

**Government of India
Ministry of Railways
Railway Board**

R.B.A. No. 59/2005

No. 2004/BC/AP/7.1.2/2002-03

29 -9-2005.

FA&CAOs

Sub: - Recoveries at the instance of Audit.

Instructions have been issued to the Railways/PUs from time to time to tighten the internal check mechanism, fix responsibility wherever necessary so that lapses leading to overpayment/Non-recoveries pointed out by Audit are not repeated. However the review of the recoveries made at the instance of Audit during the period 1998-99 to 2002-03 reveals that the position has not improved to the expected level as indicated below :-

S.No	RAILWAY (Having recoveries of more than Rs. 1 crore.)	(Figures in crores of Rs.)				
		98-99	99-00	00-01	01-02	02-03
1	Central (including MTP-Mumbai)	4.62	5.66	5.81	5.42	6.27
2	Eastern	-	1.93	-	-	-
3	Northern (Including CORE, RDSO, DCW, RCF & COFMOW)	5.04	5.72	8.52	5.10	8.34
4	North Eastern	17.78	6.30	10.03	2.69	10.04
5	North Frontier.	1.92	1.57	-	-	-
6	Southern (including RWF, ICF & MTP-Chennai)	3.38	3.69	2.24	1.77	4.02
7	South Central	2.26	1.55	3.04	1.60	4.09
8	South Eastern	1.23	1.74	1.63	2.90	12.02
9	Western	7.04	11.43	12.06	4.98	3.43

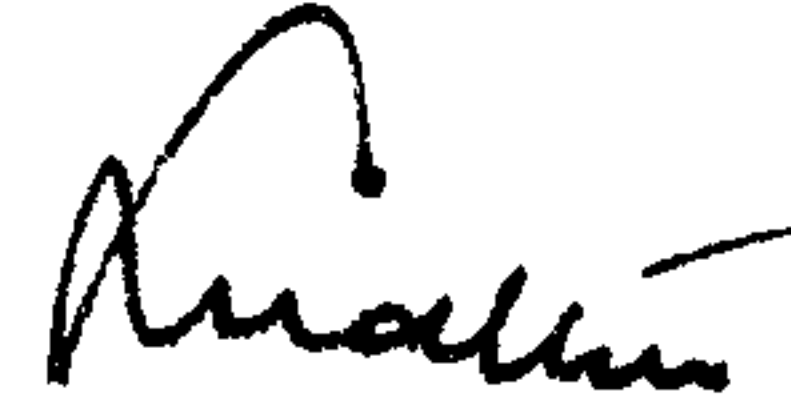
A matter of concern is that a substantial part of these recoveries pertains to the transactions already covered under internal check.

In this connection attention is invited to Board's letter No. 86-BC-RB-8 dated 30-3-90, 92/ACII/45/8 dated 14-10-92, 96/ACII/4/1 dated 23.4.97, 2000/ACII/45/6 dated 17.7.2000 and 18.4.01 and 2002/AC-II/45/4 dated 17.9.03 wherein you were requested to initiate systematic efforts to avoid recurrence of lapses which result in loss of Railway revenue. However, the review ibid calls for gearing up of the machinery by all Railways to analyze lapses pointed out by Audit and take remedial measures to eliminate deficiencies in the system so that the instances of short collection/overpayments may be minimized. In this regard an illustrative list of causes leading to often-repeated deficiencies is enclosed for your

information and guidance. It is requested that special attention may be paid to these areas to prevent their recurrence in future through conducting regular test checks/ field inspections to strengthen the apparatus while ensuring complete recoveries of undercharges/ overpayments pointed out by Audit from staff/ parties concerned.

Kindly acknowledge receipt.

DA: - As above.



(Sudhir Mathur)
Executive Director Accounts
Railway Board.

Personal/Establishment Matters.

1. Non-recovery of private calls, diet charges, electric charges, geyser/lawn charges.
2. Overpayment of PLB, DA, HRA, CCA, TA, leave salary, tuition fee, incentive bonus and transportation allowance.
3. Non-recovery of PLB, FSC charges, professional tax, income tax, advances, interest on advances, shortage/debit from staff.
4. Excess credit of interest on PF account of the employees.
5. Non-recovery due to issue of Railway passes for longer routes in excess of the permissible limit/excess issue of passes/irregular issue of passes to ineligible children of Railway employee/non returning of foil of used passes by the employees
6. Irregular payment of family planning increment/personal pay.
7. Irregular/overpayment of incentive bonus due to misclassification of category workers in the workshops.
8. Short recovery/non-recovery of license fee of quarter from the staff.

Non Establishment Matters.

1. Non-recovery of license fee from stallholders.
2. Non-recovery from catering staff due to excess consumption of raw material.
3. Non-recovery of amount of short supply of material, rejected stores, advance from the supplier/contractors.
4. Non-recovery of inspection charges, liquidated damages, freight charges risk & cost purchase, amount from the contractors/suppliers revised maintenance charges from siding owners.
5. Non-inclusion of FSC charges/leave salary through estimate of deposit work carried out for private parties.
6. Loss due to irregular grant of train load benefit to the consignor, non implementation of rationalization orders, revised tariffs wharfage/demurrage charges.
7. Non-recovery of departmental charges on reciprocal basis from State Govt/other parties on account of their deposit work carried out by Railway.
8. Non-recovery of crane charges from the contractors.
9. Short realization of fare in selling of vendors, ticket surcharge on uncashed DD undercharges on to pay traffic or due to error in calculation or due to delayed implementation of revised classification.
10. Non-recovery of works tax, sales tax, penalty charges from the contractor, extra expenditure of ED paid from the firms.
11. Excess payment of rental charges, license fee.
12. Non refund of excess paid custom duty from custom authorities.

Government of India
Ministry of Railways
Railway Board

R.B. Accounts 4/2003

No. 2002/AC-II/45/4

17-9-2003.

FA&CAOs

CAI Zonal Railways

Sub: - Recoveries at the instance of Audit.

Instructions have been issued to the Railways/PUs from time to time to tighten the internal check mechanism, fix responsibility wherever necessary so that lapses leading to overpayment/Non-recoveries pointed out by Audit are not repeated. However the review of the recoveries made at the instance of Audit during the period 1996-97 to 2001-02 reveals that the position has not improved to the expected level as indicated below :-

S.No	RAILWAY (Having recoveries of more than Rs. 1 crore.)	(Figures in crores of Rs.)					
		96-97	97-98	98-99	99-00	00-01	01-02
1	Central (including MTP-Mumbai)	1.70	3.36	4.62	5.66	5.81	5.42
2	Eastern	-	3.68	-	1.93	-	-
3	Northern (Including CORE, RDSO, DCW, RCF & COFMOW)	4.94	6.63	5.04	5.72	8.52	5.10
4	North Eastern	2.63	4.52	17.78	6.30	10.03	2.69
5	North Frontier.	-	-	1.92	1.57	-	-
6	Southern (including RWF, ICF & MTP-Chennai)	2.86	3.05	3.38	3.69	2.24	1.77
7	South Central	1.59	3.25	2.26	1.55	3.04	1.60
8	South Eastern	1.62	1.85	1.23	1.74	1.63	2.90
9	Western	6.98	7.25	7.04	11.43	12.06	4.98

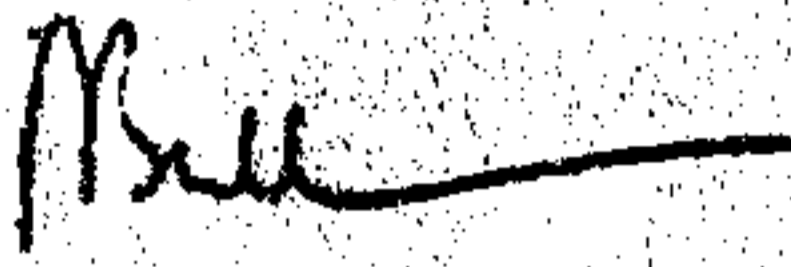
A matter of concern is that a substantial part of these ~~recoveries pertains to the~~ transactions already covered under internal check.

In this connection attention is invited to Board's letter No. ~~86 DC RB 8 dated 30-3-90~~, 92/ACII/45/8 dated 14-10-92, 96/ACII/4/1 dated 23.4.97 & 2000/ACII/45/6 dated 17.7.2000 and 18.4.01 wherein you were requested to initiate systematic efforts to avoid recurrence of lapses which result in loss of Railway revenue. However, the review ~~ibid~~ calls for gearing up of the machinery by all Railways to analyze lapses pointed out by Audit and take remedial measures to eliminate deficiencies in the system so that the instances of short collection/overpayments may be minimized. In this regard an illustrative list of causes leading to often-repeated deficiencies is enclosed for your information and guidance. It is

requested that special attention may be paid to these areas to prevent their recurrence in future through conducting regular test checks/ field inspections to strengthen the apparatus while ensuring complete recoveries of undercharges/ overpayments pointed out by Audit from staff/ parties concerned.

Kindly acknowledge receipt.

DA: - as above.


(S. Balachandran)
Executive Director Accounts
Railway Board.

Personal/Establishment Matters:-

1. Non recovery of private calls, diet charges, electric charges, geyser/lawn charges.
2. Overpayment of PLB, DA, HRA, CCA, TA, leave salary, tuition fee, incentive bonus, transportation allowance.
3. Non recovery of LWP, FSC charges, professional tax, income tax, advances, interest on advances, shortage/debits from staff.
4. Excess credit of interest on PF account of the employees.
5. Non-recovery due to issue of Railway passes for longer routes in excess of the permissible limit/excess issue of passes/irregular issue of passes to ineligible children of the Railway employee/non returning of foils of used passes by the employees.
6. Irregular payment of family planning increment/personal pay.
7. Irregular/overpayment of incentive bonus due to misclassification of category workers in the workshops.
8. Short recovery/non recovery of license fee of quarters from the staff.

Non Establishment matters:-

1. Non recovery of licence fee from the stall holders.
2. Non-recovery from catering staff due to excess consumption of raw material.
3. Non recovery of amount of short supply of material, rejected stores, advances from the suppliers/contractors.
4. Non recovery of inspection charges, liquidated damages, freight charges, risk & cost purchase, amount from the contractors/ suppliers revised maintenance charges from siding owners.
5. Non inclusion of FSC charges/ leave salary through estimate of deposit work carried out for private parties.
6. Loss due to irregular grant of train load benefit to the consignor, non-implementation of rationalization orders, revised tariffs, Wharfage/Demurrage Charges.
7. Non-recovery of departmental charges on reciprocal basis from State Govt/other parties on account of their deposit work carried out by Railway.
8. Non-recovery of crane charges from the contractors.
9. Short realization of fare in selling of vendors ticket, surcharge on uncashed DP, under charges on to-pay traffic or due to error in calculation or due to delayed implementation of revised classification
10. Non recovery of, works tax, sales tax, penalty charges from the contractors, extra expenditure of ED paid from the firms.
11. Excess payment of rental charges, license fee.
12. Non refund of excess paid custom duty from custom authorities.

No.86-9C-RB/6.

New Delhi,

dated. 30.3.1990.

The General Managers(Accounts)
All Indian Railways/Production Units.

Sub:- Recoveries at the instance of Audit -
CAG's Report on Railways.

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Kindly call for letters number 85-BC-RB/12 dated 31.7.1986 and letter of even number dated 21.3.88 on the above subject, wherein it was advised that the Railways should take necessary measures to tighten Internal check mechanism, fix responsibility wherever necessary so that lapses leading to over payments/non-recoveries pointed out by Audit are not repeated. However, a review of the amounts recovered at the instance of Audit in 1986-87 and 1987-88 indicates that the amounts of recoveries made at the instance of Audit have registered and increase. What is causing concern is that a substantial portion of the amounts recovered falls in the category of items which had already been subjected to Internal check. This indicates that the internal check has not been conducted properly. There is, therefore, a very urgent need to review the individual lapses pointed out by Audit and to make a thorough investigation as to why these irregularities could not be detected during the course of internal check.

It is also desired that reviews be conducted from time to time to see whether irregularities of the kind pointed out by Audit are not existing in other cases also. While prompt action is taken to rectify the lapses pointed out by Audit in individual cases there does not seem to be any systematic effort to prevent the occurrence of such cases in future.

It is requested that the cases, particularly those whose recoveries have been made after these had already been checked and passed by the Accounts Office, be reviewed and the staff/Officers taken up where necessary. Also if these have arisen out any inherent deficiencies in the internal check system the same should be suitably rectified. A report on the above may kindly be submitted to Board by 31st May, 1990.

Receipt of this letter may kindly be acknowledged.

Sd/-
(A. Bhattacharya)
Executive Director(Accounts)
Railway Board.

Government of India
Ministry of Railways
(Railway Board)

26/10
U

N. PARATHASARATHY
EXECUTIVE DIRECTOR (ACCOUNTS)

D.O.No. 92-ACII/45/B.

New Delhi,

dt. 14.10.99

Dear Shri Gopalakrishnan, FA&CAD/C.Rly, Sh.A.K.Sanyal, FA&L
Sh.Ajit Chandra, FA&CAD/N.Rly, Sh.Ram Prakash, FA&LAD/NE Rly,
Sh.Shadap, FA&CAD, N.F.Rly, Sh.Ramachandran, FA&LAD, S.Rly, Sm
Iyengar, FA&LAD, S.C.Rly, Sh.Majumdar, FA&LAD/S.E.Rly, Sh.Mathu
FA&CAD, W.Rly.

Sub:-- Para 12.2 - Recoveries at the instance
of Audit-C&AG's Report on Railways for
the financial year 1990-91.

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Your kind attention is invited to observations contained in para 12.2 of the report of the Comptroller and Auditor General for the financial year 1990-91 wherein a mention has been made to an amount of Rs. 13.6 crore (not including those pertaining to Eastern Railway) as recovered or agreed to be recovered by the railways at the instance of Audit and a further sum of Rs. 0.86 crore as the amount recovered as a result of further review on the basis of audit objections. On a scrutiny of the C&AG's report for the preceding four years, it is seen that barring the year 1988-89, there has been a steady increase of the total amount of recoveries at the instance of Audit. This can be appreciated from the figures as given in Annexure.

Your attention in this connection is also invited to Board's letter of even no. dated 30th March '90 wherein the railways were requested to initiate systematic effort to minimise/avoid recurrences of the lapses which result in short collection of legitimate dues and get reflected subsequently as a result of scrutiny by audit as amounts "recovered at the instance of Audit". Increasing trend of such recoveries at the instance of Audit have to be viewed with concern, particularly in the context of loss of revenue to the railways in addition to these being a reflection on our working efficiency.]

[Board desires that concerted action may be taken by railways having regard to the lapses pointed out in the Audit in their various reports and effective steps are initiated to bring down the quantum of recoveries at the instance of audit to the absolute minimum.]

Receipt of this letter may kindly be acknowledged

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Yours sincerely,

Sd/-

(N.Parathasarathy)



DIRECTOR FINANCE (CCA)

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

3/64 (1/1) Df/cch

D.O.No.96/ACII/4/120

Dated 23-4-1997

Dear F-ACCs (CR, NR, NE, NW, SR, SC, WR, ECR, NTP, MADRAS, NTP/CHENAI)

Sub:- Recoveries at the instance of Audit.

The C&AG's report on Railways for the year ending 31.3.1995 indicates that Rs.20.59 crore were recovered or agreed to be recovered at the instances of Audit from following Railways/Units:-

N.F. Railway	: Rs.	7.99	crores
Northern Railway	: Rs.	6.68	(including RE, RDSO, DCW&ITP)
Western Railway	: Rs.	5.05	crores
S.C. Railway	: Rs.	2.85	crores
N.E. Railway	: Rs.	1.93	crores
Central Railway	: Rs.	1.57	crores (including NTP, Mumbai)
Southern Railway	: Rs.	1.41	crores (including W&AP&NTP/Mac)

In this connection your attention is invited to Board's letter No.86-BC-RB-8 dated 30.3.90 and letter No.92/AC-II/45/6 dated 14.10.92 (copies enclosed) wherein you were requested to initiate systematic effort to minimise/avoid recurrence of lapses which result in loss of Railway revenue. However, not only there has not been any improvement, there has in fact been an increasing trend in such recoveries. This trend indicates that machinery for internal check is far from effective. The Board desires that lapses pointed out by Audit are analysed causewise and deficiencies in the system eliminated so that the instances of short collection/overpayments be minimised. A report may also be arranged to be sent to Board by 15.5.97 by speed post indicating, inter alia areas/courses of deficiency leading to such recoveries, and action taken against the staff at fault.

Receipt of the letter may kindly be acknowledged.

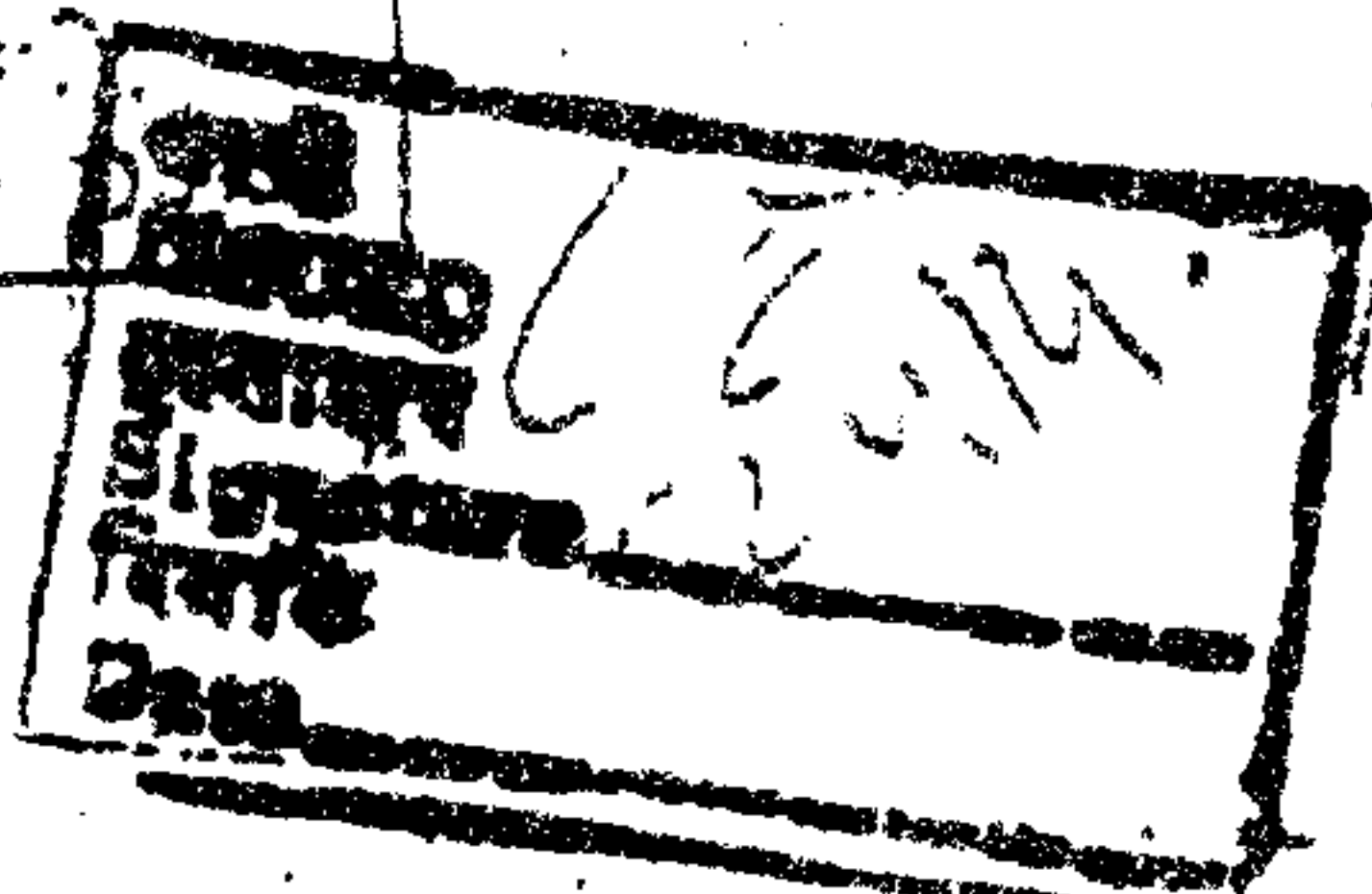
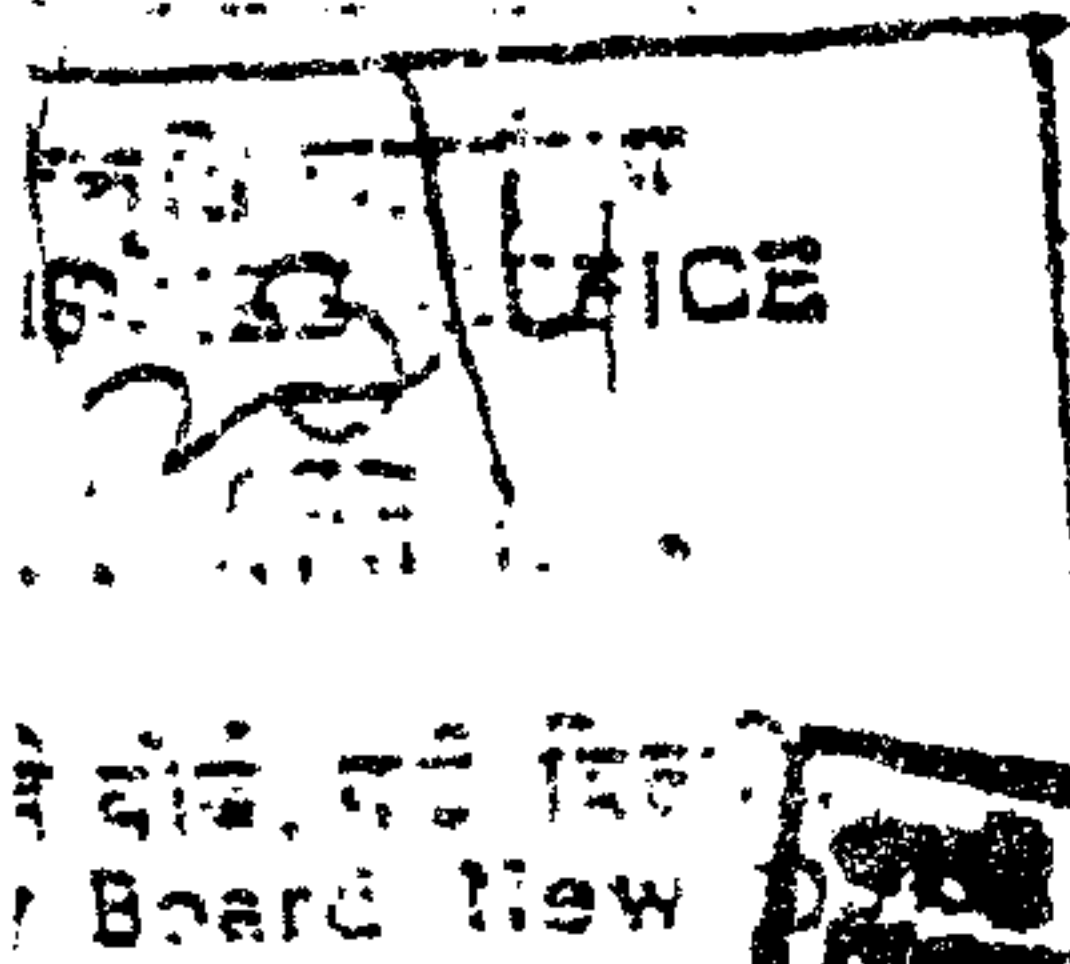
Yours sincerely,

(RAJIV DATT)

-126-

O/C

Cont'd....2/-



Government of India
Ministry of Railways
Railway Board.

2000/AC-II/45/6

17-7-2000.

CAOs
Central Railways & PUs

Sub:- Recoveries at the Instance of Audit.

The C&AG's reports on Railways, for the year 93-94 to 98-99, indicate that the following amounts were recovered or agreed to be recovered at the instance of Audit from the following Railways/Units:-

S.No	Railway	(figure in crores of Rs.)					
		93-94	94-95	95-96	96-97	97-98	98-99
1	Central (including MTP-Mumbai)		1.57	1.67	1.70	3.36	4.62
2	Eastern		-	-	-	3.68	1.05
3	Northern (including CORE, RDSO, DCW, RCF, COFMOW)		6.68	2.57	4.94	6.63	5.04
4	North Eastern		1.95	-	2.63	4.52	17.78
5	North Frontier		7.99	-	-	-	1.92
6	Southern (including WAP & MTP-Chennai)		1.41	2.57	2.86	3.05	3.38
7	South Central		2.86	2.09	1.59	3.25	2.26
8	South Eastern		-	1.31	1.62	1.85	1.23
9	Western		5.05	6.40	6.98	7.25	7.04
	Total	*22.66	27.51	16.61	22.32	33.59	44.32

Break up not available.

In this connection attention is invited to Board's letter No. 86-BC-RB-8 dated 30-3-90, 92/AC-II/45/8 dated 14-10-92 & 96/AC-II/4/1 dated 23-4-97 wherein you were requested to initiate systematic efforts to minimise/avoid recurrence of lapses which result in loss of Railway revenue. However the position has not improved to the expected level and the recoveries at the instance of Audit are showing an increasing trend over the past few years.

Board desires that lapses pointed out by Audit be analysed causewise and deficiencies in the system eliminated so that the instances of short collection/overpayments may be minimised. The position may be reviewed half yearly by FA&CAOs and a report in the enclosed proforma may be sent to Board by 5th May every year. The same may be included in the Calendar of Returns to ensure its timely submission to Board's office. The information relating to 1999-2000 may be sent to Board by 15-8-2000

A report on the outcome of analysis in respect of Audit Reports *ibid*, may be sent by 30-9-2000 indicating interalia areas/causes leading to such recovery, remedial measures to eliminate the same in future and action taken against the staff at fault.

Receipt of the letter may be acknowledged.

DA:- as above.

(Anjal G)
Director Finance
Railway

No. 2000/AC-II/45/6

18-4-2001.

FA&CAOs,
(All Zonal Railways/PUs)

Sub:- Recoveries at the instance of audit

Instructions have been issued to the Railways/PUs from time to time to tighten the internal checking mechanism, fix responsibility wherever necessary so that lapses leading to overpayment/non-recoveries pointed out by Audit are not repeated. However a review of the amount recovered at the instance of audit during 1993-94 to 1998-99 indicates continuous increase in such instances. A cause for concern is that the recoveries pointed out by Audit also pertain to transactions already covered under internal check.

Analysis of the causes leading to such instances reveals certain often-repeated deficiencies. An illustrative list of these is enclosed for your information

Board desire that special attention may be paid to these areas to prevent their recurrence in future and efficacy of internal check may be monitored closely & strengthened through regular test checks/field inspections etc.

Kindly acknowledge receipt.

DA:- as above.

(Anjali Goyal)
Director Finance(CCA)
Railway Board.

विवरण:- भारत के निर्माण व महासमाकार की
रकट में जमाई गई वसुलियों

आडिट द्वारा जमाई गई खासियों को कम करने
व उनकी पुनरावृत्ति रोकने के लिए समग्र समग्र पर निदेश जारी किए जाते रहे
नामि आन्तरिक गॉज प्रणाली को और सख्त बनाया जा सके।
वर्ष 1993-94 से 1998-99 तक आडिट द्वारा जमाई गई वसुली योग्य
राशि का विश्लेषण करने पर यह पाया गया है कि साल दर साल इन राशि में
बृद्धि हो रही है। यिना का विषय यह है कि उक्त राशि में अधिकांश राशि रुकी है
की आन्तरिक गॉज के दायरे में आती है।
वसुली योग्य राशि का विश्लेषण करने पर यह पाया गया है कि उक्त राशि
ही कारण है (निम्न सूची संलग्न है) जिनके कारण आडिट द्वारा प्रतिवर्ष वसुली योग्य
राशि जमाई जाती है।
वर्ष 1993-94 तक आडिट द्वारा जारी की गई है कि उक्त कारणों से होने वाली
वसुलियों को और विशेष ध्यान दिया जाए ताकि उनकी पुनरावृत्ति रोकिया सके तथा
आन्तरिक गॉज प्रणाली में सख्त व जागरूकता कर और सुदृढ़ बनाया जाए।
संलग्न - उपरोक्त

—
अंजलि गोयल
निदेशक वित्त (सी. सी. ए.)
रामे कोर्ट.

Personal/Establishment Matters.

1. Non-recovery of private calls, diet charges, electric charges, geyser/lawn charges.
2. Overpayment of FLB, DA, HRA, CCA, TA, leave salary, tuition fee, incentive bonus and transportation allowance.
3. Non-recovery of PLB, FSC charges, professional tax, income tax, advances, interest on advances, shortage/debit from staff.
4. Excess credit of interest on PF account of the employees.
5. Non-recovery due to issue of Railway passes for longer routes in excess of the permissible limit/excess issue of passes/irregular issue of passes to ineligible children of Railway employee/non returning of foil of used passes by the employees
6. Irregular payment of family planning increment/personal pay.
7. Irregular/overpayment of incentive bonus due to misclassification of category workers in the workshops.
8. Short recovery/non-recovery of license fee of quarter from the staff.

Non Establishment Matters.

1. Non-recovery of license fee from stallholders.
2. Non-recovery from catering staff due to excess consumption of raw material.
3. Non-recovery of amount of short supply of material, rejected stores, advance from the supplier/contractors.
4. Non-recovery of inspection charges, liquidated damages, freight charges risk & cost purchase, amount from the contractors/suppliers revised maintenance charges from siding owners.
5. Non-inclusion of FSC charges/leave salary through estimate of deposit work carried out for private parties.
6. Loss due to irregular grant of train load benefit to the consignor, non implementation of rationalization orders, revised tariffs wharfage/demurrage charges.
7. Non-recovery of departmental charges on reciprocal basis from State Govt/other parties on account of their deposit work carried out by Railway.
8. Non-recovery of crane charges from the contractors.
9. Short realization of fare in selling of vendors, ticket surcharge on uncashed DD undercharges on to pay traffic or due to error in calculation or due to delayed implementation of revised classification.
10. Non-recovery of works tax, sales tax, penalty charges from the contractor, extra expenditure of ED paid from the firms.
11. Excess payment of rental charges, license fee.
12. Non refund of excess paid custom duty from custom authorities.

2001/AC-II/45/6

e6-11-2001

C&AO,
Zonal Railways/PUs)

Sub:- Recoveries at the instance of Audit.

The C&AG's Audit Reports for the years 1995-96 to 1999-2000 indicates recoveries at the instance of Audit from the Railway/Units as below:-

S.N	Railway	(Figures in crores of Rs.)				
		95-96	96-97	97-98	98-99	99-2000
1	Central (including MTP-Mumbai)	1.67	1.70	3.36	4.62	5.66
2	Eastern	-	-	3.68	1.05	1.93
3	Northern (including CORE, RDSO, DCW, RCF, COFMOW)	2.57	4.94	6.63	5.04	5.72
4	North Eastern	-	2.63	4.52	17.78	6.30
5	North Frontier	-	-	-	1.92	1.57
6	Southern (including WAP & MTP-Chennai)	2.57	2.86	3.05	3.38	3.69
7	South Central	2.09	1.59	3.25	2.26	1.55
8	South Eastern	1.31	1.62	1.85	1.23	1.74
9	Western	6.40	6.98	7.25	7.04	11.43

The above position for five years shows an increasing trend which needs to be noted.

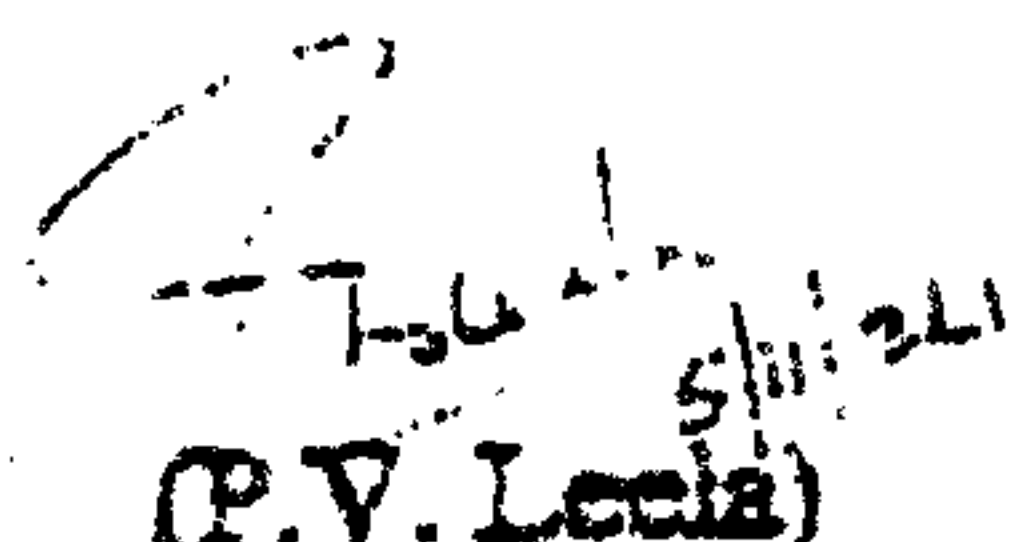
A matter of serious concern for us is the fact that most of the recoveries pointed out by Audit have resulted due to failure of our internal check mechanism. The recoveries pointed out by Audit could have been avoided had our internal check been carried out as per laid down procedures. A major part of the recoveries pertain to payments due from outsiders (undercharges) and payments made to outsiders (contractual payments & misc. bills).

Hence, special attention must to be given to internal check of invoices in the Traffic Accounts Offices, and passing of Stores Bills and Contractual payments in all Accounts Office with a view to bring about qualitative improvement. Detailed guidelines for internal check for these items, if not already issued in the form of Manuals etc., may be issued for checking staff to follow. Percentage checks (on internal check done by checking staff) at levels prescribed must be carried out without fail. Undercharges/overpayments detected during test check must be examined for identifying shortcomings if any, in the manner of

ANNEXURE- 14/1

internal check being done. Commonly occurring or often repeated errors in internal check must be circulated amongst the accounting units on your Railway. These are some suggestions for Zonal Railways to follow.

Kindly acknowledge receipt.


(P.V. Leela)
Jt. Director Finance/CCA
Railway Board.