

9/3/71

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Standing Order No.42 dated 1.9.71.

Subject: Internal Audit wing in the office of the Director of Transport.

In response to Government Circular Finance Department No.DAT 1669/1336/69/XII dated 6.8.69 an Internal Audit wing is formed in the office of the Director of Transport consisting the following staff.

- 1) One Senior Auditor
- 2) Two Junior Auditors.
- 3) Two Junior Grade Clerks.
- 4) One Typist.

This staff will be under the direct supervision of the Director of Transport; Bombay no changes should be effected without prior approval of the Director of Transport.

The following duties will be allocated to the Internal Audit Staff.

#### Junior Grade Clerks

##### Reverse checking of the P.W.Rs.

Both the clerks will attend to the work of reproducing entries from P.W.Rs. on the prescribed registered for the purpose on one day and on the next day they will check them with cash books/money order Register/Cheque Register/Demand Draft Register. The quantum of taking entries is fixed approximately 100 entries per day by one clerk while reproducing entries clerk should also see last ten entries and if there is any discrepancy he should note the same on a separate sheet of paper and bring it to the notice of the concerned auditor who will communicate it to the branch concerned in a form of memorandum. He will verify rate of tax and amount of tax paid. If tax is not paid whether non-use is given, if not, Demand Notice is issued. The discrepancies will be rechecked by the junior auditors. The clerks reproducing the entries from the P.W.R. should tick the entries by red pencil under their dated initial in the remarks column so that the same entry may not be reproduced for verification next time.

#### Junior Auditors

- 1) To scrutinize Tax on Goods assessment cases of newly granted permits, Motor Vehicles brought in this state from extra state, on temporary permits Assessment of tax on account of increase in pay load.
- 2) To scrutinize assessment of passenger tax.
- 3) To scrutinize payments made under Bombay Motor Vehicle Tax Act and Tax on Goods Tax Act for issue of Temporary permits by other States.
- 4) To check the assessment of B.M.V. Tax in Lux-sum Section of one division during every quarter by each junior auditor.
- 5) To recheck the discrepancies noticed by the junior clerks / during reverse checking.
- 6) To check Service Postage Stamps and 10% money value forms.

Senior Auditor

- 1) To supervise the work of a Junior grade clerk in Director of Transport Office who is attending to the outside Audit objection and notes thereon.
- 2) To supervise the work of Audit Wing and also to help junior Auditors in carrying out their duties.
- 3) To scrutinize the reports received from the audit wing of the Regional Transport Officers/Assistant Regional Transport Officers in respect of observations made by them and issue instructions wherever necessary.
- 4) To carry out surprise checks of cash at intervals and verification of the cash with the Assistant Cashiers.

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Director of Transport,  
Bombay.

No. Internal Audit/ON-10072.

Standing Order No.43 dated 1.9.71

Subject:- Internal Audit in the office of the  
Regional Transport Officers and  
Assistant Regional Transport Officers.

As per Government Circular Finance Department No.DAT 1669/1336/69/XII dated 6.8.69 Government has decided that internal audit of revenue and receipts should be done in all revenue earning departments under the supervision of the Head of the Department.

Government has therefore under Government Resolution, Home Department No.MVD 3370/4 1559-XII dated 29.4.71 sanctioned some staff for internal audit section in all the Regional Transport Officer's/Assistant Regional Transport Officers offices. Some staff was already in existence in the Regional Transport Office, Bombay, Regional Transport Office, Poona and Regional Transport Office, Nagpur.

All Regional Transport Officers and Assistant Regional Transport Officers are directed to form Audit Wing in their offices. For this section they should spare persons who have adequate knowledge of the working of the Department. Further the staff assigned to this section should not be disturbed as far as possible unless they are due for promotion and no additional work from other branches should be given to them. This staff will be under the direct supervision of the Regional Transport Officer or Asstt. Regional Transport Officer and over all contract of the Director of Transport, Bombay. No change should be effected without prior approval of the Director of Transport, Bombay.

The following work is assigned to the Internal Audit Section.

- 1) Reverse checking of every 8th M.V.No.(CBR)  
10th Folio (PWR)

after taking entries from CBRs/PWRs (Here every 8th M.V. will be strictly according to the number viz. 8, 16, 24, 32 or 7, 15, 23, 31). The starting Number will be fixed by the senior Auditor in Regional Transport Office, Bombay and by Junior Auditors in other Regional Transport Officers offices and Assistant Regional Transport Officers offices. Similarly, the starting folio number should be fixed by senior auditors in Regional Transport Office, Bombay and by Junior Auditors in other offices and every 10th folio should be taken for reverse checking viz. 2, 12, 22, or 5, 15, 15, 25. The number should not be repeated next time.

- 2) Checking of assessment of tax in case of newly registered vehicles, form V of Goods Tax of newly granted permits, non-use cases, change of class (i.e. BT form) write off cases.
- 3) 5% M.V. Act and Rules fees checking with papers, cash book and receipts.
- 4) 4 points checking of Receipt under B.M.V. Tax Act (Except in Regional Transport Office, Bombay as this work is already being carried out by the Head Clerk).
- 5) 3 points checking of receipt under Tax on Goods Act.
- 6) To maintain a register showing discrepancies observed, recovery due and made.

- 7) Examine totalling 5% in cash books utilised on every day in Regional Transport Office, Bombay and 10% in cash book utilised on any day in other R.T.Os./A.R.T.Os. offices and initial with date against that total marking the total as "Examined". Difference, if any, in the total should be pointed out to the Accountant of the concerned branch immediately inform of a memorandum.
- 8) Physical verification of stock balance of unused tax token-cum-Receipt books and receipts books.
- 9) Verification of the proper maintenance by section offices of the subsidiary accounts of issue of tax-token-cum-Receipt books and Receipt Books.
- 10) Verification of whether unused tax-tokens which are not required to be used further, are cancelled and returned to the Record Clerk.
- 11) Verification of cross entry of the cheque/Money Order/Challan. Allocation Registers with Cheque/Money Order /Challan deposit registers.
- 12) Verification of whether, all the cash book entries are attested by Head Clerk of Regional Transport Office, Bombay and Inspector of other Regional Transport Offices. This is done during the course of reverse checking.
- 13) Verification of whether the tax token-cum-Receipts Nos. or Receipts Nos. as the case may be used, during the days transaction on a particular day, are noted at the beginning of the entries of cash transaction in the cash books and whether they are correct according to the receipt numbers or tax token-cum-Receipts Nos. as mentioned in the cash book on that day. This may be done during the course of reverse checking.
- 14) Checking of the counter foils of the tokens of temporary registration with C.R. Temporary A Forms.
- 15) To check up and ensure that reconciliation of expenditure and receipts is carried out by the section concerned according to the time schedule given in S.O. 16 of 1968 dated 13.4.1968 and memorandum No.1201 dated 12.9.67 respectively.
- 16) To see whether the Regional Transport Officers/Assistant Regional Transport Officers have sent the expenditure statements in due dates. Whether the reconciled figures of receipts have been forwarded to the Director of Transport on due dates.
- 17) To see whether dead stock is checked every six months and certificate of officer recorded in dead stock register.
- 18) To see whether officer in charge of Receipt Books cash books and tax token books has recorded a certificate showing the number of pages contained in each book before it is brought in use.
- 19) Recovery of amounts in lieu of dishonoured cheques should be verified once a month.
- 20) Carrying out surprise check of cash at intervals and verification of the cash with the dealing clerks/cashiers at counter. This work should be done by the senior auditor in Regional Transport Office Bombay and Junior Auditors in other offices.
- 20) To send monthly statements of the above to the director of Transport Office about discrepancies observed and recoveries made etc. in the proforma prescribed. (Proforma attached).

- 21) To reply the outside audit objection and note thereon.
- 22) To check service postage stamps and 10% money value forms (by Junior Auditors).

The internal audit will do the work of reverse checking on the following lines. Junior Grade Clerks should do the work of reproducing entries from CBR and PWR in the register as per proforma attached on one day and on the next day they should check them with cash books/challan registers/Money Order Registers/Cheque registers. The quantum of taking entries should be (approximately) 100 entries per day either from CBR or PWR registers by one clerk. While reproducing entries clerk should also see entries of last eight quarters in CBR/10th entries in PWR immediately preceding entry of the current quarter and if there is any discrepancy he should note the same also on a separate sheet of paper and communicate it to the branch concerned in form of a memorandum. He will verify rate of tax and amount of tax paid. If tax is not paid whether non-use is given, it not, Demand Notice is issued. The discrepancies pointed out by the clerks will be rechecked by the senior clerks in Regional Transport Office, Bombay and selection grade clerks in other offices.

The clerk reproducing the entries from the CBR/PWR should tick the entries by red pencil under his dated initial in the remarks column so that the same entry shall not be reproduced for verification next time.

All the items from 2 to 21 will be attended to by the Junior Auditors in Regional Transport Offices and Assistant Regional Transport Officer's offices. In addition to this they will personally look after the cases of mis-appropriation, fraud refunds cases and write off cases. In Regional Transport Office Bombay Item No. 18 to 21 will be attended by the Senior Auditor. He will also look after the cases of misappropriation fraud refund cases and write off cases. Senior Auditor and Junior Auditors should maintain monthly diary regarding the day to day work done by internal audit wing during the month and submit it to Regional Transport Officers/Assistant Regional Transport Officers by the 5th on the next month in the following proforma, and invite personally by an independent note the attention of Regional Transport Officer/Assistant Regional Transport Officer the audit points where immediate rectifying action is required.

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 Diary for the month of \_\_\_\_\_ of Shri \_\_\_\_\_ (Designation)  
 .....  
 Date Work done Remarks

Director of Transport,  
 Bombay.

Forwarded to Regional Transport Officers/Assistant Regional Transport Officers/Motor Vehicle Inspectors Ratnagiri/ Shelapur/Ahmednagar/Dhulia/Akola/anded for information and necessary action.