



दक्षिण रेलवे/SOUTHERN RAILWAY

सं./No.P(R)182/P/Vol.VII

प्रधान कार्यालय/ Headquarters Office
कार्मिक शाखा/ Personnel Branch
चेन्नै/Chennai - 600 003
दि./ Dated: 22-03-2018

पी बी सी सं/ PBC No: 48 / 2018

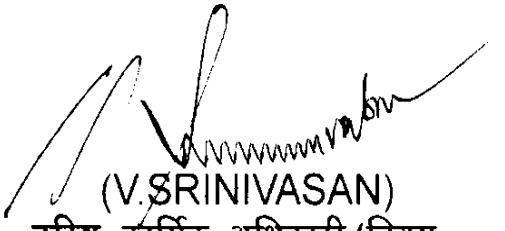
All PHODs / DRMs / CWMs / CEWE / CAO / CPM / Dy.CPOs / Sr.DPOs /
DPOs / SPOs / WPOs / APOs of HQ / Divisions / Workshops / other Units,
etc.,

(As per mailing list -'A')

विषय/Sub : Fraud in Salary Bills in Delhi Division, Northern
Railway.

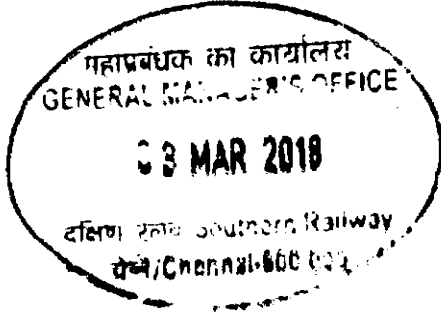
A copy of Railway Board letter No. 2018/AC-II/25/1 dated 27-02-2018 on
the above subject is enclosed for information, guidance and necessary action.

संलग्न/Encl: as above


(V.SRINIVASAN)
वरिष्ठ कार्मिक अधिकारी/नियम
Senior Personnel Officer/Rules
For Principal Chief Personnel Officer

प्रतिलिपि/Copy to : The Genl Secy / SRMU
The Genl Secy / AISCSTREA
The Genl Secy / AIOBCREA

The Genl Secy / NFIR



GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

RBA No. 14/2018

No.2018/AC-II/25/1

New Delhi,

Dated 27.02.2018

General Managers,
All Zonal Railways/PUs,
CAOs/COFMOW & DLMW

S R / Chennai

Sub: Fraud in Salary Bills in Delhi Division, Northern Railway.

A fraud by manipulation of Pay Roll Computerised System purportedly by creating Ghost employees and false claims of Travelling Allowance, Overtime Allowance, Night Duty Allowance and arrear has been brought to the notice of this Ministry by Northern Railway. In its preliminary report, Railway has reported loss to Government Exchequer amounting approximately Rs.1.5 Crore on scrutiny of Pay roll records for the years 2016 & 2017. Railway in its preliminary investigation has exposed nexus between Bill Clerk of Personnel Department and the beneficiaries, all working as Pointsman. The beneficiaries had their bank account in the same bank branch in which Bill Clerk was also having account. Apparently the prescribed codal provisions for passing of the bills have also not been followed by the concerned officials in this case.

Though final report is yet to be received from Railway, the Board (MS & FC) has taken a view that the fraud in Salary Bill reported by Northern Railway may be brought to the notice of Railways/Production Units/RDSO etc. to conduct scrutiny of Pay roll records from the year 2016 onwards to obviate possibility of similar frauds. The emphasis of scrutiny should be particularly on those employees where abnormal claim of TA, OTA, NDA and arrear is noticed.

It may also be ensured that the codal provisions with regard to check of establishment charges and also Board's instructions issued vide letter no. 2002/AC-II/25/3 dated 15.11.2002 on check list for passing of establishment bills for strengthening of bill checking system are rigorously followed. Further information related to modus operandi will be shared with Zonal Railways/PUs on receipt of final investigation report from Northern Railway.

It is requested that preliminary status report of the system prevailing on your railway/unit and short comings related thereto, including short comings in Pay roll module of IPAS, if any, may be reported to Board within a fortnight.

(Anjali Goyal)
Principal Executive Director (Accounts)
Railway Board.

Government of India
Ministry of Railways
Railway Board.

No. 2002/AC-II/2573


15-11-2002

**FA&CAOs,
(All Zonal Railways & Production Units)**

Sub- Check list for passing of establishment bills.

Oflate, instances of fraudulent payments on salary bills of staff are being reported by Railways. In order to streamline the existing internal checking procedure in this regard a sample checklist is enclosed. FA&CAOs may supplement/complement these checks further to strengthen the system keeping in view the objectives of these instructions. A copy of instructions/procedure order issued in this regard may also be sent to Board for information and record

DA - as above


(J. Srinivas)
Director Finance(CCA)
Railway Board

Check of Establishment bills

Manual Bills

Bill receiving section

1. As soon as the P/B is received in the bill receiving section of Accounts office, it is seen that:
 - a) it is in prescribed form, Signed by the Drawing officer competent to sign the same whose specimen signatures tally with those available in Accounts office and then only AB No./CO6 No. is allotted and the bill is passed on to the bill passing checking section for exercising the following checks

Bill passing section

1. The bill received from bill receiving section is allotted AB No. CO6 no. YES/NO
2. The number of posts in each category charged in the bills have been checked with the sanctioned strength of the pay bills unit as noted in the cadre / scale check register. YES/NO
3. The names of employees are checked with the pay bills of last month to ascertain whether there is any change or not. YES/NO
4. In case of employees whose name appear for the first time and is the case of fresh appointment the following documents have been referred to:- YES/NO
 - a) order of appointment
 - b) Service agreement in case of Gazetted employees.
 - c) Health certificate as required under the rules.
 - d) Certificate with regard to date of birth.
 - e) Report of the date of entering upon actual duties.
5. In the case of employees whose name appears for the first time in the establishment bill but is not in case a first appointment, audited LPC and report regarding giving and taking over charge has been received. YES/NO
6. The pay roll of each unit contain summary accompanied by a statement showing sanctioned strength & the actual strength of the unit YES/NO
7. A statement (Memorandum of difference) showing the reasons of the variation between gross salary charged in the pay bill under check & the previous bill accompanies the bill and the reasons of variation are suitably explained. YES/NO
8. If there are no variation between gross salary charged in the pay bill under check & the previous bill Memorandum of difference showing NIL amount accompanies the bill YES/NO
9. Scale master has been posted from the salary bill to ascertain actual operation of posts against sanctioned strength. YES/NO
10. The number of days charged has been checked with the list of absence and the roll & certificate is forthcoming with the bill:- YES/NO

Attendance of the staff have been verified with the attendance register and found to be correct. The names of staff who have availed various kinds of leave/placed on IOD/unauthorized absence/suspension have been indicated. The names of other staff who are not marked as

- leave/absent on any day were present on duty." YES/NO
- 11 In case of promotions/demotions/pay fixations, removal, dismissals/suspension/increment & any new claim the sanction of competent authority is there whose specimen signatures are available in accounts office YES/NO
- 12 The amount of all allowances like DA,CCA, HRA , etc. charged in the bills has been checked with reference to the rate prescribed by the competent authority from time to time & admissibility with reference to rules laid down for the purpose YES/NO
- 13 Other miscellaneous payment like washing allowance/hazardous allowance/honorarium, are paid only to eligible staff having fulfilled the conditions for drawl of such allowance and sanction of the competent authority is there for making such payments. YES/NO
- 14 Any additional payments to employees like special pay, personal pay, family planning allowance, charges allowance, travelling allowance etc. are included only after proper check and sanction by competent authority.. YES/NO
- 15 In case of leave following aspects have been checked:- YES/NO
- sanction to the leave, its extent & nature
 - Admissibility & correctness of leave salary claimed under the rules
 - Life certificate/indemnity bond to refund overpayment if any
 - Report of the date on which the leave was availed of
 - Sanction for substitute if any.
 - Report of the date of return to duty.
 - LPC on return from leave out of India
 - In case of employees who were on leave for more than 30 days, it is ensured that no Transport Allowance is paid to them.
- 16 **Check on various recoveries:-**
- 16.1 While checking recoveries towards PF/VPF it is seen that PF A/cs no are allotted to all the employees covered under the bill and no recovery of PF/VPF is made without allotting the PF account number YES/NO
- 16.2 Regular recovery as due towards rent , electric charges etc. have been made in respect of employee who have been allotted railway quarters & that in such cases no HRA is drawn YES/NO
- 16.3 For correct & complete recovery of electric charges if a bill has not been received in respect of any employee occupying railway quarters the final bill have been called for from electrical department & recovery made provisionally subject to final adjustment on receipt of the correct bill from the electrical department . YES/NO
- 16.4 A register is being maintained for any amount un-recovered from individual employees on account of transfers out of the pay bill unit non-drawl of leave salary etc. for indicating the same in the LPC & watching recovery by the correct pay bill unit YES/NO
- 16.5 The advices of transfer of occupant from one unit to another bill unit have been advised to the electrical department . YES/NO
- 16.6 Regular recoveries as due have been made towards the various advances (HBA, Festival Advance, Car Advance, Scooter Advance) paid , if any, to the employee and vouchers are passed on to the Suspense section for

- making entries in the suspense register.
- 16.7 Recoveries of II & Professional Tax (wherever applicable) are made as per rate / rates prevalent YES/NO
- 16.8 The disbursement statement on summary for deduction made in & payable to other parties like Institutes , Credit Society etc. has been checked with the grand total YES/NO
- 16.9 Recovery of GIS as per prescribed rates has been made from all the employees YES/NO

When complete check with respect to allowances charged in the pay bill and recoveries are made, encasement of the bill is filled clearly showing the gross amount, recoveries made and net amount passed. The AB No./CO6 No. is noted in the payment register and CO7 in respect of bill passed for payment is drawn,

Checking of computerized pay roll .

17 Bill receiving section.

- 17.1 As soon as the Bill is received in the bill receiving section of Accounts office, it is seen that:- YES/NO
- a) it is in prescribed form, Signed by the Drawing officer competent to sign the same whose specimen signatures tally with those available in Accounts office and then only AB No./CO6 No. is allotted and the bill is passed on to the bill passing checking section for exercising the following checks YES/NO

18 Bill passing section.

- 18.1 The bill received from bill receiving section is allotted AB No./CO6 no YES/NO
- 18.2 The changes advised through the input have been correctly incorporated in the printed pay rolls YES/NO
- 18.3 In case of discrepancy manual changes have been made in printed pay roll the same is attested before forwarding to accounts department YES/NO
- 18.4 The alteration has been advised to computer centre through pay roll cell for correcting computer files YES/NO
- 18.5 The input is properly prepared and is tallied with the initial vouchers & in the required formats before submitting it in the computer cell YES/NO
- 18.6 Listing of error recovery & control figure i.e. ARD are prepared for verification by the pay roll mechanism cell YES/NO
- 18.7 Changes in the current month in respect of all bill units are indicated by the bill-preparing unit in the prescribed formats and the same has been signed by the competent authority . YES/NO
- 18.8 The input data given by the bills preparing unit has been correctly converted in to complete file & is duly processed along with the master data for preparation of pay roll & the connected statement YES/NO
- 18.9 Every bill-preparing unit has send change cards containing changes in the current month in P Branch with co-ordinates between computer cell and bill preparing units YES/NO
- 18.10 Input data is processed on the computer to generate pay bills and other connected statements after all the errors are removed and control totals YES/NO

- tallied by the pay roll cell .
- 18.11 A statement (Memorandum of difference) showing the reasons of the variation between gross salary charged in the pay bill under check & the previous bill accompanies the bill and the reasons of variation are suitably explained. YES/NO
- 18.12 If there are no variation between gross salary charged in the pay bill under check & the previous bill Memorandum of difference showing Nil amount accompanies the bill YES/NO
- 18.13 Scale register has been posted from the salary bill to ascertain actual operation of posts as against sanctioned strength. YES/NO
- 18.14 The number of days charged has been checked with the list of absentee and the following certificate is forthcoming with the bill:-

“Attendance of the staff have been verified with the attendance register and found to be correct. The names of staff who have availed various kinds of leave/placed on IOD/unauthorized absence/suspension have been indicated. The names of other staff who are not marked as leave/absent on any day were present on duty.”

- 18.15 The pay roll are prepared in 3 copies. YES/NO

19 **Check on various recoveries:-**

- 19.1 While checking recoveries towards PF/VPF it is seen that PF A/cs no are allotted to all the employees covered under the bill and no recovery of PF/VPF is made without allotting the PF account number YES/NO
- 19.2 Regular recovery as due towards rent , electric charges etc. have been made in respect of employee who have been allotted railway quarters & that in such cases no HRA is drawn YES/NO
- 19.3 For correct & complete recovery of electric charges if a bill has not been received in respect of any employee occupying railway quarters the final bill have been called for from electrical department & recovery made provisionally subject to final adjustment on receipt of the correct bill from the electrical department . YES/NO
- 19.4 A register is being maintained for any amount unrecovered from individual employees on account of transfers out of the pay bill unit non-drawl of leave salary etc. for indicating the same in the LPC & watching recovery by the correct pay bill unit YES/NO
- 19.5 The advices of transfer of occupant from one unit to another bill unit have been advised to the electrical department . YES/NO
- 19.6 Regular recoveries as due have been made towards the various advances (HBA, Festival Advance, Car Advance, Scooter Advance) paid , if any, to the employee and vouchers are passed on to the Suspense section for making entries in the suspense register. YES/NO
- 19.7 Recovery of IT & Professional Tax (wherever applicable) are made as per rate / rules prevalent YES/NO
- 19.8 The disbursement statement on summary for deduction made in & payable to other parties like Institutes , Credit Society etc. has been checked with the grand total YES/NO
- 19.9 Recovery of GIS as per prescribed rates has been made from all the YES/NO

When complete check with respect to allowances charged in the pay bill and recoveries are made, encasement of the bill is filled clearly showing the gross amount, recoveries made and net amount passed. The AB No./CO6 No. is noted in the payment register and CO7 in respect of bill passed for payment is drawn

Supplementary Bills

20 Bill receiving section.

- 20.1 As soon as the Bill is received in the bill receiving section of Accounts office, it is seen that:- YES/NO
- a) it is in prescribed form, Signed by the Drawing officer competent to sign the same whose specimen signatures tally with those available in Accounts office and then only AB No./CO6 No. is allowed and the bill is passed on to the bill passing checking section for exercising the following checks

21 Bill passing section.

- 21.1 The bill received from bill receiving section is allotted AB No./CO6 no. YES/NO
- 21.2 Memorandum of difference & absentee statement of the regular bills for the months to which the supplementary claim relates have been referred to see that it has not already been passed for payment YES/NO
- 21.3 In case of arrears of DA, Increment etc. drawn in the regular salary bill under check the relevant paid bills of the previous month has been referred to & full particulars of supplementary bills are recorded to avoid double payment. YES/NO
- 21.4 Full particulars of the claim and reference to the supplementary bill have been entered on the memorandum of differences and absentee statement and the regular bill, for the month affected, against the name of individuals concerned YES/NO
- 21.5 All the entries and remarks made in connection with the passing of a supplementary claims have been checked and attested by the officer in-charge of the section YES/NO

TA Bills

- 22.1 The bill is in prescribed form and is signed by the controlling officer YES/NO
- 22.2 The arrival of departure /arrival has been verified with the railway time table YES/NO
- 22.3 The rate charged in the bill are correct with reference to the pay drawn by the employee. YES/NO
- 22.4 In the case of attendance in a court as a witness, the T. A. journal is supported by certificate from the court YES/NO
- 22.5 The arithmetical accuracy of calculation has been checked with the reference to the rate application & nos. of days absence. YES/NO
- 22.6 Contingent charged claimed is for absence from Head -quarters & it does not exceeds one day's daily allowance YES/NO
- 22.7 Any advance of TA granted have been fully recovered from the T. A. bill. YES/NO
- 22.8 When the journey performed is beyond the jurisdiction of the railway YES/NO

- sanction of competent authority accompany the bill
- 22.9 The correctness of pay shown in the journal have been checked with the bills YES/NO
- 22.10 If the T. A. has been claimed late, the reason for delay has been accepted & condoned by the controlling officer YES/NO

Educational Assistance/Reimbursement of Tuition Fee

- 23 A manuscript register has been maintained to record particulars relating to & the same is attested by the in-charge of the section so as to ensure that no second claim on the same account is admitted in internal check YES/NO
- 23.1 The reimbursement claim is in accordance with the prescribed rate & condition YES/NO

Overtime Vouchers

- 24.1 The reason for requiring the staff to work OT are satisfactory & the vouchers are accepted & counter signed by the competent authority YES/NO
- 24.2 The period for which OT has been charged is not more than the period for which approval was obtained YES/NO
- 24.3 The OT has not been charged without making necessary entries in the OT registers YES/NO
- 24.4 The original entries in OT register or OT slips have not been altered or enhanced by scoring or erasing without attestation by competent authority YES/NO

25 Other General Points

- 25.1 Payment witness :- The witness officer or staff nominated to witness payment is from branch other than bills section. YES/NO
- 25.2 No payment is disbursed without witness by Cashier/Cash office. The officer while nominating YES/NO
- 25.3 Specimen signatures of witness for arranging payment to the staff have been forwarded to Accounts office YES/NO
- 26 Register of bills passed for payment :- the salary bill received for internal checks have been entered in the register of bills maintained against the description of pay bill unit under column "Regular Bills" under the relevant month to safeguard against double payment of the same claim. YES/NO
- 27 Saving Register:- All items of expenditure disallowed initially at the time of internal check / & or adjusted / recovered or the same being admitted by the executives officer concerned have been noted in the saving register for follow up. YES/NO
- 28 Register of serious irregularities :- Serious irregularities noticed during the internal check of salary bill in terms of para IR code for Accounts department are posted in the register for serious irregularities for follow up. YES/NO
- 29 Objection book :- Items of objectionable during internal check of salary bills have been posted in objection book for taking up with the executive officers concerned through disallowance lists / letters YES/NO
- 30 Disallowance list :- All disallowance ~~from~~ objectionable bills are noted in disallowance list YES/NO

in Establishment Bills has been communicated to the officer who submitted the bills through disallowance lists . The reasons for disallowance or objection has been stated clearly & concisely , the rule & order s on which each allowance or objection is based being mentioned

- 31 **Check of Paid Vouchers**
- 31.1 The name of payee mentioned in the bills tally with the signatures obtained in acknowledgement of the amount paid . YES/NO
- 31.2 Where a person other then payee himself has received the amount , the payment has been made under proper authority YES/NO
- 31.3 The necessary Unpaid Wages List and Treasury/ Bank receipts have been received for the amounts returned as unpaid YES/NO
- 31.4 There are no bills outstanding with the chief cashier beyond the period permitted YES/NO