



Memorandum to the Seventh Pay Commission

Comptroller & Auditor General of India

Group 'B' and 'C' cadres

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New Delhi

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Section-I

1. Overview of Indian Audit & Accounts Department

- 1.1.** The Comptroller & Auditor General of India (CAG) is a constitutional authority appointed by the President of India under Article 148 of the Constitution of India. The duties & powers of the CAG are prescribed in the Articles 149-151 of the Constitution of India. The Parliament under Article 149 of the Constitution has enacted the Comptroller & Auditor General's (Duties, Power and Condition of Service) (CAG's DPC Act) Act, 1971 replacing the earlier Government of India (Audit & Accounts) Order 1936.
- 1.2.** The audit mandate of the CAG is defined in the CAG's (DCP) Act 1971. As per the provisions of the Act, the CAG has to audit & report upon:
- All receipts and expenditure from the Consolidated Fund of the Union and State Governments;
 - All financial transactions in emergencies, outside the normal budget (called the Contingency Fund);
 - Inflow and outflow of private monies of the public held by the Government in trust e.g. small savings, deposits in lieu of services and obligations (called Public Accounts) at Central as well State levels;
 - All trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary accounts kept in any Government Department;
 - All stores and stock accounts of all Government offices and Departments;
 - Accounts of all Government companies, e.g. ONGC, SAIL, etc.;
 - Accounts of all statutory corporations and bodies that provide for audit of their accounts by CAG, e.g., Food Corporation of India;
 - Accounts of all autonomous bodies and authorities substantially financed from Government money e.g. Panchayati Raj Institutions, Urban Local Bodies, Universities, Indian Institute of Management, Indian Institutes of Technology, State Health Societies, etc.;
 - The CAG may also agree to special audit engagements outside his mandatory commitments. Such engagements ordinarily relate to accounts of bodies involving

substantial investment of public funds and may be accepted either on request of the President / Governor or own initiative;

- The CAG has also been entrusted the role of providing technical guidance and support to local fund auditors in certain states.

1.3. Under the CAG's (DCP) Act 1971 and other Acts and Regulations, CAG performs following functions:

- Advisory role in the maintenance of Accounts of the Union and States
- Under Companies Act, the statutory auditors for government companies are appointed on the advice of the CAG. The CAG also conducts supplementary audit in addition to that conducted by the statutory auditors. His comments arising out of this audit are placed before the Parliament in the case of Central Government companies and the respective state Legislatures for the State Government companies.
- Audits the levy and collection of taxes and all expenditure incurred by Central and State Governments.
- Audits the accounts of autonomous bodies substantially financed from government funds.
- Audits the accounts of certain statutory corporations and bodies

2. Organizational Setup

2.1. The Constitutional and statutory responsibilities of the CAG are unique and varied in nature. To enable him to discharge these responsibilities, he has officers and staff at various levels who constitute the Indian Audit & Accounts Department (IA&AD). At the apex level, the CAG is assisted by six Deputy Comptroller & Auditors General, seven Additional Deputy Comptroller & Auditors General and a number of other officers and staff at various levels in the headquarters office at New Delhi. The audit and accounts functions are discharged through 123 field offices spread all over the country. Of these, 28 offices are responsible for monitoring accounts of State Governments and performing entitlements functions in respect of State Government employees. 93 field offices are engaged in for audit functions. Appendix I gives the overall organization chart of the Department.

- 2.2.** The functions discharged by different wings of IA&AD vary in nature unlike the Secretariats of the different Ministries which are only concerned with the activities and functions of those Ministries. Further, IA&AD under the CAG is an independent department in our system of Parliamentary financial control and should be treated on the same footing as any other organization related to a Constitutional authority like the Supreme Court of India. This is logical as the CAG has been given the status of a Judge of the Supreme Court by an Act of Parliament. Also, a strong and committed audit department ensures better working and performance of the entire government. There is thus a very strong case to consider a special status for the organization, having regard to its position in the polity, the arduous judgmental role it performs, the breadth of its activity and the skills as well as the knowledge it must acquire and continuously upgrade.
- 2.3.** The CAG is the auditor mandated by the Constitution of India and he discharges his duties through IA&AD. The office of the CAG is responsible for development of organisational objectives and policies, audit standards and systems, laying down policies for management of the manpower and material resources of the Department and final processing and approval of the Audit Reports. India has one of the largest public sectors in the world, within which there is a recognised need to strengthen performance, accountability for results and financial management systems. In this environment, the scale and complexity of the IA&AD's work are formidable. IA&AD has around 49,000 staff and its auditing covers multiple levels in government and includes all government sectors and varied types of organisations. For carrying out these diverse responsibilities it is supported by 123 field offices spread across India and 04 overseas offices.
- 2.4.** Several other features distinguish IA&AD's working environment from that of many of its international peers as well as other Central Government departments.
- The extent and span of its audit work, which covers multiple levels of government and different types of organisations across India.
 - Significant diversity in language, governance and development in the different states in which it works.
 - IA&AD also prescribes the Accounting Standards for the Government of India. Three (03) Indian Government Accounting Standards (IGAS) had been notified by Government of India till March 2014. Two (02) IGAS and four (04) Indian

Government Financial Reporting Standards (IGFRS) are under consideration of the Government of India.

2.5. An appreciation of the volume of work involved in the audit of the expenditure and receipts of the Union and States and Administration of the Union Territories is provided by the following facts relating to 2012-13.

- The IA&AD audited 50,738 units covering 98.28 percent and 91.11 per cent of planned audits at Union and State Level, respectively. IA&AD issued 47,595 inspection reports during 2012-13. 138 audit reports (including standalone performance audit reports) were prepared during 2012-13, out of which 132 were submitted to the Parliament and the State Legislature. Also 198 performance audit products were approved during 2012-13. Out of 1516 recommendations to the audited entities at Union and State level, 454 recommendations were accepted.
- Further, IA&AD certified 5,551 accounts of Union and State Governments, Public Sector Undertakings, Autonomous Bodies, externally aided projects and others.
- The Government accepted 14.42 percent of recoveries pointed out by audit. Of these, **Rs.5,537 crores** was actually recovered, which is more than double the total budget of IA&AD of **Rs.2649.07 crores**.

2.6. The accounts of the State Governments and certain Union Territories are compiled monthly in the Accounts and Entitlement (A&E) offices of IA&AD. Besides compiling accounts, the IA&AD is responsible for preparing and submitting the accounts to the President, Governors of State and Administrators of Union Territories having Legislative Assemblies. This does not involve only mechanically totaling up incomes and expenditures but also includes acting as financial advisers. IA&AD raises red flags if monies are being drawn in excess of authorization. It actively monitors expenditure patterns and issues advice on excess, surrender and lapse of funds.

2.7. The annual accounts of the State Governments in the form of Finance Accounts & Appropriation Accounts are prepared in the A&E offices. The A&E offices also maintain the provident fund accounts of most of State Governments Employees and authorize pensions and other retirement benefits.

3. Status and Importance of IA&AD

- 3.1.** Audit, like judiciary, executive and legislature is one of the pillars of Parliamentary democracy in that it plays a vital role in Parliamentary financial control and assists the Legislature in ensuring the accountability of the executive to the public. CAG is an important functionary under the Constitution and, it is often said, he is the guardian of the purse by ensuring that no money is spent without the authority of the Parliament. In order to enable audit to play this role effectively, the Constitution has provided for the CAG as an independent Constitutional Authority.
- 3.2.** The CAG is appointed by the President by warrant under his hand and seal for a fixed tenure of six years. The Constitution safeguards his freedom and independence. The duties and powers of the CAG are laid down in the Comptroller and Auditor General (Duties, Powers and Conditions of Service) Act, 1971 enacted under Article 149 of the Constitution read with CAG's Regulations on Audit and Accounts (2007). Keeping in view the fact that the CAG performs duties and exercises powers which are crucial to the accountability of the executive to Parliament and the control of Parliament over the accounts and finances of the Union and the States, the Constitution, through Articles 148, 149 and 151, has given a special status and protection to the CAG. In order to ensure his independent status, the CAG has been given by Article 148(5) of the Constitution, a special position in regard to the conditions of service of the persons serving in the Indian Audit and Accounts Department. Though these special powers given to the CAG in regard to persons serving in Indian Audit and Accounts Department are not as extensive as those given by Article 98 of the Constitution to the Speaker of the Lok Sabha and the Chairman of the Rajya Sabha and by Article 146 of the Constitution to the Chief Justice of India, the special powers given under Article 148(5) to the Comptroller and Auditor General have to be real and substantive. Commenting upon the appointment of and control over staff given to the Auditor General, Dr. B. R. Ambedkar in the Constituent Assembly Debated:

"I cannot say that I am very happy about the position which the Draft Constitution, including the amendments which have been moved to the article relating to the Auditor General in this House, assigns to him. Personally, speaking for myself, I am of the opinion that this dignitary or officer is probably the most important officer in

the Constitution of India. He is the one man who is going to see that the expenses voted by the Parliament are not exceeded, or varied from what has been laid down by Parliament in what is called the Appropriation Act. If this functionary is to carry out the duties – and his duties, I submit, are far more important than the duties even of judiciary, he should have been certainly as independent as the Judiciary. But, comparing the articles about the Supreme Court and the articles relating to the Auditor General, I cannot help saying we have given the Judiciary, although I personally feel that he ought to have far greater independence than the Judiciary itself. "

- 3.3.** Comprehensive auditing requires higher auditorial skills—skills of understanding the complex programmes and activities, analysis and interpretation of data and objective assessment. They require a different approach in that it has to go into all aspects of a programme, project or activity of Government including their objectives and goals, feasibility or similar studies and project reports, planning, implementation through various stages, operation in all its aspects, performance, monitoring and evaluation. In turn, this calls for an examination of the procedures adopted at various stages like planning, sequence of operations, co-ordination of various elements involved in the programme, project or activity, laying down standards in respect of inputs and outputs, organizational aspects, and so on. Quite clearly, there has to be a systems approach as distinguished from the traditional transaction approach to enable an integrated review of the implementation of the programme or project or even performance of the activities of an organisation. The position obtaining in regard to the programmes, projects or activities will not also be uniform in the entire department or organisation. Naturally, the systems in vogue in each department or organisation will require in depth study and proper interpretation before making an objective assessment of their working. An audit of this type requires not merely a thorough knowledge of the essential elements of the programme, project or activity, but at the same time an appreciation of the practical aspects of implementation by the executive in order to make a worthwhile contribution to the understanding of the legislature and the public about the performance of the executive.
- 3.4.** Comprehensive auditing as explained above would require not only proper organizational arrangements but also careful planning. What is required on the part of directing officials and other staff is not merely a sound accounting knowledge, but

also a wide ranging financial and administrative background with an ability to understand and analyse various aspects of the programmes, projects and activity being executed and to appraise them with reference to well-understood managerial and financial principles, performance indicators and other data available within the audited organisation. Discussions with the executive at various stages also help in getting a better appreciation of the problems in implementing the programmes and projects. In the ultimate analysis, it is the ability and originality on the part of the directing officials and other staff, rather than elaborate text book guidelines that would determine the quality of audit and its findings.

- 3.5.** The need, therefore, is to attract officers of very high calibre for induction into the IA&AD from the basic level. The officers in IA&AD have to continuously enrich their skills and keep themselves abreast of the latest developments. The ever expanding role of audit has placed increasingly exacting demands on the professional skills of the government auditors. Performance audit requires deep study and thorough knowledge of the organisation as well as the functional area taken up for examination. The work involved in such audit goes beyond examining the regularity and propriety of transactions of the audited organisations to expressing an opinion on the quality of performance thus entailing a much wider knowledge of the subject and related areas and complex evaluative skills. A professional auditor is expected to be equal to or even better than the management whose performance he/she is called upon to assess, appraise and express an opinion on. He must possess the power of quick assimilation and comprehension, critical and mature judgment, and evaluative skills of a very high order which alone can enable him to successfully handle any audit situation in a fast changing scenario. He has to arrive at correct, quick and balanced decisions, requiring a combination of knowledge, skills, mature judgment and ethics. These can be developed only as a result of professional knowledge, in-depth study, long experience and intensive training inputs. The requirement of continuous professional development is of paramount importance and the officials of the Indian Audit and Accounts Department ensure that they keep abreast of the evolving environment around them to enable them to meaningfully comment in their reports. It is therefore, clear that in order to be effective, an auditor has not only to be a trained professional, but a versatile, independent and balanced evaluator who brings to his work complete impartiality and a sense of balance. An audit report of a few pages hides behind it a

wealth of information skillfully collected, collated, analyzed and reported upon. It is only then that it is possible to fulfil the audit mandate.

- 3.6.** For this purpose, they have to be motivated by providing incentives in the form of better pay scales and promotional avenues. As discussed above, officials of the IA&AD should have knowledge and up-to-date information about not only the different departments of the Central Government but also of the State Governments. Performance of various complex tasks involved in comprehensive auditing requires competent and skilled personnel at lower formations with specialized knowledge in the different branches of audit, like Civil, Defence, Posts and Telecommunications, Railways, Scientific and Commercial etc. These tasks devolve on Sr. Accounts / Sr. Audit Officers, Accounts Officers / Audit Officers, Assistant Accounts Officers/Assistant Audit Officers and Auditors. The basic qualification for recruitment to the post of Auditor is a University degree. Thereafter, they have to pass several departmental examinations, the most important being the Subordinate Accounts / Audit Service Examination, which is widely recognized as one of the toughest departmental examinations in the Government of India.
- 3.7.** The above arguments build a compelling and conclusive case for better status and pay scales for the Indian Audit and Accounts Service officers and for the other officers and staff of the Indian Audit and Accounts Department.

Section-II

4. Human Resource in IA&AD to carry out the Constitutional obligations entrusted to the Department

- 4.1. As stated in paragraph 2.1 above, to enable him to discharge his responsibilities, the CAG has officers and staff at various levels who constitute the Indian Audit and Accounts Department. While Group 'A' officers belongs to Indian Audit & Accounts Service (IA&AS), an organized Group 'A' Central Service. IA&AS officers are recruited by the Union Public Service Commission through the Civil Services Examination, the Group 'B' & 'C' officers/employees are (i) appointed through Union Public Service Commission or the Staff Selection Commission (SSC) and (ii) departmental promotions.
- 4.2. While the proposals for the Indian Audit and Accounts Service are presented separately in Section IV, Sections II and III discuss the constitution and proposals in respect of Group 'B' and 'C' cadres of the IA&AD. For the purpose of these proposals and ease of explanation, the Group 'B' and 'C' officers and employees can be broadly grouped into the following three cadres:
- (1) **Mainstream cadres** – Cadres available only in the IA&AD and which are deployed on the core activities of IA&AD;
 - (2) **Common cadres** – Cadres common with other Government of India departments; and
 - (3) **Divisional Accountants' cadre**
- 4.3. Various cadres, in hierarchical order, under the above three groupings, their mode of appointment, pay band and grade pay as recommended by the 6th Central Pay Commission, and their sanctioned strength *vis-à-vis* the persons-in-position is tabulated below:

(1) Main stream cadres

Cadre/Post	Classification	Mode of appointment	Pay band and Grade Pay (6th CPC)	SS/PIP as on 01.01.2014
Auditor / Accountants	Group 'C'	Direct recruitment & Promotion	PB-1, GP Rs. 2800/-	5843/6604
Sr. Auditor/Sr. Accountant	Group 'B' Non-Gazetted	Promotion	PB-2, GP Rs. 4200/-	25994/15606
Asstt. Audit Officer / Asstt. Accounts Officer	Group 'B' Gazetted	Promotion, then deputation failing which by direct recruitment.	PB2, GP Rs. 4800/-	12755/10105
Audit Officer / Accounts Officer	Group 'B' Gazetted	Promotion	PB-2, GP Rs. 5400/-	1124/1493
Sr. Audit Officer/ Sr. Accounts Officer	Group 'B' Gazetted	Promotion	PB-3, GP Rs. 5400/-	3935/3380

(2) Common cadres

(a) Multi-tasking staff /Clerk cum typists

Posts	Classification	Mode of appointment	Pay band and Grade Pay (6th CPC)	SS/PIP as on 01.01.2014
MTS	Group 'C'	Direct recruitment	PB-1, GP Rs. 1800/-	6871/5745
Clerk cum Typist	Group 'C'	Direct recruitment & Promotion	PB-1, GP Rs. 1900/-	5224/1428

(b) Stenographers cadre:

(i) In field Offices

Posts	Classification	Mode of appointment	Pay band and Grade Pay (6th CPC)	SS/PIP as on 01.01.2014
Stenographers	Group 'C'	Direct recruitment	PB-1, GP Rs. 2400/-	452/44
Personal Assistant	Group 'B' Non-Gazetted	Promotion	PB-2, GP Rs. 4200/-	478/308
Private Secretary	Group 'B' Gazetted	Promotion	PB-2, GP Rs. 4600/-	105/83
Sr. Private Secretary	Group 'B' Gazetted	Promotion	PB-2, GP Rs. 4800/- After 04 years PB-2, GP Rs. 5400/-	39/38

(ii) In CAG's headquarters office

Posts	Classification	Mode of appointment	Pay band and Grade Pay (6th CPC)	SS/PIP as on 01.01.2014
Stenographers	Group 'C'	Direct recruitment	PB-1, GP Rs. 2400/-	09/09
Personal Assistant	Group 'B' Non-Gazetted	Promotion	PB-2, GP Rs. 4200/-	12/08
Private Secretary	Group 'B' Gazetted	Promotion	PB-2, GP Rs. 4800/- After 04 years PB-3, GP Rs. 5400/-	25/21
Principal Private Secretary	Group 'A' Gazetted	Promotion	PB-3, GP Rs. 6600/-	22/11
Sr. Principal Private Secretary	Group 'A' Gazetted	Promotion	PB-3, GP Rs. 7600/-	05/05

(c) EDP cadre:

Posts	Classification	Mode of appointment (As per model RR notified by DoPT)	Pay band and Grade Pay (6th CPC)	SS/PIP as on 01.01.2014
Data Entry Operator Grade 'A' (Data Entry Operator In IA&AD)	Group 'C'	Direct Recruitment	PB -1 Rs 5,200-20,200, Grade Pay 2,400	2593/939
Data Entry Operator Grade 'B' (Console Operator In IA&AD)	Group 'C'	Promotion, Deputation, failing which by Direct Recruitment	PB -1 Rs 5,200-20,200, Grade Pay 2,800	502/09
Data Entry Operator Grade 'C' (Sr. Console Operator In IA&AD)	Group 'B' Non-Gazetted	-do-	PB-2 Rs 9,300-34,800, Grade Pay Rs. 4,200	438/119
Data Entry Operator Grade 'D' System (Data Processor In IA&AD)	Group 'B' Gazetted	-do-	PB-2 Rs 9,300-34,800, Grade Pay Rs. 4,600	107/05
Data Entry Operator Grade 'E' (Sr. Data Processor in IA&AD)	Group 'B' Gazetted	-do-	PB-2 Rs 9,300-34,800, Grade Pay Rs. 4,800	81/05
Senior Programmer DEO Grade 'F' (Data Manager in IA&AD)	Group 'A' Gazetted	-do-	PB-3 Rs 15,600- 39,100 plus Grade Pay Rs 5,400	13/00

(d) Staff car driver:

Posts	Classification	Mode of appointment	Pay band and Grade Pay (6th CPC)	SS/PIP as on 01.01.2014
Staff Car Driver (Ordinary Grade) (30%)	Group ' C'	Initial recruitment	Pay Band 1, Grade Pay Rs. 1,900/-	46/27
Staff Car Driver (Grade II) (30%)	Group ' C'	By promotion	Pay Band 1, Grade Pay Rs. 2,400/-	46/26
Staff Car Driver (Grade I) (35%)	Group ' C'	By promotion	Pay Band 1, Grade Pay Rs. 2,800/-	54/53
Staff Car Driver (Special Grade) (5%)	Group ' B' Non-Gazetted	By promotion	Pay Band 2, Grade Pay Rs. 4,200/-	08/08

(e) Rajbhasha Cadre:

Posts	Classification	Mode of appointment	Pay band and Grade Pay (6th CPC)	SS/PIP as on 01.01.2014
Jr. Translator	Group ' B' Non-Gazetted	Direct Recruitment	Pay Band 2, Grade Pay Rs. 4,200/-	301/131
Sr. Translator	Group ' B' Non-Gazetted	Promotion	Pay Band 2, Grade Pay Rs. 4,600/-	60/19
Hindi Officer	Group ' B' Gazetted	Promotion	Pay Band 2, Grade Pay Rs. 4,800/-	118/30

(3) **Divisional Accountant Cadre:**

Posts	Classification	Mode of appointment	Pay band and Grade Pay (6th CPC)	SS/PIP as on 01.01.2014
Divisional Accountant	Group ' B' Non-Gazetted	Direct Recruitment	Pay Band 2, Grade Pay Rs. 4,200/-	1696/681
Divisional Accountant Grade - II	Group ' B' Non-Gazetted	Promotion	Pay Band 2, Grade Pay Rs. 4,600/-	1187/678
Divisional Accountant Grade - I	Group ' B' Gazetted	Promotion	Pay Band 2, Grade Pay Rs. 4,800/-	1185/1036
Sr. Divisional Accountant Accounts Officer	Group ' B' Gazetted	Promotion	Pay Band 3, Grade Pay Rs. 5,400/-	708/680

Section-III

Submissions before the Pay Commission for Group B & C cadres

5. Main Stream cadres:

5.1. This Section contains recommendations for the consideration of the 7th Central Pay Commission with regard to the Group 'B' and 'C' cadres detailed in Section II. These proposals, while showing the pay scale and grade pay recommended by the 6th Central Pay Commission for each individual cadre, propound a pay scale and grade pay which is deemed to be more appropriate for that cadre given its role, duties and responsibilities. It is recommended that the 7th Central Pay Commission consider this deemed pay scale and grade pay as the base for making its recommendations in respect of these cadres.

5.2. Auditor / Accountant cadre:

Present pay scale: PB – 1 (Rs. 5,200 – 20,000), Grade Pay Rs. 2800/-

Deemed pay scale (corresponding to the 6th CPC): PB-2 (Rs. 9,300 – 34,800), Grade Pay Rs. 4200/-.

The recruitment to the post of Auditor/Accountant is by promotion from Clerk/Typists under seniority quota, promotion under examination quota and direct recruitment through a Combined Graduate Level Examination conducted by the Staff Selection Commission. Their job profile demands greater Audit /Accounting skills justifying the higher deemed pay scale.

5.3. Sr. Auditor / Sr. Accountant cadre:

Present pay scale: PB – 2 (Rs. 9,300 – 34,800), Grade Pay Rs. 4200/-

Deemed pay scale (corresponding to the 6th CPC): PB-2 (Rs. 9,300 – 34,800) Grade Pay Rs. 4600/-.

Consequent to the revision of their Recruitment Rules, which is currently under process, the direct recruitment of Sr. Auditors/Sr. Accountants will take place through the Combined Graduate Level Examination (CGLE), 'Scheme A' conducted by the Staff Selection Commission. CGLE 'Scheme A' is at present for Assistants of the Central Secretariat Service and has an additional computer paper and a personality test as compared to the normal CGLE. Therefore, the qualification, mode of recruitment, selection procedure etc. in respect of Sr. Auditors/Sr. Accountants in the Indian Audit and Accounts Department will be the same as in the case of the Assistants in CSS.

Further, both Sr. Auditors/Sr. Accountants and the Assistants in CSS were placed in the same grade pay of Rs. 4,200/- by the 6th Central Pay Commission with effect from 01.01.2006. However, the Ministry of Finance vide OM No. F. No. 1/1/2008-IC dated 13.11.2009 unilaterally increased the grade pay of the Assistants of the CCS to Rs. 4,600 with effect from 01.01.2006. Therefore, the grade pay of Sr. Auditors/Sr. Accountants should also be enhanced to Rs. 4,600/- to restore the parity provided by the 6th Central Pay Commission.

5.4. Assistant Audit Officer / Assistant Accounts Officer cadre:

Present pay scale: PB – 2 (Rs. 9,300 – 34,800), Grade Pay Rs. 4800/-

Deemed pay scale (corresponding to the 6th CPC): PB-2 (Rs. 9,300 – 34,800) Grade Pay Rs. 4800/-.

After 04 years: PB-2(Rs. 9,300 – 34,800), Grade Pay Rs. 5400/-

The officers in grade pay of Rs. 4800/- in the Revenue Department, Superintendents in Post Offices were granted grade pay of Rs. 5400/- after 04 years of service in the Grade. However, the same was not extended to the organized accounting services, thereby disturbing the horizontal relativity. The same needs to be extended to the organized accounting services as well.

5.5. Audit Officer / Accounts Officer cadre:

Present pay scale: PB – 2(Rs. 9,300 – 34,800), Grade Pay Rs. 5400/-

Deemed pay scale (corresponding to the 6th CPC): PB-3, Grade Pay Rs. 6600/-

Placing Assistant Audit Officers/Assistant Accounts Officers in PB-2 with grade pay Rs. 5400/-, as proposed above in paragraph 5.4, will need the concomitant vertical up gradation of the pay scales of the Audit Officers/Accounts Officers cadre. It may be worth mentioning here that due to implementation of the Modified Assured Career Progression Scheme, Sr. Auditors/Supervisors/Assistant Audit Officers have been granted financial upgradation to PB-2 with grade pay Rs. 5400/- bringing them at par with the Audit Officers / Accounts Officers, causing an anomalous situation where seniors and juniors in ranks are placed in the same pay scales. This has disturbed the harmony of working environment of office and created hierarchical issues. The Audit Officer supervises the working of Assistant Audit Officers, and therefore, a higher grade pay of Rs. 6600/-in PB-3 for them is justified.

5.6. Sr. Audit Officer / Sr. Accounts Officer cadre:

Present pay scale: PB – 3(Rs. 15,600 – 39,100), Grade Pay Rs. 5400/-

*Deemed pay scale (corresponding to the 6th CPC): PB-3(Rs. 15,600 – 39,100),
Grade Pay Rs. 7600/-.*

The changing economic scenario and the liberalization of the economy have thrown up requirements for more comprehensive and effective Auditing. It has also broadened the ambit and scope of auditing by the Comptroller and Auditor General of India, from transaction and regulatory audit, to performance evaluation auditing (to evaluate comprehensively the effectiveness and achievement of a scheme, project etc). The Sr. Audit Officer/Sr. Accounts Officer, besides conducting the audit, also performs multifaceted roles such as vetting audit Inspection Reports submitted by the field Audit Parties and follow up of action taken by the audited entities on these reports, ensuring adherence to auditing standards, compilation of accounts, preparation of annual State Government Accounts, and audit of Treasury functions, etc.

The Accounts Officer / Audit Officers and Sr. Accounts Officer / Sr. Audit Officers cadres constitute the cutting edge of the professional workforce of the Comptroller and Auditor General of India. The highest level of supervision below the Senior Time Scale of the Indian Audit and Accounts Service is provided by these officers. These are promotional posts, the feeding cadre being Assistant Audit Officers and

Assistant Accounts Officers. The appointment to this feeder cadre of Assistant Audit/Accounts Officers is made through a professional qualifying examination conducted for various specialized branches such as accounts, civil audit, commercial audit defence audit, railway audit, and posts and telecommunications audit. The promotion to the Audit Officer or Accounts Officer cadre takes place only after putting in about 17 to 20 years in the feeder cadre of Assistant Audit/Accounts Officer, and further promotion to Sr. Audit/Accounts Officer cadre after another 2-4 years of service as Audit/Accounts Officer.

At present, the only promotional channel available to the Sr. Audit/Accounts Officers and Audit/Accounts Officers is induction to the Indian Audit and Accounts Service (IA&AS). Only 1/3rd of the vacancies in IA&AS are filled by induction of Sr. Audit/Accounts Officers or Audit/Accounts Officers. The prescribed eligibility criteria are 5 years of combined regular service as Sr. Audit/Accounts Officer and Audit/Accounts Officer and age below 53 years at the time of induction. The limited number of vacancies (25 to 30 each year) restricts the number of inductions into IA&AS to less than one per cent of the total sanctioned strength of Sr. Audit/Accounts Officers and Audit/Accounts Officers (combined cadre strength - 5059) each year. Therefore, the cadre of Sr. Audit/Accounts Officers deserve better grade pay and need to be placed in PB-3 with a grade pay of Rs. 7600/-.

Besides the detailed averments above, the following arguments merit consideration for granting a better deal to the Audit/Accounts Officers and Sr. Audit/Accounts Officers.

- The Direct Recruit Group 'B' officer appointed through Union Public Service Commission gets elevated to at least Joint Secretary Level (grade pay of Rs. 10,000) in the course of his career, whereas the Direct Recruit Assistant Audit/Accounts Officer, who is now to be appointed through the Union Public Service Commission in grade pay of Rs. 4800/- (Group 'B') has scope of only two promotions i.e. Audit/Accounts Officer (PB-2, GP Rs.5400/- and Sr. Audit/Accounts Officer (PB-3, GP Rs. 5400/- (there is merely a change in Pay Band i.e. from PB-2 to PB-3). On further induction of a miniscule percentage of this cadre to IA&AS, they are again placed in grade pay of Rs. 5400/-. Thus, practically, 99% of Direct Recruit Assistant Audit/Accounts Officers have up gradation of just one grade pay i.e from Rs. 4800/- to Rs.

5400/- in their entire service career. It is also pertinent to mention here that a Group 'B' officer appointed through UPSC in DANICS gets invariably elevated to the Selection Grade of the Junior Administrative Grade which carries a grade pay of Rs. 8700/-.

- It may be noted that the following three posts are in the same grade pay of Rs. 5400/-
 - Direct Recruit Auditors due to 3rd financial up gradation under Modified Assured Career Progression Scheme;
 - Audit Officer / Accounts Officer ; and
 - Sr. Audit Officer / Sr. Accounts Officer.
- In 5th Central Pay Commission, the Sr. Divisional Accounts Officers were in the same pay scale as that of the Audit/Accounts Officers. The 6th Central Pay Commission, up graded and recommended given the pay scale equivalent to that of the Sr. Audit/Accounts Officers to the Sr. Divisional Accounts Officers. However, the Audit/Accounts Officers and Sr. Audit/Accounts Officers of the main stream cadres of the Indian Audit and Accounts Department were not given a commensurate up gradation. This has disturbed the horizontal relativity in the Department

6. Common cadres

6.1. Clerk cum Typists

Present pay scale : PB – 1(Rs. 5200 – 20,200), Grade Pay Rs. 1900/-

Deemed pay scale (corresponding to the 6th CPC): PB-1(Rs. 5,200 – 20,200), Grade Pay Rs. 2400/-.

The mode of recruitment to Clerk/Typist is 85% by Direct Recruitment (through SSC), 10% by seniority from multi-tasking staff (MTS) and 5% from examination quota (12th pass MTS with 3 years of service are eligible to appear at the examination). Though the qualification for direct recruitment to Clerk/Typist is almost the same as for appointment to the post of Data Entry Operator (DEO), the work profile of a Clerk/Typist is more varied than that of a DEO. Further, it is also a

promotional post for MTS. On promotion from MTS to Clerk/Typist, the change in grade pay is a mere Rs. 100/-, which is not commensurate with the increase in duties and responsibilities in the promotional post. Therefore, the more appropriate and justified grade would be the grade pay of Rs. 2400/-.

6.2. Stenographer's cadre

These categories of staff constitute a vital component for the efficient functioning of the organization and discharge the same functions irrespective whether they are employed in the field offices or in the Secretariat or headquarters. However, as brought out in paragraph 4.3 of Section II of this Memorandum [table (2) (b)], a distinction has been created in terms of their pay, with those working in the Secretariat or headquarters getting better remuneration and promotional avenues than those working in the field offices. The 6th Central Pay Commission in its report at paragraph 3.1.3 had recommended removing this disparity for field staff. However, the same was not implemented. The existing pay scales of Stenographers cadres are as mentioned below. The 7th Central Pay Commission is urged to recommend appropriate pay scales to the cadre, without discrimination between field and Secretariat or headquarters.

Posts	Pay band and Grade Pay (6th Central Pay Commission)
Stenographers	PB-1, GP Rs. 2400/-
Personal Assistant	PB-2, GP Rs. 4200/-
Private Secretary (Field Offices)	PB-2, GP Rs. 4600/-
Private Secretary (Hqrs. Offices)	PB-2, GP Rs. 4800/- After 04 years PB-3, GP Rs. 5400/-
Sr. Private Secretary (Field Offices)	PB-2, GP Rs. 4800/- After 04 years PB-3, GP Rs. 5400/-
Principal Private Secretary	PB-3, GP Rs. 6600/-
Sr. Principal Private Secretary	PB-3, GP Rs. 7600/-

6.3. EDP cadre

The use of Information Technology in Auditing and Accounting is continuously increasing and therefore this cadre is becoming increasingly important.

Department of Personnel & Training vide OM No. AB-14017/2/2011-Estt (RR) dated 30.05.2014 has circulated model Recruitment Rules for Group 'A', 'B' and 'C' posts in Electronic Data Processing (EDP) cadre based on the 6th Central Pay Commission recommendations. In accordance with model Recruitment Rules issued by DoPT, the EDP cadre consists of posts at 9 levels as detailed below:

Name of the post	Pay band and Grade Pay	Method of recruitment
Data Entry Operator Grade 'A' (Data Entry Operator In IA&AD)	PB -1 Rs 5,200-20,200, Grade Pay 2,400	Direct Recruitment
Data Entry Operator Grade 'B' (Console Operator In IA&AD)	PB -1 Rs 5,200-20,200, Grade Pay 2,800	Promotion failing which by deputation, failing both by direct recruitment.
Data Entry Operator Grade 'C' (Sr. Console Operator In IA&AD)	PB-2 Rs 9,300-34,800, Grade Pay Rs. 4,200	Promotion failing which by deputation, failing both by direct recruitment.
Data Entry Operator Grade 'D' System (Data Processor In IA&AD)	PB-2 Rs 9,300-34,800, Grade Pay Rs. 4,600	Promotion failing which by deputation (including short-term contract), failing both by direct recruitment.
Data Entry Operator Grade 'E' (Sr. Data Processor in IA&AD)	PB-2 Rs 9,300-34,800, Grade Pay Rs. 4,800	Promotion failing which by deputation (including short-term contract), failing both by direct recruitment
Senior Programmer DEO Grade 'F' (Data Manager in IA&AD)	PB-3 Rs 15,600-39,100 plus Grade Pay Rs 5,400	Promotion failing which by deputation (including short-term contract), failing both by direct recruitment.
Senior System Analyst (EDP)/ Data Processing Manager.	PB-3 Rs 15,600-39,100, Grade Pay Rs 6,600	Promotion failing which by deputation (including short-term contract), failing both by direct recruitment.
Joint Director (EDP)/ System Supervisor/ Principal System Analyst (EDP)	PB-3 Rs 15,600-39,100, Grade Pay Rs 7,600	Promotion failing which by deputation (including short-term contract), failing both by direct recruitment.

Director (EDP)	PB-4 Rs 37400-67,000, Grade Pay Rs 8,700	Promotion failing which by deputation (including short-term contract), failing both by direct recruitment.
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At present, the EDP cadre in IA&AD consists of six levels from DEO (GP Rs. 2,400) to Data Manager (GP 5,400). In order to attract appropriate candidates it is imperative that

the pay scales be suitably upgraded to draw better talent and more appropriately reflect the qualifications required for the respective posts

6.4. Staff Car Drivers

The posts of Staff Car Drivers are apportioned among four grades. The pay band along with grade pay, mode of recruitment and percentage of posts in each grade is tabulated below:

S. No.	Grade	Pay Band and Grade Pay	%	Mode of recruitment
1.	Staff Car Driver (Ordinary Grade)	Pay Band 1, Grade Pay Rs. 1,900/-	30	Initial recruitment
2.	Staff Car Driver (Grade II)	Pay Band 1, Grade Pay Rs. 2,400/-	30	By promotion
3.	Staff Car Driver (Grade I)	Pay Band 1, Grade Pay Rs. 2,800/-	35	By promotion
4.	Staff Car Driver (Special Grade)	Pay Band 1, Grade Pay Rs. 4,200/-	5	By promotion

The post of Staff Car Driver (Special Grade) is only to the extent of 5% of the total strength in the cadre of Staff Car Drivers. Therefore, strictly speaking, the minimum strength in the cadre of Staff Car Drivers required for placing one post of Staff Car Driver in the special grade would be 20. In respect of cadres where the strength of Staff Car Drivers is between 10 and 19, one post of Staff Car Driver in the special grade can be allowed as the percentage of post computed @ 5% of the total strength comes to 0.5 and above which may be rounded off to one. However, where the strength of Staff Car Drivers in a cadre/organization is below 10 and thus the percentage fraction is below 0.5, there can be no case for introducing the special grade.

Therefore, the 7th Central Pay Commission is urged that posts of Staff Car Driver (Special Grade) should be increased from 5% to 10% so that at least one post of Staff Car Driver (Special Grade) would be allowed in the cadre where the total sanctioned strength of Staff Car Drivers is 5 and above. The proposed revised percentage in the cadre of Staff Car Driver may be as tabulated below:

S. No.	Grade	Pay Band and Grade Pay	Percentage	Mode of recruitment
1.	Staff Car Driver (Ordinary Grade)	Pay Band 1, Grade Pay Rs. 1,900/-	30%	Initial recruitment
2.	Staff Car Driver (Grade II)	Pay Band 1, Grade Pay Rs. 2,400/-	30%	By promotion
3.	Staff Car Driver (Grade I)	Pay Band 1, Grade Pay Rs. 2,800/-	30%	By promotion
4.	Staff Car Driver (Special Grade)	Pay Band 1, Grade Pay Rs. 4,200/-	10%	By promotion

6.5. Rajbhasha Cadre

The duties of the Hindi posts in IA&AD are exactly the same as those of their counterparts in the Central Secretariat Official Language Service. The Audit reports are to be prepared in Hindi for the perusal of Parliament and Legislatures. For the proper implementation of the *Rajbhasha Adhiniyam* and to further encourage the members of IA&AD to do more work in Hindi, it is proposed to bring the pay scales of this cadre on par with the Central Secretariat Official Language Service. The existing grade pay in respect of officials working in Hindi cadre in IA &AD are as mentioned below:

Category of post	Existing pay scales	Recommended deemed pay scales
Jr. Translator	PB -2, with Grade Pay of Rs. 4200/-	-
Sr. Translator	PB -2, with Grade Pay of Rs. 4600/-	-
Hindi Officer	PB -2, with Grade Pay of Rs. 4800/-	PB -2, with Grade Pay of Rs. 4800/- After 04 years PB-2 with Grade Pay of Rs. 5400/- (i.e in line with the Assistant Audit/Accounts Officer of main stream cadres)

7. Divisional Accountants cadre

7.1 Divisional Accountants / Divisional Accounts Officers constitute another category of staff of IA&AD. Presently this separate cadre is under the administrative control of IA&AD in 18 states. They are posted in Public Works Divisions under the State

Government. For historical reasons the cadre of Divisional Accountants has been a part of the IA&AD mainly as a measure of proficiency in the accounting of public works transactions and to serve the needs of internal audit for such Government activities. The primary functions of Divisional Accountants are interlinked with the work activities of the State Government. The Divisional Accountants compile the accounts of the Division and play the role of advisor to the Executive Engineers for all accounting and financial matters in the division. They are treated as senior members of the establishment of the Executive Engineers. The scales of the State Government employees have been revised and there has been a comprehensive increase in the public activities of the State Government. The pay scales of Divisional Accountants, however, are not commensurate with the stature, workload and responsibility of the Divisional Accountants. The relative position of a Divisional Accountant to the Executive Engineer in respect of accounts is analogous to that of a Sub-Divisional Officer to an Executive Engineer in respect of works. However, this parity in the status and pay of Divisional Accountants with Sub-Divisional Officers was disturbed after independence, with the scales of Sub-Divisional Officers getting upgraded at the Centre and the States. This was despite the fact that the responsibilities of Divisional Accountants increased substantially with massive increase in government investment in public works. In fact the Divisional Accountants are required to sign the cheques jointly with the Executive Engineers. This has put tremendous pressure on this cadre. Therefore, it is imperative to restore their parity with Sub-Divisional Officers.

- 7.2** The Divisional Accountants are specially recruited through the Staff Selection Commission. While on probation, they receive intensive training and they have to pass a professional examination i.e. Divisional Accountants Grade Examination with several papers covering all facets of Public Works Accounts and Audit before confirmation. Functionally, their jobs are of supervisory nature. Considering their qualification and onerous financial and administrative responsibilities in the Public Works Department and their analogous position with the Sub-Divisional Officers of Public Works Department, it is recommended to place them in the proposed scales mentioned against each category and then fix in the revised pay scales to be recommended by the commission.

Category of post	Distribution of posts in the cadre	Existing pay scales	Deemed scales before revision with which to be treated at par	Justification
Divisional Accountant	35%	PB-2 with Grade Pay of Rs. 4200/-	PB-2 with Grade Pay of Rs. 4600/-	As detailed in Note -01 below
Divisional Accounts Officer Grade-II	25%	PB-2 with Grade Pay of Rs. 4600/-	PB-2 with Grade Pay of Rs. 4800/-	As detailed in Note -02 below
Divisional Accounts Officer Grade-I (Group B gazetted)	25%	PB-2 with Grade Pay of Rs. 4800/-	PB-2 with Grade Pay of Rs. 5400/-	As detailed in Note -03 below
Sr. Divisional Accounts Officer	15%	PB-3 with Grade Pay of Rs. 5400/-	PB-3 with Grade Pay of Rs. 6600/-	As detailed in Note -04 below

Note No. **Justification for higher deemed pay scales**

Note -01 Traditionally there has been parity between Sr. Accountant of main stream cadre and Divisional Accountants. Since, a higher grade pay for Sr. Accountants has been proposed, it is recommended that the same higher deemed pay may also be allowed to the Divisional Accountants.

Note -02 Divisional Accounts Officer-II is the promotion post of Divisional Accountant cadres and therefore, need to be placed in the next higher grade pay of Rs. 4800/- .

Note -03 Divisional Accounts Officer-I is the next higher promotional post and therefore needs to be placed in the next higher pay scale i.e PB-2 with grade pay of Rs. 5400/-

Note -04 Sr. Divisional Accounts Officer is the next higher promotional post and therefore needs to be placed in the next higher pay scale i.e PB-3 with grade pay of Rs. 6600/-

Section-IV

8. Allowances & Other Benefits

8.1. Apart from the basic pay, Government offers monetary compensation through Dearness Allowance when inflation erodes the stated income and its purchasing power. In the same way, where the exigency of service of individual Government servants compels them to undergo additional expenses, the Government reimburses the same to protect them against denudation of income. Besides, the Government also extends certain facilities, which are aimed at improving the efficiency of its employees. Needless to say, it is imperative to ensure that these measures continue to meet the purpose for which these are sanctioned. Accordingly, these have to be matched with the prevailing conditions from time to time. In this context, the suggestions being made in this section would also have general applicability to all Government servants, as distinct from those enumerated in the previous section on pay scales, which are related to IAAD employees alone. While framing the suggestions in this section, the desirability of streamlining and simplifying systems and promoting administrative ease/convenience has also been kept in view.

8.2. Dearness Allowance

The Government provides Dearness Allowance element to neutralize price rise. Since the Dearness Allowance is subject to income tax, the 7th CPC is urged to consider recommending that Dearness Allowance instalments are released in amounts so that their net of tax value is adequate to compensate the increase in cost of living as reflected by the price index to which the release of Dearness Allowance is linked.

8.3. Transfer Lump Sum Grant

8.3.1. Periodical transfers are part of the service career for IAAS Officers and some other officers in the department. The fixed transfer grant and packing allowance presently paid are not adequate. The actual expenses that have to be incurred in packing and transporting personal effects to the new station of posting and in setting there are only fractionally met by the allowances presently admissible, even if imponderable/invisible costs are ignore. It is suggested that the existing rates of

transfer lump sum grant be increased appropriately and it may also include the Dearness Allowance applicable at the time of transfer.

- 8.3.2.** Further, quite often the Government servant is unable to move immediately with his family. The reason is mostly non-availability of accommodation although other factors such as difficulty in securing school admission for children etc. also come in the way. In such circumstances, personal inconvenience apart, the government servant is subjected to a considerable financial strain till the family is shifted. To take care of this burden caused by severe dislocation in the initial days after transfer, daily allowance for the first 10 days at the new station, at that station rate, should be paid in addition to transfer lump sum grant.

8.4. Accommodation

- 8.4.1.** One of the major problems faced by officers with all-India transfer liability is the lack of residential accommodation. Most of the accommodation provided by Government comes under the category of General Pool accommodation, in which both transferable and non-transferable staff stands on equal footing though the two groups are not similarly placed. The artificial distinction created between tenure pool and general pool accommodation is getting extended to the detriment of officers getting posted to stations on temporary postings. The personnel belonging to the various groups of central services who have an All India transfer liability face acute problem of securing accommodation in a new place of posting especially if it is a metropolitan city such as New Delhi, Mumbai. Since such officers also get posted to such cities for a specific period of time only, they eminently fulfil the eligibility criteria for tenure pool. We, therefore, urge the pay commission to make appropriate recommendation that the officers of the Central Services with All India transfer liability be also made eligible for tenure pool.
- 8.4.2.** Since the capability of the Government to provide residential accommodation to its employees is limited, most Government servants, whether transferable or non-transferable, have no option but to reside in rented private accommodation. The present rates of HRA are inadequate to compensate for the high rents prevailing in most metropolitan cities. It is, therefore, proposed that the rates of HRA may be increased to levels commensurate to the higher rents which the Government servant has to pay.

8.5. Reimbursement of Children Education Allowance:

The annual ceiling limit for reimbursement of Children Education Allowance needs to be enhanced to take care of the sharp hike in school fees in the recent years. A survey should be conducted across the country to evaluate the hike in school fees. The procedure of reimbursement needs to be simplified to reduce paper work and discourage submission of fake bills.

8.6. Hostel Subsidy

Of the many problems created by frequent transfers, one of the most significant, sometimes involving unacceptable long term negative consequences is the dislocation in the education of children. Some of the places of posting in India do not have suitable education facilities. Sometimes transfers take place during the academic sessions. As distinct from those with somewhat limited transferability in practical terms, such as between a State Capital and the Union Capital, the degree of hardship of those with transfer liability all over the country needs to be recognized. At school level, the State Boards are different with varying curricula and medium of instruction. Seats are not easily available in the few schools affiliated with the Central Board and with two or three children to be educated, for a decade or more, the Government servant has to handle this problem every 2-3 years on an average. Under the circumstances, the number of the Government servants who are forced to admit their children in boarding schools is on the rise. Efforts should, therefore, be made to mitigate this hardship, at least in financial terms. In such cases, the 7th CPC is urged to recommend a suitable method of compensating the government servant for this extra financial strain due to hostel expenses for the first two children till atleast the +2 level.

8.7. LTC Facilities

A Government employee is entitled to a Home Town LTC in a block year of two years for self and dependent family members. He is also entitled to All India LTC, in lieu of one Home Town LTC in a block of four years. In the past it has been seen that there were many cases of fake reimbursements of LTC claims in some of the departments. To simplify the process and avoid fake claims, this facility can be monetized and government employee paid a lump sum equivalent to 20% of Basic

Pay plus Grade Pay drawn during the preceding twelve months. This will not only reduce paper work and man hours in settlement of LTC claims but also reduce fake claims cases. Such lump-sum payments would be subject to Income-tax as per Income Tax law. However, if a government employee wishes to claim the actual reimbursement of journey performed availing LTC, he may be allowed to do so, in which case such reimbursement will not be subject to income-tax deduction as is the case at present.

8.8. Telephone/Internet / Mobile charges:

8.8.1. Audit personnel are required to be in frequent touch with their headquarters offices and higher officials in connection with their nature of work irrespective of their place of posting even during transit. Also, audit personnel are on regular tour. Maintenance of mobile phone will reduce delay in communication with higher officials. This facility will also help them to maintain a fair relationship with their family and the society.

8.8.2. Further, Internet has become a vital resource in today's world. Knowledge up gradation is an inevitable part of audit work. In the present scenario, Internet provides information which helps the audit employees in executing their work with greater effectiveness. Moreover, audit findings have to be transmitted to the higher officials and instructions from them are also to be communicated quickly to their subordinates. Hence, being the fastest, easiest, cheapest, most omnipresent, and universal means of communication, audit employees must be equipped with Internet facility. Therefore, the Pay Commission is urged to recommend adequate compensation towards telephone/mobile/internet charges to all gazetted officers as is already available to officers above a particular rank.

8.9. Reimbursement of newspapers at residence.

Section Officer to Additional Secretary level officers and equivalent are entitled for reimbursement for one to three newspapers at home. There is no limit for Secretary level officer. However, the process of reimbursement is not cost effective as it involves a lot of paper work and administrative process. It can be simplified by

making it as fixed allowance to the eligible officers, payable on monthly basis along with pay.

8.10. Daily Allowance/Travelling Allowance (DA/TA)

The DA/TA on tour has been trifurcated into three components i.e. food bill, expenses on local transportation and hotel charges (all on reimbursement basis). In most of the cases, it is difficult to get bills for meals from dhabas/hotels etc. in small towns. Similarly, no three-wheeler/rickshaw etc. issues bill for local journey. It will be more appropriate if the reimbursements for food and local transportation are replaced by an appropriate quantum of fixed amount, based on status of officer and classification of cities, to meet these two contingent expenses. The hotel charges may continue to be reimbursed on actual basis on production of bills.

8.11. Honorarium

The limit of amount for honorarium payable under FR 46 B was last revised in 1985, when the limit was raised to Rs. 5000/- per annum. The ceiling has not been revised since then. This has caused many problems especially in areas like training where it becomes difficult to get suitable faculty for in service training etc. The ceiling needs to be revised to Rs. 12,000/- per annum.

Section-V

9. Miscellaneous Issues

9.1 Determination of revised pay scales

Salary structure in the Government must reflect market conditions. While there may not be an absolute parity between the pay and perquisites enjoyed by employees at similar levels of functionality in the private and government sectors, there should be a broad comparability. The pay scales also need to be elongated to allow sufficient space for a person to grow and avoid stagnation. Direct measurable components may be compared with the averages obtaining in the private sector while determining the revised pay scales rather than deciding on the basis of routine tinkering with the existing pay scale. While doing so, the aspirations of the employees need to be kept in view as these constitute a major motivational factor. Also, while in the previous chapter deemed scales have been proposed before revision taking the existing scenario, the total number of pay scales need to be brought down further through rationalization of pay scales. It is felt that there is an excessive fragmentation of scales, especially in Group 'B' and Group 'C' cadres. This leads to inefficiency and disturbance in these posts on account of compulsions created by need for frequent promotions. It also results in avoidable costs on administration of these cadres. It is, therefore, proposed that in the overall review of pay scales in these cadres there is a need for consolidation of the different levels with longer scales.

Pay band	Grade Pay	Applicable to the posts	Difference in the Grade Pay	% age of difference in Grade Pay
PB-1 (Rs.5,200-20,200/-)	Rs. 1800/-	MTS	-	-
	Rs. 1900/-	Clerk/Typists (LDC)	Rs. 100	05.55
	Rs. 2400/-	DEO, Steno	Rs.500/-	26.31
	Rs. 2800/-	Auditor/ Accountants	Rs. 400/-	16.66
PB-2 (Rs.9,300-34,800/-)	Rs. 4200/-	Sr. Auditor/Sr. Accountants/PA/JHT/DA	Rs. 1400/-	50.00
	Rs. 4600	PS/DAO-II	Rs. 200/-	09.52
	Rs. 4800/-	AAO, Supervisors, Sr. PS/DAO-I	Rs. 200/-	04.34
	Rs. 5400/-	AO	Rs. 600/-	12.50
PB-3 (Rs. 15,600-	Rs.5400/-	Sr. AO/Sr. DAO	--	00.00

39,100)				
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It is evident that there are wide variations (00.00% to 50.00%) in the grade pays and there is no uniformity in change from one grade pay to next higher grade pay. The 7th Central Pay Commission may look into this and evolve a rational method while formulating the Grade Pays of different cadres.

9.2 Annual Increments

9.2.1 Granting the annual increment to all on the 1st day of July uniformly has not served the purpose because Rule 10 of CCS (RP) Rules, 2008 reads as under:

“ ... Employees completing 06 months and above in the revised pay structure as on 1st July will be eligible to be granted the next increment. The first increment after fixation of pay on 01.01.2006 in the revised pay structure will be granted on 01.07.2006 for those employees for whom the date of next increment was between 1st July, 2006 to 1st January, 2007.”

9.2.2 It is proposed that there should be two dates of increment i.e. 1st January and 1st July. Those recruited or promoted between 02nd working day of January and 30th June will have their increment date on 1st January of next year and those recruited or promoted between 1st July and 31st December may be granted the increment on 1st July next year.

9.2.3 Apart from the above, one notional increment should be granted to the employee on his superannuation, if he has completed more than six months of qualifying service in the Grade after his last increment, for calculating retirement benefits.

9.3 Fixation of Pay on promotion

9.3.1 The 6th Central Pay Commission introduced the system of Pay Bands and Grade Pays to address the anomalies arising due to merger of pay scales, whereby promotion and feeder cadres were placed in identical pay scales. But the aim could not be achieved without the merger of posts as the merger of promotion and feeder cadre and merger of pay scales have different meanings. Further, Rule 8 of Central Civil Service (Revised Pay) Rules, 2008 on fixation of pay in the revised pay structure of

employees appointed as fresh recruits on or after 01.01.2006 provides that the pay of direct recruits to a particular post carrying a specific grade pay will be fixed as mentioned in Section II of Part A of the First Schedule of these Rules for entry level pay in pay band. Whereas Rule 13 of Central Civil Service (Revised Pay) Rules, 2008 deals with fixation of pay on promotion on or after 01.01.2006 which stipulates that in case of promotion from one grade pay to another in revised pay structure, the fixation will be done by granting one increment equal to 3% of the sum of the pay in the pay band and the existing grade pay and this will be added to the existing pay in band and the grade pay corresponding to the promotion post will thereafter be granted in addition to this pay in pay band.

9.3.2 Due to above rules, an employee may draw less pay on promotion in comparison to a direct recruit who joins later in the same grade pay and pay band. For example, a person 'X' drawing the grade pay Rs. 1800/- and promoted to grade pay 1900 or 2000 or 2400 or 2800 may draw less pay in pay band in comparison to a person 'Y' who is directly recruited in grade pay 1900 or 2000 or 2400 or 2800 even if 'Y' is recruited after a few years of the promotion of 'X'.

9.3.3 To remove the anomaly which arose due to introduction of Grade Pay, Rule 13 of CCS (RP) Rules, 2008 may be amended as under:

“...in case of promotion from one grade pay to another in revised pay structure, the fixation will be done by granting one increment equal to 3% of the sum of the pay in the pay band and the existing grade pay and this will be added to the existing pay in band and the grade pay corresponding to the promotion post will thereafter be granted in addition to this pay in pay band. However, if the pay in the pay band after adding the increment is less than the entry level pay in the pay band mentioned in Section II of Part A of the First Schedule of Central Civil Service (Revised Pay) Rules for a particular grade pay to which promotion is taking place, pay in pay band will be stepped to such entry level pay”.

9.4 Central Government Employees Group Insurance Scheme (CGEGIS)

9.4.1 The Central Government Employees Group Insurance Scheme (CGEGIS) which came into force with effect from 1st January 1982 is applicable to all Central Govt. employees. The Scheme is intended to provide for the Central Government employees, at a low cost and on a wholly contributory and self-financing basis, the twin benefits of an insurance cover to help their families in the event of death in service and a lump sum payment to augment their resources on retirement, death, resignation etc. The scheme has got two funds, namely Insurance Fund and Saving Fund in which subscription is apportioned at the rate of 30% and 70% respectively. Both the said funds are held in the Public Accounts of the Central Government. The rate of apportionment of subscription is based on the mortality rate which was revised from 3.75 per thousand per annum till 31-12-1987 to 3.60 per thousand per annum with effect from 01-01-1988. The amount of Insurance fund is to be paid to the families of those employees who unfortunately die due to any cause including suicide while in Government service. The total accumulation of savings together with interest thereon is payable to member on his retirement after attaining the age of superannuation or on cessation of his employment with the Central Government or to his family on his death while in service. Due to advancement in medical sciences and improvement in health care facilities, life expectancy has gone up and mortality rate adopted in 1988 may not be relevant any longer. Therefore, the contribution to the Insurance Fund @ 30% appears to be very high and needs review, as it will have an overall effect on all the Central Government employees.

9.4.2 In light of increase in life expectancy in the last 32 years, the 7th Central Pay Commission is urged to review the operation of Insurance Fund as well as revision of ratio of contribution to Insurance Fund and Saving Fund under Central Government Employees Group Insurance Scheme.

9.4.3 Further, the existing rate of monthly subscription and amount of insurance cover are as mentioned below:

Group to which employee belongs	(A) For those who subscribe at the old rates		(B) For those who subscribe at the revised rates		
	Rate of contribution (Rs.)	Amount of Insurance cover (Rs.)	Rate of Subscription		Amount of Insurance cover (Rs.)
			Before enrolment as a member (Rs.)	After enrolment as a member (Rs.)	
'A'	80	80,000	40	120	1,20,000
'B'	40	40,000	20	60	60,000
'C'	20	20,000	10	30	30,000
'D'	10	10,000	15	15	15,000

9.4.4 It may be seen that the subscription as well the corresponding amount of insurance cover is very less as compared to the current inflation index. Therefore, the rate of subscription, corresponding amount of insurance cover and contribution towards insurance fund needs to be revisited and re-fixed appropriately.

9.5 Modified Assured Career Progression Scheme (MACPS)

The strength of the Modified Assured Career Progression Scheme is that it has helped officials stagnating for want of promotion in a cadre for more than 10 years. The MACP Scheme is required to be continued to alleviate the problem of stagnation in a cadre. Further, keeping in view the average 35 years of service life of a government servant, at least four financial up gradations should be provided in their service careers to Group 'B' and 'C' officials, one on completion of every 08 (eight) years of service. It is also submitted that in the defense services, financial up gradation under MACPS is granted if a person is stagnating in a cadre for more than 08 years.

9.6 Entitlement on tour/transfer, allotment of government accommodation, transport allowance etc. based on pay in the pay band instead of grade pay

9.6.1 Until the 5th Central Pay Commission, the entitlement to daily allowances on tour, entitlement to travel in appropriate class in trains/taxi, allotment of government accommodation, transport allowance etc. were based on pay of the employees. With the introduction of Grade Pay system in the 6th Central Pay Commission, the aforesaid entitlements are based on the Grade Pay. This has caused anomaly and

resulted in down grading of entitlements of an official by the 6th Central Pay Commission vis-à-vis the entitlements according to the 5th Central Pay Commission of a similarly placed official.

9.6.2 To illustrate, the following example can be seen:

Pay in the pay scale as per 5th CPC	Entitlements	Corresponding grade pay as per 6th CPC	Entitlements	Remarks
Rs. 8750/- (Rs.7500-250-12,000)	(i) AC Taxi (ii) Type-IV (iii) TA (A1 city) - Rs. 800/-	Rs. 4800/-	(i) Not entitled for AC Taxi (ii) Type-III (iii) TA (A1 city) -Rs.1600+DA	(i)Entitlement for taxi has been downgraded, (ii)Entitlement for accommodation has been downgraded ; and (iii)Entitlement for TA has been lowered from corresponding to Rs. 3200+DA to Rs. 1600+DA

9.6.3 Though the entitlements mentioned in the above paragraph are based on the grade pay, entitlement of an official for Personal Computer/Motor Car Advance and entitlement of rooms in hospital continue to be based on pay in the pay band.

9.6.4 Due to implementation of MACPS, some officials, though holding lower post, have been placed in higher grade pay due to 2nd /3rd financial up gradation under MACPS, making them eligible them for higher entitlement than officers actually senior in rank to him. This anomaly has been causing great heartburning to the seniors in rank. The Pay Commission is urged to make appropriate recommendations to protect the interest of the individuals so that they are not put to a disadvantageous position.

Organization of IA&AD

