"The Forerunner" to its subscribers amongst the professional world of the Internal Audit and Accounts Department in the Nagpur University, Indian Audit & Accounts Department.

Sixteenth Issue April ’14 - Sept.’14 2015

In this Issue
- Memorable Moments Unfolded
- Impact of Training
- Faculty Column
  - Treasury Inspection (contd.)
  - Our Toppers
- Evaluation of Training
- Education Column
  - Understanding Non Tax Revenue
  - Understanding the Issues in Biological Diversity
- Audit Column
  - Categories of Pension
  - Cyber Law Of India

 Prayer Niyeke ke patle se

'Pray for the flourishing of knowledge', a slogan that has become synonymous with Fighting Fraud through Training: "The Forerunner" to its subscribers amongst the professional world of the Internal Audit and Accounts Department in the Nagpur University, Indian Audit & Accounts Department.

Sixteenth Issue April ’14 - Sept.’14 2015

In this Issue
- Memorable Moments Unfolded
- Impact of Training
- Faculty Column
  - Treasury Inspection (contd.)
  - Our Toppers
- Evaluation of Training
- Education Column
  - Understanding Non Tax Revenue
  - Understanding the Issues in Biological Diversity
- Audit Column
  - Categories of Pension
  - Cyber Law Of India

Resource Centre in Audit of Techniques & Forensic AUD "Revenue Audit" in September to act as a repository of information through developing quality studies (National and International).
GPF authorities issued by Accountant General, Mumbai/Nagpur with GPF registers.
- to see that GPF authority paid before the validity period,
- to see that GPF authority got revalidated from the competent authority after expiry of the validity period.

Nil Payment Register:
It may be seen that no government money transferred from the consolidated fund Revenue expenditure head and transferred to Deposit head to avoid the lapse of budget grant by way of transfer credit by preferring nil payment bill.

III. Cheque section
Nature of work: the major work in cheque section relates to writing of cheques after checking and passing the bills by the Audit section.
Records maintained in cheque section:-
1) Cheques counterfoils
Records to be checked:
a) Cheque counterfoils of selected month with payment schedule of MH 8670
Treasury cheques forwarded by the 
Treasury Inspection (Hqr) Section
- Treasury lapsed cheques
Records to be seen:
Monthly submission of lapsed cheque statement by treasury officer to A.G Mumbai.
Plus minus memos for verification of adjustment of lapsed cheques, duly approved by A.G Mumbai.
An approval letter of A.G Mumbai for such lapsed cheques.

While checking the above record it may be verified that
- lapsed cheques statement were sent by treasury officer to A.G Mumbai every month.
- Approval was given by the A.G Mumbai to the lapsed cheques by giving transfer entries.
- On receipt of the approval from A.G Mumbai, treasury officer is required to adjust the approved amount in the plus minus memos of 8670 treasury cheques, in the subsequent month.

- Token census
Records to be seen:
Census report,
Challans of lost token,
Approval of Dy. Director of Accounts & Treasuries for write off of tokens against whom cash recovery is not possible,
Token register, and Correspondence files.
While checking the above records it is to be verified that:
- Treasury officer conduct a census of token on 2nd of every month
- Whether Token register has been closed daily and the balance has been agreed by actual count.

Challans of lost token,
Approval of Dy. Director of Accounts & Treasuries for write off of tokens against whom cash recovery is possible,
Token register, and Correspondence files.
While checking the above records it is to be verified that:
- Treasury officer conduct a census of token on 2nd of every month
- Whether Token register has been closed daily and the balance has been agreed by actual count.
Understanding Non Tax Revenue

Taxes are the first and foremost sources of public revenue. Taxes are compulsory payments to government without expecting direct benefit or return by the tax payer. A tax is a compulsory payment made to the government. Taxes collected by Government are used to provide common benefits to all mostly in form of public welfare services.

The Government collects tax revenue by way of direct & indirect taxes. Direct taxes includes; Corporate tax; personal income tax capital gain tax and wealth tax. Indirect taxes includes custom duty, central excise duty, VAT and service tax.

The revenue obtained by the Government from sources other than tax is called Non-Tax Revenue. The sources of non-tax revenue are fees, fines or penalties, Surplus from Public Enterprises, Special assessment of betterment levy, Grants and Gifts and Deficit Financing. The main difference between a Tax Receipt and a Non Tax Revenue Receipt is that Tax payment is compulsory for each and every citizen but there is no compulsion for payment of Non Tax Revenue Receipt for each citizen.

Broad classification of Non Tax Revenue

1. Fees
Fees are important source of revenue for the Government. A fee is charged by public authorities for rendering a service to the citizens. Unlike tax, there is no compulsion involved in case of fees. The Government provides certain services and charges certain fees for them. For example, fees are charged for issuing of passports, driving licenses, etc.

2. Fines or Penalties
Fines or penalties are imposed as a form of punishment for breach of law or non fulfillment or certain conditions or for failure to observe some regulations. Like taxes, fines are compulsory payments without quid pro quo. But while taxes are generally imposed to collect revenue. Fines are imposed as a form of punishment or to prevent people from breaking the law. They are not expected to be a major source of revenue to the Government.

3. Surplus from Public Enterprises
The Government also gets revenue by way of surplus from public enterprises. In India, the Government has set up several public sector enterprises to provide public goods and services. Some of the public sector enterprises do make a good amount of profits. The profits or dividends which the government gets can be utilized for public expenditure. There is some sort of quid-pro-quo in the case of surplus from public enterprises. This is because, the public gets goods and services, and the government gets prices, and consequently profits from selling such goods and services.

4. Grants and Gifts
Gifts are Voluntary contributions by individuals or institutions to the Government. Gifts are significant source of revenue during war and emergency.

A grant from one Government to another is an important sources of revenue in the modern days. The Government at the Centre provides grants to State Governments and the State Governments provide grants to the local Government to carry out their functions.

Gifts from foreign countries are known as Foreign Aid. Developing countries receive military aid, food aid, technological aid, etc. from developed countries.

5. Deficit Financing
Deficit means an excess of public expenditure over public revenue.

This excess may be met by borrowings from the market, borrowings from abroad, by the central bank creating currency. In case of borrowing from abroad, there cannot be compulsion for the lenders, but in case of internal borrowings there may be compulsion. The Government may force various individuals, firms and institutions to lend to it at a much lower rate than the market would have offered.

The above receipts are collected by various Departments, Agencies within a Departments, Ministries and classified in the Annual Accounts of the Union. Like fees is collected by Housing Department in the form of license fee for Govt. quarters, by Labour and Employment Department in the form of Registration fees from trade unions registered under the act etc. Such type of Non Tax Revenue Receipts collected by various Departments and Ministries are enumerated below:

<table>
<thead>
<tr>
<th>Name of Ministry/ Department/Govt.</th>
<th>Type of Non Tax Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest from State Governments</td>
<td>Interest on Loans for State Plan schemes</td>
</tr>
<tr>
<td></td>
<td>Interest on Loans for Central Plan Schemes</td>
</tr>
<tr>
<td></td>
<td>Interest on Loans for Centrally Sponsored Plan Schemes</td>
</tr>
<tr>
<td></td>
<td>Interest on Loans for Non-Plan Schemes</td>
</tr>
<tr>
<td></td>
<td>Interest on Loans for Special Plan Schemes</td>
</tr>
</tbody>
</table>
Understanding the Issues in Biological Diversity

What is Biological Diversity?

Biological Diversity is used to refer to all aspects of variability in the living world, including diversity within and between individuals, populations, species, communities, and ecosystems. Often the term biodiversity is used instead. The term is commonly used loosely to refer to all species and habitats in a given area for the variety of life. According to experts, biological diversity refers to "the variability among living organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems." The definition represents approximately one third of the world's land area of which 95 percent is natural forest and 5 percent is planted forest. Forests are critically important for maintaining biological diversity. Estimated to contain half of the world's total biological diversity, natural forests have the highest species diversity and endemism of any ecosystem type. There are three major types of forests classified according to latitude: tropical, temperate, boreal forests (taiga).

b) Grasslands

Once the grasslands occupied 40 percent of the land area, but today most of it is under cultivation. All have in common a climate characterized by high rates of evaporation, periodic severe droughts, a rolling to flat terrain, and animal life that is dominated by grazing and burrowing. Some examples of grasslands are the prairies of North America, the pampas of Argentina, the steppes of Europe, and the savanna of the east Africa.

c) Desert

Deserts are defined by geographers as land where evaporation exceeds rainfall. No specific rainfall can be used as criteria, but deserts may range from an arid land to those with sufficient moisture to support a variety of life. Deserts occupy about one fifth of the land surface of the earth and are largely confined to a worldwide belt between the Tropic of Cancer and the Tropic of Capricorn. Some major examples of world desert are the Sahara and Namib Desert in Africa, and Gobi Desert in India. In the desert environment, species which can survive the intense heat and arid conditions have adapted through natural processes.

d) Tundra

Tundra is the coldest of all habitats. There are two types of

Habitat

Another aspect of biological diversity is habitat. Habitat refers to the areas in which living organisms live and survive in an ecologically balanced environment. Some major classifications of habitats are:

1) Terrestrial
   a) Forest
   b) Grasslands
   c) Desert
   d) Tundra

2) Freshwater (Freshwater represents only 1.7 percent of the
   Earth's surface and includes lakes, rivers, and
   estuaries)

3) Marine and coastal ecosystems (maritime, marine, estuarine)

Public Service
Commission (also called UPSC/SSC Examination Fees)

Other Receipts

Police

Public Service
Commission

Other Receipts

Jails

Public Service
Commission

Other Receipts

Contact us for material:
e-mail: rtinagpur@cag.gov.in
Ph: (0712) 2545420, 2545816, 2545829
Fax: 0712 - 2562577
Web: http://rtinagpur.cag.gov.in

Animals, Insects and more

Describing biological diversity is by species. A species is as members of a group of organisms that are similar to them. Species are grouped according to their classification of living organisms. From the abundance of the world, only about 1.75 million species exist; there are many other species that are yet to be discovered. Scientists estimated they range from 3 to 100 million. The following table is a depiction of the number of species estimated and described:

<table>
<thead>
<tr>
<th>Kingdom</th>
<th>Number of species</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bacteria</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Protista (algae)</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Animal</td>
<td>4,000,000</td>
</tr>
</tbody>
</table>

Species, Plants, Animals

Another way of describing biological diversity is by species. Species are defined as all living organisms that reproduce between different individuals of the same species. Some species in this kingdom have been identified and named, while others remain unknown to us and are estimated to be 100 million. The following table is a depiction of the number of species estimated and described:

<table>
<thead>
<tr>
<th>Kingdom</th>
<th>Number of species</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bacteria</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Protista (algae)</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Animal</td>
<td>4,000,000</td>
</tr>
</tbody>
</table>

Genetics

Another aspect of biological diversity refers to the chromosomes, genes, and DNA which will determine the uniqueness of each individual and species. Size or disease resistance in crops is a genetic trait with genetic technological species to be flexible in the face of range. On the other hand, failure in the absence of technologies on genetic increases the risk of extinction.

Marine and coastal ecosystems (maritime, marine, estuarine)

Inland waters ecosystems (freshwater, dunes, marshes)

Forest ecosystems (rainforests, deciduous, coniferous)

Dryland ecosystems (steppe, grassland, desert)

Copyright Fees
Receipts from Motor Garages etc.
Receipts from Guest Houses,
Government Hostels etc
Passport Fees
Visa Fees
(to be contd.)
4. Categories of Pension

<table>
<thead>
<tr>
<th>Red Flags (Fraud indicators)</th>
<th>Preventive</th>
<th>Anti-fraud measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4.7 Family Pension</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 4.7.4 Family pension paid to sons/daughters of deceased wives in unequal shares. | As per the provisions, family pension is authorized to the eligible sons/daughters in equal shares. | • Segregate the case in which family pension was paid to sons/daughters in unequal shares.  
• Verify whether details of sons/daughters obtained borne out of each widow separately.  
• Verify whether family pension was paid as per provisions.  
• Comment suitably in case of deviation. |
| 4.7.5 Family pension authorized in favor of the children of deceased first wife and legally wedded second wife in shares. | As per the provisions, family pension is to be authorized to legally wedded wife. However the eligible sons/daughters of both wives are entitled to family pension in equal shares after the death of second wife. | • Segregate the case in which family pension was paid to sons/daughters of deceased wife and legally wedded second wife in shares.  
• Verify whether family pension was paid as per provisions.  
• Comment suitably in case of deviation. |
| 4.7.6 Family pension recommended in favor of a 25 years old son. | As per the provisions, family pension is to be authorized to son up to the date of attaining age of 21 years. | • Segregate the case in which family pension recommended in favor of a 25 years old son.  
• Verify whether family pension was paid as per provisions that is verify his age on the date of death of parents.  
• Comment suitably in case of deviation. |
| 4.7.7 Family pension recommended in favor of a working son. | As per the provisions, family pension can be authorized to son up to the date of starting earning and/or date of marriage whichever is earlier. | • Segregate the case in which family pension recommended in favor of a working son.  
• Verify whether family pension was paid as per provisions that is verify date of starting earning or marriage on the date of death of parents.  
• Comment suitably in case of deviation. |

Contd. from previous issue

n. Defamation:-
Defamation can be understood as the intentional infringement of another person's right to his good name. Cyber Defamation occurs when defamation takes place with the help of computers and/or the Internet, e.g. someone publishes defamatory matter about someone on a website or sends e-mails containing defamatory information to all of that person's friends. Information posted to a bulletin board can be accessed by anyone. Cyber defamation is also called as Cyber smearing.

o. Cyber Stalking:-
Cyber stalking involves following a person's movements across the Internet by posting messages (sometimes threatening) on the bulletin boards frequented by the victim, entering the chat-rooms frequented by the victim, constantly bombarding the victim with emails etc.
In general, the harasser intends to cause emotional distress and has no legitimate purpose to his communications.

p. Data Diddling:-
Data diddling involves changing data prior or during input into a computer. In other words, information is changed from the way it should be entered by a person typing in the data, a virus that changes data, the programmer of the database or application, or anyone else involved in the process of having information stored in a computer file. It also include automatic changing the financial information for some time before processing and then restoring original information.

(to be contd.)