum total of the Project Expenditure Card and the commitments yet to be honored is likely to exceed the sanctioned cost of the project.

PROJECT EXPENDITURE CARD

476. A Project Expenditure Card as per specimen at Appendix "B" to Government of India, Ministry of Defence Letter No. 87146/RD-26/79/D (R & D) dated 1St February, 1977 is maintained for each project undertaken by the Establishment/ Laboratory.

It will be seen that-

(i) Project expenditure Card is maintained centrally by the Administration or Store wing of the Establishment/Laboratory as may be decided by the Local Head of the Establishment/ Laboratory.

(ii) All the entries/columns in the Card are promptly completed indicating inter alia the date of completion of the project. These entries should be linked with the Project Register.

(iii) In case where the sanctioned cost of the project is revised, the amount of original sanction plus additional amount sanctioned is shown as the revised cost of the project, duly authenticated by the Officer-in-Charge of the project.

(iv) Only actual expenditure is booked in the project Expenditure Card. Commitments made on account of SWOs, Supply Orders placed on trade, /fabricators/manufacturers and central procuring Agencies are not booked as expenditure unless materialised and taken on charge by the main store wing.
(v) Column 2 is completed with reference to the Vr. No. and dates allotted to the branch, Demand-cum-Issue Vouchers/Nominal Issue Vouchers by the Main Store Wing.

(vi) Expenditure on account of consumable stores and Non-consumable stores booked in the Card is reviewed every month by the Scientists-in-charge of the project and his initials recorded in the Card at Column 5.

(vii) Pay and Allowances of the staff specifically employed for the project are debited in the Card.

(viii) Expenditure booked in the card is not written back, i.e., progressive total is not reduced until completion of the project or closure.

(ix) Cost of consumable stores returned to the Main Store Wing at the time of completion/closure of the project will be credited to the project Expenditure card and the progressive total reduced accordingly.

STORES AND ACCOUNTING

477. (a) Consumable Stores-It will be seen that-

(i) All consumable stores required for the project are drawn from the main stock on Demand-cum-Issue vouchers as per specimen given Appendix "C" to Government of India, Ministry of Defence Letter No. 87146/RD-26/79/D (R & D) dated 1st February, 1977.

(ii) All demands from the indenting branches/groups are controlled by a special series and given consecutive serial numbers on yearly basis from January to December, prefixing the project Number.

(iii) Consumable stores which will be consumed within two weeks are only drawn at a time.

(iv) Cost of all stores, drawn is immediately booked in the project Expenditure Card with reference to Voucher No. and date allotted to the Demand-cum-Issue Voucher by the Main Store Wing. Simultaneously entry to the effect that the total has been booked in the Expenditure Card is made in the Demand-cum-Issue Vouchers under the signature of the Officer-in-Charge of the project.

(b) Subsidiary Register-It will be seen that-

(i) Stores drawn in bulk which are not meant for immediate consumption, such as, chemicals in sealed containers or such stores which are to be drawn in bulk quantity and kept at site for gradual consumption in part are accounted by the project Officer in a Subsidiary Register as per specimen given at Appendix "D" to Government of India, Ministry of Defence Letter No. 87146/Rd-26/79/ W (R & D) dated 1St February, 1977 (items which are to be accounted in this register will be decided in consultation with the LAO). Items of comparatively small value are not accounted in the Subsidiary Register even if they are drawn in bulk quantity.

Note : For this purpose, when the average consumption is not to the event of more than Rs.50 per fortnight and the total value of the stores drawn is not more than Rs.200 at a time should be taken as items of small value.

(ii) Receipt entries are supported with reference to the Voucher No. and date allotted to the Demand-turn-Issue Vouchers by the Main Store.
(iii) Receipt transactions are linked in the Subsidiary Register to the extent of 33\(\frac{1}{3}\) % of the Demand-cum-Issue Vouchers floated by the Main Store Wing. Similarly, 33\(\frac{1}{3}\) % of issue transactions is checked with expense vouchers.

(iv) A certificate to the effect that the stores have been consumed against the project indicating the title and No. of the project is invariably recorded by the Project Officer on the expense Vouchers.

(v) The Register is closed to NIL Balance by transferring the unutilised stores to Main Stock on regular issue vouchers, on completion of the project.

(vi) This being a sub stock register, the items held on charge are subjected to Annual Stock verification.

478. (a) **Non consumable Mores**-It will be seen that-

(i) All non-consumable stores, such as Machinery, Equipments, Tools etc., are drawn on nominal series of Demand-cum-Issue Vouchers.

(ii) Title and No. of the project are invariably indicated in the Demand-cum-Issue Vouchers.

(iii) The value of the machinery, equipment, tools etc. is indicated on the voucher and is debited in the project Expenditure Card for Non-consumable stores.

(iv) Non-consumable stores are not struck off ledger charge by the Main Store Wing, but the distribution is shown on the reverse of the Main Ledger Sheets.

(v) All non-consumable items of stores are marked as such prominently at the top of the concerned Ledger Sheet by the Main Stock Group/Central Store Section.

(b) **Expenditure Card for Non-consumable Stores**-It will be seen that -

(i) Expenditure Card as per specimen given at Appendix "E" to Government of India, Ministry of Defence Letter No. 87146/RD-26/79/D (R & D) dated 1St February, 1977, is maintained separately for each project by the Store Wing.

(ii) The items which are incorporated in the project as component, if not dismantled and recovered at the close of the project are charged off on regular Demand-cum-Issue Vouchers.

(iii) The cost of such items incorporated in the project is adjusted in the project expenditure card and the Expenditure Card for non-consumable stores.

**RETURN OF STORES AFTER COMPLETION OF THE PROJECT**

479. (a) **Non-consumable Stores**-It will be seen that-

(i) At the close of the project, all non-consumable stores, except these incorporated in the prototype are returned to Main Stock Group on nominal voucher;..

(ii) the cost of stores returned is not reduced from the project Expenditure Card, but is adjusted in the Expenditure Card for non-consumable stores.

(iii) the distribution shown on the reverse of the Main Ledger Sheets is suitably amended.

(iv) the items so returned are treated as Laboratory Build-up till declared surplus/unserviceable.

(v) The surplus/unserviceable stores are disposed off in the normal manner.

(b) **Consumable Stores**-It will be seen that-
(i) Immediately after completion/closure of the project all unutilised stores are returned to Main Store Wing on regular issue vouchers.
(ii) The stores so returned are taken on charge in the Main Stock Ledger.
(iii) The cost of stores returned is reduced from the progressive total of the project Expenditure Card.

480. Issue of Developed Items/Stores- It will be seen that-
(i) Immediately after completion of the project, the developed materials/stores are taken on charge in the Ledger of Main Store Wing on Certified Receipt Vouchers.
(ii) All developed materials required to be issued for User's trial are initially issued on Loan Issue Vouchers. Items which are designed to be consumed during trials are finally charged off on regular issue vouchers from the Main Store Ledger.
(iii) All non-expendable developed materials issued for User's trial are noted in a Loan Register and return, thereof watched.
(iv) Non-expandable materials not returned by the User's after expiry of the loan period are converted into payment issue and charged off from the ledger.
(v) The payment issue voucher duly priced and got checked by the LAO is floated to cover the transaction and its final adjustment watched.

MISCELLANEOUS

481. (a) It will be seen that a register for payment of Testing charges is maintained for recording recovery of testing charges on various Components and prototypes developed by indigenous firms. Following checks will be exercised in audit to ensure:
(i) That the testing charges are levied as per the schedules of rates in force approved by the Government of India, after check by the LAO.
(ii) That the test charges are deposited in advance by the firm.
(iii) That any additional charges towards POL, packing etc. are recovered from the firm.
(iv) That total recovery is remitted into Treasury, TR forwarded to the P.C.D.A./C.D.A. and acknowledgement obtained.

(b) Register for watching refund of Customs Duty- Claims for refund of customs duty as per paras 12 to 19 of "Shipping Procedure 1976" are classified broadly under the following headings-
(a) Claims pertaining to short landed cargo.
(b) Claims pertaining to cargo landed but missing from the port premises.
(c) Claims pertaining to packages pilfered/damaged before or during landing.
(d) Claims pertaining to packages landed in sound condition but damaged/pilfered during storage with port authorities.
(e) Claims pertaining to excess levy of customs duty due to arbitrary assessment, difference of opinion of ICT items, levy of duty on exempted items and mistake in calculations.

It will be ensured in audit that a register is maintained to record instances of the above nature and the refund claims processed as quickly as possible with the Embarkation Headquarters. A claim preferred after a period of six months from the date
the credit on, account of customs duty is afforded to the Customs Authorities will be treated as time barred and rejected. The register will, therefore, be critically examined to see that outstanding cases are progressed expeditiously.

(c) Check Rolls in respect of industrial personnel employed in the establishment/laboratory. Will be audited as per the instructions contained in para 273 of this manual.

(d) Register of advance payments for purchase of periodicals/publications will be audited to see that the Register is maintained as per Government of India, Ministry of Defence Letter No. 90202/RD-26/1725/CG (Admin) dated 4th March, 1960. It will also be ensured in audit that the periodicals (Indian and Foreign) are received regularly and taken on charge. In cases of non-receipt of magazines, it should be ensured that the advance paid is refunded to Government or regularised as a loss.

(b) QUALITY ASSURANCE ORGANISATION

GENERAL

482. The audit of store accounts of DGQA establishments will be conducted in accordance with general instructions laid down in Chapters I to III and the detailed instructions prescribed for audit of similar accounts of consuming Units in this Manual.

483. (a) Over time Register will be checked to ensure that-

(i) In the case of systematic Over time, i.e. OT performed beyond 14 consecutive calendar days, prior sanction of the director is obtained and in the case of casual over time, i.e. OT work performed in excess of normal working hours upto 14 calendar days, sanction of the head of the establishment is available on record;

(ii) The work was of an urgent nature as certified by the head of the establishment;

(iii) Sanction of the State Government exists for employing industrial personnel beyond 48 hours in a week as prescribed in Indian Factories Act, 1948.

(b) Check Rolls in respect of Industrial Personnel of the establishment will be post audited by the LAO as per the instructions contained in Para 273 of this Manual.

ADDITIONAL DOCUMENTS MAINTAINED IN CERTAIN DGQA ESTABLISHMENTS

484. (a) Advance Payment for purchase of Publications will be checked to see that the register is maintained as per Government of India, Ministry of Defence Letter No. 90202/RD-26/1725/CG (Admin) dated 4th March, 1960. It will also be ensured in audit that the periodicals (Indian and Foreign) are received regularly and taken on charge. In case of non-receipt of magazines, it should be ensured that the advance paid is refunded to the Government or regularised as a loss.
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(b) Register for recording payment issue of specifications will be verified to ensure that the correct cost of the specifications issued on payment is recovered and credited to Government.

c) Register for watching refund of Customs Duty: The instructions contained in para 481-b will be looked into.

d) Register for watching charges for testing and calibration work.

(i) Ensure that a Register to account the testing and calibration work charges levied from indigenous firms on various components and prototypes developed by them, in terms of the provisions contained in Government of India, Ministry of Defence Department of Defence Production letter No. 5.3940/DGI/Admin/16/8796/D/Prod. dated 31st August, 1976 is maintained.

(ii) See that the test charges are levied at the rates prescribed in the Schedule of Rates of National Test House, Alipore.

(iii) In case where rates are not available in the Rate List of NTH Alipore, see that supplementary rates are worked out in terms of the aforesaid Government Letter and got approved by the LAO before recovery.

(iv) Ensure that testing charges are deposited in advance by the firms.

(v) See that the amount so recovered is remitted into Treasury; TR forwarded to the P.C.D.A. /C.D.A. and acknowledgement obtained.

TECHNICAL STORES SECTIONS

485. (a) Machinery ledger will be audited to ensure that-

(i) All relevant columns (IAFO 1320) are completed.

(ii) Depreciation. in respect of (1) active machines (2) idle machines (3) new machines not put to use, and (4) machines repaired by fitment of standard replacements is worked out in terms of Para 47 Chapter III Section I of DGI Standing orders.

(iii) In the case of weighing and measuring and Proprietary machines where contract exists for periodical adjustment and maintenance no repair is carried out by the establishment.

(iv) In case of transfer of machinery, whether authority in support of the transfer is available for verification.

(v) Disposal of obsolete/surplus machinery is done under the orders of the competent Authority and as per the normal rules for disposal of such stores.

(vi) Where stores are condemned both service and non-service stores and their scrap are sent to Ordnance Salvage Sub Depot or Salvage Section of the Ordnance Factory and charged off the ledger by an issue voucher.

(vii) In cases of stores having DTO machinery card numbers, the prior approval of the DGI has been obtained before disposal.

(b) Sample Room Register-Normally following four types of samples are received for testing/inspection/investigation: -

1. Samples from Depots
2. Samples from Units
3. Samples from Zonal Offices and
(4) Samples from Private Firms.
While auditing the sample room register, it will be ensured that:

(i) While linking of vouchers, the stores are taken on charge in all the above cases;
(ii) The disposal column is completed with reference to the investigation reports given by the P & C Division/Groups;
(iii) The recovery of testing charges from private firms is made correctly and linked the item in the register for watching recovery of testing and calibration fees; (iv) After testing/inspection/investigation the samples are returned to the concerned parties over regular issue vouchers;
(v) Vouchers in respect of return of samples are collected in local audit and scheduled to the LAO of the consignee Unit/Depot for linking at his end.

486.  (a) In cases of DGQA establishments undertaking development projects, the audit procedure envisaged in the relevant paras under R & D Estts./Labs. will be followed.
(b) Job Cards-IAF (EME) W 140 is audited to see that-

(i) A particular serial number is allotted to each job card;
(ii) The materials issued on expense vouchers are correctly booked in the job card;
(iii) Job card is closed after completion of the job and the items developed are taken on charge on a CRV and accounted in the Ledger/Machinery sheets etc.

AO 481/73 Disposal of audit objections and draft audit paras

GENERAL
1. The Public Accounts Committee have several times stressed the necessity for the prompt disposal of audit objections and provision of complete information on draft audit paras prepared by the audit authorities for inclusion in the Audit Report of the Defence Services. The delay in the disposal of audit objections renders it difficult to take appropriate disciplinary and other actions connected with these objections. It is therefore, necessary that audit objections should be given priority consideration as soon as they are: received by the units and formations that will also ensure their expeditious disposal. Audit objections will not be treated as mere routine enquiries. The procedure to be followed for the disposal of audit objections, draft audit paras, is given in the succeeding paragraphs.

PROCEDURE FOR THE DISPOSAL OF AUDIT OBJECTION

2. The following procedure will be observed for prompt disposal of audit objections:

(a) Lengthy, prolonged and inconclusive correspondence on audit objections will be avoided. As far as possible, audit objections, as and when they are raised, will be settled locally by discussion with the audit officers. Where- settlement of objections is possible either by discussion or by exercising the financial powers vested in the local Competent Financial Authority, they will be finally settled within two months from the
date of receipt of the objections where such as settlement is not possible, the case will be reported, with full details, immediately to the higher formation.

(b) Audit objections which cannot be settled by discussion locally, for example, those relating to lack of sanction of the higher Competent Financial Authority, or those based on a difference of opinion in the interpretation of rules, will be referred to the next higher formation promptly. Units and formations will watch and note down the progress of such cases referred to the next higher authority in a register. Formation Headquarters will also maintain a corresponding register and serious cases will be referred promptly to Army HQ. In no case will any audit objection be kept pending for more than one month in a lower formation and for more than three months in a Command HQ after its receipt from the lower formation.

(c) While referring cases of serious irregularities or those objections on which no settlement has been possible at lower levels, complete statements of cases will be submitted to Army HQ in accordance with AO 315/73.

(d) Irregularities detected and reported to units and formations by statutory audit authorities will be dealt with immediately.

3. The powers given to the various officers will be exercised discretely so as not to give any cause for suspicion that the powers delegated have been misused. All audit objections will be examined with reference to the powers delegated and disposed of. Copies of sanctions issued for the settlement of audit objections will be endorsed to the statutory audit officers concerned.

4. A list of typical cases of technical and non-financial objections which can be regularised by the officers concerned under the powers vested in them is given in Appendix `A' to this Army Order.

5. Government of INDIA, Ministry of Finance (Defence) letter No 13074/AT Coord dated 13 November 59, vesting the Controllers of Defence Accounts with powers to waive procedural or non-financial objections is reproduced as Appendix `B' to this Army Order.

6. Government of INDIA, Ministry of Defence letter No. F 13 (3)/66/D (Budget) dated 5 October 66 regarding delegation of powers to dispose of audit objections/regularize losses or other irregularities is reproduced as Appendix `C' to this Army Order.

**WAIVING OF AUDIT OBJECTIONS**

7. Generally traders issue cash memos in token of having received the amount for the articles sold and that they do not issue receipts of money from the person named therein. Stamped receipts are also not issued/obtained where the amount exceeds Rs. 20/- [Now Rs. 500/-] The rule position in this regard is indicated below:-

(a) Rule 47 (ii) FR. Part II provides that cash memoranda will not be regarded as sub-vouchers in audit unless it contains an acknowledgement of the receipts of money from the persons named therein (with a stamp affixed) when the amount exceeds Rs. 20/- [Now Rs. 500/-].

(b) The provisions of Note below CTR 207 have been reproduced in Rule 47 (ii) of FR. Part 11. This `Note' derives authority from Section 2 (23) of the Indian Stamp
Act, 1899 read with item 53 of the Schedule I thereof. While under Section 30 of the
Act, a trader is required by law to furnish a proper receipt on demand by the purchasers,
Section 29 provides that the expense of duty may be borne by either party as per mutual
agreement. The Law, however, does not make it obligatory to issue a receipt, unless
demanded. Not to grant a receipt when demanded, is however a punishable offence.

8. In certain cases, however, if due to certain genuine reasons, it is not possible to
obtain a stamped receipt if the amount exceeds Rs. 20/- [Now Rs. 5001-] this will
tantamount to an irregularity and will have to be condoned/regularised by the competent
financial authorities.

DISPOSAL OF DRAFT AUDIT PARAS

9. The Director of Audit, Defence, Services, sends draft audit paragraphs for
verification to the Ministry of Defence and also an advance copy thereof to the Army
Headquarters. The audit paras are based on the notes of local audit officers copies of
which are forwarded to formations and units direct. The enable the Army Headquarters
to take necessary’ action expeditiously, all formations and units are required to forward
to Army Headquarters, through the Command Headquarters, all draft audit notes and
paragraphs received by them from the Defence Audit Department or the Defence
Accounts Department, in their final form, along with properly edited briefs or lucid
summaries of the cases, clearly demarcating the extent of responsibility and other
connected matters. This is intended to give advance information to Army Headquarters
of draft paras which the Director of Audit, Defence Services may subsequently transmit
and to enable them to forward their comments to the Ministry of Defence not later than
15 days from the date of receipt of the advance copy from the Director of Audit, Defence
Services.

10. Formations and units will, therefore, accord high priority for the expeditious
disposal of audit notes and audit paras received by them and forward the same along with
a proper brief giving factual position of the case to the Branches or Directorates
concerned in Army Headquarters through Command Headquarters, so as to enable them
to take immediate action on the draft paras received from the Director of Audit, Defence
Services.

11. All draft audit paras for Audit Report will be classified "CONFIDENTIAL'.

12. It is imperative that the following information is included in the explanatory
notes or briefs or statements of cases on draft audit paragraphs or on audit objections: -
(a) Information will be given under the proper heading, with full supporting data,
statistical or otherwise.
(b) As the Public Accounts Committee do not restrict themselves to discussing
the audit comments only but also want details in regard to other facts, the briefs will be
comprehensive in regard to various facts (Illustrative examples of types of information

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RTC-KOLKATA
required in the explanatory notes on audit paras are given in Appendix `D' to this Army Order).

(c) Remedial measures adopted and improvements effected, if any, will be mentioned.

(d) Action taken to fix responsibility for the lapses and irregularities and disciplinary action taken against persons held responsible, will be indicated. In cases, where no disciplinary action has been taken, the views or decisions of the Administrative Authorities will be included in the notes, briefs or statements of cases.

DOCUMENTS AND FILES TO BE MADE AVAILABLE TO AUDIT AUTHORITIES

13. It had been reported that in a few cases, documents required by Audit were not made available to them by lower formations while conducting audit. The grounds for not providing the documents were that-

   (a) they related to draft Audit Paras or Paras included in the Audit Report and therefore they should be obtained from the Ministry of Defence, or

   (b) the question of supply of the documents had been referred to higher headquarters.

14. Documents having financial implications required by the audit authorities should be made available to them.

15. It has been clarified that audit authorities will not be interested in seeing documents as have no financial implications or in which a particular audit reference or Audit Para is being discussed between the lower formations and higher headquarters.

16. Difficulties are at times reported to be experienced by the Controllers of the Defence Accounts in obtaining information from Units and Formations on audit paras relating to matters within their jurisdiction. All units and formations will ensure that the information required by the Controllers of Defence Accounts for dealing with the Audit paras is promptly furnished to them.

17. AO 82/64, 312/64, 500/64, 352/65, 541/64, 192/68 and 288/69 are HEREBY CANCELLED.

Appendix `A' to AO 481/73

LIST OF TYPICAL CASES OF TECHNICAL/ NON-FINANCIAL OBJECTIONS: WHICH CAN BE REGULARISED BY THE OFFICERS CONCERNED UNDER THE POWERS VESTED IN THEM: (THIS LIST IS ILLUSTRATIVE ONLY AND IS NOT EXHAUSTIVE AND SHOULD BE USED AS A GUIDE ONLY).

STOCK VERIFICATION

1. (a) Non or partial verification of stock in Units and formations or incomplete stock-taking carried out, i.e., one or more ledgers left out and/or some pages of a certain
ledger left over, provided the delay is for a few days and subsequent stock-verification
has not revealed any serious irregularities.
(b) Partial verification of stock especially in MES when physical check of stores
is required to be done in certain cases quarterly provided suitable remedial measures
were taken to avoid recurrence.

RATION AND CLOTHING ACCOUNTS

(a) Non-preparation of Ration Strength Return but the Ration Strength can be
checked with reference to daily parade statements or other relevant documents.
(b) Failure to carry out physical muster of ratings for comparison with the ration-
strength shown in the victualling accounts.
(c) Payment issues made in error of certain items of rations and clothing not
authorised, provided the cost thereof has been recovered.
(d) Costing mistakes in ledgers in consuming units, provided COs are willing to
accept the revised balance as indicating the correct quantity in stock, despite the fact that
the incorrect ledger balance had been certified as correct during an earlier stock
verification.

TRANSPORT
3. (a) Non-maintenance of Car dairy while duty slip is available and cases of loss of
log books.
(b) Unauthorised/irregular use of Government transport for a purpose by a person
not exactly laid down in rules provided the cost has been recovered and such
unauthorised/irregular use of transport is not likely to recur.
(c) Hiring out of MT vehicles for which rates are not laid down by Government
provided the rates are assessed with reference to the rates for similar vehicles with the
concurrence of the CDA.
(d) Provision of Government transport to non-Defence Officers on tour in
connection with Defence matters.

LOAN ISSUES
4. (a) Stores issued on loan but not returned on the expiry of the loan period
provided satisfactory explanation for delay is forthcoming and no loss has occurred.
(b) Issue of tents /other equipment for bonafide Government purposes but not
specifically authorised in regulations provided they are retained only for the period
necessary in connection with Government work and returned subsequently in a
serviceable condition.
(c) Non-return of seasonal or El clothing issued on loan on the expiry of season
based on medical recommendations provided the items are returned subsequently is a
serviceable condition.

NON-MAINTENANCE OF ACCOUNTS/RECORDS
5. (a) Non-maintenance of accounts or irregular maintenance of accounts of spare parts of Vehicles, Tools, Kits, etc., packing material, where the value involved is not likely to exceed the officer's powers for writing of losses due to theft, fraud, neglect.

(b) Non-maintenance of subsidiary documents to support accounts provided the accounts are otherwise satisfactory and it is possible to ensure that material particulars required for audit are not wanting.

M.E.S

6. (a) Irregular issue of furniture/fans to civilians paid from the Defence Services Estimates in occupation of private quarters or to other unauthorised persons/bodies where recovery of hire charges at market or assessed rate has been effected, provided the issues were made through oversight or misapprehension and such cases are isolated ones.

(b) Letting out of buildings in rare cases for use as Cinemas to contractors without calling for tenders provided there are good and sufficient reasons therefore and the rental charged is reasonable.

(c) Allotment of Government accommodation in error to unauthorised persons or bodies provided recoveries of rent at market rates have been effected.

(d) GE's imprest amount of Rs. 250 being slightly exceeded and unspent balance of imprest not being deposited into the treasury at the end of the financial year provided adequate explanation therefore is available

(e) Technical sanction to costed schedules being accorded by the competent Engineer authority after issue of tender documents/acceptance of contracts provided that such instances are rare and explanation is forthcoming for such delays.

(f) Unregistered contractors given contracts in exceptional cases.

(g) Payment of more than one RAR in a month in exceptional cases.

(h) Non-submission of progress reports with CP bills and muster rolls in individual cases where satisfactory explanation for the same is available.

(i) Conclusion of contracts on other than authorised form and deviations from the printed conditions for particular type of contracts, due to local conditions where prior sanction of the E-in-C has not been obtained.

PAY

7. Unauthorised payments in isolated cases of advances of pay etc., to Defence Civilians where the amounts are subsequently recovered in full.

ADVANCES

8. Conveyances not purchased within the period stipulated in Regulations out of advances granted by Government, when delays are for a short period and there is adequate justification for delay and/or the mortgage bond in the prescribed form hypothecating the vehicle to President as a security for an advance is not executed immediately thereafter.
EQUIPMENT

9. Non-classification of items of equipment in stray cases within the stipulated period.

MISCELLANEOUS

10. (a) Loss of auditable documents viz., Account Card, Duty Slip, log book, car diary, etc., where, 'prima facie', there is no reason to suspect fraud and disciplinary and remedial actions have been taken, where necessary.
(b) Belated implementation of Government order due to non receipt/late receipt for which adequate explanation is forthcoming.
(c) Holding of items slightly in excess of scales provided the excess is not much and is also not held for a long period.
(d) Review of maximum/minimum establishments for equipment not carried out by consuming units.
(e) Non-affixation of a revenue stamp on the receipt in support of a charge.

Appendix `B' to AO 481/73

COPY OF GOVERNMENT OF INDIA, MINISTRY OF FINANCE (DEFENCE) LETTER NO 13074/AT-COORD, DATED 13 NOVEMBER, 1959 ADDRESSED TO THE CONTROLLER GENERAL OF DEFENCE ACCOUNTS, NEW DELHI REGARDING SPEEDY SETTLEMENT OF OUTSTANDING AUDIT OBJECTIONS.

1. I am directed to refer to your uo No 13074/AT-Coord, dated 22th October 59, and to convey the sanction of the President to the delegation to Controllers of Defence Accounts of powers to waive procedural/non-financial objections, i.e., those which do not involve any monetary value or loss to Government, without reference to the local administrative authorities, provided the Controllers are satisfied that the objections are petty and do not disclose any inherent defect of procedure or persistent irregularity.

2. Any subsidiary instructions considered necessary may be issued by the Controller General of Defence Accounts.

3. These orders will have effect from the 28th March 1959.

Appendix ‘C’ to AO 481/73

COPY OF MINISTRY OF DEFENCE LETTER NO F 13 (3)/66/D- (BUDGET), DATED 5th OCTOBER 66 REGARDING DELEGATION OF POWERS TO DISPOSE OF AUDIT OBJECTIONS/REGULARISE LOSSES OF OTHER IRREGULARITIES
It has been decided by the administrative and financial authorities in consultation with the Ministry of Finance (Defence/Coordination) and the Comptroller and Auditor General of India that the powers "to waive recovery of amounts under objection or other irrecoverable amounts and to regularise audit objections arising out of breaches of rules and regulations", conferred on administrative authorities under rules/regulations and other Government letters should be exercised by the authorities only if (i) the irregularity does not disclose a defect in the rules or regulation the amendment of which requires the sanction of the Government vide Rule 70 (b) FR Part I, and (ii) they (or their predecessors) are themselves not personally responsible for the loss/overpayment/irregularity. Prior approval of the next higher financial authority should be obtained in respect of cases mentioned at (ii) above.

Appendix `D' to AO 481/73

ILLUSTRATIVE EXAMPLES OF TYPES OF INFORMATION REQUIRED IN THE EXPLANATORY NOTES ON AUDIT PARAS

Irregularities in Works Expenditure like delay in execution, defective planning etc.

1. 
(a) Date of administrative approval of the work and amount sanctioned-copies of the sanction should be available on the file.

(b) Chronological data in regard to the various stages in the progress of work-
(i) Date of administrative approval.
(ii) Date of technical sanction.
(iii) Date of contract(s) and period of completion specified in the contract(s).
(iv) Date of order to commence work.
(v) Dates of completion of the various stages of Project (Main building, internal and external water connections and drainage, electrification, outside roads and parks etc.).

(c) Reasons for delays, if any, between the various stages mentioned above.

(d) If delays are found to be-
(i) due to non-receipt of stores in time, factual data in support of the contention should be given; or
(ii) due to delay on the part of contractors, details of adequate action taken against contractors, should be indicated; or
(iii) due to procedural faults, remedial measures taken should be given; or
(iv) due to poor supervision a clear account of the disciplinary action taken should be furnished.

Irregularities in provisioning of stores in excess of requirements- Delays in notifying excesses etc.

2. 
(a) If the item is covered by normal provision reviews, full details regarding the liabilities, stocks, dues in etc., of the item in question at various periods of time should be given.
(b) Reasons for abnormal variations in the liabilities (due to changes in the scales of reserves or training requirements or for other consumption etc.,) rate of issues or stocks held should be explained.
(c) Whether rates of issue and stocks held have been taken into account while calculating liabilities, if not, why not.
(d) Whether assets of a similar interchangeable items have been taken into account, if not, why not.
(e) If procurement action is continued even though the provision review disclosed statistical surpluses, the reasons for continuing the procurement action should be clearly indicated. The levels at which decision to continue the procurement action was taken should also be mentioned.
(f) If the surplus has resulted from a decision of Government to phase out or reduce the numbers the date of the decision and its actual effect.
(g) A clear assessment of the future requirements of the item, the period within which the surplus, if any, would be fully utilised etc., should be furnished.
(h) Whether the surpluses have been notified to DGS&D and recoveries if any credited.

Irregularities connected with the production of stores - production without firm demand, non-cancellation of work orders in time etc.

3. (a) A clear account of the orders governing the procedure for drawing up production programmes existing at the time the case in question is reported to have occurred, should be given.
   (b) Any modifications to the procedure indicated at (a) above, copies of Government orders on the subject should be available on the file.
   (c) Any unsatisfactory features noticed in the planning and progressing and the remedial measures taken should be indicated.
   (d) A clear assessment of the responsibility for individual lapses, if any, should be made and a clear account of the disciplinary action that has been taken or is proposed to be taken should be given.

LOSSES AND OTHER PROCEDURAL IRREGULARITIES
4. (a) A clear account of the irregularity in question and how it happened should be given.
   (b) Extenuating circumstances, if any, under which the irregularity occurred should be clearly explained.
   (c) Remedial measures taken to avoid recurrence of the irregularity in future should be stated. Improvements noticed in the subsequent years should also be mentioned.
   (d) Was any court of enquiry held and if not, why not?
   (e) Was any individual(s) held responsible?
   (f) Was any disciplinary action taken or contemplated to be taken (name of the individual rank and the nature of the disciplinary action etc..) and if not, why not?

VARIATION BETWEEN BUDGET AND ACTUALS
5. (a) A statement showing, for each detailed head, the Budget Estimates, Revised Estimates, Modified Appropriation, Actual variations (and % of variations) between Budget Estimates/Actuals, Modified Appropriation/Actuals, should be given.
   (b) Explanation for variation at each stage should be furnished.
   (c) It should be indicated why-
   (i) The excess/shortage could not have been foreseen at the earlier stage (especially while preparing Budget Estimates). If it is due to any later decision, the date of such a decision and its actual financial effect.
   (ii) The excess could not have been avoided by postponing expenditure to the next year.
   (iii) The excess could not be met by a supplementary grant/advance from the Contingency Fund.
   (iv) The savings could not be surrendered in time.
   (d) It should be indicated in cases of large savings whether it indicated any delay in taking action to procure critical stores or delayed completion of operational works.

STOCK VERIFICATION AND DISCREPANCIES
6. (a) Lists, of Depots where stock verification was not completed as per report.
   (b) Depots out of these where it has since been completed with reasons for delay.
   (c) Reasons for not completion in other Depots and the probable date by which it is expected to be completed.
   (d) Whether surpluses have been taken on charge in all the depots, if not, why not.
   (e) Whether action has been initiated to reconcile the deficiency in each of the Depot and the stage at which it stands with the amount since cleared in respect of each depot.
   (f) General causes of discrepancies.
   (g) Instructions, if any, issued.

UNVERIFIED CREDITS/UNLINKED VOUCHERS
7. (a) General reasons for long outstanding.
   (b) Number of items reported and number since cleared with amount and with year-wise break-up.
   (c) Steps taken for early clearance and instructions, if any, issued. (d) Detailed explanation for items over 6 years old.

OUTSTANDING DUES/RENT RECOVERIES
8. (a) Amount of dues reported and since cleared and balance due year wise also category wise, i.e., Defence, Central Government, State Government, Railways, Public parties, Private parties and Total.
   (b) Reasons for delay, steps taken for clearance.
(c) Detailed explanations for amount outstanding for more than 6 years for each case.

LOSSES AWAITING REGULARISATION

9. (a) Whether the loss has since been regularised.
    (b) Reasons for delay in regularisation and stage of the case.
    (c) Whether disciplinary aspect has been/is being considered and the extent of such action where taken.

OUTSTANDING OBJECTIONS

10. (a) A statement showing objections (Internal Audit/Test Audit) as reported, since cleared, balance outstanding (Nos and amounts) should be furnished.
    (b) Reasons for delay in clearance generally and steps taken for clearance.
    (c) Specific causes for delay in respect of objections pending for more than 6 years and special steps taken for their clearance and their effect since introduction.
    (d) Any important proposal afoot.

Subject: Local audit objections combination under generic heading.
In accordance with the existing procedure, objection statement is issued by the LAO'S at the end of Local Audit of Store/MT Accounts of units/ formations. Local Audit objection pertaining to under-mentioned items of audit drill figure in almost every objection statement.

(i) Non receipt of receipted copies for stores issued out and vouchered to other units/depots.
(ii) Non-linking of receipt of stores in the consignee ledgers.
These objections are repetitive and constitute a reckonable bulk of the total number of audit objections shown as outstanding against a particular unit/formation.

It has therefore been decided that Local Audit objections under these two headings will be brought forward from the objection statements of previous quarters on a yearly basis and got clubbed in the objection statement for the last quarter of the year under generic headings. The outstanding vouchers will be aggregated and brought forward along with the value of the objections. The objections thus brought forward without omission from previous quarters will be treated as settled for the period from which they have been brought forward.

The above re-arrangement of objections will ensure that the total number of objections reflected as outstanding in the A.A.C. will be reduced in so far as these objections are concerned.

This exercise will be reported every year and a confirmation to that effect will be obtained from the LAOs when the latter render AAC.
COPY OF GOVERNMENT OF INDIA, MINISTRY OF DEFENCE LETTER NO 13(1)/67/D (BUDGET)/1284/1) (IFA) DATED 20 OCT 81 REGARDING CLAIMS AGAINST RAILWAYS CARRYING COMPANIES FOR LOSSES AND DAMAGES IN TRANSIT : DISPOSAL OF

1. In supersession of the instructions contained in the SAI for the Army-1965 Edition Chapter-VI para 249 Note below sub-para (a) and Ministry of Defence letter No 13(1)/67/D (Budget) dated 10 Jun 70 on the above subject, I am directed to convey the sanction of the President;
   (a) to waive the preference of claims against the carrying companies, if the loss or damage to the defence services is Rs. 50/- or less; and
   (b) to dispense with the preparation of loss statement upto Rs. 50/- for the unaccepted portion of Railway claims representing cost of stores/departmental and freight charges etc., when the loss of stores occur in transit; provided:
      (i) the loss is not occasioned due to theft, fraud or neglect and that no responsibility is attached to the carrier.
      (ii) the loss is not in excess of 10% of the value of the consignment.

2. In case of short receipt of stores, a clear receipt for the total quantities indicated in the voucher will be given, although the actual quantity received will be taken on charge and explanations for the discrepancies suitably endorsed on the consignor's issue voucher as well as the consignee's receipt voucher. In case of unaccepted portion of Railway claims not exceeding Rs. 50/- representing cost of stores/deptt. charges and freight charges etc., a suitable note will be endorsed in the register of losses and provisional loss statements etc. as the case may be.

3. The above instructions will not be applicable to the losses pertaining to Arms, Ammunition and Explosives.

4. Necessary amendment to the 'SAI for the Army' will be issued in due course.

5. This issues with the concurrence of Ministry of Finance (Def) vide their UO No 3449/0-2 dated 30 Sep. 81.
THE END