

CHAPTER X.

AUDIT OF HOSTEL ACCOUNTS.

Accounts of Hostels subsidised by the Harijan Welfare Department.—Hostels maintained by private bodies, individuals or association such as the Tamil Nadu Harijan Sevak Sangh, Tiruchirappalli, the Harijan Sevak Sangh, Madras, Servants of India Society, the South Indian Harijan Gurukula Trust, Chennapuri Annadhana Samajam, Madras, Adi Dravida Samooga Sevaga Sangam, Madras, Rao Bahadur, T.R.S. Pillai Home, Madras, etc., are subsidised by Government by means of grants sanctioned by the Director of Harijan and Tribal Welfare/the Director of Backward Classes monthly as well as yearly. A condition is generally included in the order sanctioning the grant that proper accounts showing the amounts of grants drawn and the amounts spent on items debitable to these grants should be maintained and produced for inspection of the Officers of the Harijan and Tribal Welfare Department/the Director of Backward Classes and Local Fund Audit Department. The accounts of these hostels are audited once a year with reference to these orders or special orders in individual cases. No fee is at present charged for these audits.

Government have ordered that the accounts of the hostels which receive lumpsum boarding grants from the Director of Harijan and Tribal Welfare/the Director of Backward Classes for five or less than five pupils, need not be audited in detail by this department and that the scope of audit of such Hostels be restricted to verifying without scrutinising the vouchers in detail, if expenditure has been incurred to the minimum extent necessary to earn the grant and if the required number of eligible boarders were fed. For this purpose, a scrutiny of the annual financial statement of the hostels and a cursory check of the cash book and of the voucher, if necessary would suffice. These orders are applicable in the case of other hostels also.

(Circular No. L.F. No. 1770, Dated 21st June 1954.)

2. The Director usually sanction grants for the maintenance of a certain number of pupils at such rates as may be fixed by the Government for ten months in the year in the case of hostels for pupils attending educational institutions which close for summer and for twelve months in a year in the case of special hostels approved by the Government for such payment. The grant is usually disbursed by the Collector of the district in three instalments, i.e., July, October and January every year. It should be seen in audit whether the conditions prescribed in the Director's Order sanctioning the grant and the rules for admission of boarders into the hostels are complied with. The main rules are the following:—

(i) Only pupils belonging to a community eligible for help by the Harijan Welfare Department and those belonging to a community among the Backward Classes are eligible for the boarding grant. Christian converts from Backward Communities are not eligible for the boarding grant. Whereas converts from Harijans are eligible for the grant. The pupils should be in Elementary and Secondary School Classes from Standard IV to Standard XII and in the college classes recognised by the Education Department and in industrial schools recognised by the Director of Industries and Commerce, Madras. Girl pupils admitted to Class III in primary departments of Secondary Schools are also eligible for boarding grants provided they do not exceed the age limit prescribed for pupils of Standard IV in Elementary Schools.

(ii) the pupil should not exceed the following age limits on 1st July:—

| Elementary and Secondary School Classes Standard. | (1) | | | | | | Age limit years. |
|--|-----|----|----|----|----|----|------------------|
| | | | | | | | |
| IV Standard | .. | .. | .. | .. | .. | .. | 12 |
| V " | .. | .. | .. | .. | .. | .. | 13 |
| VI " | .. | .. | .. | .. | .. | .. | 14 |
| VII " | .. | .. | .. | .. | .. | .. | 15 |
| VIII " | .. | .. | .. | .. | .. | .. | 16 |
| IX " | .. | .. | .. | .. | .. | .. | 17 |
| X " | .. | .. | .. | .. | .. | .. | 18 |

| | | | | | | | | |
|-------------------|-------------|----|----|----|----|----|----|----|
| XI | " | .. | .. | .. | .. | .. | .. | 19 |
| XII | " | .. | .. | .. | .. | .. | .. | 20 |
| College Courses : | | | | | | | | |
| Degree Class : | | | | | | | | |
| (i) | First Year | .. | .. | .. | .. | .. | .. | 21 |
| (ii) | Second Year | .. | .. | .. | .. | .. | .. | 22 |
| (iii) | Third Year | .. | .. | .. | .. | .. | .. | 23 |

Pupils of Industrial Schools should have passed Standard V in a day school and should not have exceeded 20 years of age on 1st July.

NOTE.—(1) In deserving cases, the Collector may relax the age limit upto a maximum of one year in the case of pupils belonging to Scheduled Caste, upto a maximum of 2 years in the case of girl pupils and upto a maximum of 3 years in the case of pupils belonging to Scheduled Tribes.

The relaxation shall be granted only sufficient number of pupils within the age limit are not available.

(G.O. Ms. No. 2374, IL-C., Dated 12th June 1959.)

(2) There is no age limit for pupils taking up Vidwan Course.

(3) In the case of students who have become overaged due to failures either once in Standards VI to VIII or once in IX to OXII or both they may exceed the age limit prescribed, by the period of such failures.

(G.O. Ms. No. 2470, Home, Dated 20th May 1962.)

(iii) (1) The annual income of the parent or guardian of a pupil admitted in the Hostel should not exceed Rs. 2,500.

(G.O. Ms. No. 451, Social Welfare, Dated 19th May 1972.)

(2) The annual income of the parents or guardian of college student shall not exceed Rs. 6,000 for purposes of admission only with the Government Hostels for College Students.

(G.O. Ms. No. 1303, Home, Dated 29th April 1968.)

(3) The salaries drawn by the M.L.A.'s and M.L.C.'s and Harijan Member of Parliament shall not be treated as income for the purpose of admission of their children into the Government Hostel.

(G.O. Ms. No. 626, D.E., Dated 21st July 1970.) and
G.O. Ms. No. 1303, Home, Dated 29th April 1968.)

(iv) Pupils whose parents or guardians live within a radius of 3 miles from the boarding home in which they reside without ordinarily be eligible for the boarding grants. This rule may however be relaxed in individual cases subject to the condition that the total number of exemptions does not exceed 10 per cent of the number of boarding grants sanctioned to the hostel for the year.

NOTE.—The distance rules has been relaxed in the case of girls for purpose of admissibility of boarding grants.

(G.O. Ms. No. 119, R.W., Dated 7th February 1951.)

(v) Without the special sanction of the Director no pupil receiving a boarding grant shall be permitted to hold any other boarding grant provided wholly or partly by Government or from any other source.

(vi) A boarding grant held in any class shall run from the beginning of the month in which the holders of such grant join the classes and shall not continue to be drawn after he ceases to attend to the Classes.

(vii) All boarding grants tenable under these rules are liable to forfeiture for misconduct, irregularity, or failure to secure annual promotion.

(viii) The boarding grant will not be renewed on failure of the pupil to secure promotion to the next higher class except where the pupil is prevented by illness from attending annual examination. The pupils reading in the Secondary Schools course will be allowed the benefit on the boarding grant for a second year in the same class, subject to the condition that the concession is given only twice during the course; i.e. once in

VI to VIII and once in standards IX to XII. The Boarders studying in Engineering Colleges will be allowed one failure and the Boarders studying in Medical Colleges allowed two failures. No such concession will be granted to the pupils studying in Elementary Schools and Arts Colleges.

The failed boarder shall be eligible for readmission in to the Hostel only on the merit of each case provided their failure in the examination was due to reasons such as ill health, sudden illness at the time of examination for want of term days owing to circumstances beyond their control. Such reasons should be verified by the admitting authority before the pupils are readmitted.

(ix) Holidays for Christmas and Michaelmas and festivals like Pongal, Dasara, Onam, etc., may be treated as working days for the hostel irrespective of the attendance or non-attendance of the boarders. A boarder may be granted 15 days casual leave and 30 days leave on Medical Certificate in a year on the authority of the head of the institution in which the boarder is studying. Such leave unless it preceds or succeeds gazetted holidays shall be treated as attendance for purpose of grant.

(x) Boarding grants shall be given as a lumpsum grant in respect of certain specified boarders. If there is any change during the course of the year owing to the stepping away or dismissal of any boarders, such changes should be got approved by the Collectors within a month of occurrence of the event, failing which the grant intended for the boarder shall be forfeited.

(xi) Only boarding grants may be given to boarders residing in subsidised hostels and no residential hostels and no residential scholarship shall be sanctioned to them.

(xii) Residential Scholarship may be given to students residing in hostels attached to educational institutions and in such cases no boarding grants shall be sanctioned to them.

(G.O. Ms. No. 4203, IL-C, dated 15th December 1955.)

(xiii) *Subsidy towards the pay of Matrons.*—Subsidy towards the pay of matrons employed in the girls and mixed hostels subsidised by the Harijan Welfare Department is sanctioned every year by the Director of Harijan Welfare at Rs. 10 per month to the subsidised hostels maintaining 10 to 15 girl boarders and at Rs. 15 per month to the subsidised hostels which maintain more than 15 girl boarders or half of the pay of the matron whichever is less for the actual period of the employment of the matron.

(Para 11 of the Manual of the Harijan Welfare Department.)

3 The main item of receipt common to all these hostels is the grant from Government. Other items of receipt which are peculiar to particular hostels are donations received from public bodies or private persons, contributions given by the governing body for the running of the institutions, miscellaneous receipts such as sale-proceeds of tools and plant, etc. The charges usually consist of salary of establishment, cost of food stuff, fuel, lighting, repairs to buildings, cost of clothing, books, medical expenses, etc.

4. The following records should ordinarily be required to be maintained in every hostel. The records necessary for a hostel will however depend upon the nature of receipts creditable to the funds of the hostel:—

- (1) Admission Register.
- (2) Attendance Register of boarders.
- (3) Register of leave granted.
- (4) Register of contributions, donations and subscriptions.
- (5) Miscellaneous Demand Register.
- (6) Counterfoil receipt books.
- (7) Stock account of receipt books.
- (8) Cash Book.
- (9) Pass Book.
- (10) Remittance Chalans.
- (11) Cheque Books.

- (12) Paid Vouchers.
- (13) Acquittance Register.
- (14) Contingent Register.
- (15) Stock account of provisions.
- (16) Scale of issue of provisions.
- (17) Miscellaneous Stock Account.
- (18) Tools and Plant Register.
- (19) Register of Loans.
- (20) Register of Advance and Deposits.
- (21) Register of immovable properties.
- (22) Posting Register of Receipts and Charges.
- (23) Register of Investments.
- (24) Minutes Book.

5. *Admission Register*.—The particulars entered in this Register in respect of pupils on whose behalf grant has been claimed should be scrutinised with reference to the original records such as applications, etc. The entries should be scrutinized to see that the pupils satisfy the conditions referred to in paragraph 2 supra. The names should then be traced into the Attendance Register.

NOTE.—For purpose of verifying the date of birth, etc., noted in the Admission Register, the production of original record sheets need not be insisted on. It would suffice if true copies of the Record Sheets duly certified by the Headmasters of the institutions concerned are scrutinized.

(Circular L.F. No. 5893, dated 6th November 1957.)

6. *Attendance Register*.—This should be examined—

(i) to ascertain the total number of days for which each of the eligible pupils was present during the year and the number of days on sick and casual leave:

NOTE.—The Register of leave granted should be examined in this connection. Government have allowed boarding grants, sanctioned for hostels, to be utilised on the maintenance of qualified pupils over and above the prescribed minimum strength. If more than the prescribed number of qualified boarders are maintained, the average daily attendance of qualified boarders during the month will be taken into consideration and not the number of qualified boarders present on any particular day.

(ii) to verify that stores and other provisions were issued with reference to the number of boarders present.

NOTE.—The scale of issue or provisions approved by the management should be referred to.

(iii) A boarder may be granted 15 days Casual Leave and 30 days leave on Medical Certificate in a year on the authority of the Head of the Institution in which the boarder is admitted. The grant of such leave should be immediately reported to the District Welfare Officer. Such leave unless it preceds or succeeds gazetted holidays shall be treated as attendance for purpose of grant.

(Paragraph 9 of Harijan Welfare Department.)

7. *Register of contributions, donations and subscriptions*.—The correctness of the demand should be checked with reference to letters, received from donors, promising contributions. The credit of various items of contributions, donations and subscriptions should be traced into this Register from the counterfoil receipt books. It should also be seen whether adequate action has been taken to realize the arrears.

8. *Miscellaneous Demand Register*.—It should be seen that a record is kept in this Register not only of contributions, donations and subscriptions but also of grants received from Government towards the maintenance of the hostels, lease amounts in respect of immovable property leased out and sale proceeds of old stores and materials. The orders sanctioning grants should be verified in respect of grants, the sale list and agreement should be referred to in respect of lease amounts and the sale lists in respect of sale of old stores and materials. The credit should be checked with reference to miscellaneous receipts issued. The balance at the end of the year should be traced into the next year's Register.

9. *Cash Book, Pass Book, Cheque Book and Remittance Chalans.*—These should be examined on the lines indicated in other chapters of the Manual. The following points should be borne in mind :—

(i) That the grant received from Government and other items of receipts, if any, have been credited in the Cash Book ;

NOTE.—Counterfoil receipts, if in use, should be checked in the case of items of receipt other than Government grant.

(ii) that the amounts received have been remitted into the Bank, where the funds of the hostel are lodged ;

NOTE.—The remittance should be traced into the Pass Book through the remittance chalans.

(iii) that the Secretary, Correspondent or Treasurer of the hostel did not have more than Rs. 100 on hand at any time for a longer duration than a week ;

(iv) that all items of expenditure are supported by proper vouchers;

(v) that payments to contractors for the supply of provision are made at the rates in the accepted tender or agreement, if any, in cases where tenders had been called for ;

(vi) that payments of cheque or by withdrawal from the bank as in the case of accounts with the Post Office Savings Bank have been correctly noted in the Pass Book; and

(vii) that the Cash Book has been closed monthly and the closing balance agreed with the balance in the Pass Book.

NOTE.—(1) The cash balance on the last day of audit should be verified.

(2) Management loan have to make good the deficit. The following are other instructions regarding the management loan :—

(i) Each hostel creates inflated figures as expenditure as if they have spent double or treble of the grants received and the difference is shown as management loan and in certain cases the management loan is shown in kind. Though the hostel is admissible for the Government grant based on the feeding days by the eligible community boarders, the Government grant is further restricted to the actual expenditure on legitimate items. The following procedure should be adopted by the hostels :—

(1) The loans obtained by the hostels may have to be credited into the bank in which the hostel keeps the account.

(2) The liability should be cleared only through bank cheques by hostels.

(3) Full details and address of the persons who have given loan must be written in the hostel ledger and Cash Book.

(4) The hostel should issue a printed receipts to the creditors for having received the loan, and

(5) The creditor should give contribution and loan to the hostel in the shape of cheque only. This will enable financial discipline in the administration of hostels.

(Copy of D.O. Letter No. D4. 63265/73, dated 31st October 1973 of the Senior Accounts Officer of the Directorate of Harijan Welfare, Madras-5 addressed to the District Welfare Officers and Copy marked to the Examiner of Local Fund Accounts, Madras-600002.)

10. *Paid Vouchers.*—The checks to be exercised are—

(i) that the charges incurred are on objects connected with the maintenance of the hostel ;

(ii) that all payments are supported by vouchers duly passed for payment ;

(iii) that the salaries of the Secretary, Correspondent or Treasurer of the establishment are in accordance with the sanctioned scale and are supported by acquittances, stamped wherever necessary;

(iv) that expenditure on contingencies is within the sanctioned allotment ; and

(v) that payments to supplies made/services rendered have been correctly calculated with reference to the rates in the tenders or agreements, if any.

11. *Stock Account of Provisions.*—The checks to be exercised are—

- (i) that separate pages are set apart for each article of foodstuff ;
- (ii) that the opening balance agrees with the closing balance of the previous year, and that the closing balance is correctly worked out;
- (iii) that all purchase made are entered in the register with a quotation of the number and date of the vouchers ;

NOTE.—It is enough if the purchases made for three months of which one should be July are completely traced. Ten per cent of the purchases in other months need alone be traced.

- (iv) that the issues made are in accordance with the scale of rations fixed by the management and the number of pupils as shown in the attendance register ;

NOTE.—It is not necessary to exercise this check for the entire period of audit. The check may be exercised for two days in each month.

- (v) that the balance of stock has been verified at frequent intervals and at the end of the year; and

- (vi) that action has been taken for the recovery or otherwise of shortages, if any, noticed at the time of verification.

12. *Register of Tools and Plants and Utensils.*—The checks to be exercised are—

- (i) that the opening stock agrees with the closing stock of the previous year and that all purchase are noted with a quotation of the voucher number ;

- (ii) that in the case of articles removed from stock, papers to show the reason for removal are forthcoming; and

- (iii) that the closing balance has been correctly worked out and has been verified and certified to by a responsible officer.

13. *Other Records.*—

1. Contingent Register.
2. Miscellaneous Stock Account.
3. Stock Account of Receipt Books.
4. Register of loans.
5. Register of Advances and Deposits.
6. Register of Immovable Properties.
7. Posting Register of Receipts and Charges.
8. Acquittance Register.

These should be examined on the lines laid down for the check of similar registers in Municipalities.

14. After completing the audit as detailed above, the eligibility or otherwise of the hostel to the grant should be examined and a statement in the following form prepared :—

Name of Hostel :

1. Proceedings of the District Welfare Officer.
 2. Number of boarders in each community for whom grant was sanctioned
 3. Number of months for which grant was sanctioned.
- for each category of boarders.

4. Grant sanctioned and drawn with date of adjustment.

(The Overdrawal of the grant of previous years, if any, adjusted during current year, should be excluded).

5. Number of boarders fed for 304 or 305 days each in cases where grant was sanctioned for full 10 months.

6. Number of boarders fed for the required number of days in cases where grant was sanctioned for a portion of a year.

(Number of days to be fed also to be specified).

7. Number of boarders short fed under each category.

8. Number of days short fed in each category.

9. Overdrawal of grant in each category.

(Head Office Circular L.F. (F 2) No. 14826, dated 14th August 1970.)

NOTE.—The amount to which the hostel was entitled for the year, i.e., The proportionate expenditure on the qualified pupils with reference to G.O. Ms. No. 133 (Public Works), dated 16th January 1941 subject to the maximum amount sanctioned by Government (only the expenditure under the legitimate charges should be taken into account).

Item (a).—The amount of grant drawn should be taken from the miscellaneous demand register and the Cash Book.

Item (b).—Expenditure incurred during the year on the maintenance of the hostel should be classified into two categories. The following items of expenditure can be legitimately debited to the grant and would appear under category (i) :—

1. Food and fuel ;
2. Establishment, such hostel servants and the pay of Wardens and Matrons ;
3. Lighting charges, dhoby, soap, repairs and replacement of utensils ;
4. Maintenance of buildings ;
5. Clothing ;
6. Books, slates, etc. ;
7. Repairing charges of School Buildings ;
8. Medicines.
9. Train and bus charges to send pupils home ;
10. Manures, sand, etc ;
11. Cost of plants ;
12. School Fees ;
13. Remuneration to Scout Masters ;
14. Barber's Wages ;
15. House Rent ;
16. Pay of Tutors ;
17. Spinning and Weaving (Maintenance expenditure only).
18. Puja, Gandhi Jayanthi, Independence Day Celebrations ;
19. Sports and Scout equipment.
20. Excursion; and
21. Postage, stationery and printing.

(G.O. Ms. No. 2668, L. (P.W.), dated 30th November 1940.)

All other items of expenditure on the maintenance of the hostel will fall under category (ii).

NOTE.—Expenditure incurred and covered by separate grant from Central Social Welfare Board, Director of Correctional Administration, etc., may be excluded from the total of legitimate items of expenditure if the expenditure was not shown separately in the Account.

Item (c).—Qualified pupil of the eligible communities are those who satisfies the conditions laid down in paragraph 2 supra. Others are non-qualified pupils. If more than the prescribed number of qualified boarders are maintained, the average daily attendance of qualified boarders during the month will be taken into consideration and not the number of qualified boarders present on any particular day.

Item (d).—Boarding grants are as general rule paid for a period of ten months or about 300 days to cover the period of term days excluding two months of the long vacations, viz., the Christmas and the summer vacations. The grants are limited to the period during which the boarders are actually fed subject to this limit of ten months. As the hostels are paid grant specifically for ten months at a fixed rate of a certain sum per mensem per pupil, proportionate recovery will have to be made, if the boarders are sent home for the vacations for more than two months and if, as a result thereof, the period of maintenance of boarders falls below the ten months. No recovery need however be made for absence of pupils on casual and sick leave up to the limits laid down in condition (ix) mentioned in paragraph 2 *supra*.

NOTE.—(1) It should be ensured in audit whether all boarders for whom the grant was drawn were maintained for the minimum period of 304 or 305 days each. The number of days fed shall be arrived at in audit for each boarder separately. The number of days short fed in respect of some should not be set off by the number of days excessively fed in respect of others.

Hence when totalling the number of days actually fed, the number of days fed in excess of 304 or 305 days in each case should be ignored.

(Head Office Circular L.F. (F 2) No. 14826, dated 14th August 1970.)

(2) The Boarding grants are payable in three instalments in July representing the grant due for the months June to September, second instalment in October representing from October to December, the third instalment in January representing the grants due for the months of January to April. The boarding grants sanctioned should be drawn before the end of the official year and any amount not so drawn cannot be drawn after 31st March without a fresh sanction from the Director of Harijan Welfare. The grant for the month of June are payable only from the date on which the schools are reopened after summer vacation and the pupils therein are admitted into the hostel. Similarly grants for the months of April are payable only till the last working day of the local educational institutions before they are closed for summer vacation. The total number of days fed by the management should not less than 304 days in a year (305 days in the case of leap year) as calculated from the date of opening of the school to the date of closure of the school for summer vacation.

(G.O. Ms. No. 3753, (HW), IL-C, dated 30th July 1970.)

(3) The period of ten months should be calculated from the date of reopening of the educational institutions. It is to be noted that the period of ten months should be calculated from the date of commencement of the academic year only and not from the 1st July as is being done now and that the boarders for whom grant is sanctioned should be maintained for 304 or 305 days as the case may be as calculated from the date of reopening of the school for summer vacation. All other instructions issued earlier will hold good for purpose of arriving at the grant due to the hostels.

(Instructions to be followed from the audit of hostel accounts for 1970-71.)

(H.O. Circular No. 7/71, dated 9th February 1971.)

Item (e).—It should be seen whether the minimum number of eligible pupils was fed for ten months. If the conditions of minimum strength has been satisfied, the grant may be utilised on the maintenance of an excess number of qualified pupils. Where the grant has been spent on the maintenance of an excess number of pupils who are not qualified a proportionate recovery in the grant should be made, even though the condition of minimum strength has been satisfied, *vide* Orders in G.O. No. 133 L. (P.W.), dated the 16th January 1941. If, for example, the grant sanctioned is for ten pupils for ten months at Rs. 15 per mensem per pupil, and if the actual cost should fall below Rs. 15 per mensem per boarder, no refund need be insisted upon if a larger number of eligible students has been maintained and the cost thereby reached Rs. 15 fixed. As the Government have held that the grant need not be reduced for the absence of pupils on sick and casual leave up to the limits prescribed and as more than one pupil may be on leave at the same time, the strength, on a particular day or days may fall below the minimum number of pupils to be maintained. No objection need be taken to such cases on the score that on that day or those days, the minimum number of pupils was not maintained. The grant admissible should be worked out having in view the points mentioned above.

NOTE.—The period of ten months referred to should be taken to mean 304 days or 305 days in the case of a leap year and not 300 days.

(G.O. Ms. No. 3283, Industries, Labour and Co-operation, dated 8th October 1957.)

Item (f).—The amount of grant drawn in excess should be worked out and entered against this item.

NOTE.—Over payments of boarding grants to subsidised hostels avoidance of:—

In the sanction order the names of the boarders for whom the boarding grants were sanctioned should be earmarked and a copy of order should be sent both to the Hostel and Local Fund Audit. In cases, where the boarder for whom the boarding grant was sanctioned, left the hostel in the middle of the year and some boarder was substituted in his place specific orders should be issued by the District Welfare Officer and communicated both to Hostel and Local Fund Audit. The District Welfare Officer should inspect the hostels and check the genuineness of the boarders before payment of the final instalment of boarding grant to avoid excess payment to the hostels.

(Copy of Circular No. D-6, 30440/69, dated 4th February 1970 from the Director of Harijan Welfare, Madras to the District Welfare Officers in the State and copy to the Examiner.)

15. The several items of receipts and charges and the amount under each items as worked out in the Posting Register should be noted on a sheet of paper and appended to the Audit Report along with the Statement referred to in paragraph 14 *supra*.

16. After the audit is completed important irregularities should be included in the audit report and forwarded to the Director of Harijan and Tribal Welfare/Director of Backward Classes, through the management of the hostel. A copy of the audit report should at the same time be forwarded to the Collector of the District and the Director of Harijan and Tribal Welfare/Director of Backward Classes. Minor irregularities noticed should be included in an Audit Notes and communicated to the management of the hostel. The return of the audit report and the Audit Notes with replies should be watched in the Audit Office.

NOTE.—*Authority for audit and levy of audit fee.*—In respect of all minor Miscellaneous Institutions the audit of which is taken up by this department the authority with reference to which the audit is conducted may be pointed out in the preamble of the Audit Report. It is also imperative that the authority for the levy and the rate of audit fee is verified and mentioned in the Audit Report itself.

(Head Office Circular Roc. No. F-2/39563/76, dated 4th May 1976.)

CHAPTER XII

A. AUDIT OF THE ACCOUNTS OF DISTRICT SPORTS COUNCIL

1. The Government in G.O. Ms. No. 1680, Education, dated 27th June 1962 and in subsequent G.Os. issued from time to time have constituted the District Sports Councils at the Head Quarters of the Districts in order to promote all sports and games to inculcate discipline to build character, imbibe team spirit and foster patriotism and spirit of comradeship. Combined coaching centre for men and women in each of the District Headquarters are established by the respective District Sports Councils. Training facilities in games and athletics are offered by providing the necessary playground equipment and full time coaches.

1. President : Collector of District (Ex. Officio).
2. A Vice-President : Deputy Commissioner of Police/Superintendent of Police, (Ex. Officio).
3. One Official Member : The District Educational Officer, other than one appointed as General Secretary or the Headquarters Municipal Commissioner.
4. Three Non-Official Members :
5. A General Secretary and Treasurer : Chief Educational Officer whose office is located in District Head Quarters/The District Educational Officer, at the District Head Quarters in Kanyakumari, Dharmapuri, Chengalpattu, Nilgiris Districts shall continue to be General Secretary and Treasurer.

NOTE (i) In Districts where the Chief Educational Officer is made the Secretary and Treasurer, the District Educational Officer be nominated as Joint Secretary. There is no need for any such Joint Secretary at all in Districts like Kanyakumari, Dharmapuri, Chengalpattu and Nilgiris.

(ii) In Thanjavur District, the Chief Educational Officer, Thanjavur is acting as Treasurer and Regional Inspector of Physical Education, Thanjavur is appointed as General Secretary who is being paid Honorarium of Rs. 50 per mensem.

6. Two other members may be co-opted as members of the Council by the respective District Sports Council.

Functions & Powers of the Council

3. Functions and powers of the Council.—The Council shall be an executive body affiliated with the State Sports Council and shall have following functions and powers.

(i) To advise the District Sports Organisations and act as the co-ordinating agency amongst them.

(ii) To sanction financial assistance to Sports Organisations recognised by the Council for implementing the schemes approved by it.

(iii) To grant recognition to such sports organisations in the Districts as are worthy of recognition.

(iv) To receive grants and donations from the State Government and any other source and to utilise the funds for achieving the objects of the council.

(v) To represent to the State Sports Council the views of the District Councils on any subject relating to sports and games.

(vi) To conserve or protect against loss or damage to buildings, grounds, stocks and other assets and regulate their use.

(vii) To frame such rules and regulations as are necessary for the smooth working of the council, in conformity with the model rules sent by the State Sports Council.

(viii) To constitute such adhoc committees as it may be deem fit for special purposes.

4. The Councils will be treated as First Class Committee for purposes of Traveling Allowance and Daily Allowance.

5. The audit was entrusted to this Department in G.O. Ms. No. 2658, Education, dated 29th October 1962. The audit is done annually (Financial Year).

6. Receipts.—The following are the main items of receipts.

- (i) Grants from the State Sports Council.
- (ii) Other Receipts.

Receipts

7. Charges.—The following are the items on which expenditure is incurred.

1. Salary of full time coachers/markers.
2. Pay and allowances of part-time Clerk-cum-Accountant.
3. Pay and allowance of full time typist-cum-clerk.
4. Cost of Sports Equipments.
5. Travelling Allowance to the members.
6. Stationery, Printing and Postage.
7. Ground maintenance charges and other miscellaneous charges.
8. Honorarium to the Secretary.

8. The following registers and records are maintained :

- (1) Cash Book.
- (2) Cheque Book.
- (3) Pass Book.
- (4) Vouchers.
- (5) Acquittance Register.
- (6) Advances Recoverable Register.
- (7) Register of Tools and Plant.
- (8) Minutes Book.
- (9) Stock Accounts.
- (10) Contingent Register.
- (11) Register of bills passed for payment.
- (12) Stock registers of sports materials.
- (13) Stock account of Stationery.
- (14) Register of Books.
- (15) Register of money value forms.
- (16) Stamp Account.
- (17) Establishment Audit Register.

- (18) Grant Register.
- (19) Register of Donations.
- (20) Immovable property register.
- (21) Register of Loans and Utilisation.
- (22) Appropriation register for grants and loans.
- (23) P.F. Cash Book.
- (24) P.F. Abstract.
- (25) Post Office Savings Bank Account for P.F. Transactions.

9. Check of Receipts.—The Government initially release grant to the Tamil Nadu State Sports Council. The District Sports Councils receive grants through the Tamil Nadu State Sports Council. The Grants to each district Sports Council is based on the figures reported in the Budget estimate for the year taking into account the anticipated closing balance. It has to be verified that the grant is properly assessed and applied for.

10. Audit of Expenditure.—The General principle of audit should be applied. Payments should be checked on the following lines.

(i) Acquittances stamped wherever necessary in support of the pay and allowances paid to the coaches, markers, part-time clerk-cum-Accountant and Travelling Allowance paid to the members of the Council should be verified.

(ii) Articles and other equipments purchased should be traced into the relevant stock accounts.

NOTE: (i) The audit should ensure that the grants sanctioned for the District Sports Councils are distributed to the Sports Association which conducts sports for public and tournaments.

(ii) It should be particularly seen that the expenditure incurred are on the authorised items of recurring and non-recurring expenditure mentioned in the Annexure to the G.O. Ms. No. 1680, Education, dated 27th June 1962. (Vide also Annexure to this chapter) and also in accordance with instructions issued by the Government and Head Office from time to time.

(iii) The Service rules of employees issued in G.O. Ms. No. 42, Education and Public Health, dated 11th June 1967 and Government Memo. No. 8141/K2/72/1, Education, dated 10th January 1974 and P.F. Rules issued in G.O. Ms. No. 153, Education, dated 30th January 1973 should be acquainted before the commencement of audit

11. Audit Report.—After the audit is completed, the Audit Report should be issued with a statement of receipts and charges to the following officers.

(a) to the President, District Sports Councils with a request that the replies in duplicate may be sent to the Assistant Examiner of Local Fund Accounts within 2 months from the date of receipt of the Audit Report.

(b) Copy to: The General Secretary, Tamil Nadu State Sports Council.

(c) Copy submitted to: The Secretary to Government, Education Department, Fort St. George, Madras-9.

(d) Copy to Head Office.

On receipt of replies the Assistant Examiner will issue further remarks to the President of the Council. He may forward the duplicate copy of the reply, to the General Secretary, Tamil Nadu.

State Sports Council for his information with a copy of the further remarks issued. The settlement of the pending objections should be watched in the office of the Assistant Examiner of Local Fund Accounts.

ANNEXURE.

*Authorised Items of Expenditure.**Non-Recurring expenditure :*

- (a) Equipment for games and sports.
1. One layout of Play Courts.
 2. Equipment for Gymnastics.
 3. Layout of a Cinder-Tracks.
 4. One heavy roller and one light roller.
- (b) Sports Festivals.
- (c) Grants to District Association and Institutions.
- (d) District Sports Councils—Establishment.
1. Typewriter.
 2. Roneo Duplicator.
 3. Furniture.

Recurring Expenditure :

1. Salary of full time coaches for Foot Ball, Hockey, Volley Ball, Basket Ball, Wrestling, Athletics and Gymnastics.
2. Ground maintenance charges.
3. Salary of full time markers.
4. Part-time Clerk-cum-Accountant.
5. Stationery, Printing and Postage.
6. Miscellaneous Contingencies.
7. Rent.
8. Telephone, Electricity, Water Supply and Sanitation.
9. Daily Allowance to members.
10. Travelling Allowance to officials.
11. Honorarium to Secretary.
12. Uniforms to Markers (2) sets (Two half slacks and 2 half pants) once in two years (G.O. Rt, 229, Education, dated 10th February 1978).

NOTE.—The concession of encashing leave at credit on superannuation has been extended to the staff of the State and District Sports Councils.

(G.O. Ms. No. 140, Education, dated 25th January 1979).

“ AUDIT OF THE ACCOUNTS OF THE TAMIL NADU STATE SPORTS
COUNCIL ”

1. *Constitution.*—In G.O. Ms. No. 1417, Education, dated 25th July 1956, the Government have constituted the State Sports Council with a view to promote the proper development of sports and games, to help the various sports and games associations in the furtherance of the objects and to act as liaison between its constituent bodies and the Government. The Council is functioning at Madras from 25th July 1956.

2. *Objects.*—The Objects of the Council shall be to promote physical fitness, plan all round development of all games and sports in State, to inculcate discipline, to build character, to promote team spirit and patriotism through games and to foster a spirit of comradeship among participants.

3. Entrustment of Audit.—The audit of the accounts of the State Sports Council was entrusted to this department in G.O. Ms. No. 2055, Education, dated 23rd August 1961 from the year 1960-61. The audit is done free of cost annually for the financial year.

4. Scope of Audit.—In audit it should be seen whether the Council incur expenditure on authorized items.

5. Composition of the Council.—The Council shall consist of eleven members nominated by the Government of Tamil Nadu and three representatives of the District Sports Council chosen by the Council—

- (i) A President.
- (ii) A Vice-President.
- (iii) 5 Non-Official Members.
- (iv) Four Official Members.
- (v) Three representatives of the District Sports Councils.

(G.O. Ms. No. 1417, Education, dated 27th July 1956).

(G.O. Ms. No. 2939, Education, dated 16th December 1961).

(G.O. Ms. No. 1860, Education, dated 30th November 1964).

6. The Council shall be treated as first class Committee for purposes of Travelling Allowance and Daily Allowance.

7. Functions of the Council.—The Council shall be an executive body and shall have the following functions and powers—

(i) To advise the State Sports Organisations and to act as the Co-ordinating agency amongst them.

(ii) To advise the State Government in all matters concerning sports and games.

(iii) To sanction financial assistance to sports organisation recognized by the Council for implementing the Schemes approved by it.

(iv) To grant recognition to such sports organisations in the State as are worthy of recognition.

(v) To receive grants and donations from the State Government and any other sources and to utilise the funds for achieving the objects of the Association.

(vi) To represent to the All India Council of Sports the views of the State Council on any subject relating to Sports and games.

(vii) To conserve or protect against loss or damage to its buildings, grounds, stocks and other assets and to regulate their use.

(viii) To frame such rules and regulations as are necessary for the smooth working of the Council.

(ix) To constitute such adhoc Committees as it may deem fit for Special purposes.

(x) To invite competent persons to attend the meeting of the Council and to sanction their Travelling Allowance and Daily Allowance as members of first class Committee.

8. Receipt.—The main item of receipt is grant from Government.

9. Expenditure.—The expenditure may be incurred on the following items:—

(1) Grant to District Sports Councils.

(2) Grant to Associations.

(3) Grant of Scholarships.

(4) Honorarium to part time clerk-cum-Typist.

(5) Honorarium to Ex-Officio Secretary.

(6) Travelling Allowance to non-official members and staff.

(7) Sitting charges for non-official members of the Standing Committee.

(8) Other Contingent items of expenditure such as Stationery, printing and postage.

10. The following records and registers are to be maintained :—

- (1) Cash Book.
- (2) Cheque Book.
- (3) Pass Book.
- (4) Ledger.
- (5) Vouchers for payment.
- (6) Stamp Account.
- (7) Acquittance Register.
- (8) Register of Tools and Plant.
- (9) Minutes Book.
- (10) Contingent Register.
- (11) Register of Grants paid to Associations.
- (12) Employees' Provident Fund Account.

The general checks to be exercised in the above registers in the case of Municipal audits may be applied to.

11. *Issue of Audit Report.*—After the audit is completed the Audit Report should be issued with a statement of receipts and charges to the following Officers :—

- (1) To the General Secretary. (Tamil Nadu) Sports Council with a request to furnish the replies and get the approval of the Council within two months from the date of receipt of the Audit Report.
 - (2) Copy to :—The Director of School Education, Madras-6.
 - (3) Copy to :—Secretary to Government, Education Department, Madras-9.
 - (4) Copy to :—Head Office.
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CHAPTER XXIII.

AUDIT OF THE ACCOUNTS OF THE THANJAVUR MAHARAJA SERFOJI'S SARASWATI MAHAL LIBRARY.

1. *Authority for Audit.*—The audit of the accounts of the Thanjavur Maharaja Sarfoji's Saraswathi Mahal Library was entrusted to this Department in G.O. Ms. No. 1938, Education, dated 14th June 1949. The audit is done annually for each official year free of cost.

2. *Constitution and management.*—Under section 5 of the Charitable Endowments Act, 1890 (Central Act VI of 1890), Government have framed a scheme for the administration of the Library, in the notification issued in G.O. Ms. No. 1306, Education, dated 5th October 1918. The General Management is vested in a Committee consisting of the District Collector, the District and Sessions Judge, one adult male member of the royal family, one non-official hindu resident of Thanjavur district nominated by the member of the royal family. The Collector is the Ex-Officio Chairman. The day-to-day administration is run by the Honorary Secretary. The properties of the library are vested in the Treasurer of Charitable Endowments, Madras and the income derived therefrom is handed over as often as it is realised by the Treasurer of Charitable Endowments. All the movables of the library such as books, manuscripts, shelves, almirahs and articles of furniture, etc., are in the custody of the Committee and all securities are in the custody of the Treasurer of Charitable Endowments.

The Committee has power to frame rules with regard to the following matters.

- (i) To regulate the procedure and transaction of business at its meetings.
- (ii) for the maintenance and keeping of accounts, minute books, forms, returns and similar papers and documents.
- (iii) to regulate the manner in which the income shall be utilised ; and
- (iv) Generally to regulate matters connected with the administration of the endowments provided always that such rules shall not come into force until they have been published in the *Fort St. George Gazette*.

Under Clause (12) of the scheme of administration the Committee shall prepare and submit annually a budget for the income and expenditure of each official year.

3. The receipts mainly comprise of recurring grant from Government for the improvement and publication of rare and valuable manuscripts, purchase of books for the library and the establishment and other administrative purposes of the library and sale proceeds of publications. The expenditure is of the following kinds :—

I. *Preservation of original manuscript—Recurring.*—Purchase of Chemicals, Establishment charges, purchase of binding materials and charges on mending.

Non-recurring.—Purchase of fumigation machine.

II. *Preservation of contents—Recurring.*—Employment of copyists upto a limit of ten at a time on contingent basis at the rates at which copyists in a Government Oriental Manuscripts Library, Madras, are paid and purchase of paper.

Cataloguing.—Employment of Pandits and printing catalogues.

III. *Equipment—Recurring.*—Printed books, acquisition of manuscripts and reference books and T.A., expenses for acquisition of manuscripts; (subject to the limit prescribed in G.O. Ms. No. 2189, Education, dated 21st December 1971).

Non-recurring.—Furniture and electrical installation.

4. The following registers and accounts are maintained :—

- (1) Government grant cash book.
- (2) Cheque book, chalans, pass book, etc.

- (3) Receipt books.
- (4) Minutes Book.
- (5) Ledger for various items of grant.
- (6) Acquittance roll.
- (7) Copyist Acquittance Register.
- (8) Press Ledger.
- (9) Editors' Ledger.
- (10) Despatch Register.
- (11) Stock Account of Library Books.
- (12) Stock Account of Stationery.
- (13) Stock Register of Citronella Oil, etc.
- (14) Register of Tools and Plants.
- (15) Voucher file.
- (16) Register showing the sale of publications by V.P.P. and Registered Post.
- (17) Establishment Audit Register.
- (18) Service Registers.
- (19) Register showing the cost price of each publication.
- (20) Register of money orders received.
- (21) Stock account of money value forms.

NOTE.—The library maintains two cash books, viz., one for library account and the other for Government grant account. The Cash Book for Government grant account alone is subject to audit by this department.

5. *Publication.*—The selection of manuscripts for publication is made by an expert committee constituted in Government Memorandum No. 27783-E/5-7, Education, dated 26th June 1952. The work of printing is entrusted to private presses after inviting tenders. Free supply of copies of each publication is made to the members of the committee, authorised libraries under exchange basis and to the editors of leading dailies for review. The sale price of the books is fixed with reference to the actual cost of publishing them including those freely issued to authorized libraries, editors of leading dailies, etc.

6. *Establishment.*—The authorised scale of establishment of the library is as follows :—

- (i) Curator—One.
- (ii) Assistant Librarian—One.
- (iii) Sanskrit Pandits—Three.
- (iv) Telugu Pandit—One.
- (v) Tamil Pandits—Two.
- (vi) Marathi Pandit—One.
- (vii) Additional Pandit (Sanskrit)—One.
- (viii) Accountant—One.
- (ix) Sales Clerk—One.
- (x) Typist—One.
- (xi) Attender—Two.
- (xii) Binder—One.
- (xiii) Peons—Five.
- Watchmen—Three.
- Sweeper—One.
- Waterman—One.

Besides these, one post of Modi Pandit is sanctioned every year on temporary basis for preservation of Modi records. 10 copists for copying manuscripts may be employed at the rate sanctioned in G.O. Ms. No. 1307, Education, dated 13th September 1954.

- 1 (G. O. Ms. No. 646, Education, L.A., dated 16th April 1955)
- 2 (G. O. No. 2227, Education and P. H. dated 25th October, 1963)
- 3 (G. O. Ms. No. 1887, Education and P. H. dated 22nd October 1965)
- 4 (G. O. Ms. No. 814, Education, dated 5th June, 1972)

The curator shall be a graduate with Sanskrit as second language and with a working knowledge of vernacular.

The Assistant Librarian shall be a graduate with outstanding research abilities with proficiency in Sanskrit and one other vernacular. The Pandits shall generally be Sironmanes or Vidwans or of equivalent qualification or proficiency preferably with a working knowledge in English.

The Accountant shall have passed the Account Test or shall have sufficient experience in handling accounts.

The Typist shall have passed the lower grade in typewriting and shall be a S.S.L.C. holder.

Those seeking employment in all categories of the above posts shall have completed 18 years of age and the person appointed shall generally retire at the age of 60. The Administrative Committee may dispense with the services of a permanent employee after giving him six months notice and the case of temporary employee after a month's notice.

Tamil Nadu leave rules are applicable to the regular employees.

(G. O. Ms. No. 2900, Education, dated 22nd December, 1977)

7. The audit should be conducted on the general lines indicated in Chapter I. The main points of checks are :—

(i) Whether the old magazines and journals have been sold in public auction and the sale proceeds credited to State Funds, if they were originally purchased out of the Government grant;

(ii) Whether the price of the books has been fixed correctly;

(iii) Whether the issues made free of cost to the authorised libraries, leading dailies, etc., are supported by acknowledgments;

(iv) Whether specimen copies sent to the book-sellers and publishers, etc., have been got back.

(v) Whether in respect of sales, the cost of the books has been recovered in full;

(vi) Whether the Commission allowed to the book-sellers for sales have been correctly calculated;

NOTE.—Commission is admissible to the book-sellers at the rate 25 percent of sales, if the cost of the books sold exceeds Rs. 25.

(vii) Whether the sale proceeds of Government publications, the cost of which was met from Government grants have been credited to State Funds;

(viii) Whether the expenditure is within the provision in the budget sanctioned by the Committee;

(ix) Whether the charges for which Government have sanctioned any grant, have been accounted for in the Government grant cash book;

(x) Whether the grants drawn from State funds have been utilised on the objects and in the manner specified in the order sanctioning the grant; and

NOTE.—(1) The sanction of Government is necessary for the grant of higher starting pay to the employees borne on the establishment, the cost of which is met from Government grant.

(2) Comparing charges of manuscripts is not debitable to the Government grant account.

(xi) that the unspent balance of grants at the close of the year has been refunded to Government or specified sanction of Government obtained for the retention.

6. After the completion of audit, an Audit Report containing the irregularities together with a statement of receipts and charges is forwarded to the Secretary of the library with a request to return one copy thereof with copies of replies and resolution of the Committee approving the same in triplicate for being transmitted to Government. The copies of Audit Reports should also be marked to the Director of Public Libraries and the Secretary to Government, Education Department, Madras.

NOTE—*Authority for audit and levy of audit fees.*—In respect of all Minor Miscellaneous Institutions the audit of which is taken up by this Department the authorities with reference to which the audit is conducted may be pointed out in the preamble of the Audit Report.

It is also imperative that the authority for the levy and the rate of audit fee is verified and mentioned in the Audit Report itself.

(H.O. Circular Roc. No. F2/39567/76, dated 4th May, 1976.)

CHAPTER XXIV.

AUDIT ON THE ACCOUNTS OF FLAG DAY COMMITTEE.

Preliminary.—The Flag Day Commences every year on 7th of December and ends on 31st March of subsequent year. The Flag Day is organised in order to collect donations from public for the relief of the discharged Soldiers, Sailors and Airmen. There is a flag day committee for each district with the Collector of the district as Chairman and Treasury Officer is the Treasurer. The Defence Department, based on the consolidated indent sent by the State Government, supplies flags and hundis direct to each Collector. The work relating to the distribution of Hundis and Flags to the various institutions was entrusted to the Treasury Officers with the guidance of the Collectors.

1. There are at present two kinds of Flags, i.e., (1) Token Flag and (2) Car Flag. The minimum donation for a token flag is 0.10 Paise and Car Flag is 0.25 Paise. Any amount donated in excess of that minimum should also be required to be put in the Hundi box and accounted for.

2. *Accounts.*—The Treasury Officers should maintain proper accounts and send periodical statement relating to the collections to the Collectors on the 10th of every month. In each district there will be one account with the State Bank of India in the name of the Treasury Officer. The money received by the Sub-Treasury Officers from the collecting agencies working under them should be kept in the cash chest and they should be remitted to the Treasury Officers at convenient intervals. The Treasury Officers should maintain accounts for the money received from the Sub-Treasury and they should remit the entire amount collected to the Tamil Nadu State Soldiers, Sailors and Airmen's Board. The Sub-Treasury Officers should furnish statement of accounts to Treasury Officers and Treasury Officers should furnish statement of accounts to the Tamil Nadu State Soldiers, Sailors and Airmen's Board. After flag day campaign is over the receipt books issued to all collecting agencies should be collected and produced for audit.

3. *Audit.*—The audit of the accounts of the Flag Day Fund Committee is done with reference to orders issued in G.O. Ms. No. 4025, I.L.C., dated 14th August 1963. The audit of the accounts should be conducted annually (financial year) in the Head Quarters of the Treasury Officer, free of cost.

The audit should be conducted on the general lines indicated in Chapter "General Principles of Audit".

4. *Registers and Records.*—The following registers and records are maintained in the Office of the Treasury Officers and Sub-Treasury Officers.

- (1) Register showing the receipt and distribution of Hundi Boxes to the collecting agencies.
- (2) Register showing the opening of the Hundi Boxes.
- (3) Cash Book.
- (4) Stock Register for Receipt Books.
- (5) Monthly statement of collections and remittances.
- (6) Receipt Books.
- (7) Counterfoils of receipts for collection of donations.
- (8) Flag Day Token Flags and Car Flags Register.
- (9) Bank Statement, Chalans and Cheques counterfoils.
- (10) Expenditure file with vouchers.

5. *Audit Report*.—After the audit is over the Audit Report should be issued with a statement of receipts and charges and a statement showing the monthly collections and remittances duly approved to the following officers.

(a) The Treasurer, Flag Day Fund Committee with a request that the replies in duplicate may be sent to the Assistant Examiner of Local Fund Accounts within a 2 months from the date of receipt of the Audit Report.

NOTE.—The Audit Report should be forwarded to the Collector in respect of Madras district.

(b) Copy to—The Collector,

(c) Copy to: The Joint Director, Ex-Servicemens Welfare, Madras-17.

(d) Copy to: Head Office.

On receipt of replies further remarks should be issued in the usual manner wherever necessary.

B. AUDIT OF THE ACCOUNTS OF EX-SERVICES' CENTRE.

1. *Authority in which the audit has been entrusted.*—As per paragraph 10 of the Standing Orders for the management of the District Ex-Services' Centres in Tamil Nadu, communicated by the Director of Employment and Training (now designated as Director of Ex-Servicemen's Welfare), Madras in State Board's Reference No. 9004/71-B2, the accounts of the Ex-Services Centre are subject to annual audit by this department.

2. *Scope of audit.*—The main aims and objects of the Ex-Services Centre are to provide accommodation for the District Soldiers', Sailors and Airmen's Board, Lodging and Boarding facility for ex-services and serving personnel, Information Bureau, Recreational facilities with indoor and outdoor games, Library, Magazines and other reading materials for the Ex-Servicemen/Women and serving personnel. The scope of audit is therefore mainly limited to the checking of the reasonableness of rent revalued and the bonafide of the expenditure incurred for the proper upkeep and maintenance of these Centres.

3. *Receipts.*—The following are the main items of receipts:—

(i) Rent for accommodatng the District Soldiers', Sailors' and Airmen,s Board's

Office

(ii) Rent for providing lodging facilities to Ex-Servicemen, Services Personnel, Officers of the Employment and Training Wings, Amalgamated Fund and Tamil Nadu Soldiers', Sailors' and Airmen's Board and their staff on official duty and State/Central Government Officials from the mofussil or on transfer to the District.

(iii) Interest realised on Fixed Deposit in any one of the Scheduled Banks/Co-operative Banks/Tamil Nadu Industrial Development Corporation and interest on Post Office Savings Bank Account.

(iv) Sale proceeds on the disposal of unserviceable articles and old newspapers and periodicals.

4. *Authorised Expenditure.*—The main items of authorised expenditure include—

(i) Pay of Care taker, Gardener and a part-time Sweeper/Scavenger appointed wherever necessary and indispensable for the proper upkeep and maintenance of the Centre.

(ii) Purchase of Furniture, Stores and other articles for the maintenance of the Centre.

(iii) Recurring charges like Water charges, Electric charges, Property tax and other local taxes.

(iv) Petty contingent charges such as repairs to furnitures, Stores, Sports materials, Window/Door curtains, etc.

5. *List of Registers and Records to be verified in Audit.*—The following registers and records maintained in the Ex-Servicemen Centre are required to be checked in audit :—

(i) Cash Book.

(ii) Register of Ledgers.

(iii) Stock Registers of Furniture, Stores and Utensils.

(iv) Register of Stationery articles.

(v) Register of Books, language-wise and under each language subject-wise.

(vi) Register of Newspapers and periodicals subscribed for

(vii) Register of consumable articles.

(viii) Register of condemned articles.

(ix) Security Register in which valuable documents received are kept in safe custody.

(x) Investment Register.

(xi) Receipt Book.

(xii) Paid Vouchers.

(xiii) Post Office Savings Bank Pass Book.

(xiv) Despatch Register.

6. *Audit checks on Receipt side.*—As far as the receipt side is concerned, the following special checks peculiar to this Institution shall be exercised besides following the general principle of audit as laid down in chapter I of this volume :—

(a) *Renting out the building for housing the office of the District Soldiers' Sailors and Airmen's Board Office.*—It should be seen that the rent as fixed by the Executive Engineer, Public Works Department and got sanctioned by the Director of Employment and Training, Tamil Nadu Soldiers' Sailors' and Airmen's Board (now re-designated as Director of Ex-Servicemen's Welfare) is credited to the Centre's funds promptly.

(b) *Rent for Providing Lodging Facilities.*—It is required to be ascertained whether the lodging rent is collected in advance and whether the rent collected is at the rate fixed by the Tamil Nadu Soldiers' Sailors' and Airmen's Board from time to time. It should also be seen that the day for the purposes of rental collection is reckoned from 6 a.m., to 6 a.m., the next day. As per the standing orders issued by the Director of Employment and Training, Madras (Now Director of Ex-Servicemen's Welfare, Madras) in State Board's Reference No. 9004/71-B 2, non Ex-Servicemen shall not be allowed to use the Centre except the following.

(i) Officers of the Employment and Training Wings, Amalgamated Fund and Tamil Nadu Soldiers' Sailors and Airmen's Board and their staff on duty.

(ii) State/Central Government Officials from the mofussil or on transfer to the District subject to vacation as and when required by Ex-Officers/Ex-Servicemen.

(iii) Family members/dependents of Ex-Officers/Ex-Servicemen accompanying them.

(iv) Hence it should be ensured while verifying the Register of Ledgers that the non-Ex-Servicemen other than those exempted are not allowed to occupy the rooms.

(c) It is required to be seen whether the credit balance of Centre's Fund is duly invested in the form of fixed deposit in any one of the Scheduled Banks/Co-operative Banks/Tamil Nadu Industrial Development Corporation, whichever offer higher rates of interest and in the Post Office Savings Bank and the Interest due got adjusted at periodical intervals.

(d) It is also required to be ascertained whether unserviceable articles if any are got condemned under the orders of the Director of Ex-Servicemen's Welfare and disposed of by public auction. Similarly, it should also be seen whether the used Newspapers and Periodicals were disposed of by public auction at the periodical intervals and the sale proceeds credited to Centre's fund.

7. *Audit Checks on the Expenditure side.*—As regards the expenditure side, the following specific checks may be exercised besides the general checks contemplated in the Audit Manual, Volume—II Part I.

(a) As per the pattern of staff prescribed in paragraph 6 of the Standing Orders communicated in Board's reference No. 9004/71B 2, wherever possible, the Centre shall have one care-taker on a fixed pay of Rs. 60 per month, a gardener on Rs. 30 per month and a part-time Sweeper/Scavenger on market rates fixed by the Collector from time to time and they will be appointed by the Secretary, Tamil Nadu Soldier's Sailor's and Airmen's Board (Now Directorate of Ex-Servicemen's Welfare, Madras) as and when their services are considered necessary. Hence, the above aspects shall be looked into at the time of verification of establishment bills and suitable objection raised wherever necessary.

(b) As for the purchase of furniture and other stores for the maintenance of the Centre, the monetary limit as specified below have been fixed in the above Standing Order (under Paragraph 7).

| <i>Sl. No.</i> | <i>Name of authority.</i> | <i>Monetary limits.</i> |
|----------------|--|-------------------------|
| (1) | Secretaries of District Soldiers Sailors and Airmen's Board. | Rs. 25/- at a time. |
| (2) | Collector and President of District Soldier's Sailors and Airmen's Board. | Rs. 250/- Do. |
| (3) | Secretary of the Tamil Nadu Soldier's Sailors and Airmen's Board (Now Directorate of Ex-servicemen's, welfare) | Rs. 500/- Do. |
| (4) | Director of Employment and Train (Now the Director of Ex-servicemen's welfare) | Rs. 1000/- Do. |
| (5) | Government. | Rs. 1000/- Do. |

It should therefore be seen that the sanction of appropriate authority is obtained for incurring such expenditure over and above the monetary limit specified above.

(c) In respect of petty contingent charges such as repairs to furniture, stores, sports materials, window and door curtains, etc., it should be seen that such expenditure do not exceed Rs. 25 at a time and Rs. 100 per annum.

8. *Important Government Orders, Departmental Circulars and Instructions.*—Before taking up the audit, the auditor has to acquaint himself with the rules in the Standing Orders issued in Board's Reference No. 9004/71-B 2, and also the amendments on those Standing Orders issued from time to time.

- (1) Letter No. 9004/71-B2 dated 30-6-72 of the Tamil Nadu State Soldiers Sailors and Airmen's Board. Standing orders for the management of the District Ex-Service Centre. Amendment to the Schedule of Lodging fee.
- (2) Letter No. 9004/71-B, dated 19-3-1973 of the Tamil Nadu State Soldier's Sailors and Airmen's Board. Do.
- (3) G.O. Ms. No. 3786, Industries, Labour and Co-operation dated 28th September 1959. The director of Employment, now Director of Ex-Service men's welfare is empowered to write-off losses of public money or stores in charge in the stock and other accounts of District Ex-Service Centre to the value of Rs. 300/- in each case.

9. *Issue of Audit Report.*—The Audit Report together with the audited copy of the statement of Receipts and Charges shall be forwarded to the Collector and President of the Ex-Service Centre with the request to obtain the replies to the Audit Report from the Secretary, District Ex-Service Centre and to send the same to the Assistant Examiner of Local Fund Accounts within two months from the date of receipt of audit report. A copy of the Audit Report shall also be sent to the following :

- (1) Secretary, District Ex-Service Centre.
- (2) Secretary, Tamil Nadu State Soldier's Sailors' and Airmen's Board, Madras.
- (3) Examiner of Local Fund Accounts, Madras.

10. *Audit Fee.*—No audit fee is levied for the audit of Ex-Service Centre.

CHAPTER XXVI.

"AUDIT OF THE ACCOUNTS OF THE BENEVOLENT FUNDS"

A. "AUDIT ON THE ACCOUNTS OF THE TAMIL NADU POLICE BENEVOLENT FUND."

The Government have constituted a departmental welfare Fund known as "Tamil Nadu Police Benevolent Fund in G.O. Ms. No. 1097 (Health), dated 23rd April 1957 for the amelioration of the conditions of all non-gazetted personnel of the Police Department. The Management of the fund vests with the Central Committee constituted for the purpose. The Central Committee is the authority to grant relief to the members. The Unit Committees will receive and scrutinize the applications for relief and forward to Central Committee for necessary sanction. The conditions for the grant of relief are laid down in rules approved in the G.O. referred to. The accounts of the fund are audited annually (Calendar year) by this department, as required in Rule 6 (f) of the Rules approved in G.O. Ms. No. 1097 (Health), dated 23rd April 1957.

The rules relating to the maintenance of the fund as amended from time to time, printed as annexure to this Chapter, should be studied.

(2) The following records and registers are maintained in Unit Office including units in Madras City which collect subscriptions and disburse grants.

- (1) Register of subscriptions.
- (2) Register of donations.
- (3) Register of grants.
- (4) Register of Tools and Plants.
- (5) Register of Receipt Books.
- (6) Receipt Book (in duplicate) duly machine numbered.
- (7) Cash Book.
- (8) Pass Book.
- (9) Long Roll.
- (10) Register of Cheques received.
- (11) Imprest Account.
- (12) Applications for Relief.
- (13) Minutes Book.
- (14) Register of Permanent Advance.
- (15) Register of usufructs of trees.

(G.O. Ms. No. 1232. Home department, dated 21st May 1974).

(3) *Register of subscriptions.*—It should be seen in audit.

- (i) Whether separate pages are set for each member of the fund.
- (ii) Whether subscriptions are collected from all the members admitted to the fund for each half year at the rates prescribed.
- (iii) Whether the subscriptions collected are periodically remitted into the State Bank of India.

NOTE :—

(1) The long roll should be verified to see whether all the members of the staff have been admitted to the fund and the reasons for omissions satisfactorily explained.

(2) Though the payment of subscriptions is voluntary, when a member discontinues the membership in one year and rejoins the fund subsequently, he must pay the arrears.

(4) *Register of Donations.*—It should be seen in audit—

(i) Whether the donations received from the Superior Officers who are not members of the fund are at the prescribed rates; and

NOTE :—No Public collections or donations should be credited to the fund without the specific sanction of the Government.

A demand collection and balance statement should be prepared by the institution and should be verified in audit. The balance noted in the demand collection and balance statement should be supported by details of the names of the subscriber together with the period for which the subscriptions or donations are due.

(ii) Whether the donations collected are periodically remitted in to the State Bank of India.

NOTE.—Arrangements should be made with the State Bank of India at each District headquarters to send the amounts to Central Committee which is having a current account in State Bank of India, Madras.

(5) *Register of cheques received.*—It should be seen—

(i) Whether all the cheques received from the Office of the Inspector-General of Police are entered in the Register.

NOTE.—The correctness of cheques issued will be verified during the audit of Central Committee by the City Audit Section.

(ii) Whether the date of encashment of cheques are noted against each; and

(iii) Whether the cheques encashed have been brought to the Cash Book.

(6) *Register of grants.*—It should be seen in audit whether the following types of relief amount granted to each member is entered in the register.

(i) Discretionary grant.

(ii) Scholarship grant.

(iii) Family Relief Fund.

(iv) Medical grant.

(v) Reading room grant.

(vi) Honorarium.

(2) Whether the relief amount granted to each member is entered in this register.

(7) *Receipt Books.*—It should be seen in audit—

(i) Whether receipts were issued for all collections made; and

(ii) Whether the collections are recorded in the register of subscriptions and donations with the date of collection.

(8) *Register of receipt book.*—It should be seen—

(i) Whether all the receipt books received are accounted for in this register; and

(ii) Whether the issues are chronologically noted and attested.

NOTE.—At the close of audit, the balance of Receipt Books should be called for and physically verified.

(9) *Cash Book.*—It should be seen—

(i) Whether the Cash and Bank and Bank book columns have been properly used.

(ii) Whether the cheques encashed are brought to the Cash Book; and

(iii) Whether the balance as per Pass Book and Cash Book has been reconciled every month.

(iv) Whether the sale proceeds of newspapers if any, and the interest on Savings Bank Account have been taken credit in the Cash Book.

(10) *Register of Tools and Plants.*—The checks exercised are similar to those exercised respect of local bodies.

(11) *Imprest Account.*—To account for the discretionary grant placed at the disposal of the President of the District Committee an imprest has to be maintained. The imprest account should contain no entries of receipts other than recoupment of imprest or any entries of expenditure other than those directly met by the imprest holder.

(12) *Register of usufructs of trees.*—(i) It should be seen in audit.

1. Whether fruit bearing gardens have been raised in compounds of Police Stations and the amounts realised through these gardens credited to the Police Welfare Fund;

(ii) Whether the proceeds of usufructs as well as fallen trees are properly accounted for.

(13) *Expenditure.*—It should be seen—

(i) Whether payment of grants to individual members are supported by simple acknowledgements.

(ii) Whether the relief granted to each member is in accordance with rules.

NOTE.—As the stamped acknowledgements for the disbursement of scholarship along with vouchers are audited in the Office of the Central Committee, the production of stamped acknowledgements issued by the Central Committee in District Units need not be insisted upon. Instead, the acknowledgements issued by the Central Committee in token of receipt of the stamped acknowledgements from District Courts may be verified in order to satisfy in audit that the scholarship have been duly disbursed.

(H.O. Circular L.F. (CA) 10663, dated 28th July 1969).

4. *Audit fees.*—The rate of audit fee is 0.3 per cent of the total receipts excluding Government contribution and investments realised plus the expenditure excluding investments made. The audit fees will be worked out with reference to receipts and charges of the Central Committee by City Audit Section, Madras and no objection need be raised in the Audit Report of the unit concerned.

(15) *Central Committee Accounts.*—The District Committees are only limbs of the Central Committee. They collect the subscriptions and donations and transfer them to Central Committee. The Central Committee granted reliefs and sends the cheques to the District Committee for encashment and disbursements.

(16) The Central Committee maintains the following registers:—

- (1) Register of Receipt Books.
- (2) Receipt Books in duplicate duly machine numbered.
- (3) Register of subscriptions.
- (4) Register of Donations.
- (5) Cash Book.
- (6) Register of Grants.
- (7) Register of Cheques issued.
- (8) Minutes Book.
- (9) Register of investments.

In respect of the registers mentioned in items 1 to 5 the audit checks to be exercised are similar to those maintained in District Committees.

(b) For other registers the following audit checks are to be exercised.

(1) *Registers of grants sanctioned.*—It should be seen in audit—

(i) Whether all the grants sanctioned to the members are entered in the register.

(ii) Whether all the applications for relief are forthcoming for the grants sanctioned.

(2) *Register of cheques issued.*—It should be seen in audit—

(i) Whether all the Cheques issued are entered in this register.

(ii) Whether the date of despatching the cheques to the District Units are noted.

(3) *Register of investments.*—It should be seen in audit :—

(i) Whether all securities and investments Paid for have been accounted for in the register.

(ii) Whether the interests due have been posted in the respective columns of the register and realised promptly; and

(iii) Whether the securities have been verified annually and a Certificate of verification recorded.

(4) *Matching grant.*—Based on the voluntary subscriptions of the members during the year matching grant is paid by Government subject to the maximum prescribed in the rules. The matching grant is credited to the Central Committee and the City Audit Section will verify the correctness of the Grant.

NOTE (1).—The audit report issued from the districts should contain a paragraph showing the subscriptions and donations collected during the year which will be taken as the audited figure for the purpose of arriving at the matching grant, by the City audit section during the audit of the account of Central Committee.

NOTE (2).—The subscriptions and donations received during the year should be separately exhibited in the receipts and charges statement.

17. *Statements to be appended to the audit report.*—The following statements should be appended to the audit report.

(1) A statement of receipts and charges.

(2) A statement showing the subscriptions and donations collected and the dates on which such collections were remitted to the Office of the Inspector-General of Police.

(3) Statement showing Investments in Fixed Deposits, Government Bond, etc.

18. *Audit Report.*—The audit report issued from the districts may be sent as follows :—

(a) To the President, District Committee (Tamil Nadu Police Benevolent Fund) Office of the Superintendent of Police. . . . with request that the replies in Duplicate may be sent to the Office of the Assistant Examiner of Local Fund Accounts within two months from the date of receipt of the Audit Report.

(b) Copy to the Inspector-General of Police, Madras-4.

(c) Copy submitted to the Secretary to Government, Home Department, Madras-600 009.

(d) Copy to Head Office.

(e) Copy to the Assistant Examiner of Local Fund Accounts, City Audits, Examiner's Office, Madras.

On receipts of replies, one copy of the replies will be forwarded to the Inspector General of Police with further remarks on the pending objections.

The Inspector General of Police may also be requested to review the audit report, the replies and the further remarks and to record the audit report wherever considered necessary.

The further remarks on the second and subsequent replies will be sent to the District Superintendent of Police concerned and settlement of objections watched.

The audit report issued from the city Audit Section may be sent as follows :—

(a) To the President, Tamil Nadu Police Benevolent Fund, Madras-4 with a request that replies may be furnished in duplicate within 2 months from the date of receipt of the Audit report.

(b) Copy submitted to the Secretary to Government, Home Department

(c) Copy to the Accountant-General, Concurrent Audit Section, Madras.

(4) Copy to Head Office.

NOTE.—Authority for audit and levy of audit fee.—In respect of all minor Miscellaneous Institutions the audit of which is taken up by the Department, the authority with reference to which the audit is conducted may be pointed out in the preamble of the Audit Report. It is also imperative that the authority for the levy and the rate of audit fee is verified and mentioned in the Audit Report itself.

H.O. Circular Re. No. F2/39563/76, dated 4th May, 1976.

APPENDIX.

The Madras Police Benevolent Fund Rules.

Rule 1—Object.—The Madras Police Benevolent Fund is instituted for affording monetary and other relief to the Non-Gazetted staff (both executive and ministerial) of the Police Department in Tamil Nadu State and his dependents. The Welfare of every member of such staff and his dependents is aimed at by this Fund, monetarily and/or otherwise, as specified in Rule 7 below;

All non-Government Funds of similar nature instituted departmentally or locally and now in existence in the Police Department shall merge with the Madras Police Benevolent Fund from the date of its coming into existence.

All those enjoying the privileges of the defunct non-Government Funds merged with the Madras Police Benevolent Fund will continue to enjoy the same privileges even after the merger of these funds with the Madras Police Benevolent Fund.

(G.O.Ms. No. 4585 (Home), dated 30th December, 1979.)

Exception.—The Madras State Police Families' Welfare Fund need not be merged with this fund.

Rule (2) Management Rule 2 (a) (i).

The Management of the Fund will vest in a Central Committee which will consist of the following officers:—

1. Inspector-General of Police—President.
2. Assistant Inspector-General of Police.
3. An Inspector of Police.

(ii) * *

(iii) The Assistant Inspector-General of Police will be the Ex-Officio Secretary.

Rule 2 (b).

Rule 2 (c) (i).

Every district will have a District Committee. (The Malabar Special Police: S.A.P., Police Training College, Madras, Police Radio Branch. The Madras City Police and the Office of the Inspector-General of Police—will be considered as district for this purpose) which will consist of the following officers.

Rule 2 (c) (ii).

Rule 2 (c) (iii).

The functions of the District Committee will be to encourage membership of the Fund, to implement the decisions of the Central Committee, to scrutinise and recommend applications for individual relief and to make suggestions regarding grants from the fund for the general welfare of the force. The function of the District Committee shall not be only to make suggestions for grants, but this committee shall formulate schemes of welfare within its respective area and submit the same for consideration of the Central Committee. If the District Committee for any reason decides that it has not to make any representation to the Central Committee, it may send a member to appear on its behalf and place its views.

Rule 2 (d).

Rule 2 (e).

Rule 3 (Membership).

Membership of the Fund shall be voluntary and shall be restricted to the Non-Gazetted staff (both executive and ministerial) of the Police Department. Any one who does not pay subscriptions for two consecutive terms shall cease to be a member of the fund, but his membership may be renewed by paying up the arrears.

Rule 4 (Subscriptions).

The following are the rates of annual subscriptions to be paid by the members of the fund.

| Rank | Rate of subscription per annum. | |
|--|------------------------------------|------|
| | Rs. | P. |
| (i) Manager, Special Branch, C.I.D., Madras | ... | 8.00 |
| (ii) Senior Superintendent, Inspector-General of Police Office and Commissioner of Police, Madras | ... | 6.00 |
| (iii) (a) Inspector of Police | } | 5-00 |
| (b) Sergeant—Major | | |
| (c) Subedar—Major, S.A.P. and M.S.P. | | |
| (d) Subedar—S.A.P. and M.S.P. | | |
| (e) Assistant Manager, Special Branch, C.I.D. | | |
| (f) Superintendent, Inspector-General of Police. | | |
| (g) Office Superintendent Crime Branch, C.I.D. | | |
| (h) Office Superintendent, D.S.P. Office including S.A.P., and M.S.P. Offices | | |
| (iv) (a) Junior Superintendent, Inspector General's Office | } | 5-00 |
| (b) Clerk, Special Branch, C.I.D. | | |
| (c) Accountant—cum—Cash Keeper, Crime Branch, C.I.D. | | |
| (d) Cashiers, City Police Office | | |
| (e) Accountant | | |
| (f) Radio Supervisor | | |
| (g) Photographer, C.I.D. | | |
| (h) Superintendent, Assistant Superintendent, Finger Print | | |
| (i) Tester, S.I. of Police | | |
| (v) (a) Sub-Inspector of Police | } | 3-00 |
| (b) Assistant Sub-Inspector of Police | | |
| (c) Sergeant | | |
| (d) U.D.C. | | |
| (e) Jamadar (S.A.P. and M.S.P.) | | |
| (f) Radio Electrician | | |
| (g) Assistant Photographer | | |
| (h) Expert in the finger print bureau | | |

| | |
|--|------|
| (vi) Head constable and Grade I Police Constables and other non-Gazetted Police Personnel drawing pay of and above the scale of Rs. 40.60 including Havildar-Major and Havildar in S.A.P. and M.S.P. L.D.Cs., Typist Searcher in the finger print bureau | 2.00 |
| (vii) Police Constable and other non-Gazetted personnel including Naik in S.A.P. and M.S.P. Duffadar, Lance Daffadar, Sewar Hindi Teacher, Motor Launch Driver, Sarang, Shroff and Assistant Shroff in the City Police Office | 1.50 |
| (viii) Tindal, Boatman, Lascar, Attender, Peon, Bugle Boy in the M.S.P. | 1.00 |

Rule 4 (b).

Subscriptions will be realised half-yearly on 1st January and 1st July from the pay of the members by the drawing officers and a receipt shall be issued to each member who will in his own interest preserve these receipts. If any one joins the fund during the middle of any half year full subscription for the half year will be collected.

Rule 4 (c).

Non-Gazetted Officers who are on deputation on other duty in other Departments in this state or under the Government of India may also continue to be or become members of the Fund by paying subscriptions to their parent units till such time as organisation where they are serving from Welfare Funds of their own.

Rule 5 (Donations).

| | |
|---|--------|
| (a) The following will be the rates of annual donations for superior officers who are not members of the fund. | RS. P. |
| Inspector-General of Police | 20.00 |
| Deputy Inspector-General of Police | 15.00 |
| D.S.Ps. Additional D.S.Ps. Commandant, M.S.P. and S.A.P., Police Radio Officer | 10.00 |
| Assistant Superintendents of Police and Deputy Superintendents of Police | 5.00 |
| Personal Assistants to Deputy Superintendent of Police Assistant Commandants, M.S.P. and Special Armed Police Technical Assistant to Police Radio Officer | 3.00 |

(b) The Government will augment the resources of the fund by an annual grant equal to the amount realised by voluntary subscriptions from the members of the fund, subject to the maximum of Rs. 50,000.

Rule 6 (Accounts).

(a) Every District Committee shall collect the subscriptions and donations half yearly. Receipts should be prepared in duplicate the original receipt to be given to the subscriber or donor and the duplicate to be retained by the District Committee as the office copy. Arrangements may be made with the State Bank of India at each District Headquarters to send the amount to the Central Committee.

(b) Every District Committee shall maintain a long roll for all the members of the fund and a Register of Donation to account for all subscriptions and donations received. The Register of donations shall be in Form I in annexure to these rules. The Long roll shall contain the names of all those who are entitled to become members of the Fund, irrespective of the fact whether they actually subscribe to the fund or not. A Gazetted Officer shall ensure that all necessary entries have been duly made in these registers.

(c) By 10th of every January and July, each District Committee shall send a statement in Form II in Annexure to the Central Committee.

(d) When a member is transferred from one district or unit to another, the relevant extract from the Register relating to him shall be sent along with his service book, when corresponding entries shall be made in the Registers maintained there.

(e) A Balance Sheet shall be prepared by all District Committees and sent to the Central Committee at the close of the Calendar year for scrutiny and preparation of a consolidated balance sheet on a state basis for publication in the Police Gazette.

(f) The accounts of the fund shall be audited once a year by the Examiner of Local Fund Accounts, Madras.

RULE 7—RELIEF.

(a) Regular subscribers and their dependents including those who are on deputation or on other duty in other departments in this State or Government of India, will be entitled to financial relief provided the Central Committee is satisfied that the pecuniary circumstances of the subscriber or his dependent (in case of his death) justify it. The fund shall be utilised for the following purposes.

(i) To provide the members with amenities such as reading rooms, night schools, community radio sets, etc.

(ii) to provide scholarship for the education of their children in deserving cases.

NOTE: (1) Under Rule 7(a) (ii).—A scholar receiving a National Loan Scholarship granted by the Government of India under the National Loan scholarship scheme or a loan from the Government of Madras under the Madras Educational Loan rules will be eligible for a scholarship from the Tamil Nadu Police Benevolent Fund restricting in such cases the value of the latter scholarship to an amount whose value does not exceed half the value of the National Loan Scholarship or the Tamil Nadu Government Loan normally amount for the course during the year.

(iii) to render monetary help to widows and dependents of the members when such help is called for either in a lump-sum or in monthly instalments to be decided on merits of each case.

(iv) to grant monetary aid to the members in exceptional cases as in the case of prolonged illness, serious injuries requiring prolonged treatment and expenditure beyond their means.

(v) to open schools for children when funds permit.

(vi) to have play grounds for the children and to provide entertainments.

(vii) to provide separate wards in the hospitals for members suffering from T.B.

(viii) any other deserving cause for the general welfare of the members at the discretion of the Central Committee.

Rule 7 (b).—Regular subscribers including those who are on deputation or on other duty in other departments in the State or Government of India, will continue to be eligible for financial assistance from the fund for five years after the retirement. In the case of subscribers to the fund who die within five years of their retirement their dependents will be eligible for such assistance provided on verification they are found to deserve help.

Rule 7 (c).—The Central Committee has the discretion to fix the amount of relief with due regard to the circumstances of each case and such relief shall not necessarily be on a fixed scale. In fixing the amount of financial aid, the committee shall take into consideration the period or periods for which a member has been a regular subscriber during his service. The amount of pecuniary aid will be proportionate to the ratio between the total period for which it was possible for the member to have been a regular subscriber and the period during which he was actually a regular subscriber.

Rule 7 (d)

xx xx xx xx

Rule 7 (e).—No loans shall be sanctioned to any members from the fund.

Rule 7 (f).—Non-subscribers to the fund will be eligible for help from the fund only in exceptional cases according to the discretion of the Central Committee.

Rule 7 (g).—The word "Dependents" will mean wife, children, father, and mother, unmarried dependent sisters and brothers under the age of 18.

Rule 8.—Application for relief.—Application for relief should be submitted in triplicate in Form III to the head of the Office under whom the members serves or last served, the head of the Office shall get the particulars verified and the claim scrutinised. The head of the office shall then obtain the District Committee's recommendation and place it before the Central Committee for consideration.

Rule 9.—Authority to sanction emergency relief.—(a) The President of the Central Committee is authorised to afford financial relief not exceeding Rs. 200 or one month's pay, whichever is less, in urgent cases to meet immediate needs in anticipation of the approval of the Committee. All such cases, shall be put up for approval at the next committee meeting.

(b) A discretionary grant not exceeding Rs. 500 will be placed at the disposal of the President of each District Committee and Rs. 1,000 in the case of the President, Madras City Police Committee for affording financial relief not exceeding Rs. 50 or one month's pay, whichever is less, in case of urgent nature which leaves no time to obtain the sanction of the President of the Central Committee. All such cases shall be reported forthwith to the Honorary Secretary of the Central Committee for information for approved at the next Committee meeting.

(c) Unless there are special reasons to the contrary, no subscriber shall be entitled to relief more than *once within* 12 months.

(d) * * * * *

Rule 10. Welfare.—(a) The Central Committee is empowered to sanction grants from the fund to be spent for general welfare and providing amenities for the serving members of the force and their dependents.

(b) The Central Committee is empowered to sanction from the fund such expenditure as it considers necessary towards the purchase of stationery, payment of printing charges, remuneration to staff and any other items of contingent expenditure required for the efficient management of the funds.

(c) Notwithstanding anything contained in Rule 7, the Central Committee may grant advances for Welfare work to the District Welfare Units, Police Clubs, repayable in such number of instalments and on such terms as the Central Committee shall prescribe in each case.

(d) The Committee is also empowered to contribute to the Madras State Police Families Welfare Organisation at 10 per cent the aggregate annual income of the fund realised by way of voluntary subscriptions from the members, the donations from the Gazetted Officers and the matching grant from the Government to enable the State Police Families Welfare Organisation to initiate, develop and co-ordinate welfare work among the families of all non-gazetted staff inclusive of Ministerial staff. Broadly, this work will include selecting and implementing schemes to supplement the Police Families income and to provide the Police personnel and their families recreational amenities, medical and educational facilities and also to promote cultural activities.

(G.O. Ms. No. 2522 Home, dated 8th August 1963).

Rule 11.—Notwithstanding anything contained in the rules, the Inspector-General of Police, reserves to himself the power to relax any provision in these rules, in consultation with the Central Committee.

(G.O. Ms. No. 1097/Home, dated, 23rd April 1957.)

(G.O. Ms. No. 1933/Home, Department, dated, 10th July 1958)

G.O. Ms. No. 1390, Home dated 13th May 1959.)

(G.O. Ms. No. 4585, Home, dated, 30th December, 1961.)

(G.O. Ms. No./310, Home 19th January, 1962.)

(G.O. Ms. No. 306/Home dated 25th January 1963.)

(G.O. Ms. No. 2490/Home dated 7th August, 1963.)

(G.O. Ms. No. 2522/Home dated 8th August 1963).

(G.O. Ms. No. 3335/Home dated 11th November 1968).

ANNEXURE

REGISTER OF DONATIONS.

| <i>Name of the Donor and designation.</i> | <i>Rate of Annual Donations.</i> | <i>Amount due for the half year.</i> | <i>Amount paid.</i> | <i>Receipt No. and Date.</i> | <i>If from a private source has Government Sanction been obtained and G.O. No. if any.</i> | <i>Remarks.</i> |
|---|----------------------------------|--------------------------------------|---------------------|------------------------------|--|-----------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |

STATEMENT

(See Rule 6 (c))

| <i>Rank.</i> | <i>Sanctioned Strength.</i> | <i>Rate of Subscription.</i> | <i>Total possible collection.</i> | <i>Number actually subscriber.</i> | <i>Amount Subscribed.</i> | <i>Remarks.</i> |
|--------------|-----------------------------|------------------------------|-----------------------------------|------------------------------------|---------------------------|-----------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |

B. Audit on the Accounts of the Tamil Nadu Jail Benevolent Fund.

1. The Government in G.O. Ms. No. 1236 (F), dated 24th April 1964, have constituted a departmental welfare fund known as "Tamil Nadu Jail Benevolent Fund" for affording monetary and other relief to all non-gazetted staff (Permanent and Temporary) of the jail department in the Tamil Nadu and to their dependents. The management of the fund vests in a Central Committee. The receipts mainly consist of subscriptions and donations collected from the members and the payments include grant of relief contemplated in Rule 7 of the rules governing the administration of the fund. The authority to grant relief to the members is the Central Committee. The Unit Committees will scrutinise and recommend applications for grant of individual relief. The fund has been constituted with effect from 1st July 1964. The administration of the fund is governed by the rules approved by Government in G.O. Ms. No. 1236 (Home), dated 24th April 1964. The accounts of the fund are to be audited annually for the Calendar year as required by Rule 6 (g) of the rules approved by Government in G.O. Ms. No. 1236 (R), dated 24th April 1964.

The auditor should study the rules relating to the constitution of the fund before he takes up the audit.

2. The registers and records maintained in units are detailed hereunder.

- (1) Cash Book.
- (2) Pass Book.
- (3) Register of Receipt Books.
- (4) Receipt Book.
- (5) Register of subscriptions and donations (to account for all subscriptions and donations received).
- (6) Long Roll (containing the name of all those who are entitled to become member of the fund).

- (7) Applications for relief.
- (8) Register of Cheques.
- (9) Register of Grants
- (10) Imprest Account.
- (11) Vouchers for the payments.
- (12) Minutes Book.

3. *Cash Book*.—It should be seen :

- (i) Whether the Cash and Bank Columns have been properly used.
- (ii) Whether the cheques encashed are brought to the Cash Book.
- (iii) Whether the balance as per pass book and cash book has been reconciled every month.

4. *Register of receipts book*.—It should be seen :

- (i) Whether all the receipt books received are entered into this register.
- (ii) Whether the issues are chronologically noted and attested.

NOTE.—At the close of audit, the balance of receipt books should be called for and physically verified.

5. *Receipt book*.—It should be seen in audit :

- (i) Whether receipts were issued for all collections made; and
- (ii) Whether the collections are recorded in the Register of subscription and donations with the date of collection.

6. *Register of subscriptions and donations*.—It should be seen in audit :

- (i) Whether subscriptions are collected from all the members admitted to the fund for each year at the rates prescribed in rule 4.

NOTE (1).—The long roll should be verified to see whether all the members of the staff have been admitted and the reasons for omissions satisfactorily explained.

NOTE (2).—No public collection or donations be credited to the fund without the specific sanction of Government.

- (ii) Whether the donations received from the superior officers who are not members of the fund are at the rates prescribed in rule 5.

NOTE.—A Demand, Collection and Balance Statement should be prepared by the institutions and it should be verified in audit. The balance noted in the Demand Collection and Balance Statement should be supported by details of the names of the subscribers together with the period for which the subscriptions and donations are due.

- (iii) Whether the collections made have been posted in the register; and

NOTE.—This should be traced into this register with reference to the duplicate copy of the receipts.

- (iv) Whether the subscriptions and donations collected are periodically remitted into the State Bank of India.

NOTE.—Arrangements should be made with the State Bank of India at each District Headquarters to send the amount to the Central Committee.

7. *Register of cheques*.—It should be seen :

- (i) Whether all the cheques received from the Office of the Inspector-General of Prisons are entered into the Register.

- (ii) Whether the date of encashment of the cheques are noted against each.

- (iii) Whether the cheques encashed have been brought to the Cash Book.

8. *Register of Grants*—It should be seen :

Whether the relief amount granted to each member is entered in this register.

9. *Imprest account*.—To account for the discretionary grant placed at the disposal of the President of the District Committee an imprest account has to be maintained. The imprest account should contain no entries of receipts other than recoupment of imprest or any entries of expenditure other than those directly met by the imprest holder.

10. *Expenditure*.—It should be seen :

(i) Whether payments of grants to the individual members are supported by simple acknowledgements.

(ii) Whether the relief granted to each member is in accordance with rules.

11. *Audit fees*.—The audit fees will be worked out with reference to the Receipts and Charges of the Central Committee by City Audit Section, Madras and no objection need be raised in the Audit Report of the Unit concerned.

12. *Central Committee Accounts*.—The District Committees are only limbs of the Central Committee. They collect the subscriptions and donations and transfer them to Central Committee. The Central Committee grants reliefs and sends the cheques to the District Committee for encashment and disbursement. The Central Committee also maintains the following registers :—

(1) Register of Receipt Books.

(2) Receipt Books in duplicate duly machine numbered.

(3) Register of Subscriptions.

(4) Register of Donations.

(5) Cash Book.

(6) Register of Grants.

(7) Register of cheques issued.

(8) Minutes Book.

(9) Register of Investments.

In respect of the registers mentioned in Items 1 to 5 the audit checks to be exercised are similar to those maintained in District Committees.

For other registers the following audit checks are to be exercised.

13. *Register of grants sanctioned*.—It should be seen in audit :

(i) Whether all the grants sanctioned to the members are entered in the register.

(ii) Whether the date of despatching the cheques to the District Units are noted.

14. *Register of cheques issued*.—It should be seen in audit :

(i) Whether all the cheques issued are entered in this register;

(ii) Whether the dates of despatching the cheques to the District Unit are noted.

15. *Register of investments*.—It should be seen in audit :

(i) Whether all securities and investments paid for have been accounted for in the register.

(ii) Whether the interests due have been posted in the respective columns of the register and realised promptly; and

(iii) Whether the securities have been verified annually and a Certificate of verification recorded.

16. *Matching grant*—Based on the voluntary subscriptions of the members during the year matching grant is paid by Government subject to the maximum prescribed in the rules. The matching grant is credited to the Central Committee and the City Audit Section will verify the correctness of the grant.

Norm.—(1) The Audit Report issued from the District should contain a para showing the subscription and donations collected during the year which will be taken as the audited figure for the purpose of arriving at the matching grant due from Government by the City Audit Section during the audit of the accounts of the Central Committee.

(2) The subscriptions and donations received during the year should be separately exhibited in the receipts and charges statement.

17. *Statement to be appended to the Audit Report.*—The following statements should be appended to the audit report:—

(1) A statement of receipts and charges.

(2) A statement showing the subscriptions, and donations collected and the dates on which such collections were remitted to the Office of the Inspector-General of Police.

(3) Statement showing investments in Fixed Deposits, Government Bonds, etc. (in respect of the audit report on the Central Committee only).

18. *Audit Reports.*—(i) The Audit Report issued from the District may be sent as follows:—

(a) To the President, District Committee (Madras Jail Benevolent Fund) Office of the Superintendent, Central Jail with a request that the replies in duplicate may be sent to the Office of the Assistant Examiner of Local Fund Accounts, within two months from the date of receipt of the Audit Report.

(b) Copy to the Inspector-General of Prisons, Madras-7.

(c) Copy to the Superintendent, City Audit Section, Examiner's Office, Madras, with a statement of Receipts and Charges.

(d) Copy to the Secretary to Government, Home Department, Madras-9.

(e) Copy to Head Office.

On receipt of replies, one copy of the replies will be forwarded to the Inspector-General of Police with further remarks on the pending objections.

The Inspector-General of Police may also be requested to review the audit report, the replies and the further remarks and to record the audit report wherever considered necessary.

The further remarks on the second subsequent replies will be sent to the Jails Superintendent of the District concerned and settlement of objections watched.

(ii) The audit report issued from the City Audit Section may be sent as follows:—

(a) To the President, Madras Jail Benevolent Fund, with a request that replies may be furnished in duplicate within 2 months from the date of receipt of the Audit report.

(b) Copy to the Secretary to Government, Home Department, Madras-9.

(c) Copy to the Accountant-General, Concurrent Audit Section, Madras.

(d) Copy to Head Office.

C. AUDIT ON THE ACCOUNTS OF MADRAS FIRE SERVICE.

BENEVOLENT FUND-CUM-WELFARE ORGANISATION.

Preliminary.—The Government have in G.O. Ms. No. 4014 (Home), dated 16th November 1961 approved the proposals of the Inspector-General of Police, Fire Service, Fire Service Benevolent Fund-cum-Welfare Fund to be known as "Madras State being and the amelioration of the conditions of the Non-Gazetted personnel of the Fire Service Department. The administration of the fund is governed by the rules (given as Annexure to this Chapter).

There is a Central Committee constituted under Rules III (a) and under Rule III (b) there are Divisional Committees for each fire service division. The functions of the Central Committee and Divisional Committee have been specified in Rule-V of the Rules and the same may be referred to.

The auditor should study the rules as amended from time to time before taking up the audit.

Entrustment of Audit.—The accounts of the Fund is audited by this Department annually for the financial year from the year 1962-63 with reference to Rule VI (g) of the rules appended to G.O. Ms. No. 4014 (Home), dated 16th November 1961.

3. *Scope of audit.*—Detailed accounts are maintained in the Central Office, viz., in the Office of the Director of Fire Service, Madras and the audit is done there, though collection of subscription and donations are made in the Divisional Offices. The Divisional Offices also maintain the registers and accounts for collection and remittance to the Central Office. They send annual statements of receipts and charges with details of investments besides half-yearly statements of accounts. The audit is done in the lines of the audit of the accounts of the Police Benevolent Fund.

NOTE.—(1) No long roll is maintained regarding this fund.

(2) For each payment made in the Divisional Development Offices (whether from the Discretionary grant or from the cheque received from the Central Office) the acquittance for payments made are to be obtained from the Divisional Offices and attached to the vouchers kept in the Central Office. Similarly, accounts duly supported by proper acknowledgements should be called for from the Divisional Offices in respect of the Discretionary grants paid to the respective Officers and it should be ensured that grants are recouped only after the accounts are rendered by the Divisional Officers in respect of the discretionary grant previously received by them. It should also be ensured that the Divisional Offices do not utilise the *Collections directly* for meeting any payments even in respect of cases where discretionary grants are permissible.

The main items of receipts are—

(i) Subscriptions and Donations.

(ii) Matching grant from Government based on the subscription collected.

The main items of expenditure are :

(i) Grant of relief to individuals.

(ii) Payment of Scholarships.

The following registers are maintained by the Central Committee:—

(1) Cash Book.

(2) Receipt Book.

(3) Register of cheques, drafts, etc., received.

(4) Register showing the collections received. (Posting to be made with reference to duplicate copy of the receipt received from the Divisional Offices along with a Statement showing the amount collected from each individual).

(5) Subscription Ledger (One Ledger for each division and one page is set apart for each subscriber).

(6) Donation Ledger (Officers).

(7) Donation Ledger (Public).

(It is enough if a single ledger is maintained).

(8) Register of cheques issued.

(9) Register of Grants.

(10) Posting Register.

(11) Register of Scholarships.

(12) Register of grant to Madar Sangam

(13) Register of Discretionary grant.

(14) Register of Tools and Plants.

(15) Register of Investments.

(16) Register of Receipt Books.

(17) Statement of Accounts.

At the close of each year a statement of accounts will be rendered by the Institution to audit.

6. *Audit fees.*—Basing at the rate of 0.3 per cent of the total receipts (excluding Government contributions and investments realised and expenditure (excluding investments made) the audit fee is calculated.

(G.O. Ms. No. 2473 (Home), dated 2nd July 1966.)

7. *Audit Reports.*—The Audit Report may be sent as follows:—

(a) To the President, Madras Fire Service Benevolent Fund, Madras with a request that the replies in duplicate may be sent to the Assistant Examiner of L.F. Accounts, Madras, within 2 months from the date of receipt of the Audit Report.

(b) Copy to: The Secretary to Government, Home Department, Madras-600 009.

(c) Copy to: The Accountant-General, Concurrent Audit Section, Madras.

(d) Copy to: Head Office.

On receipt of replies one copy of replies will be forwarded to the Inspector-General of Police with further remarks on the pending objections.

ANNEXURE

Rules for Tamil Nadu Fire Service Benevolent Fund-cum-Welfare Organisation.

Object.—The main object of the Organisation is to attend to the general well-being of the Non-Gazetted both executive and ministerial personnel of the Fire Service Department, and for this purpose raise funds which will include donations and subscriptions from the members of the service. Grants from Government and Donations from institution and individuals with the prior approval of the Inspector-General of Police (Fire Service).

II. Membership.—Membership of the Organisation shall be voluntary and all members of the Madras Fire Subordinate Service and Ministerial Service of the Fire Service Department shall be eligible to become members of the Organisation.

III. Management (a) The management of the Fund-cum-Organisation will vest in a Central Committee consisting of the following officers:—

- | | | |
|--|--------|----------------------------------|
| (1) The Inspector-General of Police | ... | Ex-Officio President. |
| (2) Chief Fire Officer, Northern Region and Personal Assistant to the Inspector- General of Police | | Ex-Officio Secretary. |
| (3) Chief Fire Officer, Southern Region | | Ex-Officio Member. |
| (4) A District Fire Officer | | Ex-Officio Additional Member. |
| (5) A Station Officer : | | |
| (6) A Sub-Officer. | | |
| (7) A Leading Fireman. | | |
| (8) A Driver Mechanic or Fireman Driver. | | |
| (9) A Fireman. | | |
| (10) A Member of the Ministerial Staff. | | |

NOTE.—Serial numbers 4 to 10 will be nominated by the Inspector-General of Police and hold Office for a period of three years in the first instance;

(b) Every Fire Service Division will have a Divisional Committee which will consist of the following officers:—

- (1) The District Fire Officer of the Division—Ex-Officio President
- (2) A Station Officer—Secretary.
- (3) A Sub-Officer.
- (4) A Leading Fireman.
- (5) A Driver Mechanic or Fireman Driver.
- (6) A Fireman.
- (7) A Member of the Ministerial Staff.

NOTE : Serial numbers 3 to 7 will be nominated by the District Fire Officers of the respective division and shall hold Office for a period of 3 (three) years.

(c) Meetings and quorum.—(1) The Central Committee shall meet not less than once in six months, six members of the Central Committee will form a quorum.

(2) The Divisional Committee shall meet not less than once in two months. Four members of the Divisional Committee will form a quorum.

IV. *Funds*.—For affording monetary and other relief to the non-gazetted staff (both Executive and Ministerial) of the Madras Fire Service Department and to their dependants, funds may be raised which may consist of the following.

1. *Subscription*.—The following are the rates of annual subscription to be paid by members of the fund :—

| <i>Rank.</i> | <i>Rate.</i> Rs. |
|---|---------------------|
| (i) Station Officers including Engineer Station Officer Superintendent | 5 |
| (ii) Sub-Officers and Upper Division Clerks | 3 |
| (iii) Leading Fireman, Driver, Mechanics, Fireman Drivers, Fireman-Mechanics, Lower Division Clerks, Time-keepers, Steno-Typists and Typists | 2 |
| (iv) Firemen and equivalent ranks and attenders | 1.50 |
| (v) Peons | 1 |

Subscriptions will be realised half-yearly on the 1st January and 1st July from the pay of the members by the drawing officers and a receipt shall be issued to each member who will in his own interest preserve these receipts. If anyone joins the fund during the middle of any half-year, full subscription for the half-year will be collected.

2. *Donation*.—The following are the rates of annual donation for superior officers who are *not* members of the fund :—

- (i) Chief Fire Officers—Rs. 10.
- (ii) District Fire Officers—Rs. 4.

3. Voluntary donations from philanthropists (individuals and institutions) with prior approval of the Inspector-General of Police, Fire Service.

4. *Grant of Government*.—A matching annual grant equal to the amount realised by voluntary subscriptions from the members of the Fund subject to a maximum of Rs. 5,000.

Functions—Functions of the Divisional Committee will be :—

- (i) to encourage membership of the Fund-cum-Organisation.
- (ii) Implement the decisions of the Central Committee.
- (iii) to scrutinise and recommend applications for individual relief and to make suggestions regarding grants from the fund of the organisation for the general welfare of the service members;
- (iv) to take such action as is necessary to set up gainful hobbies in every fire station; and
- (v) If, for any reason the Divisional Committee decides that it has to make any representation to the Central Committee, it may send a member to appear on its behalf and place its views.

(2) *Central Committee*—Its main functions will be—

- (i) to formulate Schemes of Welfare
- (ii) to afford relief to the members as detailed below :—
 - (a) to provide reading rooms, community radio sets, etc.;
 - (b) to provide scholarships for the children of the members in deserving cases;
 - (c) to render monetary help to widows and dependants of the members when such help is called for;
 - (d) to grant monetary aid to the members in exceptional cases as in the case of prolonged illness, serious injuries requiring prolonged treatment, etc., requiring expenditure beyond their means;

(e) to have playgrounds for the children of the members and to provide entertainments now and then.

(f) to provide for additional beds in Hospitals exclusively for Fire Service personnel suffering from Tuberculosis.

(g) to sanction such advances as are deemed necessary out of the funds of the Organisation for implementing schemes of the Divisional Committee for instituting gainful hobbies for the benefit of the members. Such advances will be repayable in easy instalments, the amount and the number of instalments being fixed at the discretion of the Central Committee; and

(h) to consider any other deserving cause for the general welfare of the members at the discretion of the Central Committee.

(3) Regular subscribers will continue to be eligible for financial assistance from the fund of this Organisation. For one calendar year after retirement. In the case of subscribers to the fund who die within one year of their retirement, then dependants will be eligible for the assistance.

(4) The Central Committee will have the discretion to fix the amount of relief with due regard to the circumstances of each case and such relief shall not necessarily be on a fixed scale. In fixing the amount of the financial aid, the Committee shall also take into consideration, the period or periods for which a member has been a regular subscriber during his service. The amount of pecuniary aid will be proportionate to the ratio between the total period for which it was possible for the member to have been a regular subscriber and the period during which he was actually a regular subscriber.

(5) When fixing the amount of pecuniary aid to the financial position of the person or persons for whom the aid is meant shall be taken into consideration.

(6) No loans will be sanctioned to any member from the funds of the Organisation.

(7) Non-subscribers to the Fund will be eligible for help only in exceptional cases according to the discretion of the Central Committee.

(8) The word "Dependants" will mean wife, children, dependant father and mother, unmarried dependant sisters and dependant brothers under the age of 18.

IV. *Accounts.*—(a) Every Divisional Committee will collect the subscriptions and donations half-yearly. Receipts should be prepared in triplicate, the original receipt to be given to the subscriber or donor, the duplicate to be sent to the Central Committee by the 10th January and July each year and the triplicate copy to be retained by the Divisional Committee as office copy. Arrangements may be made with the State Bank of India at each Divisional Headquarters to remit the amount to the Central Committee.

(b) Every Divisional Committee shall maintain a long Roll for all the members of the organisation and a register of donations to account for all subscriptions and donations received. The long roll shall contain the names of all those who are entitled to become members of the organisation, irrespective of the fact whether they actually subscribe to the fund or not. A Gazetted Officer shall ensure that all necessary entries have been duly made;

(c) When a member is transferred from one Division to another the relevant extract from the register relating to him shall be sent along with his service book, when corresponding entries shall be made in the register maintained there.

(d) The Central Committee shall, on receipt of the counterfoils of the receipts issued to the members and donors and the statement of account every half-year, enter in the Register of Subscriptions and Donations maintained division-wise. The Register of donations shall be in the form attached to the Annexure II to these rules.

(e) A balance sheet shall be prepared by all Divisional Committees and sent to the Central Committee at the close of the calendar year for scrutiny and preparation of a consolidated balance-sheet on a State-basis for publication in the monthly Fire Service Bulletin.

(f) The Accounts of the Organisation shall be audited once a year by the Examiner of Local Fund Accounts, Madras.

VII. *Application for relief.*—Application for relief should be submitted in triplicate in the form attached to the Annexure II to these rules to the head of the Office under whom the member last served. All applications shall be acknowledged as soon as received. The Head of the Office shall get the particulars mentioned in the application verified and the claim scrutinised. The scrutiny should include a careful examination of the claims made by the applicant and ascertaining the reason for making the claim. The Head of the Office shall then obtain the Divisional Committee's recommendation and place it before the Central Committee for consideration. The object of the organisation is immediate relief, therefore the applications should not be delayed at any stage, they should be given top priority.

VIII. *Authority to sanction emergency relief.*—(a) The Ex-Officio President of the Central Committee is authorised to afford financial relief not exceeding Rs. 200 or one month's pay, whichever is less, in urgent cases to meet immediate needs in anticipation of the approval of the Committee. All such cases shall be put up for approval at the next Committee Meeting.

(b) A discretionary grant not exceeding Rs. 200 will be placed at the disposal of the Ex-Officio President of each Divisional Committee, for affording financial relief not exceeding Rs. 50 or one month's pay, whichever is less, in case of such an emergent nature where there is no sufficient time to obtain the sanction of the President of the Central Committee under (a) above. All such cases shall be put up for approval at the next committee meeting.

(c) Unless there are special reasons to the contrary, no subscriber shall be entitled to relief more than once within 12 months.

(d) Minutes of the Central Committee Meeting and the list of recipients of monetary relief, if any shall be published in the monthly Fire Service Bulletin.

IX. *Contingencies.*—The Central Committee is empowered to sanction such expenditure as it considers necessary towards the purchase of stationery, payment of printing charges, remuneration to staff and any other items of contingent expenditure required for the efficient management of the Organisation.

X. Notwithstanding anything contained in the rules, the Inspector-General of Police reserves to himself the power to relax any provision in these rules, in consultation with the Central Committee.

CHAPTER XXVII.

AUDIT OF WORKMEN'S COMPENSATION FUND ACCOUNTS.

The audit of the accounts of the Workmen's Compensation Fund was entrusted to the Examiner of Local Fund Accounts in G.O. No. 712, Labour, dated 3rd July 1926 and is done free of charge.

The audit of the accounts of the Workmen's Compensation Fund maintained in the following Offices is conducted annually for the Calendar year by Audit Offices noted against each.

| (1) | (2) |
|---|--|
| <p>1. Audit on the accounts maintained in the Offices of the Deputy Commissioner of Labour and Additional Commissioner for Workmen's Compensation-I Madras (Covering Madras, North Arcot and Dharmapuri Districts.)</p> | <p>} City Audit Unit in Head Office.</p> |
| <p>2. Accounts maintained in the Office of the Deputy Commissioner of Labour and Additional Commissioner for Workmen's Compensation-II Madras (Covering South Arcot and Chingleput Districts.)</p> | |
| <p>3. Accounts maintained in the Office of the Deputy Commissioner of Labour and Additional Commissioner for Workmen's Compensation, Coimbatore (Covering Coimbatore, Nilgris and Salem Districts).</p> | <p>Assistant Examiner of Local Fund Accounts Coimbatore.</p> |
| <p>4. Accounts maintained in the Office of the Deputy Commissioner of Labour and Additional Commissioner for Workmen's Compensation, Madurai (Covering Madurai, Ramanathapuram, Tirunelveli and Kanyakumari Districts).</p> | <p>Assistant Examiner of Local Fund Accounts, Madurai.</p> |
| <p>5. Accounts maintained in the Office of the Deputy Commissioner of Labour and Additional Commissioner for Workmen's Compensation Trichy (Covering Trichirapalli, Thajavur and Pudukkottai Districts).</p> | <p>Assistant Examiner of Local Fund Accounts Trichy.</p> |

2. Before the audit is taken up, the auditor should acquaint himself with the relevant portions of the Workmen's Compensation Act, 1923 (Act VIII of 1923), as amended from time to time and the rules made thereunder.

3. The receipts of the fund consist mainly of deposits paid by the employers of labour towards compensation for 'non-fatal injuries' causing permanent disablement to workmen or compensation for the dependants of workmen who died of injuries sustained during their work. The amount of compensation is the 'award' determined by the Commission for Workmen's Compensation, Madras, Coimbatore, Madurai and Tiruchirappalli sitting in Court. The expenditure of the fund consists of payment of compensation to the Workmen or the dependants of deceased workmen as the case may be. In the case of ignorant, uneducated or child dependants (i.e. persons with legal disability), the Commissioner/Additional Commissioners have got discretion either to pay the compensation in full to these persons or their guardians or to deposit the amount in the Post Office Savings Bank or in Fixed Deposits with Nationalised Banks and pay the amount in instalments to the dependants or their guardians. Sometimes the amounts are invested on lands or houses at the discretion of the Commission on the application of the dependants or their guardians. In such cases, the valuation of the lands or houses is generally ascertained by the Commissioner/Additional Commissioner through the Revenue Officials of the district in which the lands or houses are situated and payments made through the Collector or the Revenue Divisional Officer. In all cases, acknowledgments, stamped when necessary, are obtained from the dependants or their guardians.

4. There is also another class of deposit—deposits under Workmen's Compensation (Transfer of Money) Rules, 1935. These are amounts of compensation awarded by the Commissioners for Workmen's Compensation in the other Provinces in India or other countries on behalf of dependants of deceased workmen residing in the Madras State

and the neighbouring Native States. In such cases, the Commissioner will have to ascertain the whereabouts of the real heirs or dependants of the deceased workmen and pay them the compensation awards as described above. The acknowledgements obtained will be forwarded to the Commissioners from whom the amounts were received.

5. The following registers and records are maintained in the Commissioner's Office in connection with the administration of this fund. These have to be checked in audit:—

- (1) Cash Book.
- (2) Reserve Bank Pass Book.
- (3) Order for lodgment.
- (4) Payment order book.
- (5) Receipt Books.
- (6) Case files and R. Dis. files (in the case of moneys received under Transfer of Money Rules).
- (7) Register of receipts of deposits.
- (8) Register of repayments of deposits.
- (9) Register of deposits received from and repayments made to parties.
- (10) Investment Ledgers.
- (11) Post Office Savings Bank Pass Books.
- (12) Fidelity Bond of the Clerk.
- (13) Distribution Order.
- (14) Fixed Deposit Receipts.

6. *Cash Book*.—It should be seen that all amounts received as per the Counter-foils of receipts issued are immediately entered in the Cash Book and remitted to the Reserve Bank of India through the order for lodgment without delay. As the account with the Bank is of the nature of a civil court deposit, the Commissioner has powers to utilize the receipts by way of witness hatta, etc., directly for expenditure as prescribed in Treasury Rule 7 (2). It should be seen that a reconciliation of the balance in the Cash Book with the Bank balance is effected every month and recorded in the Cash Book over the signature of the Personal Assistant to the Commissioner or any other responsible Officer duly authorised by him.

7. *Reserve Bank Pass Book*.—The credits in the Pass Book should be traced from the Cash Book through the order for lodgment and it should be seen that all amounts remitted are correctly credited in the Bank Pass Book. Similarly the withdrawals noted in the Pass Book should be traced from the Cash Book through payment orders.

8. *Order for lodgment*.—All amounts to be remitted into the Reserve Bank of India are paid through the order for lodgment. It should be seen that the receipted portion of the order is received back from the Bank and filed in order and the Bank has acknowledged the amount remitted.

9. *Payment Order Book*.—Amounts for expenditure are withdrawn from the Bank through payment orders. When the order for payment is in favour of self, it should be seen that the amounts received are credited in the Cash Column of the Cash Book.

10. *Receipt Books*.—There are three sets of receipts books in use at the same time. One is intended for acknowledging the receipt of deposits of compensation awarded for fatal cases; one for the receipt of deposits of compensation awarded for non-fatal cases; and one for receipt of amounts under Transfer of Money Rules. It should be seen that receipts are made out for the full amounts received in each case the same day and they agree with the credits noted in the Cash Book.

11. *Case files and R. Dis. files*.—The files should be gone through and the award of the Commissioner verified with a view to see that the full amount of award has been recovered correctly and that the payments of the amounts deposited are in accordance with the orders of the Commissioner.

NOTE.—The auditor should not question the decision of the Commissioner in the matter of an award. He has only to see that the amount of award as decided on by the Commissioner has been recovered and disposed of according to his orders.

12. *Register of Receipts of Deposits.*—It should be seen that all deposits received by way of compensation awards granted by the Commissioner or those received from Commissioners in other provinces or countries are entered in this register in the order in which they are received in the office with full particulars of the names of persons etc. When a deposit is either paid to the parties concerned or withdrawn for investment in the Post Office Savings Bank, it should be seen that the payments are noted in the respective columns against the original entry in the register to avoid double claims. The receipts should be traced from the counterfoils of the receipt books while the payments should be traced from the payment order book.

13. *Register of Repayments of Deposits.*—All refunds of deposits either by way of payments to the heirs or dependants or by investment in the Post Office Savings Bank or to the depositors themselves in the case of non-existence of proper dependants, are also noted in this register in the order in which payments are made according to the payment order book. They should be traced into the Register of Receipts of Deposits.

14. *Register of Deposits Received and refunds made to parties.*—This Register is intended to note all the awards made by the Commissioner/Additional Commissioners for Workmen's Compensation, Madras, under section 8 of the Act and the refunds made against them in compliance thereof.

15. *Investment Ledger.*—When the Commissioner decides that the compensation due to a person or persons should not be paid to him in full immediately and should be paid in instalments only or should be kept with him till such time as it is possible to invest the money in lands or buildings, etc., he withdraws the amount from the Bank and invests the same on behalf of the dependant or dependants in the Post Office Savings Bank or in fixed deposits with any Nationalised Bank. Such investments are noted in the Investment Ledger and when instalment payments are made from the invested sums they are noted in the ledger. It should be seen in audit that the amount invested on behalf of a person or persons is correctly noted in the ledger and that the amount of each instalment to be paid and the intervals of each instalment according to the Commissioner's Order are also noted on the top of the page. All withdrawals of invested amounts and their payments should be noted in the ledger.

16. *Post Office Savings Bank Pass Book.*—It should be seen that all amounts drawn for investment are invested in the Post Office Savings Bank and Pass Book showing the correct amounts are forthcoming. The investments should be verified with reference to the connected orders of the Commissioner in the files and should be traced from the 'self payment order' to the cash column of the cash book and from there,

to the Pass Book through the Investment Ledger. All amounts withdrawn from the Pass Book for payments should be traced into the ledger account concerned and acknowledgments of the parties verified.

NOTE.—It should be seen that interest due on investment is noted by the Postal authorities in the Pass Books and that interest accrued is paid along with the Principal to the parties concerned.

17. *Fidelity bond of the clerk.*—The Clerk in charge of the Workmen's Compensation Fund has furnished a security in the nature of a fidelity bond for Rs. 5,000. It should be verified in audit if the bond has been kept alive by the timely payment of premium.

18. The audit report is issued to the Additional Commissioner for Workmen's Compensation Fund concerned with a request to send the replies within one month from the date of receipt of the Audit Report.

CHAPTER XXIX

AUDIT OF THE ACCOUNTS OF CHIEF MINISTER'S FUND FOR THE SPECIAL WELFARE SCHEMES.

Constitution and management.—The Government constituted the following special funds for various welfare activities in the State :—

- (1) Chief Minister's Beggar Rehabilitation Fund, 1971.
- (2) Chief Minister's Eye Camp Fund, 1972.
- (3) Chief Minister's Rehabilitation Fund for Hand Rickshaw Pullers, 1973.
- (4) Chief Minister's Fund for Rehabilitation of Physically Handicapped, 1974.

During the year 1975, the scheme for the Welfare of Destitute Widows and Orphan Children was decided to be undertaken.

In G.O. Ms. No. 508, Finance, dated 27th May 1975, orders were issued by Government to merge all these funds into a single Welfare Fund called Chief Minister's Fund for "Special Welfare Schemes". The main object of the schemes is to render relief to the handicapped, destitute widows, orphans and those affected by the severe and unprecedented drought and flood in the State. Rules for the management of this fund have been laid down in the Annexure to G.O., referred to above (*see* Examiner's Circular Roc. No. 43139/F3/75, dated 31st July 1975). The fund at the secretariat level is administered by the Deputy Secretary, Finance (C.C.B.) Department being the Treasurer of the Fund; and the Fund's Schemes are administered by the District Collectors in their respective districts.

2. *Authority for Audit and scope of Audit.*—The audit of the accounts of the above Welfare schemes was entrusted to the Examiner of Local Fund Accounts in G.O. Ms. No. 478, Social Welfare, dated 10th June 1974 and in G.O. Ms. No. 485, Finance, Department, dated 19th May 1975 and the G.O. Ms. No. 1145, Finance, dated 8th December 1975. In Government Memo. No. 13371 A.H./75-6, Social Welfare Department, dated 29th July 1975, it has been clarified that audit should confine only to the checking of receipts.

All the Collectors are authorised to open saving account each in any one of the nationalised banks for the purpose of depositing cheques, drafts and cash received from the public as contributions. These collections shall be transferred at frequent intervals in the form of a consolidated draft to the Treasurer of the Fund. The Deputy Secretary to Government, Finance Department in-charge of Finance (Central Cash Bureau) shall be the Treasurer of the Fund. The Treasurer shall cause to place before the Chief Minister an annual report on the functioning of the Fund for each financial year.

The accounts relating to the collections maintained in the District Collector's Office have to be audited by the concerned Assistant Examiner of Local Fund Accounts. The audit of the new fund maintained in the Treasurer's Office in the Secretariat will be audited by the Assistant Examiner City Audits.

As the Chief Minister's Welfare Scheme Fund is intended to meet the expenditure on Welfare Schemes, that, is massive programmes for the amelioration of the depressed class of the people, no audit fee need be levied for auditing the accounts of fund as per the clarification issued in Government Memorandum No. 13371/P.H./75-6, dated 29th July 1975.

3. *Records to be maintained in District Collector's Office.*—The following registers are required to be maintained and they should be checked :—

- (1) Official Receipt Books.
- (2) Donation Register, Register of Demand Drafts, Cheques, etc., received.
- (3) Cash Book.
- (4) Pass Book of the State Bank of India.
- (5) Stock Account of money value forms.

- (6) Hundi Collection Registers.
- (7) File relating to the collection of funds.
- (8) Register of daily remittance.
- (9) Register of expenditure.

4. The audit should be conducted on the lines indicated in the Chapter 1—General Principles of Audit. The main points of checks are—

(1) Whether the drafts, cheque or cash received were properly credited to the account and that authorised receipts have been properly issued to the parties. Whether the donations received are correct with reference to the printed receipts and connected records. They should be traced with reference to the register of demand drafts and cheques received in audit

(2) Whether the acknowledgment of the very important persons or Ministers concerned or any responsible officer authorised for the cheque or draft handed over to them have been obtained.

(3) Whether the acknowledgment has been obtained from the Deputy Secretary to Finance Department or any responsible officer authorised for the issue of consolidated draft and verified in audit.

(4) Whether the balance of fund, if any have been remitted to the Central Fund or whether permission obtained from the authority concerned for the retention of the balance amount of the fund.

(5) Whether the receipt book received from the Government were accounted for in the register of money value forms and whether proper acknowledgments have been obtained from each officer authorised to issue receipt and the following certificates have been furnished whenever the receipt books are issued to them.

“ I have personally verified the number of leaves for each receipt book given to me and I verify that each book contained 100 leaves (50 pages in original and 50 duplicate).”

(6) Whether carbon process has been followed in the issue of receipt to the donors and the signature of the donors obtained in the appropriate column on the original receipt.

(7) Whether manuscript books have been issued to the donors and if so the permission of the Government has been obtained and verified in audit.

(8) Whether the unused receipt books were returned to the authority who originally supplied the receipt books as per the letter No. 686/CCB/8-76-2. dated 25th November 1976 and 1st October 1977.

NOTE.—The unused receipt books need not be destroyed. If the unused receipt books issued in the years 1971 to 1974 were already destroyed, it may be seen whether the Collector has furnished the certificate for the destruction of receipt books. If no certificate has been furnished suitable comment may be made in the audit report.

(9) Whether the used Hundi Boxes have been auctioned with proper authority and if so the sale proceeds of the Hundi boxes and the Sales tax have been remitted to the credit of State Funds.

(10) A consolidated statement of receipt and charges has to be prepared and enclosed along with the audit report.

(11) Whether the hundi collection are properly accounted for.

5. *Audit report.*—The audit report in respect of the Chief Minister's Special Welfare Fund administered by the District Collectors should be issued to the concerned District Collectors for every financial year with a copy of Audit Report to the Treasurer of the fund (i.e.) Deputy Secretary to Government, Finance Department (C.C.B.) and

Head Office. And the audit report in respect of the fund administered at the secretariat should be forwarded to the Deputy Secretary, Finance (C.C.B.) Department. The replies to the Audit Report have to be furnished by the District Collector or the Treasurer of the fund, as the case may be, and submitted to the Government through the Department with remarks.

References :

- (i) Examiner's Circular Roc. No. 44139/F3/75, dated 31st July 1975.
 - (ii) Examiner's Letter Roc. No. 7400/F3/75, dated 21st August 1975.
 - (iii) Examiners Endt. K. Dis. No. 7400/F3/75, dated 6th September 1975 communicating copy of D.O. Letter No. 789/CCB. R.F./75, dated 19th August 1975, to Joint Secretary to Government, addressed to Examiner.
 - (iv) G.O. Ms. No. 1145, Finance (CCB), dated 8th December 1975.
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