

No INS 1/377(26)/97 AD/HO

CIRCULAR LETTER (STATUTORY MATTER)

Sub INTERNAL AUDIT INSPECTIONS - Physical verification of Tools & Plant
Accounts of Head Office Units Reg

Ref 1) VC & MD's Circular No CA/648(I)/8-AD, dated 20 03 1982
2) AGs Report No AG/RTC/II/8-13/96 97/71 dated 24 01 1997

1 As per prevailing procedure, the Custodian/Unit Officer of Tools & Plant, Office Furniture and Equipment etc is responsible for upkeep of all relevant records viz Register for Receipts & Issues of T&P Items, Monthly Returns in Form MTD/419, Annual Return of T&P in Form MTD/419/A Locality Register and Locality Summary Register etc All the transactions taken place during financial year shall have to be properly recorded in the Receipts and Issues Registers reflected in the Monthly Returns and posted into the Annual Return after verifying with all the Receipt Vouchers (viz RS17 MTD 68/Bs LP Bills Manufacturing' ROs) and by taking strength from monthly Form A (small) and Form A (Large) which are the basic records

2 The Unit Officer/Custodian is also required to post all the transactions in the Annual Returns and strike out the closing balances as on 31 MARCH of the year and furnish a certificate to that effect in the Annual return

3 In order to conduct physical verification of T&P issued to the various users as recorded in the "Locality" the custodian shall update the "Locality Summary" and also compare the physical stocks with book balances

4 Thus being the procedure and responsibility of the Custodian/Unit Officer the past experience shows that the Audit Teams were returned back on the grounds of non maintenance of the said records in the required manner resulting in postponement of physical verification which ultimately resulted into "Pendency

5 AG has been commenting critically on the pendency of physical verification in all the Units of Head Office

6 A specific drive has now been proposed to conduct physical verification before 31 03 1997

7 For this the Unit Officers are requested to comply with the following requirements

- 1) Produce updated records enumerated as above
- 11) Keep all the T&P, Furniture & Equipment etc in identifiable manner as per T&P Annual Return
- 111) Produce them for physical verification by the Internal Audit Staff and get them verified

8 For this a time bound programme has been chalked out according to which the Internal Audit staff will be directed from the 2nd week of March 1997 onwards

Sd/- (TN Swamy)
CHIEF AUDITOR