

### **(5.3) Stores & Workshop Accounts**

*(5.3.1) Instructions for the maintenance and accounting of stores & workshop job cards etc.*

In the course of local audit of accounts of the various Laboratories/Institutes by the Accountant General, stores undertaken by the Stores Verification Officer of the Council, very serious irregularities in the accounting and maintenance of stores have been brought to the notice of Council for rectification. A few of the more serious types of defects are indicated below in the hope that all heads of the Laboratories/Institutes will go through the same very carefully and issue instructions to the dealing staff concerned to guard against such defects and irregularities come in future by observing these instructions scrupulously.

1. The stores purchased are neither entered in the relevant stock registers on receipt nor the details thereof are incorporated in the stock ledgers. It is needless to point out that stores of consumable and non-consumable nature should be separated and entered in separate registers duly classified. It has been noticed that in some cases the component parts or accessories have not been exhibited in store ledgers at all rendering the stores verification impossible as for example the Electric Motors supplied by a firm with the machines have not been shown anywhere in the register though this formed a separate part altogether. The certifying authority may therefore, please ensure that relevant information viz., order No. and date, suppliers name, rate, quantity and value and other relevant particulars of the stores and accessories are fully noted in the stock registers before the bills are certified by him.
2. It may also be ensured that entries regarding the same stores are not spread over various registers but are entered on the same pages where similar stores have been entered.
3. Separate registers for chemicals, glass apparatus machinery, furniture, stationery articles and equipment may be maintained to avoid mixing up of stores with a view to facilitate easy checking of stores and drawing up balances in hand of each kind.

4. Proper records for assembling of -apparatus and disassembling of parts of equipment for research purposes may please be indicated in the relevant stock registers to avoid confusion at the time of verification. No part should be removed from the equipment without proper notice to the store-keeper for effecting consequential changes in the relevant register.
5. The stores purchased against special requisitions from various divisions may not be issued in bulk quantities beyond one month's probable requirements direct to divisions on receipt by the store-keeper. Such requirements should be duly certified by the Head of the Division, in whose favour the stores will be issued to avoid unnecessary accumulations, loss or their misuse by research workers.
6. A separate record of apparatus and other bulk quantities of stores issued to various heads of divisions may be maintained in each division or in central stores. In respect of such articles of stores found to be surplus or not required in the near future they may periodically be returned to central stores for use in other divisions as well as to guard against unnecessary purchases and piling up of stocks.
7. All indents for purchases should be routed through the stores to enable the Store-keeper to verify the quantities available in stock and purchases should be made on the basis of the certificate given by him that stores are not available and may be purchased.
8. All items of apparatus issued to various divisions may invariably be noted on the store register of the division and loss damage or un-serviceability of items reported to the competent authority as soon as discovered and simultaneously transferred to the relevant register (loss or unserviceable).
9. A physical verification of stores should be conducted annually by a Gazetted Officer other than one who happens to be in-charge and the result of verification should be reported to the Director for necessary orders

#### **10. Workshop Accounts**

- i. Articles fabricated in the workshop may in the first instance be transferred to stores for stock entry in the relevant register together with the full particulars including the cost thereof and subsequent issue to the indenting

division. The cost of the fabricated articles or equipment may please be recorded in the stock register from the job card which should show the full details of stores consumed including the cost thereof and the labour charges etc. incurred on their fabrication - cross references of stock entry of the stores for verification purposes being given.

- ii. All entries of receipt of stores and their additions may be carefully checked and attested by the officer concerned in the stock registers to avoid unauthorised additions and alterations therein.

**11.**As regards the fabrication of apparatus and other miscellaneous works in the workshops, the procedure laid down below may be observed.

- i. The necessary particulars of job to be executed should be detailed in the work order by the indenter and approved by the Head of the Division together with the estimated cost therefore. As far as possible subsequent changes in specifications which renders the original estimate null and void and results in infructuous expenditure may be strictly guarded against. Any change while the work is in progress result in wasteful expenditure both of labour and material and should be avoided.
- ii. On receipt of a work Order, job card should be made and registered. A record of all materials and labour used daily for the job and the cost thereof be kept in the job card. The fabricated article should then be made over to stores for supply to the indenter through a proper issue register after entry in the stock register. The job card should also bear the particulars of stock entry for cross references.
- iii. All issues of Consumable and non-consumable stores to be made against a job must be noted in the card, number of which may invariably be quoted on the issue slips. Materials for more than one job should not be included on the same issue slip.
- iv. Stores intended for making permanent fixtures should be issued against job cards and properly accounted for. Issue of stores to individuals for this purpose may be stopped altogether. The details and quantity of stores issued for a particular job card may invariably be recorded on the reverse of the job card indicating the cost thereof, total man-hours used together with

the charges for the same and the total cost of the stores fabricated, for recording the Value of the fabricated articles in the stock register.

The specimen form of job cards, issue slips, job card registers, fabricated article register, tool register, machinery register and their history sheet, labour register, personal register for the issue of working kits and other tools to various workers are also enclosed herewith for introducing the same in the workshops forthwith.

(CSIR letter No. 17-CSIR/Audit/(Misc.)/56, dated May, 1956)

*(5.3.2) Costing of jobs in the Workshops of the National Laboratories/Institutes.*

In pursuance of the directive issued in this Office circular No. 17-CSIR/Audit/Misc/55 dated May. 1956 the question of the pricing of job cards in the Workshops has been further discussed with the AGCR and the following procedure agreed to:-

**1. Indents & Issue of materials**

- i. All indents received in the Workshops should be on the job card (sample form enclosed) (Form A). This will serve as cost sheet. The Labour and Material used on the jobs should be entered on this card.
- ii. Issue of materials should be entered on Issue Slips (Form B enclosed).
- iii. The issue slip should be checked by the Foreman or the Shop-Incharge of respective shops and each issue should be entered on the job and debited on the Stock Ledger. Any excess should be returned back to Stores and credited on the job card and the Ledger.

2.The costing of raw material should be done from a price list revised every financial year showing the average prices of the materials.

3.The return of stores should be marked with red ink/chalk on the job card to differentiate it from other entries.

4.The costing of labour should be done by dividing the whole labour in two categories - Category 1 consisting of Sr. Electricians, Fine Mechanics and Mechanics and Category II consisting of Mistries, Attendants and

**Apprentices and computing an average wage for each category per hour or per day and using the average figure for costing.**

**5.The details of costing should be done either on a separate sheet which may be stitched to the job card itself as may be convenient.**

**6.All items of capital nature should be costed and sent to central stores for being issued to indentors but accessories or components and equipments etc., repair jobs or modifications can be passed on to the Indentors direct and receipt obtained on the job card for record. An additional column in the Job Registration Book will show such deliveries.**

**7.Fabrication of items costing upto Rs. 501- may not be costed at all, but they should be certified by the Workshop Superintendent to this effect and delivered direct to the indentor, keeping a record in job registration book in an additional column as against item (6) above.**

**8.The overheads should be calculated as a suitable percentage of direct labour taking into account expenditure on supervision, power, cost of machinery, cost of building, indirect labour etc. including proportionate cost of the drawing office.**

**9.The computation of the overheads should be worked out on a separate sheet as shown in enclosure 'C'.**

**10.Average wages should also be worked on a separate sheet as shown in enclosure 'D'.**

**The above procedure should be followed with immediate effect.**

**(CSIR letter No. 7(23)/57-Aud., dated 16th December, 1957)**

**FORM 'A'**

**Council of Scientific & Industrial Research**

**Name of Laboratory/Institute**

**Work Order No.**

**Department**

**Description of work:**

**Date:**

Drawing No.,	Required by	Head of Div.	Received by
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Priority	Work order Received by
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Date
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Hours
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Date	Date finished
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Hours	Total Hours
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Mechanic:	Remarks pertaining to work
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1.
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2.
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3.	Inititals	Inititals
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4.	Foreman	Workshop Supdt.
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FORM "B"

STORES SUMMARY

S.No.
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Description of Material
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Quantity
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Initial
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1.
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2.
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3.
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4.

5.

6.

7

8.

9.

10.

11.

12.

13.

14.

15.

16.

**Rs.**

**Cost of Labour**

**Cost of Material**

**Over head**

**Total Cost**

**Inspected by**

**Signature**

**Work Completed Satisfactorily**

**Date**

**FORM 'B'**

**Name of Laboratory/Institute**

**WORKSHOP STORES ISSUE TICKETS**

**Book No.**

**Ticket No.**

**Name of Workman**

**Work Order No.**

**Date**

**SI.NO.**

**Description of material**

**Quantity**

**Stock Register No.**

**INCHARGE**

**INCHARGE**

**(STORES)**

**(WORKSHOP)**

*(5.3.3) Instructions for the maintenance and Accounting of stores and workshop job cards etc.*

Reference CSIR O.M. No. 17-CSIR/Audit /Misc./56, dated May, 1956 and No.7(23)/57-Auditg dated 16.12.1957 (PL see para 5.3.1 & 5.3.2) to all Heads of Labs./Instts. in which certain instructions were issued for maintenance of job cards in the workshop and their costing. The director of Audit (CW&M-II) in his recent observation on the accounts and records of Labs./Instts. has brought to notice that certain Labs. are not properly maintaining job cards of workshop and that costing is not being carried out. It may be appreciated that accounting of

jobs carried out in the workshop is very much necessary for exercising proper control on material consumed and labour utilised on such jobs. These instructions (although issued long ago) are based on sound principles continue to hold good even at present. You are requested kindly to follow these instructions in your Lab./Instt. If there are any constraints or difficulties in following the instructions CSIR may be apprised of them so that suitable changes can be considered in the procedure and formats.

Over the years cost index has gone high and accordingly the value for the purposes of para 7 of O.M., dated 16.12. 1957 is raised to Rs. 5001-.

I shall request you kindly to ensure that maintenance of job cards in the workshop and costing thereof is effected as per instructions already issued and the present status may be reported to the CSIR at an early date. (CSIR letter No.6(1)/88-Reports, dated 10th/22nd August, 1988)