

**AUDIT REPORT OF DY. LABOUR COMMISSIONER, DISTRICT NORTH,
NIMRI COLONY, ASHOK VIHAR, DELHI
FOR THE PERIOD 2009-10 AND 2010-11**

INTRODUCTION

Audit on the accounts of District North for 2009-10 and 2010-11 was conducted by field Audit Party No. XV comprising of S/Shri Ganesan M., IAO, Sanjeev Kumar, AAO, Rama Kanta Verma, Head Clerk and A. S. Khera, UDC. The audit was conducted during 10 working days w. e. f. 29.07.2011 to 11.08.2011.

AIMS AND OBJECTIVES

Aims of the Department is to promote growth of Industrial and Commercial activities by ensuring harmonious relationship between employer and workmen, providing statutory cover to the workmen through preventive, conciliatory effort, adjudicatory, punitive action and promoting welfare oriented activities through planning process to alleviate the suffering of the working class in the National capital Territory of Delhi..

HOD/H.O.S/D.D.O's / CASHIERS

The following officer/official served as HOD/HOO/DDO/Cashier during 2009-11:

S. No.	HOD	Head of Office	DDO	Cashier
	S/Shri	S/Shri/Ms.	S/Shri	S/Shri
1	Ramesh Tiwari, Commissioner (Labour)	Lallan Singh (April 09 to 31.03.2010) S. K. Dahiya (01.04.2010 to 30.06.2011)	Yogi Raj, ALC upto 30.04.2010 Dayal Singh (01.05.2010 to 30.09.2010) B.K.PURI (01.10.2010 to 31.03.2011)	Smt. Sarabjeet Kaur, UDC (01.05.2009 to till date)

Budget Allocation and Expenditure for the year 2009-11:-

	Budget (Rs. in lakhs)	Year	Expenditure up to year ending	Excess / Saving (Rs. in lakhs)
Plan	Nil	2009-10	Nil	Nil
	Nil	2010-11	Nil	Nil
Non- Plan	50.00	2009-10	49.34	0.66
	68.60	2010-11	66.45	2.15

Statutory Audit:-

Statutory audit of District North has not been conducted by AG (Audit) Delhi till date.

Sanctioned Strength and Men in Position.

S. No.	Name of Post	No. of Posts Sanctioned	Filled	Vacant
1.	DLC	1	1	0
2.	ALC	1	1	0
3.	LABOUR OFFICER	1	1	0
4.	ASTT. ELEC.INSPECTOR	1	1	0
5.	INSPECTOR OF FACTORIES	1	1	0
6.	INSPECTING OFFICER	2	1	1
7.	STENO GR.II	1	0	1
8.	STENO GR III	1	1	0
9.	INSPECTOR GR II	4	2	2
10.	INSPECTOR GR III	1	1	0
11.	UDC	2	1	1
12.	LDC	1	1	0
13..	ORDERLY	1	0	1
14..	CLASS IV	4	0	4
	Total	22	12	10

Maintenance of Records:-

Maintenance of records of District North for the period 2009-11 was found satisfactory subject to observations made in Current Audit Report and in Test Audit Note.

Old Audit Report:-

1st Audit

Current Audit Report

During the course of current audit, **10** audit memo's (including 1 record memo) highlighting various irregularities/ short recoveries to the tune of **Rs. 1086/-** were issued. Department has shown compliance of **2** audit memo's i.e. Memo No.2 in part and 10 with a recovery to the tune of Rs.1086/-. Hence, Memo No.2 is settled in part and Memo No.10 in full. **9 (3 para + 6 TAN)** audit objection have been incorporated in current audit report.

Details of Current Recovery (Audit period 2009-11):-

Memo No.	Total Recoveries (in Rs.)	Amount Recovered	Balance (in Rs.)
10	1086	1086	Nil

The internal audit report has been prepared on the basis of information furnished and made available by the O/o The Dy. Labour Commissioner (North) for the period 2009-10 and 2010-11. The Directorate of audit, GNCT of Delhi disclaims any responsibility for any misinformation and/of non-information on the part of auditee unit.

(GANESAN M.)
I.A.O.

PART – II
CURRENT AUDIT REPORT
(2009-2011)

Para 1

(Audit Memo. No.3 Dated 05.08.2011)

Sub: Contingent Vouchers

Test check of contingent vouchers pertaining to the audit period i.e. 2009-10 and 2010-11 has revealed some of the discrepancies, which are as under:-

1. C.V. No.108 dated – amounting to Rs.8250/-

Vide this CV, an amount of Rs.4250/- paid to M/s Roopak Dry Cleaners towards dry cleaning of 8 curtains @ Rs.50/- totaling to Rs.400/- and dry cleaning of 190 venetian blends @ Rs.15/- totaling to **Rs.2850/-**. This amount of **Rs.2850/-** has been shown as Rs.3850/- by tampering/overwriting on the figure of Rs.2850/-. As such, the payment made to the dealer of Rs.4250/- instead of Rs. 3250/- is totally irregular. Hence, the excess payment of Rs.1000/- made to the M/s Roopak Dry Cleaners requires clarification. Further, vide this C.V. No. an amount of Rs.200/- was also paid towards photostat charges, but no copy of the bill placed attached with the Contingent Voucher.

2. C.V. No.161 dated 30.03.2011 amounting to Rs.20962/-

During the scrutiny of the bill, it has been noticed that an amount of Rs.20962/- paid to M/s Laxmi Store vide its Receipt No.5725 dated 14.04.2011 (Ch. No.193038), which is not in order as the whole amount of Rs.20962/- does not pertain to M/s Laxmi Store as some of the bills in this voucher pertains to M/s Laxmi Enterprises and Laxmi Printers, who are having different addresses as well as Tin Nos. Details are as under:-

S. No.	Name of the Supplier	Address and Tin No.	Bill No./Date	Amount (Rs.)
1.	M/s Laxmi Store	B-1606 Shastri Nagar, Delhi (Tin No. 07290211530)	5263/12.01.11	1796
2.	-do-	-do-	4250/10.01.11	1733
3.	-do-	-do-	2603/23.10.10	4316
4.	M/s Laxmi Enterprises	B 1644/4 1 st Floor, Shastri Nagar, Delhi (Tin No. 07400199393)	535/07.07.10	1680

5.	-do-	-do-	542/12.07.10	1867
6.	M/s Laxmi Printers	B 1637, Shastri Nagar, Delhi (Tin No.07590292651)	1525/08.07.10	1922
7.	-do-	-do-	2787/29.09.10	1894
8.	-do-	-do-	2792/01.10.10	1050
9.	-do-	-do-	2767/27.09.10	1890
10.	-do-	-do-	2757/24.09.10	1868
11.	-do-	-do-	538/30.04.10	945
Total				20,962

It may be clarified to the audit when three different firms namely M/s Laxmi Store, M/s Laxmi Enterprises and M/s Laxmi Printers have supplied the material amounting to Rs. 7845/-, Rs.3547/- and Rs.9569/- respectively as to how the cheque can be issued only to M/s Laxmi Store for Rs.20961/-.

3. V. No.137 dated 27.01.2011 amounting to Rs.7350/-

Vide V. No.137 dated 27.01.2011, an amount of Rs.7350/- was paid to Sh. Vinod Wadhwa, Govt. Counsel on account of professional service/fee, but no bill for claiming such fee by the Govt. Counsel has been found attached with the Voucher.

4. C.V. No.100 dated 20.02.2010 and V. No.111 dated 19.03.2010

The District has purchased cloth, Rods and Rings for curtains from M/s Ram Furnishing amounting to Rs.11300/- vide C.V. No.100 dated 20.02.2010 and stationery items amounting to Rs.6241/- from M/s R. P. Traders vide C.V. No.111 dated 19.03.2010. In both these cases, the certificate as required to be recorded under Rule 145 of General Financial Rules by the Head of the Office being the competent authority has not been found recorded any where on the bill.

5. C. V. No.110 dated 19.03.10 amounting to Rs.3245/-

An amount of Rs.50/- paid towards Photostat charges vide this C.V. No., but no copy of the bill found attached with the C.V.

6. CV No.83/13.1.2010

An item Stapler (2 Nos.) amounting to Rs.140/-was purchased from M/s Laxmi Stores vide Bill No.12 dated 09.01.10. Scrutiny of the stock entry recorded by the Store Keeper on the face of the bill revealed that these staplers were entered at Page 04 of Stock Register, but no such item found recorded on the said page. Further stock entry of one of the item mentioned at S. No.1 (item not legible) of the said bill of Laxmi Store

amounting to Rs.100/- could not be verified by the audit as no page no. of SR for recording stock entry found written on the bill.

7. CV No.111 dated 19.03.10 amounting to Rs.6080/-

The following items were purchased from M/s R. P. Traders vide Bill No. -dated 19.03.10. Scrutiny of the pages of Stock Registers regarding stock entry on the face of the bill revealed that no such item found recorded on the said pages of Stock Registers.

S. No.	Name of Item	Qty.	Rate	Amount (Rs.)	S. No. of Bill
1.	Dustbin small	1	90	90	1
2.	Dustbin Big	6	160	960	2
3.	Forms	1 pad	170	170	6
4.	Form 16	1 pad	160	160	8
5.	Duster	12	22	264	19

8. CV No.97 dated 17.02.10 amounting to Rs.7354/

An item i.e. 6 Nos. of Shorthand Note Book was purchased from M/s Delhi Consumers Co-op. Wholesale Store Ltd. @ Rs.12/- amounting to Rs.72/-. Scrutiny of the stock entry as recorded on the face of the bill revealed that these books was entered in the Stock Register as 12 Nos. amounting to Rs.480/-. It is not clear to audit when the Deptt. has received only 6 Nos. of books totaling to Rs.72/- as to how these have been entered in the Stock Register as 12 Nos. totaling to Rs.480/-. It requires clarification.

9. CV No.162 dated 30.03.11 amounting to Rs.8140

An item i.e. 2 Nos. of Pen Drive 2 GB amounting to Rs.750/- was purchased from M/s Delhi Consumers Co-op. Wholesale Store Ltd. Scrutiny of the stock entry as recorded on the face of the bill revealed that these are entered at Page No. 1, but no such item found entered/recorded on such page.

10. CV No.161 dated 30.03.11 amounting to Rs.20962/-

Scrutiny has revealed that M/s Laxmi Store had supplied following items and stock entry recorded by the Store Keeper on the face of the bill further revealed that these items were entered at Pages mentioned against each, but no such item found recorded on the said page.

S. No.	Name of Item	Bill No.	Page No. of SR as per Bill	Qty.	Amount (Rs.)	S. No. of Bill
1.	Index Register 4 Quire	5263 dt. 12.01.11	18	3	360	4
2.	Paper A-4	4250 dt. 10.01.11	4	10	1650	1
3.	Glass Fancy	2603 dt. 23.10.10	9	6	168.75	1

11. During the test Check of stock entries recorded on some of the Contingent vouchers, difference have been found in the quantity supplied as per bill and quantity recorded in the Stock Register. Instances are as under:-

S. No.	Name of Item	C. V. No.	Qty. as per bill	Qty. as per SR	Rate	Amount (Rs.)
1.	Name Plate	104/25.02.10	3	1	-	768
2.	Name Plate	104/25.02.10	2	1	-	640
3	Name Plate	104/25.02.10	6	1	-	963
4.	Pen	83/13.01.10	3 Pkt.	-	100	300

Reasons for above mentioned lapses may be elucidated to the audit.

Para 2

(Audit Memo. No.8 Dated 09.08.2011)

Sub: Non- reconciliation of receipts.

Scrutiny of records related to receipts collected by the North District of Labour Department for the audit period 2009-11 revealed that the Department has collected receipts in the form of cess and fee as per The Building and Other Construction Worker's Welfare Cess Act, Details are as under:-

(A) Section 3 (1) of The Building and Other Construction Worker's Welfare Cess Act stipulates that "there shall be levied and collected a Cess for the purposes of the Buildings and Other construction Workers Welfare Cess Act, 1996, at such rate not exceeding 2%, but not less than 1% of the cost of construction incurred by an employer." Scrutiny has revealed that cess @ 1% of the cost of construction is being collected by the Deptt. and receipts amounting to Rs.18,49,74,573/- and Rs.31,63,10,896/- have been collected for the years 2009-10 and 2010-11 respectively by the North Distt. It has been seen that this Cess have been collected either in the form of cheques or Demand Drafts from the employer.

The record pertaining to receipts does not show anywhere the date of depositing of cheques/DDs. In the absence of vital information, the audit was not able to ascertain as to whether all the cheques/DDs were deposited in time or not. Further, no reconciliation of deposits is being done by the Department as such the possibility of dishonoring of cheques cannot be ruled out.

Further, Section 3 (2) of this Act states that “the Cess shall be collected from **every employer** in such manner and at such time in relation to a building or other construction work of a Govt. or of a public sector undertaking or advance collection through a local authority where an approval of such building or other construction work by such local authority is required.”

In this regard, the audit has asked for the information as to whether the Cess is being collected from every employer, which falls under the jurisdiction of District North in accordance with Section 3 (2) stated above. But the department has not provided the information till the date of completion of audit.

B. It has been seen that the District has collected fee amounting to Rs.20229/- and 53875/- for the audit period 2009-10 and 2010-11 respectively for making beneficiaries cards under The Buildings and Other construction Workers (Regulation of Employment and Conditions of Service) Act.

Due to non-reconciliation of receipts by the Distt. (North), audit could not verify the amount actually credited in the Govt. account.

Reasons for above mentioned lapses may be elucidated to audit.

Para 3 (Audit Memo. No.9 Dated 09.08.2011)

Subject : Workmen’s Compensation Act.

Test check of the record pertaining to workmen’s compensation account for the years 2009-10 and 2010-11 revealed following shortcomings:-

1. An amount of Rs.9,91,424/- is lying undisbursed as on 31.03.2011. Details are as under:-

	<i>Opening Balance</i>	<i>Received</i>	<i>Disbursed</i>	<i>Closing Balance</i>
2009-10	-	55,92,159/-	34,95,103/-	20,97056/-
2010-11	20,97056/-	35,40,160/-	46,45,792/-	9,41,424/-

Efforts should be taken by the Head of the Office for the early disposal of the compensational amount.

2. It has been noticed that the compensation amounts are being received from the concerned employer in the form of Cheque/DDs by the Deptt. and further it is being deposited in the Bank. Necessary reconciliation of such deposits involving huge amounts in the bank is to be done simultaneously, which is not being done. Hence, it requires clarification.

(GANESAN M.)
I. A. O.
Party No. XV

TEST AUDIT NOTE

TAN 1

(Audit Memo. No.2 Dated 04.08.2011)

Sub: Income Tax

Test check of the record pertaining to the Income Tax for the audit period i.e. 2009-10 and 2010-11 revealed that documentary proves in support of the savings for claiming income tax rebate on account of Tuition Fee not found attached with the Income Tax Calculation Sheet in respect of Sh. Arun Saxena, Inspector for the year 2009-10:

In case the documentary prove in support of saving is not furnished by the official, tax recoverable amount may be worked out and recovered from the official.

In addition to above,

- (i) As per Form-16, rebate on a/c of Intt. on HBA has been allowed to Sh. S. Pandia Ranjan, Inspector for the A Y 2010-11 as Rs.1,25,214/- whereas certificate of Intt. issued by his bank shows Rs.1,16,593/- as total amount adjusted towards interest during that year. As such rebate allowed to the official for Rs.1,25,214/- is incorrect. Hence, the tax of Rs.888/- on excess amount allowed as rebate be recovered/ adjusted from his account. Scrutiny of Form 16 also revealed that a refund of Rs.1913/- has been allowed to the official which should be Rs.1025/- after making adjustment of recoverable tax of Rs.888/-. As such, a revised Form16 be issued to Sh. S. Pandia Ranjan, Inspector accordingly.
- (ii) Scrutiny of Form 16 of Sh. A. K. Srivastava, Inspector revealed that rebate amounting to Rs.84,800/- on a/c of Housing Loan has been allowed to the official for whole of the amount paid by him as EMI for the period 01.04.10 to 31.12.10 under Chapter VI A of Income Tax Act, which is not correct. The Department has not bifurcated the amount paid by him towards Principal and Interest. Amount paid as Interest is allowable under Section 10 and the Principal amount under Chapter VI A of Income Tax Act. Moreover, the statement submitted by the official is upto 31.12.2010 as such the audit faced difficulty in calculating the exact amount allowable to him as rebate for the A. Y. 2010-11.

During the time of audit, the official has submitted his certificate of Interest for the year 2010-11. After considering the same, it has been seen that no additional tax become due from the official. However, a revised form 16 is required to be issued to the official.

Sub: Stock Registers.

Test check of stock registers pertaining to District North has revealed following shortcomings:-

1. The District has maintained so many stock registers whereas two registers i.e. one for consumable and other for Non-consumable is quiet enough to maintain the record.
2. No page counting certificate found recorded on any of the Stock Registers maintained by the District North.
3. It has been noticed that the Deptt. has opened more than one page for recording entry of single item. Instances are as under:-

S. No.	Name of Item	Page Nos.
1.	Punching Machine	5 and 20
2.	Marker	9 and 15
3.	Stapler Pin	11 and 17
4.	Calculator	14, 26 and 1

4. Non consumable items have been found entered in consumable registers like Harison Lock, Scissor etc. being the non-consumable item in nature found recorded in the Consumable Stock Register. Similarly, consumable items have been found entered in Non-consumable Stock Register like cup set, full plates, Medical Forms, GAR-23, LTC Form, Leave Sanctioned Form (27 B), Marker Pen, Fevicol, Stapler Pin, White Fluid etc.
5. Some of the important columns of stock register i.e. quantity consumed, Balance lying in store, signature of receiving authority and Head of the Office etc. have not been found filled up.

In addition to above, scrutiny of the Stock Registers i.e. Consumable, Non-consumable for the audit period 2009-10 and 2010-11 has also revealed that physical verification of the Store has not been conducted as per the provisions contained in Rule 192 (1) (2) & (3) of General Financial Rules.

Necessary certificate for conducting the physical verification as per General Financial Rules may be recorded by the Department.

TAN 3**(Audit Memo. No6 Dated 05.08.2011)****Sub: Service Books**

During test check of service books for the audit period 2009-11, following shortcomings were noticed:

1. No nomination forms such as Death-cum-Retirement Gratuity (DCRG), GPF, Insurance etc were found attached in following service books in respect of following officials/officers:-

S. No.	Name of the official (S/Sh./Smt.)	Designation	Remarks
1.	Anand Singh	UDC	No nominations Form found
2.	Om Parkash Sapra	Labour Officer	No nomination Forms found
3.	Rashmi Ranjan,	Steno	No nomination form of DCRG, Insurance and Family Pension found attached
4.	Naresh Kumar Sharma	Steno	No nomination Forms found
5.	Palo Purty	Ahlmad	No nomination Forms found
6.	Sunil Kumar Gupta,	Inspector	No form of DCRG, Insurance and Family Pension found attached
7.	Sarbjeet Kaur	UDC	No nomination Forms found
8.	Tara Chand	LDC	No nomination form of GPF and Family Pension found attached

2. Form pertaining to Details of Family were not found attached in the Service Book of individual in respect of S/Shri Anand Singh, Om Parkash, Naresh Kumar, Palo Purty, Sunil Kumar Gupta, and Mrs. Sarabjeet Kaur.
3. No photograph found pasted in the Service Book in r/o Mrs. Sarabjeet Kaur,UDC and in respect of the following officials/officers, the photographs pasted in the Service Book were not attested by the Head of the Institute:-

S. No.	Name of the official (S/Sh./Smt.)	Designation
1.	Om Parkash Sapra	Labour Officer
2.	Rashmi Ranjan,	Steno
4.	Palo Purty	Ahlmad
6.	Sarbjeet Kaur	UDC
7.	Tara Chand	LDC

4. Annual Service Verification was not found recorded in the Service Books in respect of following officials/officers:

S. No.	Name of the official/ officer (S/Sh./Smt.)	Service verified up to
1	Om Parkash Sapra	31.07.2006
2	Rashmi Ranjan,	30.04.2009
3	Palo Purty	31.07.2007
4.	Sarbjeet Kaur	30.04.2009
6.	Sunil Kumar Gupta	28.02.2010

5. Earned Leave Account in respect of following officials/officers were not found maintained up-to-date, details are as under:-

S. No.	Name of the official/ officer (S/Sh./Smt.)	Leave Account maintained up to
1	Om Parkash Sapra	31.12.2010
3	Palo Purty	31.12.2009
4.	Sarabjeet Kaur	31.12.2010
5.	Tara Chand	30.06.10

In addition to above, it may be pointed out here that order of Taken on Strength in r/o Sh. Naresh Kumar, Steno does not found placed in the Service Book.

Necessary correction in the above mentioned cases may be made in the Service Books of the concerned official/officer. Similar other cases may also be checked by the Department at their level.

TAN 4

(Audit Memo. No.5 Dated 05.08.2011)

Sub: Fidelity Bond of cashier & care taker.

As referred in Rule 275 (1) to (3) of General Financial Rules, every government servant, who actually handles cash or stores, shall be required to furnish security and to execute security bond. If security is furnished in the form of cash, the security bond should be executed in Form GFR 30 and in case the security is furnished in the form of a Fidelity Bond in GFR 34, the security bond should be executed in Form GFR 31.

Necessary certificate may be obtained from the cashier/storekeeper.

TAN 5

(Audit Memo. No.7 Dated 08.08.2011)

Sub: Pay Bill Register

During the scrutiny of the Pay Bill Register (GAR-17) for the audit period 2009-11 the following shortcomings have been noticed:-

1. Most of the columns of the upper portion of PBR i.e. Date of joining, Govt. Residence occupied, Advance taken etc. have been left blank. In the absence of this vital information, the audit has faced difficulties in checking out the calculations.
2. None of the entries made in the PBR have been found checked/initialled by DDO. Though a separate column has not been given for initials of DDO, it is necessary that DDO initials each entry in the PBR in column 38 for remarks, simultaneously when pay bill is signed.
3. Cuttings/overwriting are not attested.

Necessary correction/entries may be made by the District Office.

TAN 6

(Audit Memo No.1 dated 29.7.2011)

Sub: Non production of records

The Property Register pertaining to District North has not been produced at the time of audit. Same may be shown to the next audit.

**(GANESAN M.)
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Party No. XV**