



**GOVERNMENT OF WEST BENGAL  
PUBLIC ENTERPRISES & INDUSTRIAL RECONSTRUCTION  
DEPARTMENT  
INTERNAL AUDIT REPORT**

**FOR THE PERIOD FROM 01.11.2023 to 31.03.24**

**INTERNAL AUDIT CONDUCTED BY  
( Name of the Auditors )**

:

1. Suvankar Dey, AFA
- 2.
- 3.
- 4.

**REPORT ISSUED ON 06.05.2024**

**EXECUTIVE SUMMARY**

1. Objective and Scope:

The overall objectives of Internal Audit is to provide assurance to management in the office in the effective discharge of responsibilities by evaluating and reporting on the effectiveness of the internal controls system implemented by the concerned officials/ staffs of that particular department /office. An effective internal audit system leads to improved accountability, ethical and professional practices, effective risk management, improves quality of output and supports decision making and performance tracking

2. Methodology :

The audit inspected all the service records, records related to stock, Various bills , cash book and vouchers of the selected months to conduct the compliance audit.

### 3. Audit Observations :

1. Stock Book:- The following observations has been found on scrutiny of stock book

I .While auditing the record of stationery stock register, it is found that the page number certificate was not given on the first page of stationery stock register.

II. No remedial measures have been taken against the previous observations raised in the last internal audit regarding stock book conducted for the period from 01.04.2022 to 31.10.2023.

Necessary steps should be taken to update/rectify the stock registers after due verification of records.

2. Cash Book:- The following observations has been found on scrutiny of cash book

While verification of cash book , it has been found that permanent advance was not adjust regular basis.

3. Irregularities in hiring of vehicles and payment thereof:-

- I. On the verification of hire charges bill of vehicles , It is noted that TDS on GST@2% have not been deducted on the bill amount in accordance with the notification no. 6649-F(Y) dated 26.10.2018 read with the notification no. 6284-F(Y) dated 28.09.2018. Some of the instances includes as follows:-

SL No	Bill No	Bill Date	Service Provider	Amount
1	463	22.02.24	Hiring of vehicle	89,260
2	496	12.03.24	Hiring of vehicle	43,611

- II. While verification of hire charges bill of vehicles, extension order for re-engagement of vehicles was not placed during the audit in respect of the following vehicles:
- a. WB-11E-4504
  - b. WB-25L-5238
  - c. WB-19J-1918

4. Irregularities in recording/maintenance of service books of officials :-

During the test check of service books maintained by the PE&IR Department, the service books of the following employees have been sample tested

Sl. No	Name & Designation
1	Priyabrata Mukherjee, Basic Ward Peon

2	Avijit Das, Record Supplier
3	Ahitosh Roy, Group-C
4	Sounak Basu, Record Supplier
5	Dipannita Sarkar, Group-D
6	Papai Roy, Peon
7	Tanmoy Maity, Peon
8	Shampa Chakraborty, Peon
9	Naba Ganguly, Peon
10	Sagnik Basu, Peon

The following shortcomings have been noticed :-

- I. Nomination forms for death gratuity, death cum retirement benefit, GISS, provident fund are missing in some cases(Sl no. 5,6,8,9,10)
- II. Leave account has not been upto date in respect of the employees against sl no. 3,5,6,8,10
- III. Leave account has not been authenticated by the competent authority in respect of the employees against sl no. 1,4,5,10
- IV. Service books have not been verified yearly basis in respect of the employees against sl no. 1,2,3,4,5,6,7,8,9,10

The HOO may take necessary steps to complete the service books of the employees.

5.Quotation/Tender: The following observations has been found on scrutiny of quotations and tenders:-

While checking the quotation file regarding income tax, P. Tax, GST and other tax related works (computer file no. E-324516) , it has been observed that the quotation was not floated /matured from 2022-23 onwards. Quotation may always be invited well in advance before the contract has come to an end . The HOO may take necessary steps for floating of quotation in respect of income tax, P. Tax, GST and other tax related works as early as possible.

6. Non-realisation of soft loan from the companies: -

Govt. of West Bengal sanctioned soft loan to various companies in order to overcome sick industries. The soft loan was sanctioned mainly for payment of arrear sales tax to the Govt. However, most of the companies remained silent towards repayment of principal amount and interest accrued thereon. Some of the instances includes as follows: -

I. 2(two) loans was sanctioned in favour of M/s. Kusum Products Ltd towards repayment of arrear sales tax dues (computer file no.E-673410).

1st. Loan - Rs. 2,40,85,689/- vide G.O. No. 8250-IR dt.12.11.2002.

2nd Loan - Rs. 14,94,128/- vide G.O. No. 2379-IR dt.01.07.2005.

This company repaid neither principal nor interest till date. It has been found from the Master Data that the company is Active. Thus, it is clear that without paying any principal and

interest, this company enjoyed the benefit of loan. The department had not initiated any legal action against the defaulter as per terms and condition of the agreement.

- III. Caledonian Jute Industries Limited was sanctioned a loan of Rs. 8,50,99,289/-by the then IR department vide G.O No. 4994-IR dated 25.08.2003 towards repayment of arrear sales tax dues. This company repaid neither principal nor interest till date. Suitable legal action may be taken in this respect.

However, we have verified others vouchers and supporting documents with respect to proper sanction and approval by competent authority according to the delegation of financial power and compliance to prescribed guidelines.

We have examined books of accounts , other bills of this department for the above mentioned period and found in conformity with the treasury rules-2005, financial rules.