

**Accounts of Department
Hand Book
Short Title
N.L.A.O. s Hand Book 1952**

Navy



**Issued under the Authority of Military
Accountant General**

MILITARY ACCOUNTS DEPARTMENT

HAND BOOK

OF

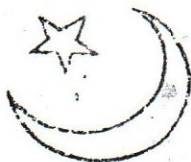
Instructions for the guidance of Naval Local ~~Auditors~~ Officers
and their Staff in the Local Audit and Inspection of stores
and Cash accounts



PC Chapter 1

"SHORT TITLE"

N.L.A.O.'s Hand Book, 1952 (~~১৯৫২~~)



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NAVAL LOCAL AUDIT OFFICER'S HAND BOOK, PART I—
INSTRUCTIONS FOR THE LOCAL AUDIT OF STORE ACCOUNTS.

1. *Agencies by which Local Audit is conducted.*

The audit of store accounts is conducted locally by N. L. A. O. acting under the orders of the Controller of Naval Accounts. It is organised under two categories, viz :—

(a) Audit by Local Audit Staff.

The Local Audit will be carried out by the N. L. A. O. with the assistance of the requisite staff placed at the disposal by the Controller of Naval Accounts.

(b) Review of Local Audit by a Superior Service Officer.

This review is carried out in accordance with the rules laid down in Appendix II to the Office Manual Part I and any other subsidiary orders issued by the M. A. G. or the C. N. A. from time to time.

2. *System of accounting and audit arrangements.*

The system of accounting adopted by several categories of vessels and formations is outlined in para 3, Appendix 'B' Section I. The accounts generally maintained by the vessels and formations, the period for which they are to be prepared, and audit arrangements are shown in Annexure I.

3. *Scope of Local Audit.*

The audit of numerical store accounts will in general be carried out to the extent prescribed from time to time by the M. A. G. The normal extent of Local Audit is as laid down in para. 18 (VI), Chapter 14 of Military Audit Code (Reprint-1942), Chapter II of Office Manual, Part VII, and late M. A. G., India, memo. No. 7096/R of 26/240, and 31/5/40.

4. (i) *General Rules for the conduct of Local Audit.*

The detailed instructions for the audit of store accounts maintained by vessels and formations are given in appendices A, B and C. The following principles, however, apply in general to the Local audit of all store accounts. It should be seen—

- (a) that the accounting procedure followed by vessels and formations does not differ from that prescribed by the rules.
- (b) that all receipts and issues of stores by vessels and formations and transfer of stores between formations and/or vessels have been duly accounted for in the store ledger and returns, etc., of the parties concerned.
- (c) that stores issued for consumption or use do not exceed the scales authorised in regulations, etc.
- (d) that all losses and damages are dealt with under the orders of the C. F. A. in accordance with R. I. N. (I) 1/S/47, paras. 12 and 13 or 13-A. F. R., R. P. N. and 373 *et seq. ibid* in the case of base stock.

(e) that the balances of stores, shown in store ledger, etc. do not exceed authorised limits and that suitable action is taken for the disposal of surplus or unauthorised stores.

(f) that the book balances in the accounts have been certified as having been physically verified by the store officers concerned on the dates specified in the respective accounting forms and relevant rules.

(ii) *Duties and responsibilities of the N. L. A. O.*

(a) The responsibility of the N. L. A. O. is inseparable from that of his staff; final responsibility for the efficient conduct of Local audit, therefore, rests always with the N. L. A. O. In addition to the specific duties laid upon him the N. L. A. O. is expected to conduct a general and intelligent review of the audit work of his staff and to apply surprise test checks periodically.

N.B.—Appendix I to the Office Manual, Part I, laying down the duties of officer-in-charge of sections and superintendents applies equally to the local audit officers and superintendents of L. A. groups.

(b) In respect of miscellaneous accounting formations such as W. T. stations, mine sweeping organisations, War Watching stations, etc., the N. L. A. O. should see particularly that all accounts and ledgers prescribed for such formations are actually maintained by them and are produced for audit.

(c) During his periodical visits, the N. L. A. O. will by personal inspection and supervision satisfy himself that the stationary Local Audit staff under his jurisdiction are carrying out their duties efficiently. He will examine the objection statements issued and see that they are correct and properly worded and will verify by test check that corrections made in the accounts as a result of the objection raised have been properly carried out. He will take up all outstanding objections and points of a controversial nature which have been held over for his scrutiny and orders and proceed with their settlement in personal consultation with the Commanding Officer concerned. He will initial the office copy of the Objection Statement on record in the stationary Local Auditors Office in token of his having scrutinised and finally approved of the objection statement.

(d) The N. L. A. O. will act as a Local adviser to the Naval Officer-in-Charge and other **C. B. N.** Administrative officers at the port on matters affecting store accounting. He may offer unofficial assistance on pay questions also.

5. *Duties of the Stationary Local Auditor*

The stationary local auditor will perform in the first instance all the duties prescribed for the N. L. A. O. in regard to the Local Audit of the store accounts. Objection Statements, re-audits, and correspondence of a routine nature will be dealt with and signed by him. He will submit disposals or correspondence of an important nature for the approval of the N. L. A. O. He will bring to the notice of the N. L. A. O. during his periodical visit all objections of importance noticed during the course of his duties.

6. Review of Orders and Sanctions. Naval Local Audit Officers will examine all orders and sanctions affecting their work issued by the Government of Pakistan and authorities subordinate to them, M. A. G.'s letters and Controllers office orders, R. P. N. Instructions and R. P. N. Orders in order to ensure that they are correctly applied in audit. For this purpose they will hold monthly conference with their Superintendents and Senior Auditors and the results of the conference will be recorded in 'Review Register' which will be open to inspection by Superior Service Officers during their official visits. Any doubtful points connected with the interpretation or applicability of rules, instructions, etc., will be referred to the Controller for orders.

7. Audit of Accounts of Vessels under orders to leave the Local Audit Area.

The audit of the accounts of a vessel under orders to leave the local audit area of one N. L. A. O. for that of another should invariably be given priority and it should be seen that the local audit of such a vessel is in current state before the Vessel's departure. The local audit of all accounts received from the Vessel, will be completed and all objections (including those already audited) should as far as possible be settled before the vessel leaves the port. A special report showing the exact state of the vessels' account and the period up to which the accounts have been audited will be sent with the following documents by the N. L. A. O. auditing the accounts to the N. L. A. O. under whose audit area the vessel has moved:—

- I. Extracts from objection statements of items which could not be settled.
- II. Vouchers or items of stores which were not possible to link before the vessels' departure or whose adjustment was promised by the Commanding Officer etc., in the subsequent accounts.
- III. List showing names of accounts and ledgers last audited.
- IV. Certified list of balances of last audited permanent and consumable stores accounts of L. N. D. vessels.
- V. List of closing balances of last audited victualling account of vessels.
- VI. Closing balances of store accounts last audited on board the ships, *vide* Note to para. 267, Military Audit Code.

Note:—For determining the particular office by which the audit of the store accounts of a vessel is to be carried out, the following principle will be observed:—

"The local audit officer in whose zone the vessel is based on the last day of quarter, half year or year, as the case may be, is responsible for the audit of the quarterly, half yearly or annual accounts of the vessel."

8. (a) Audit Enforcement

All accounts, registers, documents and vouchers, etc., which are audited will be enfaced "Audited", "linked", "test checked" "Objected to" "Remarkd on" as the case may be. The N. L. A. O., the Superintendents, and the Auditors will affix their dated initials and designations

to each of these accounts in token of their having conducted that part of the examination, audit, scrutiny, or test check for which they are personally responsible. All marks and initials must be small and neat, care being taken to avoid the obliteration of figures and other details entered in the accounts, registers, vouchers, etc.

(b) *Results of Audit*

On the completion of the audit, the auditor concerned will append a certificate to the office copy of the objection statement issued on the accounts of each vessel or formation on the lines indicated below:—

AUDIT CERTIFICATE

1. Name of Unit, Vessel and Formation.
2. Period of Audit.
3. Month's accounts selected for audit.
4. Date of audit.

Certified that.....

- (i) the following accounts which are required to be audited have been audited to the extent and in accordance with the instructions for the N. L. A. Os. and other orders issued from time to time.

Name of ledger or account No. of Vols. Initials of auditor.

- (ii) All documents and vouchers, etc., audited, test checked or scrutinised have been enfaced, 'audited', 'Objected to', 'Test checked', 'Test linked' or 'Remarked on' as the case may be and initialled.
- (iii) Items including office notes outstanding on previous objection statements have been dealt with and the objection register has been completed up-to-date. The relative registers, etc., have been completed and linked vouchers and other documents, etc., have been properly filed.

Accounts audited by each auditor and his dated signature.

.....
 Superintendent's dated Signature.....

9. Objection Statement

Detailed instructions with regard to the raising and pursuing of audit objections as the result of the local audit of store accounts are contained in appendix B, Section I, of (Army) L. & A. Os. Hand Book 1942 edition and should be complied with. Items which are pending verifications of credits, etc., in the subsequent accounts should be removed from the Register of objections (Audit Progress Register) and watched through Memory ticklers.

10. The N. L. A. O. will bring to the personal notice of the G. N. A. by a special report all cases in which

- (i) the prescribed accounts are non-existent or missing or have not been produced;

(ii) the accounts maintained by a unit or in an unsatisfactory state, and

(iii) the procedure adopted in maintaining the accounts is not in conformity with that authorised in rules or standing orders.

11. The N. L. A. O. will also submit to the C. N. A. the following reports on the prescribed proformas—

- (i) Programme of Local Audit to be carried out by the Local Audit office during the quarter ending (Quarterly).
- (ii) The monthly completion report of inspection and review by the N. L. A. O.
- (iii) The quarterly programme of inspection|review of Cash|Stores accounts to be carried out by the N. L. A. O. during quarter ending.
- (iv) The monthly Local Audit Completion report in respect of local audit office showing the names of units and formations whose Stores accounts have been audited during the month of—

In addition to the above reports the N. L. A. O. will furnish monthly Progress Report—P. A. F. (C. M. A.)—331 to reach the C. N. A. on the 8th of each month.

12. Financial Advice

To enable the C. N. A. to bring to the notice of the administrative authorities unnecessary and avoidable expenditure of public money or stores and to indicate to those authorities the directions in which economies can be effected, N. L. A. Os. will occasionally carry out an intelligent review of consumption of stores issued on an 'as required' basis in vessels and formations, losses of stores, transfer of large quantities of stores between vessels and formations, abnormal stocking of articles, etc. If they find that issues or stocks have been abnormal, that maximum quantities allowed have been drawn as a matter of course and recurring and heavy losses have been incurred, they should enquire personally (without entering into correspondence with vessels and formations) into the reasons for the issues and losses, take up the matter with the authorities concerned and point out ways and means of effecting economy and preventing such losses. Items of financial advice will not be included in objection statements but after they have been discussed with the authorities concerned they will be sent to the Group Officer concerned in the Main Office for such further action on them as he may consider necessary.

13. Registers, Reports and Returns

List of reports and returns to be rendered and registers and books of regulations to be maintained by N. L. A. Os. are given in Appendices E, F., and G. The Superintendent will be personally responsible for seeing from time to time that reports and returns are submitted on due dates, the registers are kept up-to-date and the books of regulations are duly corrected. Lists or reports and returns and the registers will be inspected monthly by the N. L. A. O. or at the time of his periodical visits in the case of outstations.

14. Linking

The linking of vouchers (relating to transfer between Naval Units or Formations as well as those relating to local and central purchases)

into the Store Ledger and returns of the consignees constitutes one of the most important functions of local audit staff. The N. L. A. O. will watch that there has been no undue delay in the test linking of such vouchers in the consignees' ledgers.

The vouchers for test checking by Local Audit Staff will be selected personally by the N. L. A. O. on the lines indicated in Annexure I to Appendix A, Section I. L. A. O's H. B. 1942 and to the extent prescribed in the M. A. G.'s orders.

The Superintendent will also check 25% of the vouchers or items of Rs. 500 or over in value and will affix his dated initials against such items in the ledgers, etc.

The N. L. A. O. will check personally a number of vouchers test linked by his staff as also some of them not linked by them.

The N. L. A. O. will ensure that proper action to enforce credit in store accounts, etc., for store shown on the vouchers is taken.

15. Copies of vouchers and bills will be received in the Store Section of the main office from the Material and other sections on the 20th of the month following that to which they relate (and from Bill section fortnightly) with top schedules, etc., and filed in separate guard files, one for each ship. Sometime before the audit of a ship or formation is taken up the N. L. A. O. will obtain the file from the Store section (which will forward it with a forwarding memo. showing the number of vouchers and schedules contained in the file) and acknowledge the receipt of the file. The extent and method of selection of vouchers by the N. L. A. O. for linking, etc., are laid down in the late M. A. G., India, No. 7458/R, dated 19th March 1942 (see Appendix B; Section VII).

ANNEXURE I

List of Accounts maintained by Vessel and Formations.

I. Regular Vessels and R. P. N. Establishment under Central Store keeping system :-

Name of the Account	Period of Account	By whom submitted
1. Victualling accounts	Monthly	C. O.
2. Clothing accounts	Quarterly	"
3. Permanent store ledgers	Annual	"
4. Consumable store ledgers	"	"
5. Mess traps accounts C. O. Ward room, Warrant officers implements & Mess Utensils etc.	"	"
6. Medical and Surgical & X-Ray equipment ledger.	"	"
7. Expense book of drugs & medicines.	"	"
8. Expense of medical comforts	"	"
9. W. T. Warrant	"	"
10. Naval Armament store ledger		Closed and rendered on change of accounting officer.

} Audited locally on board the ship when they visit port.

II. Regular Vessels and R. P. N. Establishment whose accounts are maintained by B. S. O.—

1. Victualling accounts	Monthly	B. S. O.
2. General consumable accounts	Half yearly	"
3. Fuel Accounts	Half yearly	"
4. Permanent Naval Store Accounts	Yearly	"
5. Mess traps accounts of C. O., Ward Room and Ships Company.	Annual	C. O.
6. Medical and Surgical equipment ledger.	"	"
7. Expense book of drugs and medicines.	"	"
8. Naval Armament store ledger, closed and rendered on change of officers.		

III. Accounts Maintained in the base—

1. Victualling Stock Ledger	Quarterly	B. S. O.
2. Clothing Stock account	"	"
3. P. O. L. accounts	Half yearly	N. P. T. O.
4. Dead Stock ledger	Annual	B. S. O.

APPENDIX 'A'

Audit of Victualling Accounts

These accounts contain transactions relating to rations of R. P. N. Personnel in H. M. P. Ships and formations.

Audit Requirements

In the audit of Victualling accounts the following points are to be seen.

- (1) That the account is rendered monthly on form R. P. N. 213 by the 10th of the following month.
- (2) That the names and ranks of the following are shown on the front page of the account:—
 - (a) Commanding Officer.
 - (b) Supply Officer.
 - (c) Officer directly responsible for keeping the accounts (R. I. N. F. O. 176A of 47).
- (3) That it contains the certificate of muster by the accounting officer, the Commanding officer's certificate and the certificate of credit to Government of cash recoveries on the last page of the account.
- (4) That the certificate to the effect that wastages charged off are reasonable (with reasons for wastages) is enclosed on the Victualling account by the C. O. (para. 207 F. R. R. P. N.) Wastages in excess of 3½% should normally be viewed as unreasonable and dealt with as a loss under normal rules vide para. 13 part III R. P. N. Victualling Directive.
- (5) That the denomination of quantity is shown in line one of R. P. N. 213.
- (6) That the opening balances shown in the account agree with the closing balances of the last audited account.

Receipts

- (7) That the receipts of stores have been correctly shown with those appearing in the vouchers or bills on which the stores are obtained.
- (8) That all articles of R. P. A. S. C. Supply are indented for, issued and accounted for according to the measures adopted in Stock Book Rate List, i.e., by weight, volume or number.
- (9) Actual receipts of fresh provisions are entered daily as received on page 9 and the total receipts for the month are transferred from page 9 to line 15, page 2 to 8.
- (10) That all vouchers for stores obtained during the month have been included in the account.
- (11) That priced copies of vouchers/bills are called for from R. N. Bases in case of stores received from R. N. and contractors by R. P. N. Vessels at out-stations for linking the quantities into the victualling account.

(12) That the packing material is finally struck off charge at the time of issue.

(13) That the total receipts including the opening balances are correct.

Ration Strength

(14) That the number of rations shown in the account agrees with that appearing in the Gang way Victualling and check sheets and that the entries in the latter are supported by copies of relevant Genforms.

(15) That the result of quarterly muster of ratings carried out in accordance with Regulations R. P. N. Article 850 and R. I. N. F. O. 551/46 is endorsed in the days 'summary of Gang way—Victualling Book'.

Issues

(16) That the number of 'Standard', 'vegetarian' and 'boys' rations are shown separately.

(17) That the total issues to men do not exceed the total entitlement worked out according to the scale laid down in R. P. N. I. 49 of 1949, reproduced as Appendix 'D'.

(18) That in case of R. P. N. Shores Establishments the type of fuel and the scale of issue is as laid down by a station Board and published in station orders.

(19) That issues made to other ships or formations are supported by receipts of the consignee.

(20) That the extra issues made to the Medical Officers of the ship are supported by receipt from the Medical Officer and in accordance with provision of para. 195 et. seq. F. R. R. P. N.

(21) That bread where available is issued at not more than 12 ozs. per ration.

(22) That tinned fish is only to be issued to the ships proceeding to the sea.

(23) That when live sheep or goat are supplied for meat ration the outturn of meat is shown in the account is not less than 50% of the live weight at the time of killing.

(24) That the issue of ice is covered by the sanction of the N. O. incharge or the F. O. C. R. P. N.

(25) That in case of issue of tinned supplies of U. S. A. manufacture the following additional quantity is allowed:—

(i) Tinned Milk U. S. A. 25%.

(26) That the free issue of soap yellow is made at the scale of 12 ozs. per rating per month and is in accordance with the instructions contained in R. I. N. F. O. 569/46.

(27) That substitutes issued are strictly in accordance with those laid down in R. P. N. I. 49 of 1949.

(28) That under issues have not been adjusted by over issues in subsequent month.

Payment Issues

- (29) That the purchases of 'Rationed' commodities are restricted in the case of following individuals to the limits laid down for the civil population of that area :—
- (a) Families and Servants of officers and warrant officers entitled to draw rations on payment under R. I. N. I. No. 14 of 1943.
 - (b) Civilians employed by Defence Services and families of ratings authorised to draw rations on payment under R. I. N. I. No. 13 of 1943.
- (30) That only articles authorised to be issued on payment are so issued.
- (31) That the payment issues are only made to the entitled persons.
- (32) That the monetary limits laid down in R. I. N. I. 172 of 47 are complied with.
- (33) That the issue on payment of Sugar in the case of officers and ratings is restricted to the limits laid in R. I. N. F. O. 657 of 47.
- (34) That the money due on account of payment issues are correctly recovered and credited to Government.
- (35) That the items which have been drawn solely for issues on payment to ward room Mess are charged off as payment issues to the Mess and no remains of these articles are shown in the account.
- (36) That payment issues to R. P. N. ratings and their families are restricted to the monetary limits laid down in para. 12 of R. I. N. Instruction 172 of 47.
- (37) That the payment issues to the entitled civilian personnel are restricted to the standard items of I. T. Basic Scale and do not exceed the quantity of limits laid down in para. 14 of R. I. N. I. 172 of 47.

Surveys

- (38) That articles condemned as unfit for human consumption are duly supported by Survey Reports and also by the certificate of the Medical Officer. It will further be ensured that the procedure laid down in Section 6 Part I of Victualling Directive is followed.
- (39) That articles are not condemned as soon as received from contractors or other vessels as they are to be properly inspected at the time of receipt.
- (40) That the reasons for loss of stores charged off are not repeated every time as reasonable and the loss statements are duly approved by the C. F. A. in terms of R. I. N. I. 172 of 47.
- (41) That when tinned Provisions or other provisions are condemned within the warranty period, action is taken to obtain a refund of its cost from traders or R. P. A. S. C. as the case may be.
- (42) That no provisions are sold or taken out of the ship except for Survey vide para. 206 F. R. R. P. N.
- (43) That the remains as per account and as per muster in line 59 and 60 of the account respectively tally and differences found on muster are explained regularised under normal rules.
- (44) That the balances of fresh provisions on the last day are not abnormal i.e., not more than those that can reasonably be preserved with out being deteriorated.
- (45) That necessary adjustments promised in the previous objection statements have been carried out.

APPENDIX 'B'

INSTRUCTIONS—LOCAL AUDIT OF NAVAL STORES—SECTION I.

1. General

In addition to the General Instructions contained in Part I of these instructions, the points mentioned in the following paragraphs should be specially borne in mind in auditing the several accounts. A brief but concise description of the various 'Systems of accounting' of stores received and issued have also been given herein.

2. Responsibility for the maintenance of accounts

The various officers commanding Vessels Bases and Formations entrusted with the Naval Stores are responsible for the upkeep of all accounts and maintenance of record connected with the receipts and issues of stores in ledgers and returns except that in the case of Non-self accounting ships, and the establishments and bases in which Naval Stores accounting officers are not borne, the B. S. O. to which they are attached is responsible for the maintenance of their accounts.

3. Method of Accounting

- (a) *Ships—Sloops.*—Under the centralized system of Naval Store-Keeping.
- All Other ships.*—Their accounts will be maintained by the B. S. O. under the R. P. N. Naval Store Accounting directive.
- (b) *Establishments.*—All Establishments under an independent command in which Naval Store Accounting officers are borne in the complement are placed on the central system of Store Keeping system as laid down in B. R. 4.
- (c) The Naval Store accounts of all Establishments and Bases in which Naval Store Accounting officers are not borne in the complement are maintained by the B. S. O. of the Base to which the Establishment is attached.

SECTION II

Audit of Accounts of Vessels under the Central Store Keeping system.

Para 1.—The Naval Stores carried in these Vessels comprise permanent stores, consumable stores, Mess traps (C. Os. Ward Room, Warrant officers and Mess Utensils accounts for ships companies) Medical X-ray equipment and medical comforts. These accounts are maintained by the Central store officer.

Para 2. (i) Permanent Stores are those which may be expected to last for an indefinite period until worn out broken or lost. Certain other stores of an attractive or expensive character are also dealt with as Permanent stores. The limits for each category of stores are published in Warrants (for each Department e.g., Executive, Engineering, Gunnery W/T and Torpedo) prepared by the N. S. O. Karachi with reference to B. R.-368, B. R.-347 and B. R.-374 and approved by F. O. C. R. P. N.

(ii) In auditing these accounts the following points will be seen :—

- (a) That the ledgers are maintained on form S. 153 and the General Instructions printed on S. 155 A. and B are followed by the Supply Officer.

- (b) That the opening balances are correctly carried over from the dead ledgers or the completed ledgers folios.
- (c) That the final closing balances at the end of the period under audit are correct. This will be ensured by costing all entries. The last audited closing balances on the ledger will be initialled and dated in red ink of coloured pencil by the auditor and an additional initial will be affixed by the auditor concerned against every alteration to such balances.
- (d) That the vouchers supporting the supply or return of stores have been arranged in the order prescribed in Article 167 of B. R. 4.
- (e) That the quantities of articles received as per N. S. O's. Demands return Notes, Contractors' bills and Transfer Notes have been correctly accounted for under receipts.
- (f) That the stores returned to N. S. O. or Bases as unserviceable are supported by Survey Reports and that the Nos. and dates of the latter are quoted in the ledgers and that Survey reports are signed by proper authority and are otherwise in order.
- (g) That the transfer of stores from one ship to another are supported by Transfer Vouchers on S. 549 and that the Nos. and dates of the latter are quoted in the ledger.
- (h) That the losses of important stores at sea; etc., are supported by lag extracts and the sanctioned loss statements exist for all losses except losses due to enemy action in which case checks will be confined to see that the certificate by the O. C. to that effect exists (para. 52 A. accounts Manual War refers), the provisions of R. I. N. I. 1[S of 47 are fully complied with, losses are not written off as a matter of course and a full enquiry as to the causes, responsibility and remedial action has been made specially in case of important losses with due regard to para. 709 R. R. I. N. Vol. II. (R. P. N. V. R. Officers do not exercise any financial powers for the write off of losses). It will also be seen that losses due to theft are not struck off ledger charge pending approval of F. O. C. R. P. N. Important and serious cases of losses will be reported to the C. N. A. for inclusion in the monthly report on general state of accounts. It should be seen that the value in all loss statements is verified by the Local Audit Staff [Vide R. I. N. (I.) 1[S of 1947].
- (i) That the stores held on ledger charge in excess of the authorised limits are either returned to N. S. O. or sanction for their retention is obtained from the F. O. C. R. P. N.
- (j) That the Packing Materials are being brought on ledger charge.

Note—Issue entries exhibited in the ledger will be traced from the ledgers into the vouchers and not from the vouchers to the ledger.

3. Consumable Stores

Consumable stores are those which are generally consumed or are liable to destruction within a limited period and certain other articles of low value. It will be seen that the following audit requirements are fulfilled:—

- (a) That the ledgers are maintained on S-151 and the general instructions printed on S-155 (a) and (b) are followed by the accounting officer.

- (b) That the provisions of para. 2 (b) to (g) above are complied with.
- (c) That the account is maintained in the manner detailed in Para 1 (c), (e), (f) and (i) of Section II of the Naval Store Accounting directive.
- (d) That the demands are reasonable, taking the previous sanctioned Establishment or the first outfit as a guide to control the expenditure of store on as required basis *vide* paras. 2 (iii) (b) and 8 (b) Section I, Part II of the directive.
- (e) That the Packing Material is accounted for in form S-151.

4. Other Accounts

The following accounts are also maintained by these ships and detailed instructions for the audit of the same are given in Section III of these instructions:—

- (i) Mess Traps account commanding officers—R. P. N. 34.
- (ii) Mess Traps account Ward Room—R. P. N. 35.
- (iii) Mess Traps account Warrant officers—R. P. N. 35.
- (iv) Implements and Mess Utensils etc., for the use of the ships Companies—R. P. N. 36.
- (v) Medical/Surgical, and X-Ray equipment Ledger—P.A.F.A. 1224.
- (vi) Expense Book of Drugs & Medicines—P. A. F. A. 1227.
- (vii) Gunners Naval Armament Store Ledger—P. A. F. A. 474.

5. Stock Taking.

It will be seen that the stock taking has been under taken as shown below:—

- (a) That the half yearly stock taking of Naval Store on permanent loan to the various department of the ship as also furniture etc., in the offices and Messes have been completed by the custodians of Stores. The furniture is however mustered on change of occupant. It is also to be seen that the deficiencies if any are supported by loss statement on P. A. F. A. 498 and surpluses are brought on ledger charge.
- (b) That the Naval Stores other than those mentioned in para. 5 (a) ante are mustered at least once a year and on change of accounting officers and that the differences disclosed are recorded in the stock taking Books S-147.

It will also be seen that differences not accepted as normal and reasonable are reported to F. O. C. R. P. N. on S-148 and a reference to the effect is being made against all such differences.

Note—The differences should be adjusted at once in anticipation of the approval of the C. O. if within his financial power or the F. O. C. R. P. N. (Authority Article 172 of B. R. 4).

Section III.

Local Audit of Store Accounts of Training Establishments and formations (Launches, Boats, Tugs and crafts etc).

Establishment and formations

The training establishments include training school such as Bahadur, Dilawar, Himalaya Gunnery School (A/C School), Torpedo School, and Signal School etc., the term 'Formation' will be held to comprise motor boats, launches and crafts, etc.

2. Store Accounting

The authorised limits up to which Naval stores will be held on charge by each Establishment and Formation will be found in Government letters issued from time to time on their behalf. The accounts of these Establishment and Formations are maintained by respective departments of the Vessels and on annual basis for permanent stores and on half yearly basis for consumable stores connected with deck, engine room, Torpedo and Gunnery expendible stores under Non-central Store-Keeping System. The audit of permanent store account is conducted by the local audit staff except, 'Gunnery' Naval Armament Store ledgers' which are closed and rendered to N. L. A. O. on change of Accounting officer while consumable store accounts are rendered half yearly for audit. A list of the accounts is given below :—

(a) Permanent Store Accounts.—

- (i) General Permanent Store Accounts—R. P. N. 7.
- (ii) Engineer's—R. P. N. 9.
- (iii) Wireless Telegraphy Warrants— Warrants.
- (iv) Gunnery Permanent Store Accounts—R. P. N. 7.
- (v) Mine Sweeping—R. P. N. 7.
- (vi) Diving—R. P. N. 7.
- (vii) Medical, Surgical and X-Ray equipment ledger—P. A. F. A. 1224.
- (viii) Expense Book of Drugs and Medicines—P. A. F. A. 1227.
- (ix) Mess Trap Accounts C. O.—R. P. N. 34.
- (x) Mess Trade Accounts Ward Room—R. P. N. 35.
- (xi) Mess Trap Accounts Warrant Officers—R. P. N. 35.
- (xii) Implements and Mess utensils etc. for the use of ships Coys—R. P. N. 36.
- (xiii) Gunner's Naval Armament Store ledger—S-474.

(b) Consumable Store Accounts—R. P. N. 181.

3. Audit Requirements

- (a) *Permanent Store Accounts.*—The audit requirements, stated in paras. 2 and 5 of section II of this appendix will also be looked for. In case of Mess Trap Accounts, it will, however be seen further that the articles of china and glass and other articles indicated by an asterisk broken, lost, rendered unserviceable or expended are not charged off in excess of the definite money allowance, notified in R. P. N. Order annually.
- (b) *Consumable Store accounts.*—The audit requirements stated in para. 3 of Section II of this Appendix will apply to these accounts also.

4. Stock taking.

It will be seen that 'Declaration of Survey' in respect of all permanent stores is recorded annually and on change of accounting officer by the Surveying Officer and countersigned by the Commanding Officer.

5. In the case of mess trap account and mess utensils accounts which are closed and rendered annually to the C. N. A., it will be seen that articles of mess traps and mess utensils are not held in excess of the authorised scale. *

Section IV.

Instructions for the audit of Naval Stores Account under the R. I. N. Naval Store Accounting directive.

The following are the important points to be observed in the audit of the Naval Store Account prepared in accordance with the directive.

That the B. S. O. maintains the accounts for :—

- (i) Bases. Departments of the base including dead stock.
- (ii) Establishments—in which no officers are borne for Naval Store accounting duties.
- (iii) H. M. P. Ships—Except those in which a supply officer is borne in the complement.
- (iv) Coastal Force Craft.—With the exception of those crafts attached to coastal force bases or Base ship where an officer is borne for Naval Store Accounting duty.

Permanent Stores Accounts—S. 1099.

It will be seen in the audit of the permanent Naval Stores accounts maintained by the B. S. O., R. P. N.—

- (i) That the Permanent Loan List S. 1099 are maintained in the manner indicated in para. I b, d, e, f, & i of section I Part II of the Directive.
- (ii) That the entries are made in S. 1099 only where there is a change in the quantities held on board and that in other cases the demands are supported by Receipted Survey Notes (S. 331 or Loss Statements P. A. F. A.-498 sanctioned by the C. F. A. in accordance with the rules in R. I. N. I. 1[S. of 47].
- (iii) That the quantities held on board are within the authorised Establishment and where this is exceeded they are supported by the previous sanction of Government of Pakistan or that in exceptional cases the demands (S. 1 34D) bear an endorsement to the effect that this sanction has been or will be applied for, the sanction being watched in audit.
- (iv) That musters are taken—
 - (a) Half yearly.
 - (b) On transfer of O. i/c Stores.
- (c) On de-store or closing down a ship or Establishment.

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- (d) On release of a ship from Naval Service.
- (e) On transfer of an establishment from one locality to another.
- (f) On transfer of a ship or formation to Royal Navy.
- (v) That a test check of the stores is carried out by the B. S. O. as frequently as possible.

Consumable Stores Account S. 151.

- (i) That the Accounts are maintained in form S. 151 in the manner detailed in para. 1, b, c, e, f, & i of Section I, Part II of the Directive.
- (ii) That the demands are reasonable, taking the previous expenditure, sanctioned establishments or first outfit as a guide to control the expenditure of stores on as required basis vide para. 2 (iii) B. & 8b Section I part II of the Directive.
- (iii) That Packing Material is accounted for in form S. 151 and disposed off in the manner detailed in para. I (h) Section I Part II of the Directive.

General.

- (i) That the Demands and Supply Notes are made out in the manner indicated in Paras. 2, 3, 9, and 16 of Section I Part II of the Directive.
- (ii) That the Survey Reports are prepared in the manner indicated and for the kind of stores mentioned in paras. V and XII of Section I Part II of the Directive.
- (iii) That a transfer certificate is completed:—
 - (a) On transfer of the officer Incharge Stores.
 - (b) On transfer of Supply Officer and disposed off in the manner prescribed in Article 709 R. R. P. N. and para. 10 (11) of Section I Part II of the Directive.
- (iv) That the procedure detailed in the following paras. of the Directive is carried out on the undermentioned events|or for certain Departments and crafts.
 - (a) Permanent transfer of a ship—Para. 1 (g) of Section 1 Part II.
 - (b) Destoring or closing down of a ship or Establishment—Para. 12 of Section 1 Part II.
 - (c) Re-Storing of a ship or Establishment Para. 13 of Section 1 Part II.
 - (d) Ships requisitioned—Para. 14 Section I Part II.
 - (e) Ships arriving from abroad without accounts—Para. 15 Section I Part II.
 - (f) Ships released from Naval Service—Para. 16 Section I Part II.
 - (g) New Construction Vessels—Para 17 Section I Part II.
 - (h) On transfer of Establishments—Para 18 Section I Part II.
 - (i) For departments of Base—Para. 1 (b) of Part III.
 - (j) For landing crafts—Part IV.
 - (k) For ships, crafts and Establishments in operational areas—Part V.

Government duty and that there has been no misuse of Petrol' would suffice the audit requirements till such time as the administrative authorities take necessary action to install or repair Milometers.

Section VI.

Local Audit of Miscellaneous Accounts and documents maintained by Establishment and Formations.

1. The various accounts and documents which will be dealt with in this section are given below :—

- (a) Service Books.
- (b) Service documents..
- (c) Leave Sheets of Ratings.
- (d) History Sheets of daily hired labour.
- (e) Railway Warrants and Credit Notes, concession vouchers (Forms D and E) and book of forms—2012 Z.
- (f) L. P. C. (T. P. T.)

2. The audit of the documents mentioned in para. 1 ante will be conducted in the manner indicated below :—

A Service Books.

10% of the current Service Books of the Civilian Establishment will be subjected to test check within each period of approximately 12 months. The test check will consist in seeing :—

- I. That the Service Books are being maintained in respect of all Civilian Establishment and that they have been duly attested.
 - II. That the Service books are kept in safe custody by the O.C.
 - III. That necessary attestation which falls due after every five years, has been effected, vide foot note on the first page of the service book.
 - IV. That the fixation of initial pay as recorded in the service books is correct and that the period allowed to count for increment of pay is correct ;
 - V. That all entries relating to leave, promotion, and punishment etc. have been signed by the individual and countersigned by the officer-in-charge.
 - VI. That no leave in excess of that earned by an individual under the conditions of service is sanctioned.
 - VII. That the annual service verification is being carried out.
2. The Service Books of individuals who are within a year or two of these superannuation should normally be selected for test check within the percentage prescribed in para 2-A (I) above.
3. In order to ensure covering all the ground systematically, a complete record will be kept of all Service Books test checked each year. The Service Books actually checked, will be endorsed with a note to this effect, dated and initialled by the 'Testing' official(s) concerned.

Section V.

Instructions for Local Audit of P. O. L. and Daily Running Accounts of Staff Cars and Motor Lorries with H. M. P. Establishments and formations.

The instructions laid down in Rules for the maintenance and hire of motor lorries and electric trucks attached to Naval Store Depot, H. M. P. N. Dockyard, Karachi, will apply in their entirety in this case likewise.

A summary of the special points, which the local audit Staff is expected to keep in view at the time of audit of these accounts, is however given below for their guidance:—

- (a) That the sanction of the Government of Pakistan exists for all vehicles—the property of state or hired from private sources, held on charge, and a board of officers is assembled as and when any lorry etc., is condemned and the replacement thereof is approved by the Government of Pakistan.
- (b) That the following records are maintained and kept up-to-date.
 - I. Drivers Car Diary.—P.A.F. (M. T.) 4.
 - II. Duty Slips.—
 - III. Daily Running Account.—P.A.F.Z-2212.
 - IV. Vehicle Log Book.—P.A.F.Z-2197.
 - V. Amenity Trips Register.—P.A.F.Z-2207.
 - VI. Vehicle Register.—P.A.F.Z-2186.
- (c) That the vehicles are used solely on Government duty except when hired out in which case the necessary recovery will be watched as indicated in paras 17 and 18 of the Rules mentioned in the first para above.
- (d) That P.O.L. drawn and expended as exhibited in the half yearly accounts rendered by the establishments or formations concerned, with reference to the late C.N.A. Bombay circular No. SR/451 dated 14/7/42, is properly accounted for in 'Drivers' 'Car Diary' and 'Daily Running Account'.
- (e) That the petrol in tank 'as shown in D.R. Accounts' works out correctly.
- (f) That the average running per gallon of petrol falls within the figures laid down from time to time in A. Is and Army Orders (I. A. O. No. 712/ 1941 and 2036/ 1941 and A. I. I. No. 190 of 1940).
- (g) That vehicles hired from private sources do not draw petrol etc., at Government expense if such issue is not provided for in the 'agreement for hire'.
- (h) That the mileage run by vehicles which is exhibited in the Milometer, installed in the vehicles concerned is transcribed into 'Drivers' Car Diary and D. R. Account'.

Note.—In case of vehicles with Milometers not in working order or having no milometers at all, a certificate from the Commanding Officer, to the effect that 'the running has been carefully checked, the P. O. L. has been used for bona-fide

B. Service Documents of Ratings.

The check will be confined to a small percentage to be determined by the N. L. A. O. It will be seen that these documents are kept up-to-date by posting all awards of good service, good conduct, or the grant of proficiency pay etc.

C. Leave Sheets of Ratings.

It will be seen that men with service of less than 2 years are not granted any leave and that the concession of free passage is limited to one Return passage in a year. Accumulation of leave should be sanctioned by the F. O. C. R. P. N. (vide paras 163-273 R. R. P. N. Volume I).

D. History Sheets of Labourers.

The History Sheets are kept in respect of daily hired labourers, in the Dockyard, Karachi. It will be seen that the leave is being regulated with reference to late Government of India Defence Department letter No. 230-N., dated 7th September 1940.

E. Dead Stock Returns.

This return will be checked in the manner prescribed in para. 264, Military Audit Code.

F. L. P. C. (T. P. T.) Books.

It will be seen that:—

- (a) The books are kept in safe custody, and entered in P. A. F. Z.-2012.
- (b) The cancelled T. P. T. forms are kept in the book i.e., are not removed.
- (c) Cancellation is attested by an officer.

G. Railway Warrants, Credit Notes, Concession Vouchers Forms—E. & D. and Book of Forms—P. A. F. Z.-2112.

The instructions relating to the checks to be applied are laid down in Appendix C, Army L. A. O's Hand Book, but for the period of war, the audit has been relaxed vide M. A. G.'s No. 7096/R., dated 26th February, 1940. It will however, be seen that all books of forms are being recorded in P. A. F. A. 2012 and kept in safe custody, vide India Army Order No. 1171 of 1940 and the forms Books are being kept up-to-date under the care and supervision of the officer-in-charge.

Section VII.

Instructions for the Local Audit of the Quantitative Store Ledgers
Maintained by the Naval Store Officer, Karachi.

1. General Description of procedure:—

- (a) Transfers of stores. The linking is done from the issue transaction in the N. S. O's ledger into the original issue voucher.
- (b) Receipts:—
 - (i) Purchase of stores. The Disbursing Officer sends the original supply order (L. P. O.) etc., to the Local Audit

Office. The latter verifies that the stores have been brought to account initials the ledger and endorses the supporting vouchers accordingly and records the vouchers.

- (ii) Other Receipts :—Supply Note and Return Notes received from the N. S. O. are linked in the same way as purchases and recorded in the Local Audit office.

2. The various audit operations carried out during the audit of numerical store account can be divided into three broad categories as follows :—

- (a) Verification of 'Castings' 'Closing Book Balances' and opening Book Balances.
- (b) 'Linking' on the receipt side of 'Purchases' and of 'other receipts', and on the issue side linking of transfers outward.
- (c) Audit of Final Receipts (surplus found on counting stocks etc.) and the audit of 'Final issues' i.e., issues for final consumption or issues on payment or quantities charged off on Loss Statements etc.

The extent of audit in respect of the above audit operations is detailed in the following paras.

3. Verification of 'Castings' 'Closing Book Balances' and opening Book Balances will be done hundred per cent.

4. 'Linking' receipt and issue transactions into the N. S. Os. Store Ledgers will be carried out to the extent of 16-2/3 per cent, the percentage having reference, in general to the numbers of 'vouchers' as distinct from the numbers of 'items' in those vouchers. However in the case of purchases, every particular item of Rs. 500/- in value or over will also be linked, over and above the 16-2/3 per cent of 'vouchers'. For the latter purpose it will be necessary for the Bill Section of the C. N. As. Office in sending the original supply orders (L.P.Os) to indicate specifically either in the voucher or the forwarding memo all items which are of a value of Rs. 500/- or over, so that all these items may be linked.

5. The audit of 'final receipts' and 'final issue' [Para 2 (c)] above is restricted, in general, to 16-2/3 percent of the number of vouchers for a month.

6. The vouchers to be test checked will be selected by the Dockyard Local Audit Officer and his selection orders will be recorded by him in writing. These orders must define the vouchers to be checked precisely and definitely so that there can be no ambiguity either at the time of test check or later as to which particular vouchers ought to be linked or have been linked. Typical possible methods of selecting the vouchers chosen for test check are indicated in Annexure to these instructions.

7. When the test check is commenced, it is important that the Local Audit staff should at once before taking up any other work, test the 'castings' of the ledgers, and initial the Book Balances so verified. This should be done in the following manner :—

—The total of the issues will be struck and deducted from the aggregate total of receipts and the opening balance in order to verify the final closing balances at the end of each month. The accuracy of the intermediate closing balances will not be verified.

As an exception to the above rule, it should be seen, in the case of a receipt transaction linked into the ledger subsequent to the audit of the particular folio, that the closing balances struck against the receipt item and against the next item are correct. Should there be any discrepancy in these balances, or if corrections and erasures appear in subsequent balances, the final closing balance of the folio should be fully checked.

8. The following subsidiary instructions should be noted :—

(a) The last balances in the ledgers should be initialled.

(b) It should be seen by a comparison of the Register Maintained by the N. S. O. with the schedules referred to in para. 4 that all issue vouchers viz., demands and yard Issue Note for the month have been forwarded to the Controller of Naval Accounts.

9. The loan register maintained by the N. S. O. will be audited locally every quarter with reference to the Vouchers for loan issues in the file maintained by Dockyard Local Audit Officer in accordance with Appendix II, F. R. R. P. N., M. A. G.'s memorandum No. 7556/R., dated 5th December 1940 and para. 249 Military Audit Code.

Handwritten signature and date: 25/12/40

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ANNEXURE

Typical possible methods of selecting 16-2/3 per cent. vouchers or issue entries in ledgers for test linking.

Receipt Vouchers.

Select every 6th voucher on each schedule commencing from serial No. 1 or 2 or 3.

2. Select every alternate voucher commencing from any specified serial No. of each schedule, till you get the required number viz., 1/6th of the total number of items in the schedule, if necessary, (to get 1/6th of the total) on reaching the end of the schedule, re-start at the beginning.

3. Select the required number (1/6th of the total) by taking all consecutive numbers commencing from a specified serial No. of the schedule (and re-commencing at the beginning again, if necessary to complete the total number required).

4. Select the first 2 (or 3 or 4 or 5) items, omit the next 2 (or 3 or 4 or 5) then select the next 2 (or 3 or 4 or 5) then select the next 2 (or 3 or 4 or 5) and so on till you get the required number.

5. Select the first 2 (or 3) omit the next 4 (or 6) then take the next 2 (or 3) and so on.

6. Select 1/12th of the total number of vouchers according to method No. 1 above, and the remaining 1/12th according to method No. 2 above etc.

Issue entries.

X
m.p.
Note: In the case of issues the test linking must in effect proceed from the ledger to the voucher and not *vice versa*.

1. Select every 6th issue entry in the ledger account in each month under audit, commencing from the 1st (or 2nd or 3rd) entry.

2. Select one-sixth of the ledgers, to be specified by name or code letter etc. by the Local Audit Officer, test link every issue entry throughout the months under audit in those ledgers, and pass over all the remaining ledgers, as far as linking is concerned.

General Notes:—

Note 1:—The Selection should be made personally by the Dockyard Local Audit Officer and communicated confidentially to the Superintendent, Local Audit Staff, before the Local Audit Commences.

Note 2:—It is essential that the method of selection should be chosen arbitrarily, so that the particular method cannot possibly be pre-determined by the store keeping staff (for the Local Audit Staff. It is even desirable that occasionally the same formula of selection should be adopted in two consecutive visits (or months) so that the store keeping staff may not argue. They did it this way last time, we, can, be sure they would not follow the same formula next time.

Note 3:—The above examples are not intended to be exhaustive. The Dockyard Local Audit Officer may and should devise other suitable formulae himself to suit the special conditions of the accounts.

APPENDIX 'C'.

Audit of Clothing Accounts.

ACCOUNTING PROCEDURE.

Base and Shore Establishments.—Form N. S. O. 189 (Clothing stock ledger) is used for recording clothing receipts and issues. The ledger is audited locally every quarter.

Ships carrying own clothing accounts.—Ships carrying their own clothing account for receipts and issues of clothing on form R. P. N. II which is closed quarterly and rendered with the duplicate copy of clothing issue sheets (R. P. N. 210) for audit.

Non-Self accounting ships.—They draw their clothing requirements from B. S. O. (Clothing) and therefore, have no clothing accounts.

In auditing these accounts that following points, in addition to the General Instructions contained in Part I of N. L. A. Os. Hand Book, are to be seen.

Clothing Stock Ledger.—(R. P. N. 11 or N. S. O. 189)

1. That the account is signed by the Accountant, Officer and C. O. and rendered in the proper form.
2. That the opening balances shown in the account agree with the last audited closing balances.
3. That quarterly muster is carried out and discrepancies, if any, regularised under order of C. F. A.
4. That all vouchers for stores obtained during the quarter have been included in the account and the quantities agree with those appearing on the vouchers.
5. That the total receipts including the opening balances are correct.
6. That the issues (both payment and free) charged off in the clothing stock ledger agree with those shown on the clothing issue sheets R. P. N. 210.
7. That in the case of ship the clothing issue sheets (in original) are received along with the account.
8. That the total issues on each folio of the clothing issue sheets are summarised and posted to the clothing ledgers.
9. That free issues, payment issues to men and issues to officers are shown in the separate clothing sheets and a notation is made on R.P.N. 210 regarding the months cash account wherein the total value of the transactions recorded in that sheet has been credited to the Government. The credit so afforded will be verified in the cash accounts received in Imprest Section.
10. That the free issues shown on R. P. N. 210 will be checked with the entitlement of the rating as per clothing History Sheets and the scales laid down in R. I. N. I. 63/44.
- 10 (A). That the date and place of initial free issue balance, free issue and loan issues are posted on R. P. N. 166.
11. The payment issue rates shown on the R. P. N. 210 will be checked with the payment issue rates promulgated in the R. P. N. F. O's published from time to time.

12. A cent. per cent. check will be exercised on the total quantity of clothing issues on each R. P. N. 210 and the total value of the issues shown therein.

13. Payment issues to officers are only to be made by the ship and Establishment in which the officer is borne. If issues are required from any other ship Establishments an explanation is to be given why the requirement could not be met from the proper source.

14. That the payment issue of cloth to officers is restricted to the limit detailed in R. I. N. F. O. 630 of 1946.

15. That clothing material is only to be issued to ratings when garments of the requisite size and pattern are not available in the clothing store.

16. That the payment issue of cloth to ratings is limited to 6 yards of any one material per quarter per rating.

17. That payment issues of clothing are not made to ratings within three months of releas except from legitimate replacement of items lost or worn out.

18. That the usual departmental charges (at present 15%) are levied on the payment issues made to officers.

19. That the issues of ready made garments to officer on payment are only to be made in case of emergency on production of certificate from the C. O. wherein the necessity for issue of such clothing is to be stated.

20. That the payment issue of public clothing to ratings is not made.

21. That clothing issued on re-payment is paid for in cash at the time of purchase and no credit is allowed except in the case of Boys of H. M. P. S. 'Bahadur' and 'Dilawar' in whose case recovery is to be effected monthly in their pay accounts.

22. That a few items selected by the N. L. A. O. in R. P. N. 210 are linked with clothing issue chits which are to be consecutively numbered throughout the quarter.

23. That R. P. N. 23 are made out in ink or indelible pencil and are signed both by the divisional officer and the supply officer in case of issues to ratings.

24. That a register of receipts and issue of temporary loan clothing is maintained and the loan issues are signed by the ratings.

25. That the clothing issued on loan is mustered quarterly or on change of departmental officer.

26. That a register of receipt of public clothing and personal clothing recovered from discharged and deserted ratings is maintained and the articles so recovered are disposed off in accordance with regulations in R. I. N. I. 63 of 1944.

27. That the other issues charged off in the stock ledger are supported by a transfer voucher or a survey report or a loss statement as the case may be.

28. That clothing articles charged off as surveyed are supported by the original and quadruplicate copies of survey reports S. 331. The original copy after pairing with the quadruplicate copy will be scheduled to the auditor of N. S. O.

29. That in case of stores damaged, defective or decayed through reason other than fair, wear and tear, a loss statement is prepared by the C. O. and approved by the C. F. A.

APPENDIX 'D'

Daily scale of rations admissible to all R. P. N. Ratings (including boys) borne on the books of H. M. P. Ships and establishments.

R. I. N. Instruction No. 157/1946, as amended from time to time, and R. I. N. Instruction Nos. 39/1944; 53/1945; 32/1947 and 39/1947 (as amended) hereby cease to apply to the R. P. N.

2. The scales of rations together with a table of supplementary substitutes now admissible are reproduced as an annexure to this instruction.



মোঃ রফিকুল হুসেন
 নং বুক নং
 এ.জি.বি. সিডিল পোস্ট অফিসের মাঝে
 এ.জি.বি. দক্ষিণ কোস্ট, ঢাকা-১০০৩
 মোবাইল-০১৮১৯-৪৬৬১২৯, বাংলা- ৩৫৪৩২৬

ANNEXURE.

Articles	Quantity in ozs.	Equivalents in ozs. (see Note I)	Quantity in ozs.
Bread/Atta/Rice/Biscuit/Flour ... (See Notes 2 and 10).	21		
Ghee (see note 3) ...	3	Oil cooking ...	3
Sugar ...	2 1/4		
Tea ...	1/3	Coffee or Cocoa or Chocolate	1, 1
Salt (Rock or Refined) (See note 5)	1/2	Salt, Tablets ...	Nos. 24
Dhal (See Note 4) ...	3	Peas, dried ...	3
Meat Fresh (see Note 7) ...	8	Meat tinned ...	5
		or Poultry, Live wt. ...	11
		or Poultry, dressed ...	5 5/7
		or Fish fresh ...	7
		or Fish tinned (except sardines)	3
		or Sardines ...	1 1/2
		or eggs (see note 7), (for vegeta- rian (See note 8).	
Condiments (see note 6) ...	3/4		
Potatoes ...	4	Potatoes, dried ...	1
		or Potatoes tinned ...	2 2/3
		or Potatoes sweet ...	4
		or Beans, dried ...	2
		or Peas, dried ...	2
		or Beans Harricot ...	1
		or vegetables, tinned ...	2
		or Dhal ...	2
		or Flour ...	1
Vegetables, Fresh (Other than On- ions or potatoes).	5	Vegetables, Dehydrated ...	1/2
		or Beans, Haricot ...	1
		or Vegetables, tinned ...	2
		or Fruits, dried ...	2
		or Fruits, fresh ...	4
		or Fruits, tinned ...	2
		or Dhal ...	2
		or Peas, dried ...	2
		or Beans, dried ...	2

Articles	Quantity in ozs.	Equivalents in ozs. (see note 1)	Quantity in ozs.
Onions	2	Onions, Dehydrated ... or Onions, spring green ... or Gandel or Vegetables fresh ...	1/2 3 3
Milk, tinned sweetened/unsweet- tended (See Note 9).	2	2/5 Milk fresh ... or Skim Milk Powder ...	6 4/5
Fruit fresh	3	Jam or Cheese tinned ... or Potatoes fresh (when locally available.) or Vegetable fresh ... or Vegetable tinned ...	2 1/2 2 3 1 1/2
Fuel ... ..	...	As actually required in accordance with the size and description of galley, in the case of H.M.P. Ships only. In the case of R.P.N. Shore establishments the type of fuel and scale of issue is to be as laid down by N.H.Q.	

1. *Equivalents are Issuable* :—

- To ships and establishments either at their option or on the authority of Senior Naval Officer present subject to availability in R. P. A. S. C. or R. P. N. Stocks.
- For the purpose of turing over R. P. A. S. C. or R. P. N. Stocks.
- By the R. P. A. S. C. at their option when unable to meet demands for normal standard scale articles.

2. The proportions of Bread|Atta|Rice|Biscuit|Flour to be taken up are optional subject to the following conditions :—

- Bread when available is normally not to be issued at a scale exceeding 12 ozs.
- Biscuits are only to be issued when bread is not available and the Commanding Officer considers it impracticable to issue Atta|Rice|Flour in lieu or for the purpose of turning over stocks.

3. 1 oz. of margarine and 1 oz. Jam|Marmalade|Golden Syrup|Honey may be drawn in lieu of 1 oz. of Ghee.

4. A proportion of dal ration not exceeding 1 oz. may be issued in the form of dhal meal (basin).

5. The basic salt ration may be increased to a maximum of one ounce per ration per day when considered necessary for the maintenance of good health. The increased salt ration will ordinarily be admissible between 15th April and 15th October only. Exceptional cases where issues are required to be made outside these dates will be referred to Naval Headquarters.

A certificate showing :

- (a) the extra quantity authorised per ration,
- (b) the period for which sanctioned,
- (c) reason for authorisation,

is to be signed by the Commanding Officer and the Medical Officer (if borne) recommending the extra issue and attached to the Victualling Accounts.

6. The term "condiments" comprises the following :—

Chillies ... ..	...	...	} Not issuable by the R.P.A.S.C. To be supplied and issued under R.P.N. arrangements.
		green	
		or	
Ginger ... ..	...	dried	
Turmeric ... ..	...	...
Garlic ... ..	...	...
Coriander. See Cummin Seed			
Tamarind ... ..	...	...

Ships and establishments may draw in any proportion at their option provided that the total quantity of all articles drawn does not exceed the standard ration of $\frac{3}{4}$ oz. per ration and provided that when condiment powder is issued, the ingredients thereof cannot be drawn as additional separate items.

On one day each week the following may be taken up in lieu of the 'condiments' ration :—

- Vinegar $\frac{1}{4}$ pint.
- Mustard $\frac{1}{2}$ oz.
- Pepper ground $\frac{1}{4}$ oz.

7. Mutton or beef is to be issued at the discretion of Commanding Officer of the ship or establishment. Poultry including ducks, etc., may be issued once weekly only, or when offered by the R. P. A. S. C. as an equivalent of fresh meat, the latter not being available. When dehydrated meat is available from the R. P. A. S. C., it may be supplied in lieu of fresh meat to meet an emergency at the scale of 6 ozs. dehydrated meat to 1 lb. fresh meat. Live sheeps or goats issued in lieu of fresh meat are to be accounted for by consuming ships or establishments as fresh meat at 50 per cent. of live weight at time of killing. Fish fresh or eggs may be issued even when meat is procurable, provided that such substitutes are demanded and that the scale of issue is assessed to cost not more than the fresh meat ration. Such issues must not exceed 3 per week. Scale of issue of eggs will be decided locally subject to the general principle regarding cost.

The term "Poultry" in the ration scale includes all types of domestic feathered birds, but in authorising issues to ratings and hospitals, due regard will be had to cost, the cheaper and more common varieties only (chicken and ducks) will normally be issued. On Id day or any other day of national importance issue of turkey, geese and guinea fowl may be authorised in that order at the discretion of the local Senior Naval Officer, who will give due consideration to costs and availability.

8. Ratings who are accustomed to vegetarian food may take up daily in lieu of meat :—

Milk fresh—16 ozs.
or

Milk tinned—6 $2\frac{1}{2}$ ozs.
or

(i) Ghee— $\frac{3}{4}$ oz.
&

(ii) Vegetables—8 ozs.
or

Cheese, tinned—3 $1\frac{1}{3}$ ozs.

9. In shore establishments milk fresh is to be taken up for the milk ration wherever possible. This also applied to seagoing ships when alongside or in the basin. When milk tinned of U. S. A. manufacture is issued an additional 25% is to be allowed. Skim powder is to be issued only when milk tinned or fresh milk is not available.

Boys classed as "boys" or "Seagoing Boys" and apprentices under 18 years of age are to receive an additional ration of milk daily as follows :—

Milk Fresh—10 ozs.
or

Milk tinned—4 ozs.

10. Extra issues of rations for small messes are admissible :—

(i) When separate messing arrangements are made for small detachments of R. P. N. ratings, the following additional issues of tinned provisions, fresh fish, vegetables, meat and fruit are to be issued.

For messes of 10 and below—20 per cent.

For messes of 11 to 20—10 per cent.

(ii) In H. M. P. Ships and Establishments where rations after drawing have to be split up for cooking in more than one galley the extra issues for each mess are to be assessed in accordance with (i) above.

(iii) When the extra issue falls below one ration, a full ration is to be issued.

11. When dehydrated vegetables are issued in lieu of fresh vegetables, ascorbic acid tablets or germinated beans/peas/dhall are also to

12. The Commanding Officer may, at his discretion, direct $\frac{1}{4}$ oz. tea and $2\frac{1}{4}$ ozs. sugar or one ounce lime juice/lemon juice and $1\frac{1}{2}$ ozs. sugar, in addition to daily allowances, to be issued to such ratings as may be much exposed during severe weather, or when from circumstances of sickness or climate or for other causes, he may consider it desirable.

Such issues are to be made or a certificate signed by O. C. himself except when issued for medical reasons, when the certificate will also bear the signature of the Medical Officer.

13. When fresh fish is issued to ships and establishments, complete with head and tail and ungutted, an additional 25% by weight will be added to cover cutting, gutting and cleaning.

When fresh fish is issued, either ungutted, without head and tail or gutted with head and tail, an extra issue of 12½ per cent. by weight will be added.

TABLE A.

Supplementary Equivalents to the daily Ration Scale.

Article	Quantity in ozs.	Equivalents	Quantity in ozs.
Bread	12 ozs.	Biscuit Shakarpara	8
Atta	21 "	Flour Plus baking Powder	8 1/2 1/2
Atta	21 "	Rice	21
		Shakarpara Biscuit	17
		Bajra or Jowar	21
		Briquitted Atta	21
Rice	21 "	Atta	21
		Shakarpara Biscuit	17
		Bajra or Jowar	21
		Briquitted Atta	21
Flour	21 "	Rice	21
		Jam	12
		Cheese	12
Meat Fresh	8 "	Veal	8
		Beef	8
		Liver	6
		Tongue	4 1/2
		Sausages tinned	4 1/2
		Kidney	4 1/2
		Heart	4 1/2
		Tail	14
		M. and V. Ration	12 [See note (1)]
		Cheese	3 1/3

Article	Quantity in ozs.	Equivalents	Quantity in ozs.
		Milk Tinned	6 2/5
		Milk Fresh	16
		Ghi and	3/4
		Vegetables	8
Fresh Fruit	3 Ozs.	Jam	1 1/2
		Marmalade	1 1/2
		Honey	1 1/2
		Ghi	3
		Golden Syrup	1 1/2
		Briquitted almonds and raisings	1 1/2
		Groundnuts, with shells ...	3
		Oil Hydrogenated	3
		Oil Cooking	3
		Lard	3
		Margarine	3
		Butter	2
		Jam	2
		Cheese	2
Condiments	3/4	Vingar or Sauces	3/4
		Pickles	3
		Herbs mixed	3/8
		Chutney	3
Dhal	3	Peas, dried	3
		Beans, dried	3
		Peas (tinned)	4 1/2
		Beans (tinned)	4 1/2
		Oatmeal } See Note (ii) ...	3
		Suji } ...	3

NOTE (i)—Above equivalents are authorised only when basic items or equivalent of normal standard ration scale are not available.

(ii) When M. and V. Ration is issued vegetables, potatoes and onions rations will be reduced by 3/4 of the ration.

(iii) Not to be issued for more than 2 days per week, and only in case of emergency.
(Authority :—Royal Pakistan Navy Instructions No. 49/49).

List of Reports and Returns due From N. L. A. O. S. N. L. A. to Controller of Naval Accounts.

APPENDIX 'E'

No.	Name of Return	Authority	Date of submission to C.N.A.
1	Weekly Progress Report	M.A.G.'s No. 1678 AN/G dated 7-1-36	Every Friday.
2	Monthly Progress Report	...	2nd Saturday of every month.
3	Monthly Report on the General State of Accounts	C.M.A. Karachi No. G/319 dated 13-1-48.	Last working day of each month.
4	Monthly Certificate of Dak and maintenance of personal Dairies	Do.	Do.
5	Monthly Expenditure incurred in aid of civil power	Do.	Do.
6	Monthly Arrears Report	C.M.A. Karachi No. G/718 dated 13-7-48.	25th of each month.
7	Monthly Inspection and Review completion Report of the L.A.O.	C.M.A. Karachi No. G/301 dated 18-8-48.	10th of the following month.
8	Monthly Audit completion Report of L.A. Office	Do.	Do.
9	Quarterly Local Audit Programme of L.A. Office	Do.	5 Jan. April, July and Oct.
10	Quarterly Programme of Inspection and Review of store accounts of the L.A.O.	Do.	Do.
11	Quarterly Statement showing letters addressed to M.A.G. but outstanding for more than six month.	C.M.A. Karachi No. G/319 dated 13-1-48.	Do.
12	Quarterly Statement showing particulars of A grade clerks not employed as Supervisor.	Do.	Do.
	Half Yearly		
13	Half yearly demand for Establishment	C.M.A. Karachi No. G/319 dated 13-1-48.	15th April and Oct.
14	Information concerning L.A. for preparation Half Yearly Report on the administration of the office.	M.A.G. No. 160 AN/E dated 2-8-38	10th April and Oct.

No.	Name of Return	Authority	Date of submission to C.N.A.
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15	Financial advice Report Yearly	M.A.G. No. 2986/AT/0/200 dated 13-8-37.	15th July and 15th Jan.
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16	Statement of Losses of cash over payments etc., written off by C.F.A.	C.M.A. Karachi No. G/599 dated 1-6-48.	15th June.
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17	<i>Ex-gratia</i> payment in the appropriation Accounts of Defence Services	Do.	Do.
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18	Infraction Expenditure exceeding Rs. 10,000	Do.	Do.
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19	Audit Certificate on the accounts of the Navy	Do.	Do.
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20	Indents for forms and stationery	Dec. every year.
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21	List of Dead Stock on charge	Do.
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22	List of Book of Regulations on charge	Do.
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APPENDIX 'F'

List of Registers etc., to be maintained by the Naval Local Audit Officers, including group Superintendents and Station Auditors.

Registers

1. Attendance Register.
2. Inward Register of important letters.
3. Register of Secret and Confidential documents.
4. Despatch register with postage account.
5. Register of specimen initials of Accountants and clerks serving under the Naval Local Audit Officer.
6. Casual leave Register.
7. Master Note Book.
8. Instructional order book.
9. Review Register.
10. Office Manuals, Parts I II and VII.
11. Register of 'Losses of stores' which are required to be published in Appropriation accounts of the Defence Services [P. A. F. (C. M. A.) 341].
12. Efficiency Chart.

Lists

1. List of books of Regulations on charge.
2. List of Dead stock articles.
3. List of Reports and Returns 'Due in' and 'Due out'.
4. Visual Chart for watching progress of Local Audit.

APPENDIX 'G'

List of Books of Regulations that are ordinarily required for use by Naval Local Audit Officers, Group Supdts. and Resident Stationary Local Audit Staff, in connection with Local Audit Work.

Essential books

1. Financial Regulations, Royal Pakistan Navy (F. R. R. P. N.)
2. Regulations for the R.P.N. Volume I.
3. Regulations for R. P. N. Volume II.
4. Military Account Code.
5. Military Audit Code.
6. Local Audit Officers Hand Book (Army).
7. Naval Store Duties instructions (Pakistan).
8. B. R. 4.
9. B. R. 93.
10. Office Manuals, Parts I, II and VII.
11. Rules for maintenance and hire of motor lorries electric trucks etc., attached to Naval store Department H. M. P. N. Dockyard Karachi.
12. Notes on prevention of frauds.
13. Mechanical vehicle Regulations.
14. Naval Local Audit Officers' Hand Book. A

Other Books

1. Regulations for the Army in Pakistan (Rules.)
2. Regulations for the Army in Pakistan (Instructions).
3. Passage Regulations.
4. Scales of Rations and Supplies issued by the R. P. A. S. C.
5. Stock Book Rate List of Centrally purchased articles (R. P. A. S. C.).
6. R. P. A. S. C. Regulations.

Handwritten signature and date:
 21/11/73

ANNEXURE II TO PART I

COPY OF LATE M. A. G. (INDIA) NEW DELHI LETTER NO. 7096/R DATED 26/2/40
AS AMENDED BY HIS NO. 7096/R DATED 31/5/40 ADDRESSED TO THE C. N.
A. BOMBAY.

Subject :—Suspension of certain normal items of Local Audit and
Inspection work during the War.

MEMORANDUM

Reference :—Paragraph 2 (b) of your memorandum No. C/28,
dated the 1st November 1939 and item (d) of statement
'E' appended thereto.

Your suggestions regarding the suspension of certain items of
"Inspection" and "Local Audit work" connected with the accounts of
ships during the period of the present war have been examined and the
following decisions have been arrived at with the concurrence of the
Director of Audit, Defence Services :—

A. Inspection

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Counting of the cash in hand & verifying it with the balance in the cash book. | May be suspended. |
| 2. Seeing that all public moneys received have been accounted for in the ship's cash book. | A reduced percentage check say 10 per cent. should be carried out. |
| 3. Checking of furlough passage granted to ratings. | May be suspended. |
| 4. Checking the expense book of medical comforts to see that all receipts have been accounted for an un-authorized issues have not been made. | Check to the extent of 16 2/3% should be exercised particular attention being devoted to more important and expensive stores. |
| 5. (i) Checking the counterfoils of Railway warrants and Credit notes. | May be suspended. |
| (ii) Verification of the entries in service books. | A small percentage (to be determined at your discretion) of entries in Service Books should be selected periodically for detailed check. |

B. Local Audit of Store Accounts on board the Ships

- | | |
|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Checking in full the closing balances with the authorised proportion. | The check by the C. N. A.s staff of the accuracy of the figures of authorised proportion shown by the executive should be restricted to important and expensive items only. The closing balances of such items should be compared with the authorised proportion checked as stated to see that stock is not held in excess of the authorised proportion. |
| 2. Checking of receipts & issue vouchers to the extent of 25%. | Check to the extent of 16 2/3% should be exercised. |

Para 2. In the case of items for which a percentage check has now been provided, the basis and the manner of selecting the percentage items vouchers etc., for audit, will be that laid down in paragraphs 5, 6 etc., of the enclosed copy of the M. A. G.'s circular No. 5548-AT/B dated the 18/20th February, 1939. You should keep a strict watch over the results of the reduced audit specified above with a view to restore it to its former quantum, if necessary.

3. With the suspension of the inspection of certain items of work and the curtailment of others, the residue of work may not possibly warrant a visit to the vessel by an officer for the purpose of inspection. If so, and provided the commander of the vessel agrees, the documents to be inspected may be called for in your office for inspection.

4. Following the general practice on the Army side inspection should be conducted approximately once a year.

PART II

Instructions for the inspection of Cash Accounts, Public Fund Accounts etc.

(1) Arrangements for the conduct of inspection work.

The general rules laid down in 'Preamble' to the L. A. Os. Hand Book Part II (Army) where they are not at variance will be equally applicable to the N. L. A. Os.

A. Inspection of Cash Accounts by L. A. O.

(1) The Cash accounts and Public Fund accounts etc. maintained by all Naval Officers, entrusted with Government money are subjected to a check locally, at least once a year. The dates of inspection are fixed in consultation with the Base Accounting or other officer concerned.

NOTE.—In the case of vessels not based on any port, the inspection is to be carried out by the N.L.A.O. of the port where the vessels arrive for refit or otherwise.

(2) The N. L. A. O. should personally carry out inspection and thus keep himself in touch with the financial affairs of the officers who are entrusted with the Public Funds. This work is very important and should be done by him personally. He may have a clerk to assist in routine work and a percentage of his work should be reviewed by the N. L. A. O. on whom will rest the final responsibility for correctness of inspection work.

(3) Ordinarily one months accounts will be selected for checks. The accounts for other months will be selected for detailed review, and doubtful and abnormal items examined more closely. The selection of one months' accounts should be influenced by—

- (i) the general state of accounts and the particular type of irregularities as revealed by previous inspection reports, and
- (ii) a general scrutiny of the accounts since last inspection.

(4) The following guiding principles will be kept in view by the N. L. A. O. in writing the results of his inspection:—

- (i) that all observations are written up concurrently with the progress of inspection and the points raised are concise and fully descriptive. Particular care will be taken as to the language and tone of the inspection report.

(ii) that before issue, the inspection report is shown to the Commanding Officer concerned and points of a controversial nature discussed with him. The items settled as a result of the discussion will be marked as such in the report and the C. O. will then sign at the bottom of the report in token of his having agreed to the same.

(iii) that the fair copy of the unsettled observations is sent to the C. O. concerned for reply under a confidential cover, if there is any matter of confidential nature.

(5) The N. L. A. Os. will always refer to the previous inspection report on an Establishment or Formation when inspecting its accounts, with a view to seeing that all errors etc. previously brought to notice are not repeated.

B. Review by Superior Service Officers.

The accounts locally inspected by a N. L. A. O. are reviewed by a superior service officer during his visits which are arranged for by the C. N. A.

(2) Main Objects of Inspection.

The general rules laid down in Appendix II of Office Manual Part I will apply *mutatis mutandis* in regard to review by Superior service Officers of Local Audit and inspection carried out by the N. L. A. O.

The main objects on which all efforts of the inspecting officers should be concentrated during the course of inspection are:—

- (i) To see that there is no breach of the canons of financial properties contemplated in F. Rgs. and to suggest ways and means which may help to reduce expenditure. Any deviation from these rules will be reported to the C. N. A.
- (ii) To ensure that Accounts are kept on the proper forms, and that the payments made do not disclose any tendency on the part of accounting officers to incur expenditure on objects other than those covered by Regulations or special authorities establishing a new system or practice. The inspecting officer will bring cases of irregularities to the notice of the C. N. A.
- (iii) To ensure the system of accounting is that prescribed.
- (iv) To see that all moneys relating to public funds have been duly accounted for and expended for the purpose for which they are intended.
- (v) To afford every possible financial advice to the accounting officers etc. and apprise them of the accounting principles and not simply criticise their omissions and short-comings.
- (vi) To avail of the opportunity of discussing personally all old outstanding objections and cases, which it was difficult to settle through correspondence, with the accounting officers and settle accordingly on the spot and
- (vii) To conduct a general and intelligent examination of the system under which the accounts are maintained to see that it does not render any frauds possible.

3. Accounts and Documents Inspected.

The cash accounts and other documents which the different accounting officers are required to maintain as well as the extent of audit and the detailed instructions relating to the checks to be applied are given against the respective cash accounts or other documents. In this connection, attention is also invited to para 8 of Military Audit Code.

Cash Book

(i) The instructions laid down in Appendix XVII, F.R.R.P.N. and other instructions will be kept in view at the time of inspection. It will be seen :—

- (a) that the Cash Book is maintained on form R.P.N. 12 that the entries therein are either written up in ink by the officer concerned or initialled by him in each case and that the Cash Book is signed again at the end of each month in token of verification of the cash in the chest. Full descriptions of each receipt or payment shall be given in the column 'Particulars'.
- (b) That the cash in the treasure chest is counted and is found to agree with the balance in Cash Book at the time of counting. All entries in the Cash Book will be casted to ensure the correctness of the balance as shown therein.
- (c) That the cash balance with accounting officer is within the limit laid down in para 234, F.R.R.P.N.
- (d) That all cheques from the date of last visit to the date of inspection (with reference to the list of cheques to be obtained by the N.L.A.O. direct from the disbursement section before inspection) money warrants and money received on behalf of Government from all other sources are accounted for concurrently.

NOTE.—The above check has been reduced to 10% only in respect of Cash Book for ships—
M.A.G.'s No. 7096/R dated 26/2/40.

- (e) That all amounts relating to different Public Fund Accounts have been credited to the Fund accounts concerned.
- (f) That no unauthorised advance or payment is made to any person.
- (g) That all payments are supported by proper acquittances, duly stamped, where necessary, and that separate monthly consecutive voucher numbers are assigned to the disbursements in the Cash Book.
- (h) It will be seen that the Acquittance Rolls are generally completed in the manner prescribed in para 15 of the Centralised Pay Accounting Instructions.
- (i) That Acquittance Rolls for exceptional payments e.g., under rules 233 and 234, P and A Regulations, R.P.N., ordinarily contained full reasons for the advances made *vide* para. 8 (i) of the above mentioned Instructions.
- (j) That the cash balances are certified by the C. O. as agreeing with the book balances at the end of each month.
- (k) Register of Pay and Identity Books is being duly maintained *vide* paras. 25, 28 and 29 of the above mentioned Instructions.
- (l) The cheque books are completed and properly kept and recorded *vide* para. 13 of the above mentioned Instructions.

(ii) Education Training Grant.

These accounts will be examined to see that the amounts drawn on this account through the Cash and Ledger accounts are credited on the receipt side of these accounts and the funds are devoted exclusively to the purpose, i.e., the training of the ratings only.

(iii) Gunnery Improvements Fund.

A check to the extent of 25% is exercisable under para. 18 IV (6) of Military Audit Code but for the period of war this limit has been reduced to 16-2/3%. Particular attention will, however, be paid to more important and expensive stores *vide* (M. A. G. No. 7096/R, dated 26/2/40).

(iv) Boys Fund Account.

In addition to the casting and looking for credits on account of amounts drawn through Cash Ledger account, these accounts will be inspected to see that no amount is devoted to objects other than those enumerated in para. 2, Appendix XVII, F. R. R. P. N.

(v) Medical Comforts Expense Book.

This book will be inspected to see that all receipts and issues are in order and being recorded regularly and the book is balanced accordingly; also that the Commanding Officer's approval is given monthly. The check will be limited to 16-2/3% of the transactions (M. A. G's No. 7096/R, dated 26/2/40).

(vi) Fine Fund Accounts.

It will be seen that necessary recoveries on account of fines inflicted on Dockyard workers of the R. P. N. as shown in the 'Fine Register' have been made and credited in the 'Fine Fund' Cash Book and that the Fine Fund is utilised only to promote the welfare of the labourers.

