



Government of West Bengal
Department of Public Enterprises & Industrial Reconstruction
4, Abanindranath Tagore Sarani, 2nd Floor, Kolkata-700016

No. 1324-PEIR-99/73/2022-ESTT SEC-PEIR

Date: 11.11.2024

Notification

In view of smooth control and monitoring over the audit matters in respect of IR/PSU/JV companies of PE&IR Department, following guidelines are to be followed while conducting internal audit-

1. Internal Audit Team may check the present status of the company from ROC.
2. Internal Audit Team may check whether the Annual Financial Statement filling with MCA is up to date.
3. Last three years audited balance sheet and profit and loss account may require for checking for the companies.
4. Internal Audit Team may also check the amount of loans so disbursed in favour of the companies and the present status of the recovery of the loans.
5. Internal Audit Team may also check whether the legal formalities have been completed in respect of the closed companies.
6. Internal Audit Team may also check Assets and Liabilities of the companies.
7. Internal Audit Team may also verify the waiver of interest in respect of the companies and that have been done with the approval of Finance Department/Cabinet decision.
8. Internal Audit Team may check the Present status of the lands in respect of the closed companies
9. Debtors and creditors of the company may be checked and Provision for Bad debt may be made.

This has approval of the Secretary of this Department.

Deputy Secretary
to the Govt. of West Bengal.

No. 1324-1(3)-PEIR-99/73/2022-ESTT SEC-PEIR

Date: 11.11.2024

Copy forwarded for information and necessary action to:-

- 1) Sr. PS to the Secretary of this department.
- 2) Shri/Smt. _____
- 3) Office copy.

of this Department.

Deputy Secretary
to the Govt. of West Bengal.

Salient points of Internal Audit as discussed in the Training Session of Finance Department needs to be examined during audit period and annexed with this Department memo no. 1324-PEIR-99/73/2022-ESTT SEC-PEIR, dated 11.11.2024.

A.	Receipts	
i.	Whether a proper demand register is maintained in revenue earning departments to ensure that all demands are taken into account and no Government dues left outstanding?	
ii.	Whether all receipts and refunds are checked against demand?	
iii.	Whether the revenue collections, both online and through cash, are accounted for regularly and properly under the appropriate heads of accounts?	
iv.	Whether any amount is credited into suspense head of account and if so, whether appropriate measures have been taken in re-appropriating the same under the proper head of account?	
v.	Whether all cash receipts are deposited into Government exchequer within the time period as stipulated under the law?	
vi.	Whether all receipts are reconciled between Treasury account and Departmental account regularly?	
vii.	Whether irrecoverable dues are ascertained and whether adequate steps are taken for recovery of the same under the existing Government rules adhering to the stipulated timeline under the law?	
viii.	Whether proper checks have been adopted to restrict double refund, fraudulent or forged refund orders or refund by mistake?	
B.	Expenditure	
i.	Whether all expenditures are authorised by the competent authority and against funds available for the same?	
ii.	Whether the expenditures are in accordance with WBFR and within the limit as prescribed under the rules ibid with due regard to the principles of financial propriety?	
iii.	Whether actual expenditure incurred is within budgeted limits and in case of budget overrun, approval of competent authority is available?	
iv.	Whether the expenditures are correctly recorded in the accounts under appropriate heads of account in regular manner?	
v.	Whether appropriate measures have been taken to ensure that the claims are not time barred and if so, necessary Government approval is available to release the claim?	
vi.	Whether each voucher bears a pay order duly signed by the authorised disbursing officer clearly mentioning the payable amount both in figures and words and defaced so that they cannot be used again?	
vii.	Whether the charges, inadmissible and in excess of the sanctioned scale have been split into two or more different bills to make them admissible?	
viii.	Whether all statutory deductions as applicable as per rules in vogue have been made while making the payments?	
ix.	Whether any Duplicate payment is made against the same bill?	
x.	Whether Payment made against expenses is recorded in the cash book under appropriate expense head on a timely basis or not?	
xi.	Whether accounts is prepared and maintained properly?	
xii.	Whether all ledgers bear an opening certificate duly signed by the competent authorities and all pages are numbered?	

xiii.	Whether the details of all valuables, viz., bank drafts/ cheques/ postal orders, etc., are maintained in a Register of valuables?	
xiv.	Whether all bank accounts, preferably current in nature, have been opened with the approval of the competent authority and interest earned, if any, remitted to the grantee organisation?	
xv.	Whether Bank Reconciliation Statement (BRS) is prepared properly and regularly?	
C.	Vehicle management	
i.	Whether separate registers are being maintained for Govt. owned vehicles and hired vehicles?	
ii.	Whether a stock account of all the Govt. vehicles in use, together with their spare parts, is maintained and periodically checked?	
iii.	Whether average running mileage per litre of each vehicle has been worked out and the monthly average consumption of fuel is verified as per the 'Operational' and 'Non Operational' categories of the vehicles?	
iv.	Whether Log Books of the vehicles are maintained properly and scrutinised regularly to avoid misuse?	
D.	Purchasing/Online Requisitioning	
i.	Whether competitive bidding procedures are followed on all requisitions against standing purchase policies?	
ii.	Whether passwords are kept secret to preserve approval control over requisitions?	
iii.	Whether all requisitions are reviewed by the department administrator to ensure reasonableness and appropriate delivery address?	
iv.	Whether all purchases and requisitions of goods and services are reconciled in the monthly Report of Transactions and Statement of Account?	
E.	Information System Security	
i.	Whether the secrecy of password is maintained in respect of departmental staff?	
ii.	Whether computer applications are logged off when the user is away from the terminal or PC?	
iii.	Whether all disks, brought in from outside sources, are tested for computer viruses before being used?	
iv.	Whether back-up disks of all critical information are maintained?	
v.	Whether sensitive information are protected by password or by other means?	
vi.	Whether staff members are encouraged to save work frequently?	
vii.	Whether electrical surge suppressers are used on all computer equipment?	
F.	Fraud Indicators	
i.	Whether employee performance is reviewed and documented annually?	
ii.	Whether unusual trends or discrepancies in department accounts are identified and reconciled monthly?	
iii.	Whether missing numbers in sequences of numerically controlled documents are identified and investigated immediately?	
G.	Procurement of Goods and Services	
i.	Whether the purchase of goods (including assets) / services is made only against actual need or not?	
ii.	Whether Goods (including assets) / services is purchased in compliance with relevant Govt. Orders and in accordance with the approved annual budget?	
iii.	Whether Purchase is made by the appropriate authority, as per Schedule of Authority or not?	

iv.	Whether Payment is made to the supplier only after receipt of goods (including assets) / services after making adjustment of advance, if given?	
v.	Whether Payment is made to the suppliers in compliance to the terms and conditions in Purchase Orders?	
vi.	Whether Payment is made to the suppliers after ensuring statutory deductions?	
H.	Tendering Process	
i.	Whether Notice inviting tender (NIT) is published in a widely circulated newspapers in compliance with relevant GO within reasonable time after appropriation of fund?	
ii.	Whether for all project value above that specified in relevant GO, e-tendering is compulsorily done?	
iii.	Whether NIQ/NIT is put up on the website after appropriation of Fund in compliance to Departmental Financial Sanction Order?	
iv.	Whether tender forms are sold as per the prescribed rate of Government or not?	
v.	Whether Tender forms sold are properly recorded and accounted for or not?	
vi.	Whether Tender is received after closing time and date?	
vii.	Whether relevant GOs are followed or not for opening the Tenders?	
viii.	Whether Contract is awarded to only technically qualified contractors or not?	
ix.	Whether any tender initiated during the audit period? If yes, how many?	
x.	Whether there has been any major delay in making final decision after opening of tenders, if any?	
xi.	Whether Earnest money of the rejected contractors has been immediately refunded or not?	
xii.	Whether records of rejected tenders are maintained adequately or not to ensure audit trail?	
xiii.	Whether Job is allotted to contractor with lowest bid or not. In case of an exception, reasons should be available for allotting the job to other than the lowest bidder?	
xiv.	Whether Rate at which job is awarded is unreasonably low or high compared to the latest Schedule of Rate (SOR) of PWD in respect of Works contract?	
xv.	Whether Agreement was signed by the contractor within the time limit set by the Government or not to ensure there was no delayed start of the project?	
xvi.	Whether Terms and conditions mentioned in the agreement is clear or not and should be based on the latest government policies and guidelines?	
xvii.	Whether adequate safeguards have been taken against the contractors executing the job after allocation or not to ensure completion of project on time?	
I.	Stores	
i.	Whether Goods received at stores are authenticated?	
ii.	Whether Goods received at stores are as per specification given in the Purchase Order?	
iii.	Whether Goods are issued from stores only after authorisation from the competent authority?	

iv.	Whether Stock receipts, issues and balances are properly maintained and updated?	
v.	Whether Stock is maintained at optimum level to avoid blockage of fund?	
vi.	Whether a proper stores register is being maintained and every material receipt information is recorded therein?	
vii.	Whether Stock shown in books is physically available?	
J.	Asset maintenance and Disposal	
i.	Whether Fixed asset register is properly maintained and authenticated?	
ii.	Whether Physical existence of assets is ensured?	
iii.	Whether all the assets in the office have unique asset number and can easily be identified by that number?	
iv.	Whether condemnation committee was formed for disposal of assets at best possible rate?	
v.	Is fixed assets are installed outside the premises of auditee organisation?	
vi.	Is depreciation and impairment of fixed asset is exercised with relevant accounting standards?	
K.	Cash and Bank	
i.	Whether Cash Book is properly maintained and authenticated regularly?	
ii.	Whether Cash or Cheque received is recorded timely and accurately?	
iii.	Whether Imprest cash account is maintained in the prescribed format and periodically entered in the cash book?	
iv.	Whether Temporary Advance is adjusted at the earliest or not?	
v.	Whether Cheque Books are properly maintained and securely stored?	
L.	Debtors	
i.	Whether Sundry Debtors are recorded for all valid sales/ dispatches/ services rendered and are posted to correct customer and sales account?	
ii.	Whether the process around monitoring of receivables and follow-up for due amount is done periodically?	
iii.	Whether the receivables are reflected at their realizable value?	
M.	Creditors	
i.	Whether invoice accounting is free from errors and is recorded in correct GL account?	
ii.	Whether same invoice is posted more than once?	
iii.	Whether Trade payables are recorded for all the goods received?	
iv.	Whether all payments to vendors are authorized?	

v.	Whether excess pay-out to vendors is avoided?	
vi.	Whether payments are made to the correct vendor only?	
vii.	Whether monitoring and status update of creditor balance on periodic basis?	
viii.	Whether credit balances reflect all the transaction with the vendors?	
N.	Establishment	
i.	Whether Department has adequate control over the employment details of the employees or not?	
ii.	Whether attendance Register is properly maintained and reviewed by appropriate authority?	
iii.	Whether correct salary as per latest increment order is being paid to each employee?	
iv.	Whether leave is correctly maintained and approved?	
v.	Whether PF, ESI, Income Tax, GST etc. is accurately deducted, timely deposited and return filed as required?	
vi.	Does the auditee maintain a tracker to monitor the compliance related to TDS, TCS, GST, PT, EPF and ESIC?	
vii.	Does the auditee ensures compliance of EPF and ESIC by manpower contractors?	
viii.	Whether advances given to employees are as per applicable rules and approved by competent authority?	
ix.	Whether deduction for employee advance is appropriately considered at the time of payroll processing?	
O.	Pension	
i.	Whether the Auditee acts as Pension Sanctioning Authority?	
ii.	Whether all the liabilities of the retiring employee are taken into account at the time of preparing the pension file?	
iii.	Whether pension papers are prepared on updated service records of the employee?	
iv.	Whether pension papers are sent to the pension approving authority within due time?	
P.	Public grievance management	
i.	Whether timely action is initiated by the Department on complaints?	
Q.	Action Taken on Reported Fraud	
i.	Whether Timely and appropriate action has been taken or not against the reported fraud?	