

FUNCTION-WISE CHECK LIST – GUIDELINES FOR INTERNAL AUDIT**(Reference : Appendix -2 of Para 3.3. of FCI Internal Audit Manual)****I ESTABLISHMENT/GENERAL ADMINISTRATION**

1. Whether a Scale Check Register showing posts sanctioned and posts operated has been maintained up-to-date?
2. Whether operative staff strength is in accordance with the category-wise sanctioned posts?
3. Whether recruitments were done according to the procedure laid down under Staff Regulations?
4. Whether pay fixation cases were checked and especially whether provisional fixation of pay resorted to pending receipt of certain information/documents from other quarters, are promptly finalised ?
5. Whether promotions were given according to the procedures laid down?
6. Whether increments were correctly given?
7. Whether leave accounts maintained in Form No.8.4 were checked?
8. Whether sanctions of leave, leave accounts and certificate of leave admissibility checked?
9. Whether history cards are maintained in Form No. 8.5?
10. Whether periodical physical verification of furniture/equipments and stationery were being conducted regularly?
11. O (a) Whether Stationery Register has been checked?

(b) Whether purchase of stationery has been done in accordance with the purchase procedure?
12. Whether Fidelity Guarantee Bonds were being obtained from cashiers and other official wherever necessary, according to the limits prescribed?
13. Whether Fidelity Guarantee policies are being renewed wherever necessary and in time?
14. Whether Rent Register has been maintained ?
15. Whether Register for Security bonds and other valuables has been checked ?
16. Whether Duplicate Key Register has been checked?

16. Whether telephone/trunk call registers are being maintained correctly by officers, guest houses, staff Quarters, etc. wherever separate telephones are provided for?
17. Whether recoveries in respect of private calls had been linked between the telephones/trunk calls register and the actual receipt cash book entries?
18. Whether issue and accounting of liveries and uniforms have been checked?
19. Whether stamp account has been checked?
20. Whether Dead Stock Register has been checked ?
21. Whether contingent expenditure has been checked ?
22. Whether accounts of books and periodicals purchased/issued, etc. had been checked?
23. Whether income from disposal of old news paper and periodicals had been accounted for in the cash books?
24. Whether printing work has been awarded, after calling for Quotations?
25. Whether sanctions of expenditure are made by splitting up items so as to bring them under delegated powers?
26. Whether accommodation provided for, for the officers and staff in the offices, is in accordance with the relevant instructions?
27. Whether hiring of office accommodation had been done according to the prescribed procedure?
28. Whether agreement on hiring of accommodation has been checked?
29. Whether purchases of accommodations were made and if so whether the procedure followed was correct?
30. Whether entitlement/admissibility of furniture supplied has been checked?
31. Whether procedure followed in purchase of air-conditioners was correct?
32. Whether purchases of clocks were made according to the entitlement of the officers and requirements of office?
33. Whether all conditions required had been satisfied whenever conveyance advances are granted and the vehicles thus purchased had been mortgaged to the Corporation?
34. Whether purchases of vehicles had been according to the prescribed requirements?
35. Whether vehicles had been purchased through D.G.S & D. contracts?
36. Whether office vehicles had been insured?
37. Whether rent paid for garages was in accordance with the relevant instructions in this regard?
38. Whether log-books and petrol accounts have been verified?
39. Whether use, maintenance, repairs, servicing, etc. of the vehicles had been

according to the rules laid down?

40. Whether Kms run per litre consumed is justifiable?
43. Whether history sheets of vehicles were properly maintained?
44. Whether recoveries in respect of private journeys in office vehicles had been effected?
45. Whether precautions against fire had been taken?
46. Whether expenditure on repairs and maintenance of staff quarters, guest houses, office accommodation, etc. is justifiable?
47. Whether the system of allotment of rooms in the guest houses is correct?
48. Whether expenditure incurred in provision of food in the guest houses is justifiable with reference to occupancy?
49. Whether rates of rent charged in the guest houses for Fe] employees and others are correct?
50. Whether recoveries of rent have been made in all cases and their prompt remittance to finance section cross checked from cash books?
51. Whether systems of allotment of staff quarters had been correct?
52. Whether vacancies in staff quarters are filled without delay?
53. Whether repairs undertaken in staff quarters were necessitated because of the negligence of the occupants and whether such expenditures were recovered from them?
54. Whether records have been kept in respect of fittings, furnishings, installations, furniture's and other equipments in the staff quarters and guest houses, and whether these items were physically verified by the care-taker or a competent authority at the time of vacation and occupation of the accommodation by the allottee?
55. Whether there were wrong payments of electricity bills/ telephones bills for the same period?
56. Whether service charges recovered from the occupants of the staff quarters are proportionate to the actuals?
57. Whether purchase/hiring and maintenance of computer was checked?

58. Whether purchase/hire of furniture was checked?
59. Whether purchase/hire maintenance and utilization of franking machines, calculating machines, fans and other electrical installations had been checked?
60. Whether officers in receipt of conveyance allowance are using staff cars for official journeys within a radius of 8 KMs from their permanent place of duty?
61. Whether register of deputationists is being maintained?
62. Whether register of persons nearing retirement/superannuation is being maintained?

(a) **General - Propriety, Compilation etc.,**

1. Whether check of propriety as per principles laid down in Chapter - 6 has been done?
2. Whether correctness of sanctions were checked ?
3. Whether check against provisions of funds as per budget has been conducted-
4. Whether check against financial powers was conducted?
5. Whether check of classification of accounts heads as per Accounts Manual has been done?
6. Whether a general review of the general ledger has been conducted to see that no debit balances appear in the credit head of accounts and vice-versa?
7. Whether Subsidiary Ledgers were checked?
8. Whether all receipts including receipts on account of sale proceeds have been deposited in FCI account held in the banks promptly?
9. Whether bank reconciliation has been checked up-to-date?

(a) whether the Interest charged by the bankers on the cash credit had been checked.

(b) Whether the claims for interest due from the bankers for the belated transfer of funds to the Central/Zonal Cash Credit ~ Account had been lodged and adjustment watched/secured regularly? Whether missing debits/excess debits/credits are noticed regularly, followed up with unit offices/banks to ensure timely rectification?

(c) Whether bar – reconciliation statements were reviewed to ensure that time barred cheques were cancelled?

10. Whether the Stock account of receipt books and system of safe custody of receipt book have been examined?
11. Whether procedure of issue of receipts has been examined ?
12. Whether receipts are issued by authorised persons' as stipulated in the Accounts Manual?
13. Whether, the accounts have been prepared in accordance with the standing instructions on the compilation of the accounts?
14. Whether the opening balances brought forward in the current years ledger are in agreement with the closing balances shown in the final audited accounts of the last year approved by the Board of Directors and as intimated by the Head Office?
15. Whether the stock accounts are fully reconciled with stock records and the inter office movements of stocks are fully acknowledged adjusted and reconciled?
16. Whether the reconciliation of all other inter-office accounts is complete?
17. Whether the accounts, which always end in debit balances
do not show credit balances and ,vice-versa?
18. whether all the liabilities have been provided for?
19. Whether the schedules for the important heads of accounts like sundry creditors pay & allowances due, earnest money deposits, security deposits, advances to Officers and staff, advances for travelling, advances for purchase of foodgrains sundry debtors, Income and expenditure related to the previous years etc., as prescribed by the Head Office have been properly prepared, and duly agreed with the figures appearing in the trial balance?
20. Whether the above schedules are subsequently,. reviewed regularly to ensure recoveries/payments/adjustments as the case may be so that very old and ineffective balances are liquidated?
21. Whether the irregularities/defects pointed out by statutory auditors/Govt. Auditors in the past years accounts are not repeated & re medial action taken to avoid recurrence?
22. Whether schedules of CP F contribution/subscriptions are in agreement with the month to month accr'ual of balances under the Head 5.127 and 5.128.?

(b) Cash Audit & Imprest Accounts:

1. Whether surprise verification of cash on the first day of audit and on anyone of the subsequent days during the course of audit have been done?
2. Whether the procedure of handling cash has been checked to see that the general instructions for the handling of cash as per Manual are followed?
3. Whether certificate of agreement of physical balance and actual book balance has been recorded in the cash book daily?
4. Whether cash on hand is kept at the minimum always?
5. Whether adequate arrangements are made for safety of cash at centres during disbursement, cash purchase etc.
6. Whether adequate arrangements cash kept in the offices?
7. Whether double keys are kept by different custodians?
8. Whether duplicate keys of the cash chest are deposited with S.B.I. and its subsidiaries?
9. Whether Imprest Accounts have been checked?
10. Whether imprests given to officers are justified by the actual expenditure incurred by them?

(c) Custody of Cheque Books

1. Whether the system of safe-custody of used and unused cheque books has been examined?
2. Whether verification of certificates has been recorded on the cheque books before bringing them into use?

(d) Purchase Day Book(B.E.4)

1. Whether entries in the Purchase Day Book are made promptly?
2. Whether entries in B.E.4 were checked with the Sundry Creditors Ledgers?
3. Whether the imposition of quality-cuts have been in accordance with the analysis reports?

(e) Sales Day Book(B.E.5)

1. Whether entries in B. E. 5 tally with monthly issue statement?
2. Whether entries in sundry debtors ledgers were checked with Sales Day Book?

(f) Transfer-in-Register(B.E.6)

1. Whether the variety shown in the transfer invoices is the same as shown in the receipts documents, master ledger, stock account?
2. Whether transfer-in-voices are accepted without delay?

(g) Transfer-Out Register (R.E~ 7)

- 1 Whether transfer-out-invoices are issued as soon as the stocks are despatched?
2. Whether the rates charged in the transfer out invoices are in accordance with the orders issued from time to time?
3. Whether the transfer-out invoices show the same variety as shown in the despatch documents and other depot records?

(h) Stock Ledger Register (B.E.8)

1. Whether the Depot Accounts tally with the District Stock Ledger Register with regard to purchases, transfers-in, sales and transfers-out ?
2. Whether loss as exhibited in the trial balance/district stock ledger register has been tallied with the actual losses during the year in the Depot Accounts.?

(i) Claims Recoverable (Journal B.E.9)

1. Whether claims recoverable journal (rail and steamer) had been checked?
 2. Whether it was verified that no credit notes are issued/ E- Payment made in respect of demurrages and wharfages?
3. Whether verification certificates have been recorded on the Firm Credit/Civil Credit Notes booked before bringing them into use?

(i) Journal (B.E.I0)

1. Whether the correctness of JEs passed have been checked?

(k) Valuables Register

1. Whether the register of valuables has been maintained for recording items such as Securities, Fixed Deposit Receipts Bank Guarantee etc. pledged with FCI and the same have been personally verified by the AM(Audit)?

(i) Sales Tax

1. Whether the rates of Sales Tax paid are correct?
2. Whether Sales Tax register is properly maintained?
3. Whether returns to Sales Tax Authorities are submitted promptly and regularly?
4. Whether any penalty of Soles Tax has been charged by the Sales Tax Authorities and if so, whether the penalty was on account of omissions / commissions committed by FCI staff.
5. Whether exemptions from Sales Tax paid were obtained wherever possible?

(m) Purchase Transactions

1. Whether normal purchase procedure has been followed in purchases of gunny material and other articles such as mats, fundgants, fire fighting equipment etc?
2. Whether the purchases are made through the Director General of Supplies and disposal wherever possible? --
3. Whether all direct purchase were made after inviting tenders?
4. Whether all purchases are entered in the stock register and account of their subsequent issues etc. maintained properly?
5. Whether FCI's dealings are restricted to only these dealers who are registered with the Sales Tax Authorities as per H.Qs. circular N). 29/Finance of 5.1.80 issued in file No.FPC/ II/Misc./79-XIV.

(n) Sugar Price Equalization Fund Account

1. Whether accounting procedure and operation of Sugar Equalization Fund in respect of wholesale distribution of levy Sugar have been checked?
2. Whether payments for sugar are made by crossed cheques /NEFT, RTGS, ECS

Only ?

3. Whether realisation of cost from retailers is through crossed bank drafts only?

(o) Payments Relating to QC

1. Whether payments in respect of chemical and technical equipments were released only after satisfying the terms and conditions stipulated in the contracts/supply orders?

2. Whether there are any inherent defects in the contracts/

supply orders in respect of supply of chemicals, technical equipments?

(p) Octroi Charges

1. Whether Octroi paid to the Municipalities / Local Authorities have been tallied with the recoveries effected from parties?

2. Whether refund of Octroi has been claimed wherever possible.

(q) Pay and Allowances

1. Whether audit, of pay and allowances has been done?

2. Whether terminal payments viz., leave pay, gratuity and CPF dues were checked with reference to rules and entitlement and paid correctly after recovering the dues from the employees concerned ?

3. Whether Salary control Register has been properly maintained ?

4. Whether bonus payments are checked ?

5. Whether the payments of Children Education Allowance and Tuition fees were checked ?

6. Whether the officials occupying quarters are granted H RA?

7. Whether officials whose spouses are occupying quarters (FCI/Govt./other Organization) have been granted HRA?

8. Whether T A/L TC bills have been checked?

9. Whether salary acquittances and account of undisbursed accounts have been properly maintained?

10. Whether medical reimbursement bills are checked?

11. Whether overtime allowance bills are checked ?

12. Whether recoveries of advances of staff and T.A. advances have been verified?
13. Whether deductions of payments of conveyance allowance are being made on account of absence from place of, duty as per instructions?
14. Whether the pay and allowances are drawn by deputationists strictly as per the deputation terms?
15. Whether all the outstanding advances against the transferred employees are properly indicated in the LPCS and whether these are also accompanied by IOG advices to the concerned quarters.
16. Whether joining time allowed has been correctly calculated?

(r) Provident Fund Accounts

1. Whether GPF/CPF deductions made are correct?
2. Whether CPF deductions and FCI's share of contribution have been correctly worked out?
3. **Whether the temporary advances (refundable) are correctly recovered with interest and. accounted for?**
4. Whether CPF/GPF deductions are communicated to Head Office every month regularly through prescribed returns?
5. Whether cheques towards of deductions of CPF and FCI / contribution. in respect of all employees covered by CPF are centrally remitted by the Head Office to the CPF trust regularly every month and the accounts reconciled? (Applicable only to Hqrs)

(s) Procurement Account

1. Whether recoveries were made correctly for quality cuts?
2. Whether amounts of advances given to equality inspectors exceeded the amount of fidelity guarantees furnished by them?
3. Whether mandi tax and procurement incidentals were correctly paid as per rates and claims agreed upon with State Government/ Agencies?

(t) Sales, Statutory Recoveries &. Other Inter-Unit Transactions:

1. Whether sales bills have been prepared and sent to the parties concerned in case of predeposit, in time and their accounts reconciled:'
2. Whether special watch is being kept on old outstanding bills and suitable steps are being taken with a view to get their quick clearance?

3. Whether annual income tax return has been submitted in time to Income-Tax Officer in respect of staff and officers and necessary certificates issued to the concerned.
4. Whether quarterly sales tax returns are sent to concerned authorities in time?
5. Whether the I.O.G.s received from different FC] Offices are being scrutinised after entering them in a register and reminders are being sent to originating offices in case they have not been responded.
6. Whether monthly I.O.G. lists are being sent to all the concerned offices for being accepted to facilitate reconciliation?
7. Whether the transfer-in invoices received are being processed for being accepted immediately and are entered in the subsidiary ledger?
8. Whether the transfer-out invoices are being issued promptly and entered in the subsidiary register?
9. Whether monthly transfer out invoices lists are being sent to concerned offices for being accepted with a view to have the issues reconciled.
10. Whether I.O.S.A. and I.O.T.A. invoices are being sent promptly, where necessary.
11. Whether all vouchers are kept in serial order month-wise and year-Wise.

(u) **Miscellaneous**

1. Whether Registers of Fixed assets are being maintained properly and depreciation is correctly provided?
2. Whether the reports on the processing units are being sent monthly?
3. Whether the expenditure statement of administrative charges is being sent in time.
4. Whether the quarterly budget review is being sent in time.
6. Whether the returns prescribed for sugar equalisation fund and also sugar economics have been sent for every month before the 10th of the subsequent month.
7. Whether fortnightly I.O.R. returns are being sent?
8. **Whether monthly statements of receipts and payments sent?**
9. **Whether fortnightly cash and bank balance reports are being sent.**
10. Whether the four point certificate of stocks A/cs is being regularly sent.

11. Whether monthly / quarterly trial balances .are sent in time i.e. before the 20th of the month following the quarter?
12. Whether regular action is being taken to settle the IA&.PV inspection reports and transactions audit reports from IA&.PV parties, Govt. Auditors etc.
13. Whether quarterly management data returns are sent regularly to Head Office before the 20th of the month following the quarter?
14. Whether the two keys of cash chest are being kept by two different officers.

(vi Payments Relating to Engineering Works:

1. Whether the running account bills were checked with reference to the entries in the measurementbooks and entries cancelled when bills were admitted?
2. Whether payments of running account bills were made at the rates specified in the contract/supply order?
3. Whether correspondence files were checked to see that all recoveries to be effected were realied and recorded in the ledger account of the contractor before final payments are released?
4. Whether any increased expenditure was incurred due to rising costs, when the work. was delayed, which could have been avoided?
5. Whether additional expenditure incurred on aavoidable hiring of accommodation because of delayed completion of work?
6. Whether delays in completion of work was on account of faulty planning?
7. **Whether a control register of running account bills is kept to verify that the totals of the payments do not exceed the cQst of contract?**
8. Whether final payment of running dccount is released only on the authority of a certificate of successful completion of work issued by competent authority?
9. Whether cuts have been ordered because of faulty/delayed completion of work and whether they have been given effect in the bills?
10. Whether certificates of competent authorities about the soundness of the structure were obtained before releasing payments?
11. Whether certificates about various specifications of work were obtained from competent authority?
12. Whether variations from the original estimates have been approved by the

competent authorities?

13. Whether variations from the originally approved specifications have been done in accordance with sanctions from competent authorities?
14. Whether there is over-all control of expenditure on works done departmentally so that the expenditure does not exceed sanctions?
15. Whether all completed works have been included in assets accounts?

III. QUALITY CONTROL

1. Whether accounts of samples are properly maintained?
2. Whether the stipulated procedure in the down grading of foodgrains had been followed strictly?
3. Whether there are abnormal delays in the issue of Analysis Reports on purchase samples?
4. Whether action has been taken to dispose of damaged foodgrains without delay?
5. Whether Condition Reports on receipt of foodgrains are properly scrutinised, consolidated and sent to Head Office in. time?
6. I Whether simultaneous action has been taken to advise treatment of grains and disposal of stocks on priority as indicated in the Condition Reports?
7. Whether stocks are examined every fortnight as per standing instructions?
8. Whether treatment of grain is being provided on due dates?
9. What is the stock position of chemicals? Whether there are any excess or short of requirement? What action has been taken to set the position right?
10. Whether stock account of chemicals is being properly maintained?
11. Whether stock account of QC equipments is properly maintained?
12. Whether recoveries from suppliers have been effected in respect of foodgrains supplied having high moisture content.

13. Whether empty drums etc. are disposed off immediately without causing wastage of godown space?

IV. AUDIT OF SALES . . .

1. Whether all sales have been billed and properly accounted for?
2. Whether delays were noticed in invoicing the sales?
3. Whether the rates charged in the bills are according to issue prices communicated by Head Office from time to time?
4. Whether procedure followed for realising the sales proceeds from the private parties and roller flour mills, was scrutinised to see that there is no violation and the FC] is not put into any loss?
5. Whether the release orders have been issued by the competent authorities and the procedure for safe custody of unused release orders and proper accounted and issue of HOs as per office Manual is followed?

(b) Defence Supplies (Operations Stopped from 1.4.86)

1. Whether full quantity required by the APO had been despatched by the due dates fixed? If not what were the reasons for their failure?
2. Whether the extension of delivery dates was obtained with imposition' of liquidated damages?
3. Whether inspection of stock has been delayed by defence Inspectors and whether this was the reason for delayed delivery?
4. Whether the quantity supplied exceeded the quantity allotted in any case?
5. Whether recoveries of all HTC from godown to railway statio'l and for loading into wagon were effected from APO?
6. Whether, there are any delays in realisation for supplies made to the APO?
7. Whether release orders are issued for the same commodity variety as indicated in the allotment order of the Ministry/ Head Office.
8. Whether sale bills were returned by the APO because of avoidable om missions/com m issions by the FCI officials?

V. STORAGE AND Contract AUDIT:

(a) Contracts :

1. Whether Head Office Instructions were followed in respect of use of Model Tender Form for H& T Contracts finalised through tenders?
2. Whether fixation of quantum of Earnest Money and Security Deposit had been done as per instructions?
3. Whether there was any necessity for sUBsequent ,negotiations? If so, why this was not

envisaged earlier?

4. Whether the subsequent negotiations had served the interests of FCI?
 5. Whether instructions issued by the Head Quarters were followed in conducting negotiations on the basis of tenders received?
 6. If an ad-hoc contract had been finalised, whether proper justification for the same has been recorded?
 7. Whether the right of extension of contracts has been exercised after considering all the pros and cons of inviting fresh tenders, if necessary?
 8. Whether any stock was released against cancelled release orders?
9. Whether specimen signatures of officers authorised to issue release orders are kept in the district depot and these are being verified with the signatures in the release orders before the stocks are released?
 10. Whether the stocks has been released on the duplicate copy of release order?
 11. Whether bills of contracts were admitted even when the contractors have not furnished security deposit as per rules?
 12. Whether security has been furnished in the form prescribed.
 13. Whether a register has been maintained for watching the deduction of security deposit?
 14. Whether a register is being maintained to watch the recovery of the liabilities fixed on the contractors from time to time?
 15. Whether the tenders are accepted by the authority who are vested with necessary powers?
 16. Whether safe-guard cause in the case of contractual failures had been included in the contract?
 17. Whether any cases were noticed, where no claims were preferred in respect of contractual failures?
 18. Whether a register of sale of tender forms has been maintained?
 19. Whether the issue of tender forms has been centralised so as to avoid confusion ?
 20. Whether the award of contract has been in accordance the terms and conditions in the tender?

(b) **Storage:**

- 1.(a) Whether agreements regarding terms and conditions of hiring, rate of rent etc. had been signed before taking over private godowns by the FCI?
- (b) Whether the rent bills were paid as per terms?
2. Whether hiring and vacation procedure in respect of private godowns taken on rent had been checked?
3. Whether lease deeds had been checked?
- 4.(a) Whether private godowns were hired when our own godowns were not utilised to the full capacity?
- (b) When hired godowns are idle and found uneconomic, are they promptly de-hired?
5. While hiring private godowns, whether it was ensured that all the measurements confirm to the specifications quoted by the owner at the time of offer?
6. Whether the owner has given the possession of the entire area of the godown to FCI? If not, why not?
7. Whether Legal Cell was consulted when doubts from legal angle arose regarding hiring of godowns?
8. Whether the owner of the private godowns attends to normal maintenance and repairs of the godowns?
9. When the depot authority points out necessity for repairs, whether the owner attends to the complaints in time?
10. When a report is made about leakage/damage of foodgrains whether prompt action is being taken to get necessary repairs carried out?
11. Whether the rate of rent paid in the case of hired godowns, reasonable, having refund to the market rates prevailing?

VII. SHIPPING AUDIT

1. Whether Bill of Lading had been cross-checked with the Distribution statement prepared shipment wise ?
2. Whether port out-turn certificates had been checked ?
3. Whether ship demurrages / wharfages paid were checked?

4. Whether the possibility of earning despatch money has been minimised/lost because of administrative/operational lacunae or errors?
5. Whether calculation of lay time was correct ?
6. Whether ship-wise registers had been checked?
7. Whether the pace of clearance of foodgrains from ships at the ports and their despatch/delivery was satisfactory?
8. Whether Port-Trust Bills had been checked?
9. Whether Port/Customs/Shipping Companies references well! properly filed and there was no undue delay or official error on the part of the FCI?
10. Whether stevedoring arrangements are satisfactory?
11. Whether a Dock Diary is being maintained giving full particulars of stoppage of work. and man-hours lost?
12. Whether survey of damage, grains and slack bags is being conducted in time for every vessel?
13. Whether claims for short landings were preferred within the prescribed time?
14. Whether huge amount of advances are pending with Port Trust without adjustment?
15. Whether customs, port authorities or shipping agents delay any of our documents?
16. Whether claims against shipping agents for damaged cargo, slackage, crane hire charges, etc. had been prepared in time, submitted and pursued promptly?
17. Whether recoveries due from Stevedores/clearance contractors etc. had been worked out correctly and pursued effectively?
18. Whether precautionary measures were taken to reduce transit dues?
19. Whether percentage of gunny losses are on the high side?
20. Whether reports on the conditions of fork lifts and other machinery have been examined?
21. Whether notice of readiness is usually received
the terms of Charter Party and duly acknowledgement?

22. Whether there was any avoidable delay in berthing and commencing and completion of discharge?
23. In case of mid-stream discharge, whether such discharges have been supervised by responsible FCI officials?
24. Whether daily discharge targets could not be met on any occasion and what were the causes?
25. Whether Ship / Shed Sweepings collected have been surveyed, weighed and cleaned separately in time?
26. Whether any new gunnies were utilised for collection of dust, dockage and sweepings?
27. Whether shed/ship sweepings, dust and dockage collections have been separately stacked?
28. Whether tally of bags had been taken at the time of discharge of wagon and proper precautions were taken
to avoid spillage or wharfage?
29. Whether standardisation of bags had been done?
30. Whether jute twine for stitching according to specified norms had been properly utilised?
31. Whether beam-scales weights are periodically checked to ensure accuracy of weighment?
32. Whether clearance of cargo from the transit sheds etc. matches with the discharge of cargo from the vessel and there is no bottle-neck in operation due to accumulation in the transit shed?
33. Whether precautions have been taken to avoid contamination of stocks on the wharf and shed and also to avoid spillage?
34. Whether any difficulty has been experienced in obtaining adequate supplies of wagons at the wharf rail-head & other wagon loading points?
35. Whether a register is maintained to watch the progress, of cases filed in the Courts in respect of shipping matters?
36. Whether damaged cargo is being discharged separately to avoid mixing

with sound foodgrains?

37. Whether cleaning of the ships holes was simultaneously carried out with the discharge of foodgrains to avoid delay in re leasing ship?
38. Whether detention of the vessel was caused for want of issue of completion certificate?
39. Whether the standing instructions had been followed for issuing discharge/completion Certificates?
40. Whether Vessel-wise loss of gunnies had been subjected to a comparative study?
41. Whether the receipt, issue and utilisation of gunnies had been properly linked?
42. Whether the pattern of indenting and deploying labourers had been studied to see whether maximum out-put was obtained with minimum expenditure? .
43. Whether small hooks only were utilised by the labourers wherever the same had been supplied so as to avoid damages to gunny bags and cause spillage?
44. Whether wagons supplied had been inspected to see that they were fit for loading foodgrains?
45. Whether adequate arrangements were made for covering open wagons at the time of loading so as to avoid damage during transit?
46. whether extracts from the ship's log-book were taken before sailing of the vessel, at the port where the ship had discharged cargo? . . '
47. Whether there had been any delay in finalising short landing!. damages reports? What were the reasons for delay?
48. Whether proper account of stock of gunnies and jute twine in the dock area is being maintained (ref: Para 23-3 of FC] Manual vol. D.
49. Whether the system payments to Port Trust, Dock Labour Board, and Clearance Contractors had been checked to see that the Corporation\OOS not put to any avoidable loss?
50. Whether proper accounts are maintained in respect of gunnywrappers, iron hoops, etc. collected.
51. Whether more than one stevedoring agents were employed for one vessel and the

bills admitted proportionately for the work done by each:

52. Whether full cost had been realised in respect of gunnies supplied to the steamer agentS' for trimming?
53. If, in some cases of imports, despatch, money earned is payable to the sellers as per term~ .of agreement", demurrages incurred in such cases will also be borne by the sellers, whether claims of demurrages were made in all such cases?
54. Whether when terms relating to imports and exports contain suitable clauses for providing the payment of the cost of export at unambiguous rates, there is clear stipulation in the contracts about the liability of hand ling/ port clearance charges, demurrage and other shipping claims.
55. Whether satisfactory record of shipping claims is maintained and whether appropriate follow up action is taken in respect of each claim and details of such action are suitably recorded in the operating division concerned at Headquarters.
56. **Whether the Solicitors fee and other legal charges payable in foreign exchange are paid in accordance with the prescribed scales and under the orders of the Competent Authority. It is also to be seen whether complete record of such liabilities/payments are maintained and reviewed periodically by the operational division concerned.**
57. Whether in case of the payments for imports and exports made/received through Banks in foreign exchange are in accordance with the relevant stipulations and the bank charges for establishment of L.C. Charges etc., are not in excess of the prescribed norms.

VII. ENGINEERING/TECHNICAL AUDIT

1. Whether -review of working of pneumatic discharge/machines vacuators and other machinery have been undertaken?
2. Whether purchase, issue and utilisation of HSD Oil and other fuels have been reviewed?
3. Whether review of working of Hulher Machines have been undertaken?
4. Whether godowns are being periodically inspected to see necessary repairs required are undertaken?
5. Whether sufficient precautions have been taken to see
that the electric installations are safe and secure.

6. Whether sufficient precautions have been taken to see that rain water does not cause any damage to stock?
7. Whether leakages notices have been repaired in time?
8. Whether there are proper arrangements of all fire-fighting equipments ?
9. Whether purchase of assets and spares have been made in accordance with the procedure stipulated?
10. Whether proper accounts are being maintained for receipts and issue of engineering materials?
11. Whether stores and spares are in excess or short of requirements?
12. Whether powers are exercised by the competent authority as per delegation of financial powers?
13. Whether the estimates sanctioned by the Head Office are being recorded in the separate register?
14. Whether system of carrying out constructions is full-proof?
15. Whether construction works are completed on target dates? 16. Whether acceptance of tenders for works has been according to the laid down procedure?
17. Whether the progress of work is being watched carefully?
18. Whether any works are in progress without proper sanction?
19. Whether requisite checks are being exercised that the contractor is doing the work as per the terms of the contract?
20. Whether there are any cases where sanctions have been obtained but the work has not been started even after considerable lapse of time?
21. Whether any extra items of work which are not covered by the original sanctions have been carried out? If so, why the necessity of such quantum of work could not be envisaged earlier and included in the earlier sanction?
22. Whether materials received at the site are properly accounted for?

23. Whether the contractor has been following the additional instructions given at the time of inspection" properly?
24. Whether measurement book are maintained properly and kept in safe custody of the competent authority?
25. Whether accounts of repairs and maintenance of plant and machinery are being properly maintained?
26. Whether repairs and maintenance of plant and machinery are carried out in time?
27. Whether utilization of machinery is to the full capacity If not why "not?
28. Whether the drawings of various works are properly kept indexed and followed?
29. **Whether the work is being undertaken in accordance with the actually approved drawing?**
30. Whether condemned machinery and scrap are being disposed off quickly?

VIII. MOVEMENT AUDIT

1. Whether the procedure for assessing transit losses has been correctly followed?
2. Whether losses on stock accounts are correctly exhibited?
3. Whether statement of operational gains/losses are being prepared and submitted in time?
4. Whether railway claims are lodged in all cases?
5. Whether the procedure prescribed for the railway claims is being correctly followed?
6. Whether the claims register is being maintained as per provisions of the manual?
7. Whether claims for missing wagons are being lodged and pursued vigorously.
8. Whether the wagon requirement. is correctly assessed and properly indented for?
9. Whether the sufficient number of forwarding notes are in stock?
10. If the Railways' have not permitted a change in destination whether the wagon

demand has been cancelled?

11. Whether the wagons are loaded to full capacity?

12. Whether the claims of refund of lYagon registration fees have been preferred in all cases without loss of time?

13. Whether FCI has suffered any loss of wagon registration fees?

14. Whether the instructions in loading of wagons were being followed strictly?

15. Whether calculations of freight rates are correct:

16. whether the procedures followed in diversion, reloading

and reconsignments have been correct? ' "

17. In case of transit delays, whether immediate further action

has been taken? "

18. (i) /Whether demurrages/wharfages paid are justified and whether these are incurred due to any supervisory error or default of contractor?

(ii) Whether the calculations of demurrages/wharfages are correct?

(iii) whether any Firm Credit, Notes have been issued for the payment of demurrages and wharfages?

19. Whether the procedure followed for taking deliveries is correct?' ,

20. In the "Said-to-Contain" RRs whether despatches were made under conditions beyond our control.

21. In the case of non-execution of General Indemnity Note whether FCI had suffered loss at anyae'POff

22. Whether there have been any case of criss-cross/double movements?

23. Whether the movement pattern has been checked to see that all unnecessary movements are avoided?

24. What are the despatches pending against the allocations and reasons therefor?

25. Whether there have been any cases where the railways have rejected our claims because of time-bar?

26. Is the register of despatches by rail posted up-to-date?
27. Whether the monthly statement of demurrages/wharfages
is submitted regularly?
29. Whether claims are lodged RR-wise and not by clubbing several RRs?
30. Whether indenting of wagons has been done sufficiently in advance so as to enable the railways to meet FCI's requirements?
31. Whether linking of diverted wagons has been done ?
32. In case of damage in transit, assessment of the loss has been made immediately and claims lodged with the railway~:
33. Whether the depot has a table of distances to verify the accuracy of distances for the which the railways have calimed freight? Whether such checks are being exercised?
34. Whetner particulars regarding condition of seals, name
of station at which last sealed etc. have been verified before taking delivery of stocks?
35. whether despatches are made in accordance with the despatch instructions?
36. Whether any railway claims have been rejected because of avoidable ommissions/commissions by FCIofficials}
37. Whether the amount of railway claims as recovered in the correspondence files have been linked with actual cash book entries of receipt?
38. Whether transport by road has been resorted to only when wagons were not available or distances short or where there are no rail links.

IX. DEPOT AUDIT

1. Whether transit and storage LOsSES are promptly reported, watched, pursued and settled?
2. In the inter-depot issues, whether:-
- (i) Linking of receipt/issue has been made properly:
- (ii) Such transfers were unavoidable?

3. Whether the reasons furnished for transfer of grains from good grain account to damaged grain account are justifiable?
4. Whenever any difference of purchase or admixture of varieties or shortages noticed at the time of receipt, whether further follow up action has been taken?
5. In the cases of disputed varieties, whether such stocks have been stacked separately and not issued out till investigation is over!
6. whether the varieties shown in the sale bills is the same as that shown in the records ?
7. The quarterly P. v. of gunnies and jute twines is being carried out regularly?
8. Whether the Regional Manager has arranged for a complete P.V. of all stock, in the depot once in a quarter and has personally conducted P.V. of the Depot once in a year,?
9. Whether monthly visual P. V. has been conducted by the Depot Incharge and a certificate to that effect is recorded in the godown register?
11. Whether gunnies in FCI Account are being utilised for gift?
12. Whether stack-cards are maintained in respect of stocks in the depot
- 13.(a) Whether the out-come and utilization of bamboo mats, wooden crates, gunnies, polythene covers have been checked?
- (b) Whether gunnies, released at silos have been accounted for?
14. Whether any instructions for purchase, accounts and utilization of stocks have been followed?
15. Whether the procedure on the issue and control of C,C/FC notes have been checked?
16. Whether arithmetical accuracy and correctness of rates applied on payments to railways through FC/CC Notes have been verified?
17. Whether RR registers have been verified?
18. ***Whether stock account of weighment books have been verified.***
19. *Whether payments of demurrages and siding charges are justifiable?*
20. *Whether casual labour register, casual labour statement, sanction of casual*

labour and casual labour muster rolls have been verified.

20. *Whether movement of casual labour and other workers are justified?*

22. *Whether there are any irregularities noticed in the deployment of casual labour?*

23. *Whether wagon loading and unloading registers and reports have been verified?*

24. *Whether under charges registers have been checked?*

21. *Whether depot records such as stock ledger, master ledger, godown registers, truck chit delivery memos, dolly receipt issue statements, evening balance reports etc. have been verified?*

22. *Whether receipts/issues shown in the godown records had been cross-checked with figures shown in the gate pass register?*

27 *Whether percentage check of calculations in weighment sheets has been done.?*

28. *Whether periodical certificates are obtained from the Govt. authorities about the correctness of the weights recorded by the weigh-bridge?*

29. *Whether truck movement forms are tailiea bills of the HTC?*

30. *Whether palla account, register of sweepings/spillings are maintained properly?*

31. *Whether stocks certified as sound after salvagings have been accounted for as receipt in the depot accounts?*

32. *Whether gunny accounts of palla have been verified?*

33. *Whether stack-wise registers have been verified?*

34. *Whether percentage checks of calculations in mark-slips issued have been exercised?*

35. *Whether -loading/fitling and stitching figures shown in*

the work slips tally with the actual receipt/issue figures accounted for in the godowns?

36. *Whether work slips were checked with weighment books in case of weighment operations*
37. *Whether periodical P.V. of stores had been conducted?*
38. *Whether the wrietias issued to the private parties are same as those shOwn in the delivery orders?*
39. *Whether all issues have been made against proper release/ delivery orders ?!*
40. *whether millers-wise personal accounts have been maintained regarding:-*
 - 1) *Receipts of paddy*
 - 2) *Delivery of rice after conversion of paddy into rice?*
41. *Whether work slips are issued without any delay?*
42. *Whether the indication of services rendered by the contractor is in accordance with the correct narration?*
43. *Whether variations in stocks reported by P. V. parties have been properly investigated?*
44. *Whether Dead Stock register has been verified?*
45. *Whether facilities of payments to railway through credit notes are available? If not, whether the quantum of movements warrant obtaining such facilities?*
46. *46. Whether statements of missing and unconnected wagons are regularly submitted.*
47. *Whether the buyers are benefited by obtaining more number of gunnies for specific quantity because of non-filling during sales?*
48. *If the release orders indicate the number of gunnies against the quantity to be released, whether the depot*

authorities

50. *Whether the issues are made from the depot with the priority in disposing off stock as by the quality control branch?*
51. *Whether covers held in stocks' are serviceable?*
52. *Whether beam-scale and weights are periodically checked to see that they are recording correct weights and the V are duly stamped by the Controller of Weights and Measurements periodically?*
53. *Whether the services of the contractor have been used in such a way as to effect maximum economy for the completion of the operations required as per the provisions of the contract?*
54. *(Whether daily programme is being given to the contractor?*
55. *Whether actual work done by the casual labourers employed has been recorded? Whether such work was necessary?*
56. *Whether labourers are employed without prior agreement of rate of wages?*
57. *Whether storage is being done according to the stack plan?*
58. *Whether the stack-cards are maintained properly in the prescribed forms?*
59. *Whether sweepings are cleaned on the same day?*
60. *Whether the certificates of the work done are being issued on the same day or next day?*
61. *Whether the incidentals for storage and handling incurred on damaged foodgrains belonging to Govt. or India have been recorded before crediting the sale proceeds to Govt. or India?*

- 63., *Whether storage gain noticed has been brought into account immediately?*
64. *Whether less out turn noticed in paddy given for milling is justified? ,*
65. *Whether cent-per-cent weighment standardised bags are issued?*
66. *Whether all gunnies supplied to millers were received back in sound condition?*
67. *whether sale account has been checked with monthly stock account?*
68. *Whether correctness of fortnightly stock accounts was certified during audit and discrepancies are noticed, if any, have been pointed out to Head Office and Zonal office?*
69. *Whether casual labourers are employed as watchmen?*
- 70./*Whether recoveries in respect of differences in cost of gunnies to be effected from purchase agents/roller flour mills etc. In respect of gunnies supplied to them, due to belated declaration. of rates of change in rates, have been realised? '*
71. *whether the cost of extra gunnies supplied at the time of issue of non-standardised bags on sale was recovered from the party concerned?*

x. FOLLOW-UP ON IA & PV

1. *When was last inspection of the unit conducted by Internal audit parties? Was the draft audit report discussed with the unit -in-charge before it was finalised?*
2. *What is the latest position of the outstanding audit observations? Are these being reviewed by the officer-in-charge of the unit on a monthly basis?*
3. *Are the stacks lying in the various depots of the unit physically verified periodically by executives/internal audit. Casually scrutinize important observations in one of the physical verification report? Specify those which have not been covered by audit party/physical verification for over a year.*

Whether there are certain observations of the CAG for which action is still pending in the DO/RO. It has to be ensured that action to expedite finalisation is being taken at appropriate level.