7.1 Railway Audit Manual
7.1 Railway Audit Manual

Part I - Departmental Regulations

1. The organizational set up of the Railway Audit Branch is as under:

   **Chart 7.1 Organizational Structure of Audit Branch of IR**

   - Comptroller and Auditor General of India
     - Deputy Comptroller and Auditor General of India
       - Principal Director
         - Director/Principal Director Of Audit, Zonal Railways
           - Deputy Assistant Senior Administrative Officers/ Directors
             - Senior Audit Officers/ Audit Officers

2. The Comptroller and Auditor General of India (CAG) is the final audit authority. His responsibility for the audit of railway accounts is discharged through the Deputy Comptroller and Auditor General of India (DAI). The DAI is assisted by a Principal Director (Railways) at Headquarters. There are also Zonal Principal Directors of Audit (PDAs) under the DAI having their offices at the headquarters of the Railways to which they are attached. In
addition, special audit offices may, from time to time, be created for specific purposes.

3. The Administrative control and jurisdiction of Principal Directors of Audit: Principal Directors of Audit work under the supervision and direction of the DAI subject to any general or special orders which the DAI may issue, the Principal Directors of Audit may prescribe detailed instructions regarding the division of work and responsibility among his/ her subordinate staff and other matters relating to the organisation of his/ her office.

Directors/ Deputy Directors in the offices of the Principal Directors of Audit under whom they are working should be entrusted with the direct-charge of some important audit sections and inspections. It should be ensured that the Directors/ Deputy Directors hold direct charge of important sections apart from dealing with sensitive matters, performing essential administrative duties like functioning as appointing authority, under the discipline rules, functioning as controlling office etc. It would also be desirable to rotate their charges, at least once in a year, so that they hold direct charge of all important sections over a period of time. The Principal Directors of Audit may decide how far they can themselves take over the administrative duties and the extent to which they should utilise the services of the Group Officer for the purpose. The audit and the administrative jurisdictions of the Principal Directors of Audit are generally as given:
Table 7.1 Administrative Jurisdiction

<table>
<thead>
<tr>
<th>Principal Directors of Audit</th>
<th>Headquarters</th>
<th>Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Railway</td>
<td>Mumbai</td>
<td>Audit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. Headquarters Audit Office.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Divisional Audit Offices at Jabalpur, Jhansi, Bhusaval, Mumbai CST, Solapur and Nagpur.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Workshop Audit Offices at Jhansi, Parel, Matunga and Bhusaval.</td>
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<tr>
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<td></td>
<td>4. Railway Electrification Audit Offices at Bhopal and Nagpur.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. Construction Audit Offices at Mumbai, Jabalpur, Bhusaval, Jhansi, Nagpur and Pune.</td>
</tr>
</tbody>
</table>

(a) Entire Railway including its Divisions, workshops, Stores, Depots and Stations
(b) Konkan Railway (Supplementary Audit)
<table>
<thead>
<tr>
<th>Eastern Railway</th>
<th>Calcutta</th>
<th>Entire Railway including its Divisions, Workshops, Stores, Depots and Stations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1. Headquarters Audit Office.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Divisional Audit Offices at Sealdah, Mughalsarai, Howrah, Asansol, Dhanbad, Danapur and Malda Town.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Workshop Audit Offices at Liluah, Kanchrapara and Jamalpur.</td>
</tr>
<tr>
<td>No.</td>
<td>Description</td>
<td></td>
</tr>
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<td>-----</td>
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<td></td>
</tr>
<tr>
<td>1.</td>
<td>Headquarters Audit Offices.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Divisional Audit Offices at Ferozepur, Delhi, Lucknow, Moradabad, Allahabad, Bikaner, Jodhpur and Ambala.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Workshop Audit Offices at Jodhpur, Amritsar, Bikaner, Lucknow, Ghaziabad, Jagadhri and Kalka.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Traffic Audit Office at Delhi-Kishanganj, Jullundur and Jodhpur.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Audit Office, COFMOW, New Delhi.</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Audit Office, RDSO, Lucknow.</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Audit Office, DCW, Patiala.</td>
<td></td>
</tr>
<tr>
<td>Principal Directors of Audit</td>
<td>Headquarters</td>
<td>Jurisdiction</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------------</td>
<td>--------------</td>
</tr>
<tr>
<td>North Eastern Railway</td>
<td>Gorakhpur</td>
<td>(a)-DO-</td>
</tr>
</tbody>
</table>

1. Headquarters Audit Offices.
2. Divisional Audit Offices at Izatnagar, Samastipur, Sonepur, Varanasi, Lucknow.
3. Workshop Audit Offices at Izatnagar, Samastipur, Gorakhpur.
4. Traffic Audit Office at Izatnagar.
|                  | Location          | (a) -DO-          | 1. Headquarters Audit Offices.  
|------------------|-------------------|-------------------|---------------------------------  
| Northeast        | Guwahati          | (a) -DO-          | 2. Divisional Audit Offices at  
| Frontier Railway |                   | (b) Wheel and    | Katihar, Alipurduar Junction,  
|                  |                   | axle plant at    | Lumding, Tinsukia.  
|                  |                   | Yellahanka (Bangalore) | 3. Workshop Audit Offices at  
|                  |                   | (c) Integral      | New Bongaigaon and  
|                  |                   | coach factory     | Dibrugarh.  
|                  |                   | (IFC)             | 4. Construction Audit Office at  
|                  |                   |                   | New Jalpaiguri, Jogihopa,  
|                  |                   |                   | Maligaon and Silchar.  
| Southern         | Chennai           |                   | 1. Headquarters Audit Office.  
| Railway          |                   |                   | 2. Divisional Audit Offices at  
|                  |                   |                   | Tiruchirappalli, Bangalore,  
|                  |                   |                   | Madurai, Mysore, Chennai,  
|                  |                   |                   | Palghat, Tiruananthapuram.  
|                  |                   |                   | 3. Workshop Audit Offices at  
|                  |                   |                   | Perambur, Golden Rock,  
|                  |                   |                   | Mysore and Podanur.  
|                  |                   |                   | 4. Construction Audit Office at  
|                  |                   |                   | Bangalore, Ernakulam and  
|                  |                   |                   | Egmore.  
|                  |                   |                   | 5. Audit Office, ICF, Perambur |
| South Central Railway | Secunderabad | (a) Entire Railway including its Divisions, Workshops, Stores, Depots and Stations. | 1. Headquarters Audit Offices.  
2. Divisional Audit Offices at Secunderabad, Vijayawada, Hubli, Guntakal.  
3. Workshop Audit Offices at Hubli and Rayanapadu, Guntapalli, Lallaguda and Tirupati.  
4. Construction Audit Office at Rajamundry, Secunderabad and Vijayawada.  
5. Railway Electrification at Vijayawada. |
| South Eastern Railway | Calcutta | (a) -DO- | 1. Headquarters Audit Office.  
2. Divisional Offices at Kharagpur, Adra, Chakradhapur, Bilaspur, Nagpur, Khurda Road and Waltair.  
3. Workshop Audit Offices at Kharagpur.  
4. Stores Audit Office at Kharagpur.  
5. Construction Audit Offices at Bilaspur and Waltair. |
<table>
<thead>
<tr>
<th>Principal Directors of Audit</th>
<th>Headquarters</th>
<th>Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Railway</td>
<td>Mumbai</td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b)</td>
<td></td>
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<td>2.</td>
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<td>4</td>
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<td>3.</td>
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<td>4.</td>
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<tr>
<td>5.</td>
<td></td>
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</tr>
</tbody>
</table>

1. Headquarters Audit Offices.
2. Divisional Audit Offices at Jaipur, Ajmer, Rajkot, Ratlam, Bhavnagar, Kota, Vadodara and Mumbai Central.
3. Workshop Audit Offices at Ajmer, Dahod, Parel, Kota, Sabarmati.
4. Traffic Audit Office at Ajmer.
5. Construction Audit Offices at Mumbai, Kota, Ratlam, Ajmer, Ahmedabad and Jaipur.
| Railway Production Units and Metro Railway | Calcutta | (a) Chittaranjan Locomotive works (CLW)  
(b) Diesel Locomotive Works (DLW)  
(c) Metro Railway Audit, Calcutta |
|------------------------------------------|---------|----------------------------------------------------------------------------------|
| 1. Headquarters and Branch Audit offices attached to each production unit.  
2. Metro Railway Audit, Calcutta. |

4. The Principal Directors of Audit are responsible for the efficient administration of the offices at their Headquarters and also for the efficiency of the subordinate offices under their control. For keeping a proper control over the subordinate units whether situated at Headquarters or outstations under their jurisdiction and in the interest of effectiveness of the audit work done by the Railway Audit Organisation, the Principal Directors of Audit should visit their subordinate formations as well as important units of the Railway Administration like major stations, workshops and the sites of important works to be taken up for review from time to time. The Principal Directors of Audit should have a minimum touring of about 7 working days every month. The important points noticed during their visits/ tours/ inspections should be reported to Headquarters office in the form of narrative reports for information of DAI.
**General Duties of the Railway Audit Branch**

5. Functions of CAG - The functions of the CAG have been incorporated in CAG's (Duties, Powers and Conditions of Service) Act, 1971. The extent of his responsibility for audit of various types of railway transactions is as follows:

(a) He is responsible for audit of all expenditure both in and outside India on Railways from the revenues of India; but no responsibility is imposed on him for keeping the accounts.

(b) He is required to audit all transactions of railways relating to debt, deposits, sinking funds, advance, suspense account and remittance transactions.

(c) He is required to audit all trading, manufacturing, profit and loss account and balance sheet of railways.

(d) He is required to audit receipts and accounts of stores and stock relating to railways.

(e) He is responsible for audit and certification of the accounts of Government companies and corporations relating to Railway established by or under any law by Parliament/ Legislative Assembly in accordance with the provisions of the respective enactments.

(f) He is required to audit and certify the accounts of any body or authority relating to Railway whose audit has not been entrusted to him, if so required by the President upon such terms and conditions as may be agreed upon between the Comptroller and Auditor General of India and the Government of India.
(g) The contracts of certain lines not financed by Government provide for some measure of Government Audit in certain matters and this duty also devolves upon him.

(h) He is responsible for the correctness of the dividend payable from railway finances to the General Revenues of India under the convention for the separation of railway from general finances.

6. Functions of Railway Audit Wing - The Railway Audit Wing under the DAI conducts audit on behalf of and under the direction of the CAG and is responsible for:

(a) scrutinizing the adequacy and suitability of all instructions relating to the compilation of railway accounts and internal check procedure, whether these instructions be in the form of codes or otherwise, to satisfy himself that such instructions are consistent with the relevant statutory rules and the requirements of audit and accounts [Cf. Para 2.2.14 of CAG’s M.S.O. (Audit)] and

(b) Audit of

(i) Sanctions having financial effect accorded by the Government of India other than those pertaining solely to an individual railway or railway accounts office;

(ii) Sanctions regarding financial rules and general orders issued by the President which are not of a general nature but are applicable exclusively to the Railway Department;

(iii) Tenders invited by the Railway Board for the purchase of cast iron and steel sleepers, rolling stock and other materials;

(iv) Accounts maintained in the office of the Railway Board
(Accounts Branch);

(v) All sanctions and orders issued by the President or Government of India relating to through traffic;

(vi) Rules and modifications issued by the IRCA and all correction slips to tariffs and publications issued by the Association.

NOTE 1 - Sanctions referred to above are not only sanctions to expenditure but also sanctions relating to local traffic and applicable to more than one railway.

NOTE 2 - The sanctions referred to in item (i), (ii), (v) and (vi) above would be scrutinised in the Headquarters office with reference to Railway Board's files, codal provisions, etc. and any specific guidance of instructions considered necessary issued to the field offices. Formal acceptance in audit of the sanctions issued by the Ministry of Railways (Railway Board) need not, however, be communicated to the Principal Directors of Audit of the Zonal Railways. The Principal Directors of Audit should not refrain from conducting scrutiny of such sanctions just merely because the primary responsibility for audit of these sanctions rests with the Headquarters office. The Principal Directors of Audit should communicate objectionable features noticed, if any, in course of their scrutiny of the sanctions, in addition to their remarks on the points as may be referred to by the Headquarters office, so that the same can be taken up with the Ministry of Railways (Railway Board).

(vii) Budget orders issued at the commencement of the financial year;
(viii) Subsequent orders of re-appropriation against the vote of the Parliament;

(ix) Orders of appropriation and re-appropriation issued by the President, and

(x) Orders of regularisation of excess issued after a consideration of the Appropriation Accounts and the Audit Report;

NOTE - In respect of items (vii), (viii) and (ix) the check will be applied to verify that the aggregate allotments to individual railways or departments under each grant and appropriation do not exceed the amount voted by the Parliament or appropriation sanctioned by the President.

(xi) monthly and annual accounts of railways and of the railway section of the Finance Accounts of the Union Government including the Annual Review of Balances as compiled by the Railway Board, (after check, the material is forwarded to the Director General of Audit, Central Revenues);

(xii) The Appropriation Accounts prepared by the Railway Board, certifying to their accuracy and submitting the Audit Report thereon to the CAG vide Para 3.14.2 M.S.O. (Audit).

7. Duties of Principal Directors of Audit - The Principal Directors of Audit attached to the individual railways are responsible for the scrutiny and audit of:

(i) financial sanctions pertaining to their railways and offices under their audit control, accorded by the Government of India, Ministry of Railways (Railway Board) or the General Manager;
(ii) The allocation of estimates sanctioned by the same authorities;

(iii) General orders issued by the General Manager under the powers delegated to him;

(iv) Sanctions pertaining to local traffic;

(v) Sanctions issued by the Railway Administration relating to interchange traffic between railways;

(vi) the detailed accounts of the railways to see that these have been correctly prepared and are in proper form, no alteration in the form of the accounts or in classification is made without the approval of the competent authority, the system of internal check is efficient and that all appropriations or re-appropriations sanctioned by the General Manager or subordinate authorities are in order;

(vii) Allocation of expenditure divisible between two or more sections of a railway to see that the division between the main and worked lines and between commercial and strategic sections of a railway has been made correctly;

(viii) Expenditure from the Secret Fund placed at the disposal of Railway Administration, only to the extent of seeing that the prescribed certificate is received from the General Manager in respect of each financial year;

(ix) The annual Review of Balances and the Appropriation Accounts of the Railway and certifying to their correctness;

And also for conducting periodical inspections of the stations and accounts of the executive offices.
The Principal Director of Audit, Northern Railway is also responsible for the scrutiny and audit of (1) all sanctions and orders issued by the President or Government of India relating to foreign traffic transactions with Pakistan (2) sanctions of Railway Administrations relating to interchanged traffic between two or more railways, besides arranging a monthly check of such sanctions with reference to the prescribed minima and maxima of rates relating to all Government railways, and (3) the accounts of receipts and expenditure relating to establishment of the Railway Board and its attached offices.

The Audit of sanctions relating to foreign traffic transactions with Bangladesh will be done by Principal Director of Audit, Eastern Railway.

8. Certification of accounts - The various accounts of the railways requiring certification in audit, the form of audit certificate and the authority to sign the certificates are as under:

<table>
<thead>
<tr>
<th>Particulars of Accounts</th>
<th>Form of Audit Certificate</th>
<th>Authority to sign the certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>(a) Appropriation</td>
<td>&quot;These Accounts have been examined under my direction. On the basis of the information and explanations that my officers required and have obtained, and&quot;</td>
<td>CAG</td>
</tr>
<tr>
<td>Description</td>
<td>Text</td>
<td></td>
</tr>
<tr>
<td>-------------</td>
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</tr>
</tbody>
</table>
| Net proceeds of Terminal Taxes payable by the Railways | according to the best of my information as a result of the test audit of the accounts, I certify, in pursuance of the provisions of Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of service) Act, 1971 that these accounts are correct subject to the observations in my Report on the Railways for the year ..............."
| (b) | “With reference to Article 279 (1) of the Constitution of India, I hereby certify on the basis of the information supplied by the Railway Administration and test check exercised thereon under my direction, that the ‘Net proceeds’ of the terminal tax levied at ............... under the Terminal Tax on Railway Passengers Act, 1956 are Rs.................(Rupees.................only)” | CAG |

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(c)Balance Sheet

“I have examined the foregoing Accounts and the Balance Sheet of the Indian Government Railways. I obtained all the information and explanations that I have required, and subject to the observations in the separate Report of the Comptroller and Auditor General of India for the year ............, I certify, as a result of my audit, that in my opinion, these Accounts and Balance Sheet are properly drawn up so as to exhibit a true and fair view of the state of affairs of the Indian Government Railways according to the best of my information and explanations given to me and as shown by the books of the Indian Government Railways”. 
<table>
<thead>
<tr>
<th>Particulars of Accounts</th>
<th>Form of Audit Certificate</th>
<th>Authority to sign the certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>&quot;I certify that the accounts compiled by the Railway Board, the General Managers and the accounts prepared there from by the Railway Board for incorporation in the Finance Accounts of the Union Government for the year .............., have been examined and audited under my direction in accordance with the requirements of Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) act, 1971&quot;.</td>
<td>DAI</td>
</tr>
<tr>
<td>(d) Annual Accounts of the Railways as compiled by the Railway Board for incorporation in the Finance Accounts of the Union Government.</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>(e) Review of Balances</td>
<td>&quot;As a result of test audit carried out under my direction and on a consideration of explanations given to me, I certify that, to the best of my knowledge and belief, the accounts and the review of</td>
<td>DAI</td>
</tr>
</tbody>
</table>
balances have been correctly prepared".

| (f) Appropriation Accounts and Balance Sheet of the individual Railway. | "The Accounts forwarded herewith have been examined by me in accordance with the requirements of Articles 149 of the Constitution of India read with the Provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of service) Act, 1971. I have obtained all the information and explanations necessary and according to the best of my information, and on the basis of certificates I have obtained from other Audit Officers, to the extent they are responsible for audit of these accounts, I certify that the accounts are correct, subject to the observations made therein and in the Report of Comptroller and Auditor General of India for the year........., Union Government (Railways)". | Principal Director of Audit of the Zonal Railway. |
"I have examined the foregoing Accounts and the Balance Sheet, of .......... Railway. I have obtained all the information and explanations that I have required, and subject to the observation in the separate Report of the Comptroller and Auditor General of India for the year..............., I certify as a result of my audit, that in my opinion, these accounts and Balance Sheet are properly drawn up so as to exhibit a true and fair view of the state of affairs of the Railway according to the best of my information and explanations given to me and as shown by the books of the Railway".

"Certified, as a result of the test (g) Capital and Revenue audit of the accounts compiled under the direction of the General Principal Accounts, Review of Accounts, Finance Manager that, subject to the observations below, the *_________ of the Balances and other Accounts of the individual Railway for Zonal Audit of the Railway for the year ending with the March Account have/ has to the best of my knowledge and belief, been correctly prepared".

<p>| Capital and Revenue Audit of the accounts compiled under the direction of the General Principal Accounts, Review of Balances and other Accounts of the *_________ of the Zonal Audit of the Railway for the year ending with the March Account. | 209 | Principal Director of the Zonal Railway |</p>
<table>
<thead>
<tr>
<th>Authority Particulars of Accounts</th>
<th>Form of Audit Certificate to sign the certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>(h) March Accounts of the individual Railway before their submission to the Railway Board (Accounts)</td>
<td>“Compared with the office copy and found to be a true copy”.</td>
</tr>
<tr>
<td>(i) Pilgrim Tax</td>
<td>*It is certified that all passenger classification returns for the year ______ except ______ list have been received, checked and taken into account and the amount assessed as (to be due on account of) computed tax amounting to Rs.________ has been credited to Railway concerned.</td>
</tr>
<tr>
<td></td>
<td>2. An amount of Rs.________ of________ returns pertaining to the year ______ (previous year) which could not be accounted for in the certificate for the years ______ (previous years) has been included in the certificate for the year ________ (current year)</td>
</tr>
</tbody>
</table>

* Name of the Account.
Specific qualification of the certificates of audit on the Appropriation Accounts and the Balance Sheet with reference to misclassification in the accounts of the year would rarely be necessary and should not be made without the prior approval of the DAI. The certificates on the March Accounts and the review of balances may, however, be qualified wherever necessary.

So long as a full list of misclassifications affecting the accounts of the year concerned is appended to the Appropriation Accounts, the certificate of audit on the Finance Accounts and the Capital and Revenue Accounts of the railway need not be qualified with reference to misclassifications.

**NOTE** Where the observations do not in any way affect the accuracy of the accounts, a clear certificate should be given. The audit certificate need not be qualified in respect of items such as arrears in Accounts or Audit due to:

(i) Non-availability of certain vouchers just as pay-sheets, contractor's bills, pay orders, unpaid wages statement, claim cases, labour pay sheets, journal vouchers etc.

(ii) Non-preparation of certain subsidiary accounts such as Capital and Revenue Accounts of residential buildings, Statements of stores transactions etc.

(iii) Non-completion of certain subsidiary registers such as Central Check Register, posting in the Register of overpayments waived, non-attestation of Provident Fund Ledgers, non-issue of annual statements of Provident Fund to subscribers etc.
Separate lists of such arrears may, however be sent.

The Audit certificate may be qualified if the arrears are chronic or the amounts involved are substantial or the points are of exceptional importance effecting the accuracy of accounts.

9. Report of Serious irregularities and losses - All serious irregularities should be reported by the Principal Director of Audit to the DAI as soon as they come to his notice. A report should also be sent of losses and embezzlements of cash or stores exceeding Rs.50,000 in each case; losses below this limit may also be reported if there are special features such as abnormal delays in investigation or in sending reports to the Railway Board and Audit as required under Para 1102 - F(I), or some important defect in procedure or organisation. The Principal Directors of Audit should also examine the final report of the authorities investigating the irregularities or losses and submit a report to the DAI as to the adequacy of the action taken. Serious irregularities or losses noticed during audit or local inspections should also be brought to the special notice of the Financial Adviser and Chief Accounts officer.

The same procedure should be followed in regard to orders for writing off large amounts of revenue or waiving recovery of overpayments or advances.

10. Monthly Confidential D.O. - The Principal Director of Audit should send confidentially to the CAG a quarterly D.O. letter bringing out important objections taken up by him during preceding quarter and also the important developments and final results or objections taken up in earlier months or any other important matter of general interest. A copy of this letter should be
endorsed to the DAI. This report is not to be encumbered with items of less importance.

7.2 Departmental Regulations - General

11. General - The instructions contained in paragraphs 132 to 138 of M.S.O. (Administrative Vol. I) are applicable to the Principal Directors of Audit attached to the Railways in the same way as they apply to Accountants General and Principal Directors of Audit attached to non-railway Departments.

12. Office Organisation of Principal Directors of Audit - A Railway audit office is divided into branches or sections and a typical sectional organisation is as follows:

   I. General Audit Branch Comprising:

      (1) Establishment and Provident Fund Audit Section;

      (2) Expenditure Audit Section;

      (3) Books and Appropriation Audit;

      (4) Inspection Section;

      (5) Administration Section;

      (6) Routine Section;

      (7) Central and Report Section;

      (8) Efficiency-Cum-Performance Audit/ Special Investigation section.

      (Sometimes two or more small sections are combined together)
II. Traffic Audit Section.

III. Workshop Audit Section.

IV. Stores Audit Section.

V. Computer Audit Section.

VI. Construction Audit Section.

VII. Divisional Audit Offices.

The Assistant Audit Officers/ Section Officers who have been entrusted with efficiency-cum-performance audit/ special investigation duties will work under the personal direction of the Principal Director of Audit.

The actual sectional organisation and the duties assigned to each section are described in the Office Manuals of each office.

13. Co-ordination of work - Suitable arrangements should be made in different offices for co-ordination of work of similar nature in different branches, so that the best results may be obtained. For example, there should be a co-ordination in the matter of allocation of work etc., and in respect of establishment matters between the Establishment, Expenditure, Inspection, Workshop and Stores Branches.

14. Travelling Allowance - The staff and officers of the Railway Audit Department (including officers of the IA&AS serving in the Railway Audit Department) are governed by rules in Chapter 36 of the Indian Railway Establishment Code, Vol. II as amended from time to time.
"The rates of daily allowance for the staff and officers in the Railway Audit Department follow the rates sanctioned by the Ministry of Railways for the Railway Staff”.

**NOTE:** The staff and officers of the Railway Audit Department while proceeding on deputation to other Government Departments/Undertakings/Organisations and while returning from such a deputation, will be governed by the travelling allowance rules of the borrowing Departments etc.

15. Free passes and P.T.O.s - Officers and staff of the Railway Audit Department including officers of the IA&AS serving in the Railway Audit Branch are entitled to the privilege of Passes and Privilege Ticket Orders (P.T.O.s) irrespective of their date of joining the Railway Audit Department. The scale of Passes and P.T.Os. And the rules governing their issue are the same as applicable to railway staff from time to time. In case of officers of the IA&AS when proceeding on long leave i.e. leave exceeding four months, passes/ P.T.Os. Are admissible provided they have completed not less than one year's service in the Railway Audit Department and provided also that the CAG declares in each case that the officers will return to a Railway Audit Department on the expiry of leave.

Passes and P.T.Os. Irrespective of home or foreign lines will be issued by the DAI and the Principal Directors of Audit in respect of the Officers and Staff of their respective offices.

**NOTE 1.** Officers of the IA&AS working in the Railway Audit Department will not be granted certificates to enable them to obtain travel concessions on Railway outside India.
NOTE 2. The Assistant Audit Officers and Senior Personal Assistants given Gazettes status in I.A. & A.D. between 01.03.1984 and 31.12.1985 shall continue to enjoy the facility of Railway Passes and P.T.Os. enjoyed by them as a result of gazette status conferred on them as personal to them.


NOTE 3. The Assistant Audit Officers and Senior Personal Assistants in I.A. & A.D. promoted as such in the pay scale of Rs.2000-3200 after 31.12.1985 are eligible for grant of passes and P.T.Os. etc., as admissible to the Railway employees in identical scale of pay (i.e. Rs.2000-3200).


16. In addition to the privilege passes/ P.T.Os. admissible under the pass rules, the officers and staff of the Railway Audit Department in the offices of DAI and Principal Directors of Audit including Officers of the IA&AS serving in the Railway Audit Department are entitled to passes of the following nature to the extent and under the conditions governing the issue of such passes to Railway employees:

(i) School Passes;

(ii) Transfer Passes;

(iii) Free residential Card Passes/ Concessional Season Tickets over sections on which admissible;
(iv) Pass for transport of car;
(v) Settlement Passes;
(vi) Post-retirement complimentary Pass (except) officers of the IA&AS in respect of whom each case will be dealt with on merits and should be referred to DAI.
(vii) Miscellaneous Passes over the home line only as admissible to Railway employees under the 'Home Line Pass Rules';
(viii) Passes to receive settlement dues;
(ix) Passes on sports account;
(x) Widows/ Widowers of Railway Audit staff who were in service on 01.01.1989 and died while in service on or after 01.01.1989 or retired and died on or after this date are eligible for the grant of complimentary passes on the same terms and conditions as applicable to Railway employees. Railway Audit staff inducted into I.A. & A.S. will however, not be eligible for this benefit (Authority: Railway Board's letter No. E (W) 85-PS-5-8 dated 23.02.1989).
(xi) Railway Audit staff on their absorption in Autonomous Bodies having pension scheme and who opt for benefit of combined service under the Railways and in the Autonomous Body, are eligible for the benefit of post-retirement complimentary passes; if otherwise eligible only on final retirement from the autonomous body. Those, who opt for the pro-rata retirement benefits and are paid their settlement dues on absorption in autonomous bodies are, however, entitled to post retirement
complimentary passes, if otherwise eligible, as are granted on absorption in Public Sector Undertakings; and

(xii) Railway Audit Staff transferred to other Departments or absorbed permanently in Public Sector Undertaking are eligible for the facility of free passes after they retire from such departments at the scale as are given to Railway employee on post retirement scale subject to fulfilling the prescribed qualifying Railway Service.


The Railway Audit Staff shall not be entitled to the following concessions which are admissible to Railway servants only:

(i) Passes on first appointment.

(ii) Passes to office-bearers of Unions of staff of the Railway Audit Department.

17. Travelling allowance for the road journey in conveyance provided by out agents - Many Railways have out-agencies at points situated away from the Railway. The out-agency agreements usually include a clause that the out-agency contractors will provide to the Audit Staff (both gazette and non-gazetted) deputed for inspection of the out-agency accounts free transport from the rail-head to the out-agency. In the interest of Government work, the staff of the Indian Audit Department, should invariably avail of the free travelling facilities provided by the out-agency contractors and the grant of

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T.A. to the staff concerned should be regulated by Note 2 below Para 1630 of Indian Railway Establishment Code Vol. II.

18. Medical Attendance - For purpose of medical attendance, the staff of the Railway Audit Department are governed by the Central Services (Medical Attendance) Rules, 1944 as amended from time to time. Members of the families of Central Government servants are also entitled, free of charge, to medical attendance and treatment at hospitals as defined in the relevant medical attendance rules applicable to the Government servants concerned and on the scale and condition allowed to the Government servant himself in each case (O.M. No.F.12 (6) WTI/28, dated the 18th April 1945). They are not eligible for medical attendance in Railway hospitals except to the extent as provided in Para 606 of the Indian Railway Medical Manual as reproduced below:

"Medical attendance and treatment facilities, to the extent available to railway servants of corresponding status, will be available, free of charge, to the Railway Audit Staff and their family members, in accordance with the detailed rules as given in Sections C & D of this chapter at places where civil medical facilities are unavailable or inaccessible". (Railway Board's letter No.E46ME39/3 dated 24th June, 1946 and No.64/H/7/158 dated 9th November 1964)

19. Inspection carriages - The supply of reserved or inspection carriages is regulated in the case of the DAI and other officers attached to his office by the rules and orders issued by the Railway Board and in the case of other officers, by the rules and orders issued by the General Manager of the Railway to which they may be attached.
20. Responsibility for handling of cash, etc - The instructions given in paragraph 1.17.4 of the M.S.O. (Administrative, Vol. I) and Rules 76 and 77 of the Compilation of the Treasury Rules, Volume I are applicable to Railway Audit offices.

21. Transfer of charge - The instruction given in paragraphs 1.19.1 to 1.19.3 of the M.S.O. (Administrative), Vol. I and Para 78 of the General Financial Rules are applicable mutatis mutandis to the DAI and the Principal Directors of Audit. The Principal Directors of Audit will, however, send two copies of the memorandum referred to in paragraph 1.19.1 as also the special reports referred to in paragraph 1.19.3 of M.S.O. (Administrative), Vol. I to the DAI. The memorandum accompanying the charge report should be so prepared as to draw the successor's attention to the points which he must particularly bear in mind, including administrative matters and arrears. A short account of all outstanding cases of importance and containing special features should be included.

22. Private work - Rules regarding Honorary work of social or charitable nature or occasional work of literary, artistic or scientific character laid down in Para’s 148, 149 and 302 of M.S.O. (Administrative), Vol. I are also applicable to staff and officers of the Railway Audit Department.

23. Broadcast Talks by Government Servants - The instructions contained in Para’s 150 and 173 of M.S.O. (Administrative), Vol. I are also applicable to staff and officers of Railway Audit Department.

24. In respect of entitlements and service conditions not otherwise specified in its chapter, the terms and conditions applicable to the staff and officers of the other departments of IA&AD are applicable to the staff and officers of the Railway Audit Department.
25. Reversal of orders - A Principal Director of Audit may not, without the permission of the DAI, reverse any deliberate or important orders passed by his/her predecessors.

7.3 Departmental Regulations - Gazetted Staff

26. General - The regulations contained in Chapter III and IV of the M.S.O. (Administrative), Vol. I apply also to the Officers of the Railway Audit Department.

27. Change of Headquarters - The headquarters of Gazetted Officers other than the IA&AS personnel, are fixed by the Principal Director of Audit subject to general or any special instruction issued by the CAG from time to time and instructions contained in Sl. No.7 under section C of M.S.O. (Administrative), Vol. II.

28. Changes in personnel - All changes in the IA&AS officers should be reported at once to the CAG and the Principal Director of Audit, Central Revenues.

29. Reports regarding leave - The date of departure or return from leave of IA&AS officers should be reported by the Head of the office at once to the CAG and a copy of the report sent to the Principal Director of Audit, Central Revenues, simultaneously.

IA&AS officers should intimate to the CAG their addresses during leave. Senior Audit officers/ Audit Officers should report to the Principal Directors of Audit their addresses during leave.

30. Gazetted Notification - All important events such as promotions, confirmations and retirements of Senior Audit Officers/ Audit Officers should
be notified for publication in the Gazette of India. Notifications issued in this behalf may be sent by Principal Directors of Audit direct to the press accompanied by Hindi version thereof.

Only copies of Office Orders or advance notifications in respect of promotion to the grade of Senior Audit Officers/ Audit Officers/ Assistant Audit Officers, reversion of serving Senior Audit Officers/ Audit Officers and Assistant Audit Officers/ Section Officers, deputation/ transfer on foreign service of Assistant Audit Officers/ Audit Officers/ Senior Audit officers to Government Department, public sector undertakings etc., and reversions to parent office, there from, need be endorsed to the office of CAG.

No abbreviation should be used in the notifications and use of the word "forenoon" and "afternoon" should be avoided. If the transfer of charge takes effect in the afternoon of a date, the next date should be given in the notification.

31. Senior Audit Officers/ Audit Officers are not ordinarily transferred from the office of one Principal Director of Audit to another. They are, however, liable like all other Central Government employees, to be transferred from one office to another, subject to the provisions of FR 15. The CAG transfers such persons to any office in the Indian Audit and Accounts Department or to any office under the Central Government on such terms and conditions as may be determined by him in each case.

32. Leaving headquarters - Previous permission should invariably be obtained to spend holidays and casual leave outside headquarters or territorial jurisdiction.
The Principal Directors of Audit may avail of Casual leave without prior permission of the CAG. They should, however, as far as possible send advance intimation to the CAG as well as the DAI of their intention to avail of casual leave or restricted holiday.

Whenever Principal Directors of Audit propose to leave Headquarters either on duty or casual leave or during holidays to go any place within their jurisdiction, they should intimate the fact to the CAG as well as the DAI in writing sufficiently in advance as far as possible and should when going out on tour, also send their tour programmes to them in advance. When the absence involves going to a place beyond their jurisdiction, they should obtain prior permission of the CAG sufficiently in advance as far as possible. In either case the address during absence from headquarters should also be intimated to both the authorities beforehand. The Principal Director of Audit may permit officers working under them to leave headquarters.

33. Confidential Reports - These reports should be prepared in accordance with the instructions given in Para 3.30 – 3.31 of the M.S.O. (Administrative), Vol. I and such subsidiary instructions as may be issued from time to time. In the case of Senior Audit officers/ Audit Officers the instructions contained in Appendix I, Schedule III of the M.S.O. (Administrative), Vol. III should also be observed.

The confidential report of IA&AS officers should be sent to the Assistant Comptroller and Auditor General (P) by name, to reach by the 15th April each year.

NOTE 1 - Office copies of the report should not be kept.
NOTE 2 - At the time of making over charge of his/ her office Principal Director of Audit should write confidential reports of all officers who have worked under him/ her for 3 months or more during the year under report (mentioning this also in his/ her memorandum accompanying the Charge Report) and leave them with his/ her successor.

7.4 Departmental Regulations - Establishment

34. General - The regulations applicable to Groups `C' and `D' staff of the Indian Audit Department as a whole are contained in Chapters V, VI and VIII of the M.S.O. (Administrative), Vol. I and they apply also in the establishment of the Railway Audit Department unless in any case they are inconsistent with the instructions contained in this chapter.

35. Composition of the staff - The non-gazette establishment in Railway Audit Offices consists of Group C staff comprising (1) members of Section Officer's Service designated as Section Officers and (2) non-Section Officer's Service staff and Group D staff under the control of the head of each office.

36. Pensionable staff - Staff transferred from permanent pensionable service to the Railway Audit Department shall retain their pensionable status. Those appointed after 31st March, 1930 in these offices shall be on a pensioner footing.

Staff that was in service or on leave preparatory to retirement (including refused leave) on the 1st April 1957 has the option to elect the Liberalised Pension Rules (1950) as amended from time to time. The staffs of the
Railway Audit Department are governed by the C.C.S. (Pension) Rules 1972 including family pension scheme 1964. The widows and dependent children of the deceased G.P.F. beneficiaries of the Railway Audit Department are eligible for ex-gratia payments.

37. Nomination forms under the Pension Rules - The nomination forms in respect of Audit Officers and staff should be kept by the office in which they hold a lien or by the office of recruitment, if no lien is held.

38. Notice of discharge - Temporary staff are entitled to one month's notice of discharge from Government service.

39. Grant of Leave - Leave applications from staff will be dealt with finally by the Head of their local offices, while those from members of Section Officers' Service will be dealt with by the Head of Office on the recommendation of the Branch Officers. Senior Audit Officers/ Audit Officers can sanction leave not exceeding 15 days at a time to Assistant Audit Officers/ Section Officers working under them, provided no substitutes are required.

40. Address during leave - Whenever Assistant Audit Officers/ Section Officer or other staff applies for leave, his address while on leave should be mentioned in the application and any change in that address during the leave must immediately be reported to the office.

41. Medical certificates - In case of illness, medical certificates should ordinarily be accepted only from registered medical practitioners according to the leave procedure rules applicable to establishment under the control of the Government of India. But the local Head of an office may, at his discretion, accept certificates not complying with these conditions when they are produced to justify mere casual leave of absence. The local Head of an office
may also, where he considers it to be necessary, require the counter-signature of a medical certificate by a Civil or Presidency Surgeon.

42. Medical certificate on first entry into Government service - Medical Certificate of fitness as required under Fundamental Rule 10 read with Supplementary Rules 3, 4 and 4-A should be obtained in all cases of appointments in the Railway Audit Department. Such certificate should normally be obtained before the appointments are actually made.

In case where an officer is required to join immediately for work or for training, the appointment may be made without first obtaining the medical certificate, though the appointments should be subject to the officer’s is being declared medically fit. In all such cases if an officer is declared unfit on medical examination and he prefers an appeal, he should be retained in service till the appeal is finally decided.

In case of a Government servant whose appointment is made on a temporary basis on the strength of a medical certificate issued by a lower authority or without such a certificate, it may be necessary to get a certificate of fitness from the appropriate medical authority. If the appropriate medical authority finds that the person is not fit for retention in service at all and if an appeal for a second medical examination from the Government servant concerned is accepted, the person concerned should be allowed to continue in service till the verdict of appropriate medical authority is known. In case it is decided not to accede to the request for further medical examination, the services of the officer should be terminated forthwith.
43. Appeals against decisions of Civil Surgeons and individual Medical Officers

(i) The Government servant or candidates for Government service, who are declared unfit by Civil Surgeons/ individual medical officers/ Medical Boards, have the right to appeal against such decisions. The intimation regarding unfitness should immediately on receipt, be communicated to the person concerned with a note that appeal, if any, must be made by the Government servant/ candidate concerned within one month of the communication of the findings of the Civil Surgeon/ Medical officer/ Medical Board. If any medical certificate is produced as evidence about the possibility of an error of judgment in the decision of the Civil Surgeon/ Medical officer/ Medical Board, who examined him in the first instance, the certificate must contain a note by the Medical practitioner concerned to the effect that it has been given in full knowledge of the fact that the candidate has already been rejected as unfit for service by a Civil Surgeon/Medical officer/ Medical Board. If no appeal is preferred by the Government servant/ candidate within one month of the date of communication to him of the findings of the Medical Officer/ Board his service should be terminated forthwith on the expiry of the period of one month and ordinarily no appeal should be allowed after the expiry of that period.

(ii) Candidates for appointment to Gazetted or non-gazette posts of less than one year's duration have no right of appeal against the decisions of a Civil Surgeon or an authorised medical attendant but it will be open to the Government to allow re-examination by another Civil Surgeon or a Specialist or by a Medical Board, as may be considered necessary. The fee for such examination, if any, will be paid by the candidate concerned.
NOTE - Candidates, who are declared unfit for appointment to Government service, are not to be allowed to join duty till they are declared fit by the second or subsequent medical authority as a result of admission of their appeal.

44. Absence from headquarters - Prior permission in writing of either the head of the office or the Branch Officer concerned should invariably be obtained by all Government servants (including Group `D' staff) to leave Headquarters either on casual leave or during holidays (including Saturdays and Sundays). Such permission should be obtained separately and not on applications for privilege passes or P.T.Os., if any. The address of the employee during such casual leave or holidays should be intimated to the office before the employee leaves Headquarters.

45. Application for employment elsewhere - Applications from staff seeking employment elsewhere should be made officially through the Principal Director of Audit. Before forwarding applications of permanent Government servants for posts in Public Sector Undertaking/ Autonomous/ Semi Government Organisations the Principal Directors of Audit should obtain a written undertaking from the staff concerned accepting the conditions stipulated in the Ministry of Home Affairs O.M. No. 70/62/62-Ests (A), dated 22.01.1966 as amended from time to time. In respect of temporary employees a written undertaking should be obtained before forwarding their applications for posts in Public Sector Undertakings/ Organisation, to the effect that in the event of selection to the posts applied for they will resign from Government Service.
46. Certificate - Certificate of service when given should be signed by the Principal Director of Audit. In no case should such certificate be given by the Subordinate Supervising staff.

47. Localisation of the Section Officers' Service – The Section Officers' Service has been localised on individual Railway. The general control over the members of Section Officers Service in the matter of leave, transfers, officiating appointments and promotions rests with the Principal Director of Audit of each Railway, subject to the restrictions imposed by the CAG. Members of SOS are liable for service in any Railway Audit Office within the Railway on which they are localised and also in the office of CAG. The Section Officers' Service personnel are not ordinarily transferred from the office of one Principal Director of Audit to another. They are, however, liable like all other Central Government employees to be transferred to any other office within Indian Audit and Accounts Department or to any office under the Central Government on such terms and conditions as may be determined by CAG in each case.

The Section officers Grade Examination passed Auditors of the office of DAI are localised in the office of the CAG.

48. Appointments to the Section Officer's Service - Appointments to Section Officers' Service will be made mainly by:

(1) The promotion of staff of the Railway Audit Offices within a Railway who may have passed the Section officers Grade Examination;

(2) the transfer with the concurrence of the Head of the Office concerned of men in Audit or Accounts Offices not under the control of the DAI provided such men have passed the Section Officers Grade Examination
prescribed for the branch of the Audit or Accounts Department in which they may be employed (in the later case they may be required to pass in certain selected subjects of the Section Officers Grade Examination within a specified time); and

(3) The confirmation of eligible apprentices.

49. No exclusive vested right of appointment to the SOS can be claimed by any class of employees in the Railway Audit Department and the CAG is not precluded from directing the appointment of any person not belonging to the categories mentioned in paragraph 48.

50. Appointment in the Section Officer's service is made on the basis of seniority-cum-merit and is always subject to the condition that the eligible persons are also qualified in the opinion of the appointing authority by ability, character and experience, to discharge adequately and efficiently the duties required of the incumbent of a post in the Section Officers’ service.

51. Confirmation of a person officiating in the Section Officers' service shall be made on the basis of seniority alone. If an officiating Section Officers' service Section Officer proves to be a failure, he should be reverted to the Senior Auditor’s Grade.

52. Appointment of staff to the Section Officer service is departmental promotion for purposes of Government of India orders governing reservation of posts for redressing communal inequalities; but in regard to appointments made from the other sources mentioned in Para 48, the appointing authority shall pay due regard to the proper and adequate representation of the various communities in the Section officers' service.
53. Seniority list - For the purpose of regulating the promotion of Section Officers' Grade Examination passed staff to the rank of Section officers a single seniority list of all such men of every Railway should be maintained by the Principal Director of Audit. As soon as the results of Part II of the Section Officers' Service Examination are published, the seniority of staff who are declared to have passed that examination should be determined by the Principal Director of Audit concerned in accordance with the prescribed rules of seniority and the names of such staff added in the proper places in the seniority list of the Railway concerned.

Seniority lists will be maintained by the Principal Directors of Audit in respect of the members belonging to his/ her office in accordance with the instructions issued from time to time, the usual number of copies being submitted to the CAG.

54. Section Officers Grade Examination - For detailed rules regarding the examination see Chapter V of Manual of Standing Orders (Administrative), Vol. I.

55. Officiating Promotions - Principal Directors of Audit may make officiating promotions in vacancies to the ranks of Section Officers from amongst Section Officers Grade Examination passed staff of his Railway subject to any orders issued by the CAG from time to time.

56. Promotions of non-Section Officers Service staff to hold charge of Section Officers Service posts – Promotion of un passed staff to hold charge of a Section Officers' posts can be made by the Principal Directors of Audit subject to any orders issued by the CAG from time to time. Such promotes are designated as Supervisors.
57. Transfers - The Head of the office is responsible for ordering transfers of the SOS staff but every endeavor should be made to reduce transfers to a minimum.

58. Confidential Reports of all Group B and C employees – The confidential reports of all Group B and C employees should be written in accordance with the instructions contained in the CAG's confidential circular No.193-N.2/23-87 dated 27.02.1987 and No.296-N.2/23-87 dated 31.03.1987. The confidential reports shall be written up in the form given in CAG's M.S.O. (Administrative), Vol.III for each financial year or part thereof [Para 10.11 of M.S.O. (Administrative), Vol. I].

59. Transfer of staff - The Railway Audit staff is borne on a local cadre and is not ordinarily liable to transfer to other offices. They are, however, liable like all other Central Government employees, to be transferred to any other office within Indian Audit and Accounts Department or under the Central Government on such terms as may be determined by the competent authority.

Note - The non-Section Officers' Service men promoted temporarily to the Section officers' Service posts as well as the auditors-in-charge already working against Section Officers' Service posts are liable for transfer to other offices as found necessary, just like the Section Officers' Service personnel.

60. Confirmation of staff in the Auditor's Cadre - The orders issued from time to time by CAG regarding Departmental Examination for Auditors held in Railway Audit Offices should be carefully observed for purposes of confirmation of staff in the Auditor's grade. The syllabus for the examination is given in Para 9.4.8 of M.S.O. (Administrative), Vol. I. Graduate Group D
and graduate Clerks with three years' continuous service are also eligible to appear for this examination.

The following Departmental Examinations are held for Group C and D staff:

(i) Limited Departmental Competitive Examination for promotion of Group D to Clerks.

(ii) Limited Departmental Examination for Clerks to be promoted as Stenographers.

(iii) Incentive Examination for Senior Auditors.

61. Training of Auditors and Section officers' Service personnel (See Para 9.2.8 and 9.2.9 of M.S.O. (Administrative), Vol. I - The CAG attaches great importance to the systematic training of newly recruited staff and Section Officers' Service personnel. The course should cover all details pertaining to office procedure and routine in addition to the main principles of audit of all the branches of Railway transactions such as Establishment, Engineering Works, Workshops, Stores, etc., and the Code rules regulating them. Wherever there is a separate Training Superintendent, he should maintain an official diary of his work and submit the same to Principal Director of Audit weekly. The detailed syllabus of studies and the actual method of training should also be approved by the Principal Director of Audit beforehand.

Step should be taken by Branch Officers and Section Officers to ensure that on each change of incumbency, the staff concerned know exactly what rules are to be applied to the work to which they have been transferred. This, however, should not be taken to mean that it is preferable to leave Auditors un-disturbed for long time in any particular section or on any particular work. Ordinarily no person in the Department should be kept on the same item of
work for more than three years except for very special reasons. The work of reviewing the position should be made the special responsibility of the Administration Section and the same entered in its duty list and also watched by means of the Calendar of Returns with a suitable date prescribed for it.

62. Government Servants Conduct Rules - The Central Civil Service (Conduct) Rules, 1955 are applicable to all members of the establishment. Copies of the rules should be kept up-to-date and available for general reference in each office.

63. Supply of liveries to Group `D' staff - Supply of liveries is made according to the scale laid down by the respective Railway Administration for their own staff.

Liveries of Group `D' staff should on no account be washed at Government expense where the allowance is inadmissible.

No washing allowance should be paid to Group ‘D’ for the period during which they are on regular leave, exceeding 15 days.

64. Purchase of Bicycles - The Heads of Department are authorised to sanction the purchase of bicycles for the use of messengers employed in their own offices or in offices subordinate to them, where supply is rendered clearly necessary by the requirements of public business, provided that (i) the price of each bicycle does not exceed the price fixed by the Director General, Supplies and Disposals from time to time, the purchase is made through him or against the rate contract placed by him and (ii) not more than three bicycles are provided for any one office without the general or special sanction of Government.
**Note** - For relaxation of the restriction imposed by the Government of India previous sanction of the CAG who exercises full powers, in respect of contingent expenditure should be obtained by explaining full circumstances justifying the demand.

7.5 **Suggestions for ECPA Investigations**

**General**

1. Audit of expenditure with reference to financial propriety.
2. Scrutiny of orders delegating financial authority.
4. Scrutiny of expenditure which prima facie seems to be extravagant.
5. Investigation of serious financial irregularities.
6. Scrutiny of long-term sanctions, rate contracts, etc.
7. General scrutiny of ex-gratia payments.
8. Suggestions designed to develop revenue.
9. The reports of various committees, appointed by the Ministry of Railways to investigate the working of Railways to be scrutinised to see how far the recommendations are given effect to.
10. New schemes put in by the Ministry of Railways (Railway Board) pertaining to that railway. In respect of matters concerning all Indian Railways, DAI’s office should do the investigation.
Establishment

1. Scrutiny of Travelling Allowance Bills of Heads of Departments and other High Officials who are their own controlling officers to see whether they show any special features which are not noticed in the regular audit.

2. Scrutiny of countersignature on T.A. bills to see that the controlling officer is not showing undue laxity.

3. Review of T.A. bills with a view to suggesting a change of headquarters in order to effect economy in T.A. and to facilitate work.

4. Scrutiny of T.A. bills which disclose heavy and frequent charges for taxi and other actual expenses with a view to suggesting the fixation of a monthly conveyance allowance.

5. Scrutiny of temporary sanctions with a view to seeing the necessity for the post created, particularly in respect of the higher paid subordinate supervisory and gazette posts.

6. Scrutiny of time-honored and long standing practices and payments which are out of tune with present day conditions.

7. Scrutiny of the rules and rates governing Government quarters with a view to seeing that fair return on capital invested is realised and that expenditure on repairs and maintenance is not excessive.

8. Possibility of reducing expenditure, particularly in establishments.
**Works Expenditure**

1. Comparison of rates prevailing in neighbouring localities and in other departments, for work done and supplies made.
2. Scrutiny of lump-sum contracts in different departments for similar work.
3. Review of tenders for works, scrutinizing particularly the reasons for not accepting the lowest tenders. Also scrutiny of long term contracts, involving heavy commitments.
4. Comparison of cost of staff with progress of work both physical and financial.
5. Scrutiny of “hurry” or rush purchase at high cost which might have been postponed and of expenditure incurred before schemes are finalised.
6. Tendency to create unnecessary posts for small Open Line Work which might be supervised by permanent Open Line Establishment.
7. Delay in completion of works leading to retention of temporary establishment and consequential additional expenditure.
9. Justification for expenditure on works and whether it could be done more economically.
10. Comparison of expenditure on construction and maintenance with similar items on other Railways.
11. Examination of the extent to which departmental work is utilised in the works of the Railway and whether due consideration is given to the comparative cost and feasibility of departmental and contracts works in all possible cases.
12. Special examination of the review conducted in respect of works costing over Rs.50 lakhs.
13. Review of road transport services run by Railways.
14. Scrutiny of the adequacy of rates fixed by the Railways for consumption of electricity and water supplied to officers and staff.

**Workshops**

1. Examination of on cost charges in relation to the Supervisory staff, miscellaneous charges etc.
2. Examination of idle time and overtime, with a view to elimination of wasteful methods, out-of-date practices etc.
3. Possibility of greater account control over attendance, operation and other records and over consumption of material.
4. Examination of security arrangements, gate pass system, etc.
5. Scrutiny of bonus and piece work systems, particularly in regard to the booking of time of the workers and quantum and quality of outturn.
6. Comparison of cost of various products with the cost of production in previous years and with the cost of production in other workshops of the Railway as well as private workshops in the locality so that the cost of production may be reduced if possible. If it is not possible, the question of obtaining articles at a cheaper rate from other Railway workshops or privately may be examined.
7. Examine whether any items purchased cannot be manufactured in the Railway workshops at cheaper rates. Even if Railway workshops could manufacture these articles at the same rate, they could be manufactured in the Railway workshops as it would reduce the overhead charges of
the Railway shops as a whole and thus reduce the cost of other items manufactured.

8. Propriety of equitable distribution of over heads to the several jobs.

9. Examination of cost accounts labour records, register of fixed assets and planning and progress departments in the light of the model questionnaire in Appendix 3 of the Railway Audit Manual.


**Stores**

1. Purchase and handling stores
2. Stocking arrangements and inventory control
3. Movement and disposal of stores
4. Uneconomical manufacture in shops.
5. Stock-taking arrangements
6. Examination of surplus stocks and stocking in excess of or in advance of requirements.

**Revenue and Receipts**

1. Scrutiny of contributions recovered for services rendered with the object of suggesting an increase in the amount of contribution, where the cost of the services has gone up since the contributions were fixed.
2. Proper and full utilisation of railway lands and buildings, leasing out or relinquishment of surplus lands.
3. Rating and routing of traffic
4. Terminal arrangements, Review of conditions in respect of wagon supply, free time etc., in the light of present day conditions and with a view to receiving fair return for services rendered.

5. Scrutiny of arrangements with Tourist Agents.

6. Scrutiny of agreements without Agencies with a view to seeing that the arrangements do not confer undue advantage on the out agencies.

7. Ticketless Travel- Scrutiny of measure to cope with this evil.

8. Quicker turn round of wagons as a whole to ensure that the wagons are put to the maximum use or advantage.

9. Reviewing the working of selected Marshalling yards/transhipment points.

10. Review of special services and operational scheme as launched by the Railway.

Statistics

Published Railway statistics (both local and all India) may offer a fruitful field for the application of ECPA, as indicated below:

1. The coal bill on every railway is usually very heavy, and the methods adopted for distributing coal controlling its consumption and utilising stocks to the best advantage are important. The efficacy of such methods can be judged by comparing the consumption of coal per gross tonne k.m. per train k.m. and per engine k.m. on different Railways and on the same Railway or Districts and Divisions for different periods and by comparing the proportion of freight charges to the cost of coal.

2. The efficiency of the workshops and the success of any scheme involving extensive remodeling or provision of improved machinery
might be judged with the help of statistics giving expenditure per standard repair, the average period of detention to stock, the average k.m. run between consecutive repairs etc.

3. The propriety of concession in rates to any particular kind of traffic and of seasonal or standing concessions can be investigated with the help of statistics in respect of the various items forming the cost of operation.

4. Statistics relating to compensation claims paid will be useful not only in forming an idea of the efficiency of the arrangements for handling traffic or of the efficiency of the Claims Branch but also in examining the justification for the staff employed in connection with the Watch and Ward arrangements or for any addition thereto.

5. Review of the statistics relating to utilisation of rolling stock, under repair/ awaiting repair in workshops, empty haulage etc. will give an idea of the efficiency of operational performance.